

Better access to banking services

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WIDER REACH: Bank Negara wants more financial institutions to adopt agent banking following new guidelines

RUPINDER SINGH
KUALA LUMPUR
bt@nst.com.my

BANK Negara Malaysia (BNM) wants 90 per cent of the *mukim* in the country to have access to basic banking services through multiple access points, including agent banking, by 2014.

Agent banking is the use of non-bank retail outlets by financial institutions (FIs) to deliver financial services on their behalf.

BNM's Development Finance and Enterprise Department director Kamari Zaman Jahari said there were a total of 837 *mukim* in the country, of which 548 are being served.

Unserved areas are defined as those *mukim* with a population of at least 2,000 but are without any access point, such as bank branches, FI's mobile units or Pos Malaysia agents, for making deposits and withdrawals.

He said agent banking provided a cheaper alternative for FIs to reach out to the under-served segment of the population.

As at end-July, during the pilot run of agent banking, some 1.1 mil-

lion transactions worth RM194 million have been conducted through 2,322 agents of the three participating banks.

The three FIs are Malayan Banking Bhd, RHB Bank and Bank Simpanan Nasional.

"It was noted that the most popular services were bill payments (76.6 per cent), bank deposits (14.5 per cent) and bank withdrawals (6.3 per cent).

Kamari said he hoped to see more FIs adopting agent banking, now that BNM had issued its guidelines on it.

The guidelines are aimed at facilitating the implementation of agent banking in unserved areas in a reliable, safe and sustainable manner while safeguarding consumers' interest and confidentiality.

The guidelines list the requirements to be observed by FIs in the areas of governance and oversight, management of agents, customer protection, awareness and education.

"The guidelines on agent banking outline the minimum expectations to be observed by those FIs that intend to undertake agent banking," he said at its launch by BNM governor Tan Sri Dr Zeti Akhtar Aziz,



Bank Negara Malaysia governor **Tan Sri Dr Zeti Akhtar Aziz** launching the new agent banking logo in Kuala Lumpur yesterday. With her are (from left) BNM deputy governor **Datuk Muhammad Ibrahim**, Association of Islamic Banking Institutions Malaysia president **Datuk Redza Shah Abd Wahid** and Association of Banks Malaysia chairman **Datuk Abdul Wahid Omar**. Pic by Rosela Ismail

here, yesterday.

To inform the public on the availability of basic banking services, all authorised agents will have to display a national agent banking logo and the logo of the FI.

Meanwhile, Zeti said BNM introduced the framework for agent

banking to achieve a more inclusive financial sector.

She said the Financial Sector Blueprint 2011-2020 emphasised greater efforts towards achieving the vision of an inclusive financial system that best served all members of society, including the under-

served.

"Agent banking is an additional delivery channel that can enhance the convenience and outreach of quality and affordable financial services, particularly to the under-served in a more cost-efficient manner," she added.