

Adnan Zaylani Mohamad Zahid: Speech - National Financial Literacy Symposium 2025

Speech by Mr Adnan Zaylani Mohamad Zahid, Deputy Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Fourth National Financial Literacy Symposium, Kuala Lumpur, 2 October 2025.

* * *

A warm welcome to everyone. It is my honour to welcome everyone to the fourth National Financial Literacy Symposium (NFLS). Beyond just another conference, we hope this symposium will be a catalyst for progress and change. We gather here to ignite ideas, to turn insights into action, and to shape a future where every Malaysian is empowered with the confidence to make sound financial choices.

Research must not sit idle in journals or remain confined to theory. It must move, inspire, and transform lives. If we recall the 2023 NFLS, one study revealed a critical gap in our financial education system: the lack of capacity-building in schools. That insight did not end as a report. It became the spark for the Financial Education Network's train-the-trainers programme, equipping educators nationwide to multiply impact in classrooms. This is what happens when research meets resolve. Real change can happen.

This year, under the theme "Shaping a Financially Resilient Nation: Well-informed and Inclusive Financial Ecosystem," we confront the toughest challenges at the heart of financial literacy and capability. We are shining a light on the gaps in our ecosystem and committing to close them. We need to do this. Because empowering Malaysians with the right knowledge, tools, and skills is not a luxury but a necessity. In a world of financial complexity, we must build resilience, inclusion, and confidence.

We are also making a slight shift this year. Instead of issuing a call for papers, we are taking a deep dive into three pressing challenges that demand our collective attention.

First, the Financial Capability and Inclusion Demand Side Survey 2024 revealed a paradox. Financial knowledge among Malaysians has improved from 60.2% in 2021 to 62.9% in 2024. Yet, behaviours are not shifting. Only 58% of Malaysians actively save for the future, and many cannot withstand a RM1,000 emergency. This is a wake-up call: knowledge alone is not enough. It must translate into action, confidence, and resilience.

Second, digitalisation is changing how we engage with money, with transactions becoming faster, easier, and in some situations, seemingly more affordable while being very accessible, from e-wallets to Buy-Now-Pay-Later schemes. But with convenience comes risk. The same survey found that 31% of Malaysians spend more impulsively online, while scams are rising sharply. Worse still, digital exclusion is real: those with limited digital literacy or poor connectivity risk being left behind. We must ensure that digital financial literacy goes beyond mastering apps or platforms.

Third, Malaysia is fast becoming an ageing nation within the next decade. The share of older Malaysians is rising each year. Yet, financial readiness has not kept pace; only 36% of EPF members meet the basic retirement savings benchmark. This is not just a demographic trend, it is a financial preparedness challenge of national importance. Retirement planning, healthcare financing, protecting seniors from financial fraud - we must act decisively to safeguard their future wellbeing.

Distinguished guests,

Tomorrow, YAB Perdana Menteri will launch a new National Strategy for Financial Literacy (NS2.0). The new strategy takes a sharper, more inclusive, and action-oriented approach to address today's realities while preparing for future needs. The approach goes beyond information-sharing. For success, it must also be a long-term commitment to behavioural change, one that adapts to the evolving financial landscape, and the diverse experiences people have with money. One of Malaysia's unique strengths is our rich tapestry of multi-racial and multi-religious communities which we can also harness to enhance the delivery of financial education that resonates deeply. A promising path to strengthen our messages to Muslim communities is Islamic financial literacy, which offers a powerful framework rooted in ethical and purposeful financial behaviour.

For example, in our attitude towards debt. Prophetic traditions discourage debt as it could be burdensome. Nonetheless, if one takes on debt, and we would be hard pressed not to take on debt to meet our various needs today, repayment is a must. Indeed, many traditions cite that the Prophet Muhammad would not perform funeral rites on the deceased until the family or friends stepped forward to repay the deceased's debts. Many clear principles can be derived from the teachings – responsible financial management, avoiding over indebtedness and the importance. Under NS2.0, these and similar workstreams will be further pursued, to add to the corpus of financial literacy from religious and societal values.

Ladies and gentlemen,

Allow me a little digression. The importance of repaying debts goes beyond good individual financial management. In another workstream that the Bank is undertaking, we present a perspective that the modern financial system and modern money, are the credits and debits, assets and liabilities, on the balance sheets of financial institutions, in other words, debts. To sustain this system that fundamentally supports and facilitates economic activity, is the need to ensure financial stability, of which if we look deeper, is in essence, the need to ensure that by and large, debts incurred are repaid. Hence, our financial literacy initiatives, indeed are tightly intertwined and contribute not only to financial resilience, but also the broader financial stability and economic growth itself.

Under our new strategic direction, we are also proud to introduce the FEN Research Community or FENRC. We now have a dedicated platform to advance impactful financial literacy research – with a special focus on supporting the most vulnerable segments of our society. Hence, today's session is an opportunity to gather ideas on priority areas, and to hear your thoughts on how FENRC can thrive – as a community that nurtures collaboration, and drive research that is both practical and transformative.

With this in mind, today's Symposium will spotlight three priorities for building a financially resilient Malaysia:

1. Bridging the gap between knowledge and action by using trust, behavioural insights, and practical solutions to turn awareness into lasting financial habits.
2. Preparing for an ageing population by developing strategies that help Malaysians plan for retirement, manage healthcare costs, and stay financially secure in later life.
3. Harnessing the power of communities by leveraging Malaysia's strong sense of community and trusted local voices to ensure financial literacy is inclusive, relatable, and impactful for all.

Ladies and gentlemen,

I hope we can all leave today with a clear purpose and action plan. Whether you are a researcher, regulator, or practitioner, your role is crucial.

To the researchers: we need evidence that speaks to real challenges and inspires real solutions. Research grounded in reality is a powerful force for change.

To the practitioners: innovate with purpose. Design products, tools, and programmes that are intuitive and impactful, so that every Malaysian has the chance to thrive.

To the regulators: create the right conditions for good ideas to flourish. Safeguard innovation, while protecting the most vulnerable.

The Financial Education Network remains committed to building a financial literacy ecosystem that is inclusive, resilient, and ready for the future. My hope is that this Symposium sparks fresh ideas, meaningful collaboration, and renewed purpose. What this really means is that NFLS is more than a symposium. It is a call to action. The insights, debates, and evidence we gather here must shape real decisions, influence real behaviour, and strengthen the financial resilience of Malaysians from every walk of life. Let us carry forward the spirit of collaboration between regulators, researchers, educators, and industry so that together, we can build a nation that is not only financially literate, but also financially confident and future-ready.

Thank you.