



Malaysia National Strategy for Financial Literacy

2026 - 2030

**Shaping a Resilient
Financial Future**

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Message from the Prime Minister



As Malaysia advances towards becoming a more inclusive and sustainable high-income nation, the financial wellbeing of our people must remain central to our national development.

The first National Strategy for Financial Literacy 2019 – 2023, or NS1.0, laid a strong foundation. It brought the public and private sectors together under a shared aspiration: to uplift the financial knowledge and capabilities of Malaysians. The results speak for themselves. We have strengthened our global standing in financial literacy, our public awareness is rising and our agencies have improved their coordination in the interest of an integrated approach. These achievements show what is possible when we act with shared commitment and purpose.

But the journey is far from over. The financial landscape is shifting rapidly, shaped by digitalisation, increasing economic uncertainty, demographic change and new forms of financial risk. These challenges demand a response that is agile, inclusive and future-ready. And in this journey, no Malaysian should be left behind.

The second National Strategy for Financial Literacy 2026 – 2030, or NS2.0, rises to this challenge. It aims to empower Malaysians from all walks of life to navigate today's financial environment with confidence and competence. NS2.0 aspires to help people manage debt and risk more effectively, build financial resilience for the unexpected, promote safe and informed use of digital financial services and support vulnerable communities so that opportunity is shared by all.

This is more than a policy framework. It is a catalyst for economic and social empowerment. I commend the Financial Education Network for its dedication in shaping and driving this Strategy. But success will require a whole-of-nation effort. Ministries, industry, communities – all of us have their roles in making financial literacy not a privilege for a few, but a right for everyone.

When we invest in the financial capability of our people, we strengthen families, communities and the nation itself. We reinforce the foundations of a more resilient and equitable society, one grounded in the values of Malaysia Madani: justice, inclusivity and sustainability.

Financial empowerment must be a defining feature of Malaysia's future. Together, we will build legacy of dignity, security and hope for generations to come.

Thank you.

YAB DATO' SERI ANWAR IBRAHIM

3 October 2025

Foreword by Co-Chairs of the Financial Education Network



Advancing financial literacy is a long-term commitment and one that must evolve alongside changes in societal norms, technology, and the structure of the economy.

The first National Strategy for Financial Literacy 2019 – 2023 (NS1.0) marked a shift in how Malaysia approached financial education: with shared accountability, stronger coordination, and a focus on evidence-based outcomes. Since then, we have built a solid foundation for multi-agency collaboration and targeted interventions. This has brought progress. The triennial Financial

Capability and Inclusion Demand Side (FCI) Survey affirms this, showing improvements in financial knowledge, behaviour and attitude. Yet, it also highlights persistent gaps – particularly in long-term planning, debt management, and digital financial literacy.

The second National Strategy for Financial Literacy 2026 – 2030 (NS2.0) builds on this foundation with a forward-looking approach. Anchored on five Strategic Priorities, it sets a clear direction to empower Malaysians at every life stage, with a strong focus on vulnerable and underserved groups. It recognises that better financial capabilities are essential not only for meeting day-to-day needs but also for building long-term financial resilience and well-being.

NS2.0 places greater emphasis on delivery, scalability, and measurable outcomes. This means strengthening how we track progress, aligning interventions with real needs, and leveraging innovation and behavioural insights to achieve meaningful impact. Its Delivery Plan ensures effective implementation, coordinated resources, and sustained progress.

On behalf of Bank Negara Malaysia and the Securities Commission Malaysia, together with the founding members of the Financial Education Network (FEN) (Ministry of Education, Ministry of Higher Education, Employees Provident Fund, Perbadanan Insurans Deposit Malaysia, Permodalan Nasional Berhad and Agensi Kaunseling dan Pengurusan Kredit), we extend our sincere appreciation to all associate members and partners for their invaluable insights and steadfast support in developing this Strategy. Your contributions have made NS2.0 inclusive, responsive, and grounded in the lived realities of Malaysians.

We also acknowledge the public's role – not only in shaping NS2.0 through feedback, but in making it real through daily actions. Financial literacy is built over time: the student who budgets wisely, the family who saves for the unexpected, the retiree who stays vigilant against scams. These everyday acts form the true foundation of a financially resilient nation.

Realising the full intent of NS2.0 will require continued collaboration, innovation, and commitment. We invite all stakeholders to join FEN in turning this Strategy into lasting change. This is about more than improving financial outcomes – it is about embedding financial literacy into the very fabric of our society, so it is valued, practised, and passed on.

Together, we can empower Malaysians to build a stronger, more resilient financial future.

Thank you.

Dato' Sri Abdul Rasheed Ghaffour

*Governor,
Bank Negara Malaysia*

Dato' Mohammad Faiz Azmi

*Chairman,
Securities Commission Malaysia*

Executive Summary

Overview

The National Strategy for Financial Literacy 2026 – 2030 (NS2.0) sets a renewed direction for advancing financial literacy in Malaysia, building on the foundation laid by the first National Strategy 2019 – 2023. Drawing from past lessons, NS2.0 adopts a more adaptive approach in responding to the needs of diverse target segments and emerging challenges shaped by digitalisation, economic shifts, as well as changing lifestyles and consumption patterns.

Vision and Mission

NS2.0 is anchored on a clear vision: to equip Malaysians with strong financial capabilities to achieve financial resilience and well-being, paving the way for a secure, inclusive and sustainable future. It promotes a whole-of-nation approach in the delivery of inclusive, dynamic, innovative and well-targeted financial education to cultivate a culture of informed, responsible financial decision-making.

Five Strategic Priorities (SP) for 2026 – 2030

SP1 Promote wise financial planning and preparation for retirement	SP2 Foster smart and responsible debt management	SP3 Secure financial future with risk protection	SP4 Promote safe, confident and meaningful usage of digital financial services	SP5 Encourage investments for wealth creation
<ul style="list-style-type: none">Drive lasting improvements in financial planning awareness, knowledge and habits across all life stages by leveraging behavioural insightsStrengthen the financial literacy ecosystem to enhance access to and effective usage of financial planning resources and tools	<ul style="list-style-type: none">Improve debt management knowledge and practices for long-term financial healthEnsure inclusive access to finance complemented with comprehensive advisory and support, particularly for the vulnerable and underserved segments	<ul style="list-style-type: none">Increase consumer awareness and understanding of risk protection and its benefits, nudging consumers towards responsible and optimal risk managementImprove access to and usage of microinsurance/ microtakaful, particularly for the vulnerable segments	<ul style="list-style-type: none">Enhance digital financial literacy while cultivating cybersecurity awareness and promoting informed usage of redress and advisoryPromote greater usage of digital financial services to deepen financial inclusion	<ul style="list-style-type: none">Promote greater awareness on the availability, risks and benefits of investmentsFacilitate greater adoption of digital investmentsBroaden Sustainable and Responsible Investment product awareness to encourage greater participation

Robust Monitoring and Evaluation Framework

Macro-level: Headline Indicators and Targets	Micro-level: Delivery Plan
<ul style="list-style-type: none">Sets measurable national targets to be achieved by 2030Focuses on driving balanced progress across financial knowledge, attitude and behaviour, and supporting improvements in Malaysia's global financial literacy standingServes as common aspirations to align efforts and mobilise stakeholders across sectors	<ul style="list-style-type: none">Programmatic roadmap to guide the implementation of initiatives and track impact across stakeholder effortsFocuses on three strategic areas: shift mindsets and behaviours around money, strengthen financial skills of key target segments, and build strong partnerships to drive sustainable change, by leveraging behavioural insights to ensure meaningful outcomesGuides the transformation of institutional efforts into scalable, high-impact National Level Initiatives

Chapter 01

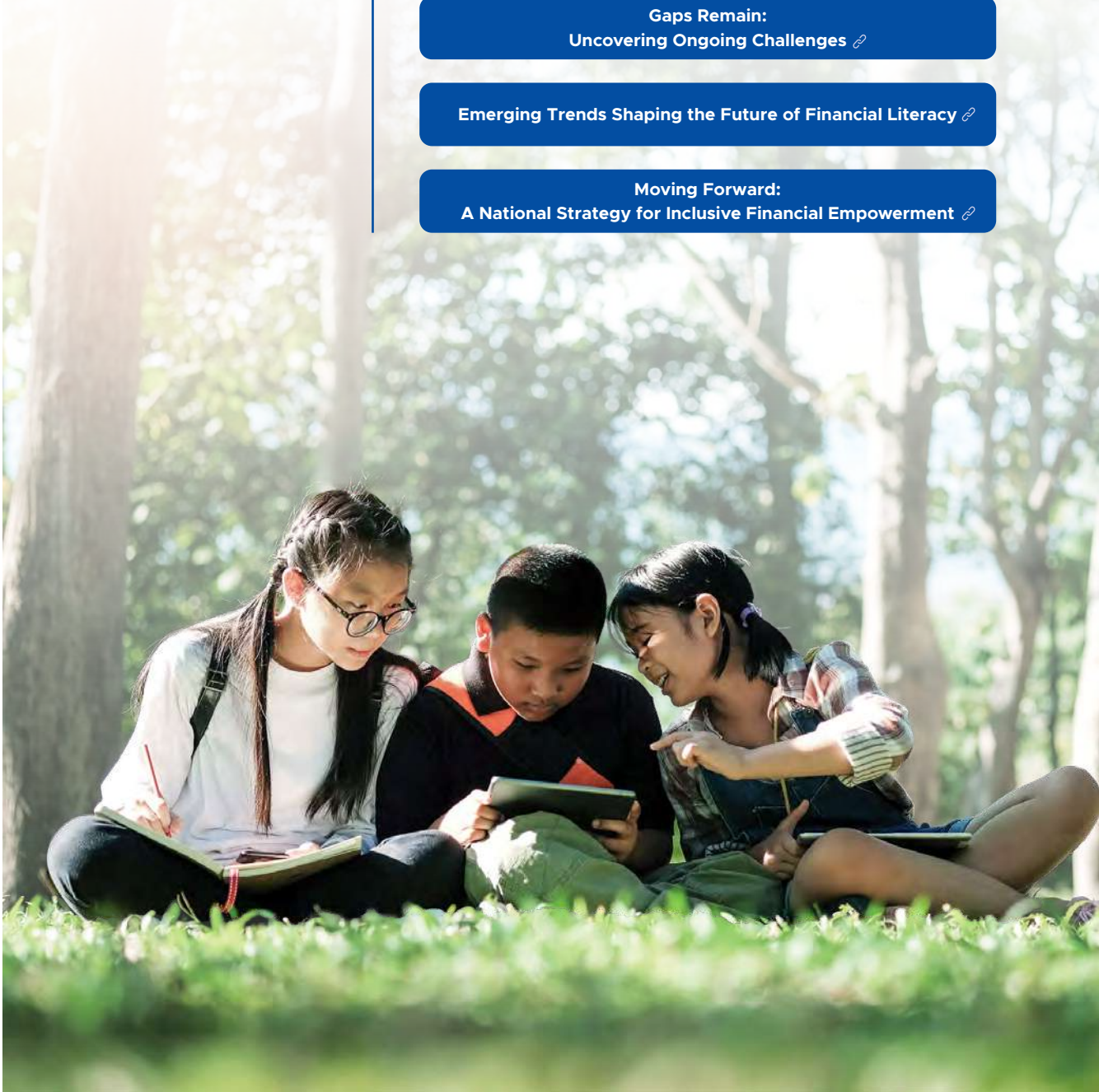
Setting the Stage: Malaysia's Financial Literacy Landscape

Laying the Groundwork:
Progress in Financial Literacy Advancement

Gaps Remain:
Uncovering Ongoing Challenges

Emerging Trends Shaping the Future of Financial Literacy

Moving Forward:
A National Strategy for Inclusive Financial Empowerment





Malaysia's financial literacy journey has made good progress since the launch of the first National Strategy for Financial Literacy (NS1.0), laying a strong foundation for the next phase. The rapidly changing economic and financial landscape and emerging challenges of today require a deeper understanding of where we stand and how to adapt. Financial literacy has become more essential for fostering financial resilience and promoting inclusion, which will underpin the nation's long-term economic stability and prosperity. This chapter takes stock of the strides made since the NS1.0, while identifying the continuing gaps and challenges. Reflecting on these, it sets the stage for the second National Strategy for Financial Literacy (NS2.0) to build upon the achievements and address these gaps, charting a course to further elevate financial literacy in Malaysia.

Today, Malaysians are faced with a growing array of complex financial choices, from digital payments and sophisticated investment options, to planning for retirement and managing debt. The decisions consumers make today will shape their financial futures. Against this backdrop, financial literacy has become an even more crucial foundational skill for individuals and small businesses to navigate these complex choices and risks effectively.

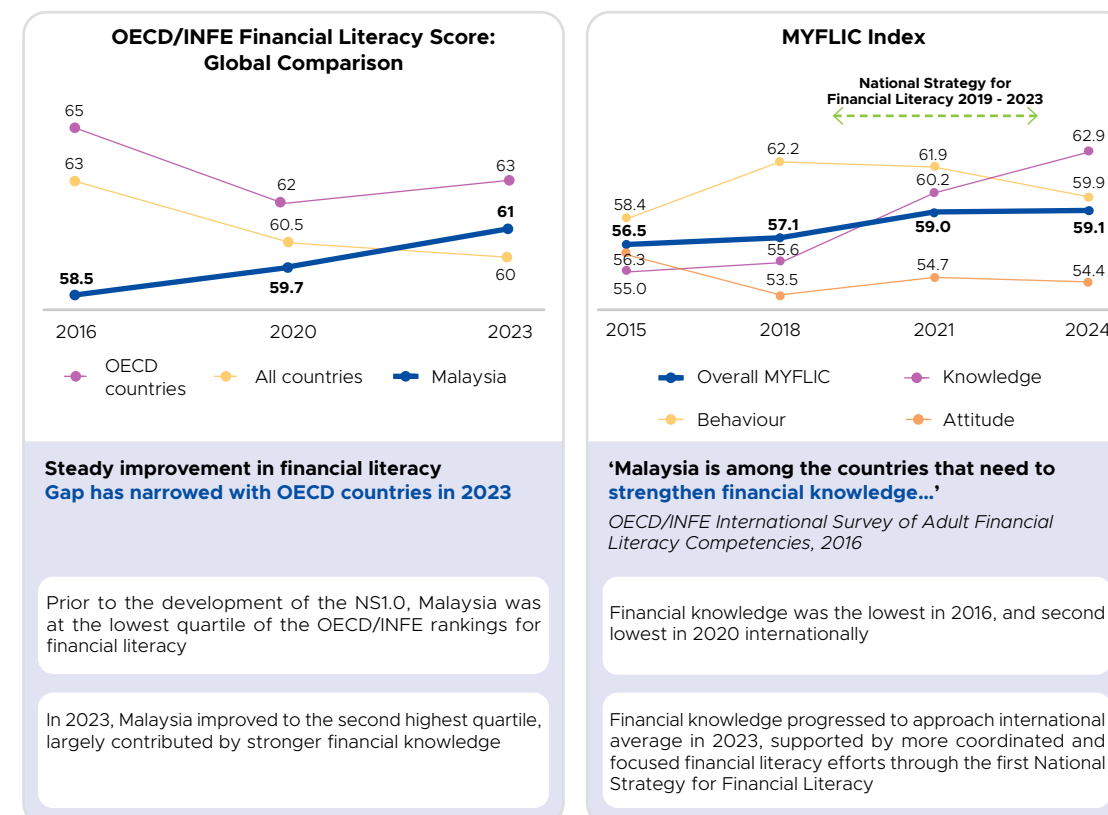
Financial literacy is the cornerstone for achieving financial resilience and financial well-being. With the right knowledge, skills, behaviours and attitudes, Malaysians are better able to weather economic uncertainties, avoid financial pitfalls, capitalise on opportunities, and plan effectively for their futures. This fosters a cycle of well-being, where sound financial decisions lead to greater security, confidence and a better quality of life.

Laying the Groundwork: Progress in Financial Literacy Advancement

In 2016, the Organisation for Economic Co-operation and Development International Network on Financial Education (OECD/INFE)'s findings placed Malaysia at the bottom for financial knowledge, highlighting significant gaps in the population's understanding of basic financial concepts. This challenge persisted in 2019, when Malaysia again was positioned among the lowest, underscoring the need for greater focus on financial literacy. In response, Malaysia took decisive steps by establishing the Financial Education Network (FEN) – an inter-agency platform comprising institutions and agencies committed to promoting financial literacy. The NS1.0 was also launched in 2019 to coordinate and intensify financial education efforts across the nation.

Steady strides have been made since the introduction of the NS1.0. The Malaysia Financial Literacy and Capability (MYFLIC) Index rose from 57.1 in 2018 to 59.1 in 2024, largely driven by increased awareness of financial concepts and products. Malaysia has also narrowed the gap with OECD countries.

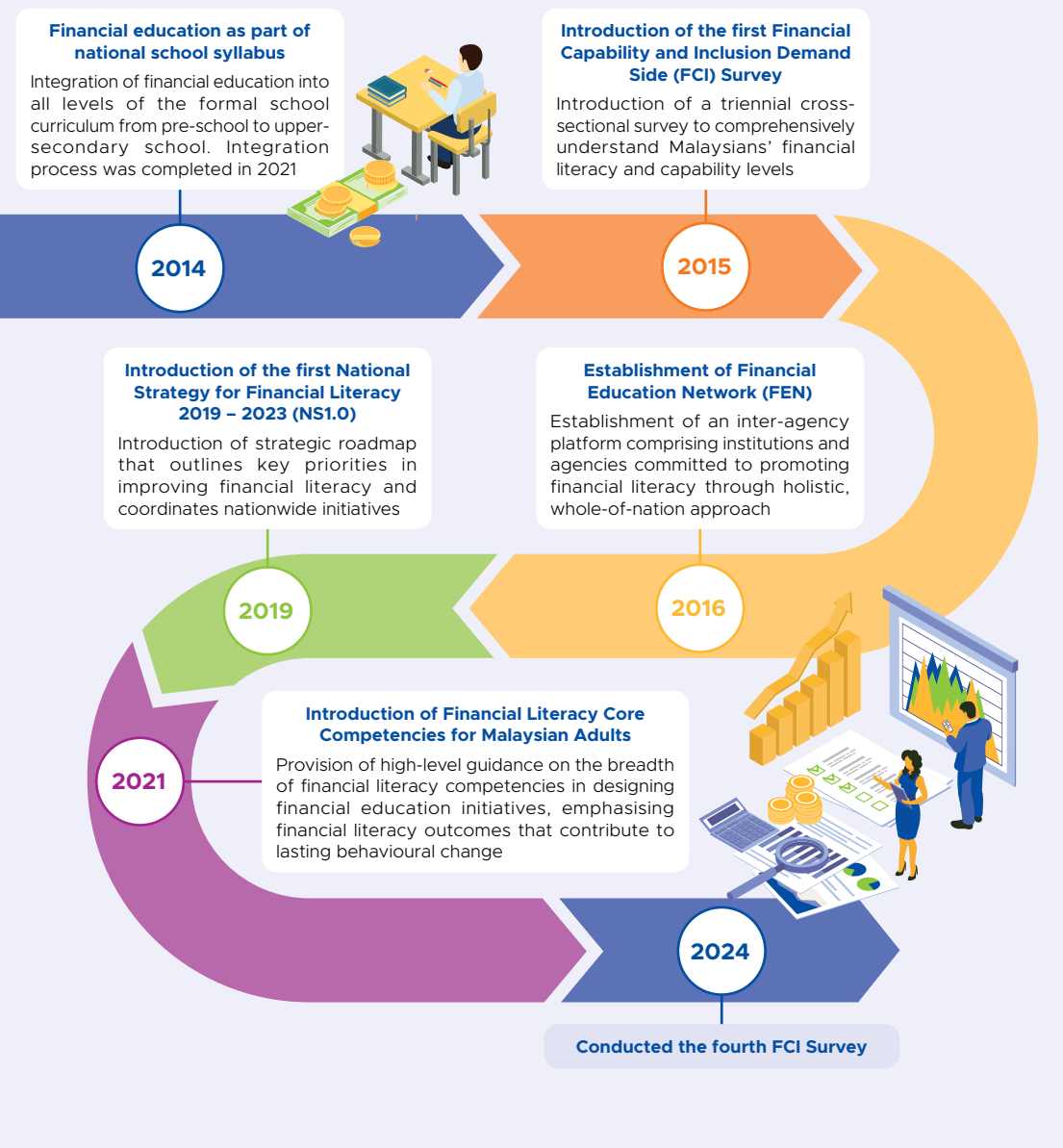
Improvements in Financial Literacy in Malaysia



Source: OECD/INFE

This progress reflects the dedicated and collaborative efforts of FEN members and partners in shaping and advancing financial literacy. Partnerships with various stakeholders drive the delivery of educational programmes, resources and outreach initiatives.¹ This collective commitment demonstrates the powerful impact of collaboration toward achieving national financial literacy objectives.

Evolution of the Financial Education Journey in Malaysia



Gaps Remain: Uncovering Ongoing Challenges

Nonetheless, notable gaps remain. Bank Negara Malaysia (BNM)'s triennial Financial Capability and Inclusion Demand Side (FCI) Survey 2024² reveals that despite increased financial product ownership, Malaysians' understanding of these products remain low, especially as financial offerings become more complex. This may hinder the meaningful or optimal use of financial products and services and limit their potential to benefit consumers in a sustainable way. Moreover, better financial knowledge has also yet to adequately translate into lasting positive changes in financial attitude and behaviour. Without shifts in attitude and behaviour – such as a greater sense of long-term planning and stronger self-control – the benefits of financial education are less likely to endure, potentially rendering individuals vulnerable to financial stress in the future. Alongside this, there is growing anxiety about retirement preparedness, with 31% of Malaysians expressing concern about their ability to cover expenses in old age (2021: 27%).

These challenges are particularly pronounced among key vulnerable segments. For instance, the youth report higher debt burden, due mainly to student loans, store credit and borrowing from family and friends. Among those struggling with debt, lower-income households and gig workers are also more hesitant to seek formal financial assistance, preferring informal networks. This exposes them to greater financial risks and misinformation, and limits their access to more secure, structured resources and advice.

Gaps in Financial Literacy in Malaysia

Savings and Budgeting



31% of Malaysians
still do not have enough money for basic needs

26% of Malaysians
claim they have always/sometimes run short of money due to insufficient or fluctuating income and rising cost of living

Among those who run short of money:

51%
cut back on spending to make ends meet

42%
withdraw from their savings



More than half of Malaysians have savings for future but gradual decline in savings behaviour observed over the years

¹ More information on the key collaborative initiatives by FEN members and partners can be found in Chapter 4 From Strategy to Action: The Strategy's Delivery Approach. [↗](#)

² The FCI Survey is a triennial cross-sectional survey commissioned by BNM. It assesses the level of financial capability of Malaysians based on measures of financial knowledge, behaviour, and attitude, which are used to construct a composite MYFLIC Index. More information on the FCI Survey 2024 is available at https://www.bnm.gov.my/documents/20124/17493532/ar2024_en_box4.pdf/. [↗](#)

Readiness for Unexpected Life Events

6 out of 10 Malaysians

are unable to raise emergency cash of RM1,000

Only 37% of Malaysians

can sustain for more than 3 months in the event of income loss

35% of Malaysians

show interest to learn about life insurance/family takaful and its benefits

28% of Malaysians

have life insurance/family takaful coverage

Indebtedness

26% of Malaysians

feel they have too much debt

Top 3 credit and debt take-up by segment:

Youth:

student loan, store credit and debt with family and friends

Gig worker:

car loan, house loan and credit card

Government worker:

car loan, personal loan and Buy Now Pay Later scheme

4 out of 5 Malaysians

seek financial advice on debt management from family members and close friends



Source: FCI Survey 2024

Planning for Retirement

31% of Malaysians

express concern on their ability to cover expenses in old age

Less than half of Malaysians

are confident with their financial retirement plans

More than half of Malaysians

rely on the EPF savings as the source of income for retirement

Among older Malaysians above 50 years old, 40%

rely on financial support from family members (e.g., children and spouses) for retirement

Digital Financial Literacy

92% of Malaysians

utilise digital financial products and services

15% of Malaysians

share passwords and/or PIN of bank accounts with close friends

18% of Malaysians

share information about personal finances publicly online

Only 39% of Malaysians

pay attention to the security of a website before making online transaction

In this digital era, consumers face new challenges in managing finances. Technologies like artificial intelligence (AI) and deepfakes are now being used to create more realistic and deceptive forms of online fraud. Vulnerable segments, in particular, may struggle to keep up with the digital skills required to navigate these risks. While technology can make financial transactions more seamless, it is crucial that consumers remain vigilant and have sufficient knowledge to secure their transactions.

Additionally, digital financial services (DFS) are reshaping spending behaviours. Traditional cash payments have frictions, where people physically see and feel the transfer or outflow of funds. In contrast, digital payment methods offer a “painless payment” experience, which makes it easier to spend impulsively without immediate financial consequences. While convenient, these payment methods, as well as Buy Now Pay Later (BNPL) schemes, can lead to overspending and delayed debt repayment, ultimately causing long-term financial strain.

Impact of the “Painless Payments” Phenomenon

>30%

likely to make **impulsive** online purchases

37%

purchased goods and services online that **they do not need**

>20%

view e-commerce as a form of **retail therapy** and **stress-coping mechanism**

Source: FCI Survey 2024, Agensi Kaunseling dan Pengurusan Kredit (AKPK)

When we consider the broader economic environment, particularly in today’s challenging macroeconomic climate, vulnerable segments like youth and those with irregular or limited incomes bear an even greater burden, as increases in cost of living sometimes outpace income growth. This makes it difficult for even those who are financially literate to apply their knowledge effectively. Hence, low or limited incomes also remain a major structural barrier to the holistic advancement of financial literacy in Malaysia. This is evidenced by the decline of the MYFLIC score for lower-income groups, while middle- and high-income groups have seen their scores rise above the national average.

MYFLIC Score by Household Income								
	MYFLIC		Knowledge		Behaviour		Attitude	
	2021	2024	2021	2024	2021	2024	2021	2024
Overall	59.0	59.1	60.2	62.9	61.9	59.9	54.7	54.4
Low Income	57.8	56.7	56.5	59.1	60.7	57.4	54.4	53.5
Middle Income	59.8	60.4	61.3	65.3	63.9	61.1	54.4	54.8
High Income	60.5	63.0	63.9	68.8	63.3	64.1	54.5	56.1

Source: FCI Survey 2024

Emerging Trends Shaping the Future of Financial Literacy

As we look ahead, several emerging trends are reshaping the financial literacy landscape. These forces are transforming how Malaysians manage and spend their money, creating new demands for financial education that keeps pace with evolving priorities and risks. It is important for financial literacy efforts to address these trends proactively, helping Malaysians adapt and make sound financial decisions in a rapidly shifting environment.

Emerging trends shaping the financial literacy landscape



New growth angles in financial services

Increasing demand for more personalised, equitable, and eco-conscious financial solutions



Alignment to national priorities and broader development goals

Greater focus on contributing to the aims of the Financial Sector Blueprint and Sustainable Development Goals by understanding how financial services enhance lives and livelihoods, as well as how financial decisions impact social and environmental outcomes, to encourage more ethical and responsible financial choices



Impact of heightened uncertainty

Heightened uncertainty (e.g., globalisation, geopolitical tensions and pandemic) leading to financial stress and anxiety, often resulting in reactive decision-making that undermines long-term stability and well-being



New growth angles in financial services

The rise of digital natives, coupled with rapid advancements in data analytics and AI, is driving demand for more personalised financial services. More digital-savvy consumers, especially among the younger generations, expect seamless, customised financial offerings that align with their unique needs and preferences.

Demographic shifts, including an ageing population and growing awareness of the need for equal opportunities for women and men, highlight the importance of more inclusive and targeted financial literacy resources that support long-term financial planning and promote financial independence. Furthermore, growing awareness of climate change is encouraging consumers to make financially and environmentally responsible choices. According to the FCI Survey 2024, more than half of the Malaysian population expressed concerns over the implications of climate change. These developments present an opportunity to promote financial literacy that is not only inclusive, but also responsive to emerging societal values.

Alignment with national priorities and broader development goals

Enhancing financial literacy is essential to advancing Malaysia's development priorities at the national level. This includes contributing to Malaysia's national development plans by ensuring Malaysians have the financial capabilities to meaningfully participate in and equitably benefit from economic growth. It also aligns with the Financial Sector Blueprint 2022 – 2026, which focuses on shaping confident and capable financial consumers that take charge of their financial futures.

Furthermore, financial literacy is a key enabler for Malaysia's progress toward the Sustainable Development Goals (SDGs), supporting 10 out of 17 SDGs, including those related to poverty reduction, equal opportunity and responsible consumption. By empowering individuals to understand the sustainability and ethical impact of their financial decisions, financial literacy can foster responsible choices that support both personal well-being and Malaysia's sustainable growth.

Impact of heightened uncertainty

Global events such as globalisation, trade war and frictions, geopolitical tensions and the COVID-19 pandemic have created a more uncertain environment, threatening job losses, increasing business challenges and work pressures, and contributing to financial uncertainty for individuals. Such conditions can lead to stress and anxiety, often resulting in short-term, reactive financial behaviours that could undermine long-term financial well-being. Financial literacy helps individuals manage these pressures with greater confidence and clarity, by equipping them with the skills and knowledge to make informed, rational decisions that prioritise longer term stability.



Moving Forward: A National Strategy for Inclusive Financial Empowerment

The NS2.0 continues the journey begun in 2019, reinforcing financial literacy as a vital tool for building financial resilience and well-being. It aims to create an inclusive, adaptive framework that builds on past successes, addresses remaining gaps, and responds to new challenges. At its core are five Strategic Priorities that focus on empowering Malaysians to plan wisely for the long-term, manage debt responsibly, secure financial futures with risk protection, confidently and safely use DFS and build wealth with informed investments. These priorities address critical areas for financial literacy progress and will be explored in greater detail in Chapter 3: Foundations for Change: The National Strategy 2026 - 2030.

The NS2.0 sets clear, ambitious targets, aligned with these Strategic Priorities, to be achieved by 2030.³ These targets reflect a commitment to more balanced progress across the key components of financial literacy – knowledge, behaviour and attitude – while also aiming to strengthen Malaysia's standing in global benchmarks such as the OECD/INFE Adult Financial Literacy rankings. Importantly, they serve as shared goals for stakeholders across all sectors to align efforts and measure collective impact.

Reaching these targets will not be without challenges, such as rising living costs, income disparities and economic uncertainties. These may hinder progress. Addressing these realities requires more than financial education alone. Strengthening financial resilience and well-being holistically will require collaboration across public and private sectors to tackle these broader systemic barriers and ensure no one is left behind.

Headline Indicators and Targets for 2030

	Baseline (2024)	Target (2030)
Overall financial literacy		
OECD/INFE Adult Financial Literacy Score <i>Evaluates the financial literacy levels of adults across various countries and facilitates a comprehensive understanding of financial literacy across different regions and economic contexts</i>	Second highest quartile of OECD/ INFE ranking	Move up to highest quartile of OECD/INFE ranking
Malaysia Financial Literacy and Capability (MYFLIC) Index <i>Constructed based on the FCI Survey, and assesses the level of financial capability of Malaysians across components of financial knowledge, behaviour and attitude</i>	59.1	≥65
Strategic Priority 1: Promote wise financial planning and preparation for retirement		
% of Malaysians who prioritise long-term financial planning over short-term gratification	49.8	≥60
% of Malaysians worried about the ability to cover expenses in old age	31	≤20
% of Malaysians who plan ahead for anticipated expenses	New indicator; Target to be established in 2027	
Strategic Priority 2: Foster smart and responsible debt management		
% of Malaysians who feel they have too much debt	26	≤15
% of household borrowers with debt service ratio (DSR) of ≥60% ⁴	20.5	≤20
Strategic Priority 3: Secure financial future with risk protection		
% of Malaysians able to sustain their living expenses (at least 3 months) when faced with unexpected events	37	≥45
% of Malaysians who find it difficult in getting emergency cash of RM1,000	61	≤45
Index on the sufficiency, clarity and reliability of information on financial products and services	53.6	≥65
Strategic Priority 4: Promote safe, confident and meaningful usage of digital financial services		
Digital financial literacy index	42.2	≥55
% of Malaysians who share passwords and/or PIN of bank accounts with close friends	15	≤10
% of Malaysians who pay attention to website security before making online transactions	39	≥60
Strategic Priority 5: Encourage investments for wealth creation		
Capital market literacy index	New indicator; Target to be established in 2027	

Source: OECD/INFE 2023, FCI Survey 2024, Securities Commission Malaysia

³ For detailed indicators and targets, please refer to Headline Indicators and Targets for 2030 on page 15.

⁴ The 60% DSR threshold is generally used as a rule of thumb to indicate a borrower with high debt obligations. This measure reflects the share of a borrower's income used to service debt repayments.

Chapter 02

Voices to Vision: The Significance of Public Engagements

Who Were Involved and Why It Matters [↗](#)

What the Stakeholders Expressed [↗](#)

How FEN Responds [↗](#)

From April to September 2024, FEN embarked on a comprehensive stakeholders' engagements nationwide to gather feedback and ideas from Malaysians. The objective was to capture diverse perspectives to inform the development of NS2.0. Through a series of face-to-face and online surveys with more than 2,600 participants, FEN sought to identify key concerns and explore opportunities for enhancement. This chapter highlights these on-the-ground insights, gathered from all segments of communities. By grounding NS2.0 in the lived experiences of Malaysians, it underscores the importance of public engagement in shaping financial literacy initiatives that resonate with the needs and aspirations of the nation.

Who Were Involved and Why It Matters

The participants of these surveys represent a wide range of key stakeholder groups including Ministries, government agencies, financial industry players,⁵ capital market intermediaries,⁶ social enterprises, non-governmental organisations (NGOs) and the public. Each of these stakeholders plays a pivotal role in shaping the financial literacy landscape, making their contributions essential to the development of the NS2.0.

Key Stakeholders



Ministries and Agencies

- Crucial in formulating policies and implementing nationwide financial education programmes, ensuring alignment with the national policies and regulations
- Having direct access to the public and relevant authorities, they can mandate and integrate financial literacy into various public services and education systems



Financial Industry

- Financial service providers provide the essential financial products and services
- Their involvement ensures that financial literacy initiatives reflect real-world financial markets and equip the public with the knowledge to navigate financial products and investment strategies effectively



Social Enterprises and NGOs

- These groups work closely with vulnerable populations and play an essential role in reaching segments of society that are often overlooked by the mainstream initiatives
- Their grassroots connections are vital for tailored financial education programmes that address the unique needs of different communities



Public

- The general public, including specific demographic such as school children, youth, small medium enterprises (SMEs), and underserved community are the ultimate beneficiaries of the financial literacy efforts
- Understanding their needs and challenges is critical for designing impactful programmes that improve financial well-being

⁵ Refers to Conventional and Islamic Banks, Development Financial Institutions, Digital Banks, Payment System Operators, Insurance Companies and Takaful Operators.

⁶ Includes Investment Banks, Fund Management Companies, and Financial Planning Companies.

What the Stakeholders Expressed

Feedback from diverse stakeholders illuminated critical aspects of Malaysia's financial literacy landscape, revealing both challenges and opportunities for growth. Of significance, it underscores the need for a well-coordinated and collaborative approach in formulating the NS2.0. The stakeholders' valuable inputs provide a roadmap that further guides efforts to target key areas for development and address existing gaps with tailored solutions, fostering a more financially empowered Malaysian society.

Key Challenges Faced by Stakeholders

Low financial literacy level amid persistent financial vulnerabilities

A predominant issue identified across multiple stakeholders is the low level of financial literacy which often translates to inadequate long-term financial planning and a lack of financial resilience in dealing with unexpected situations. This is exacerbated by significant financial vulnerabilities such as the rising cost of living, low and irregular income, and insufficient savings, further hindering the ability to withstand financial shocks effectively.

Low awareness of FEN and its initiatives

Over 80% of respondents reported being unaware of FEN and the NS1.0, highlighting the urgent need to elevate public awareness and boost participation in financial education programmes.

Gaps in mandate and jurisdiction alignment

Aligning financial education programmes with existing mandates is critical for their effective implementation. However, while 78% of financial service providers are mandated to offer financial education programmes, many treat them as corporate social responsibility activities or brand-building efforts, lacking clear goals for improving financial literacy or aligning with the Strategy. Meanwhile, 37% of respondents from Ministries and agencies have financial education as part of their mandate, yet these programmes are often not executed due to low participation levels.

Rising occurrence of financial scams

The growing prevalence of financial scams poses a serious risk to individuals, exposing them to deceptive schemes that can lead to substantial financial losses. Today, online scams operate around the clock, creating confusion as individuals struggle to discern between legitimate and fraudulent information. As these scams become more complex and pervasive with the use of digital platforms and technologies, they not only threaten financial loss, but also erode public trust in online transactions, creating a more uncertain environment for individuals navigating financial decisions.

Low utilisation of teaching materials developed

While the Ministry of Education and financial institutions have developed various supporting materials to aid teachers in integrating financial education elements in the daily lessons, these materials remain underutilised, unassessed, and in need of review to ensure their continued relevance. The primary barrier to their effective use is the lack of structured capacity building for teachers.

High cost hindering accessibility of financial education

33% of respondents from the underserved segment indicated that the cost of accessing financial education and its resources, including programme fees and out-of-pocket expenses, is a barrier for them.

Stakeholders' Wish List

Accessible and inclusive delivery and outreach

Financial education must be accessible to individuals from all walks of life, including those in underserved communities and persons with disabilities. Achieving this requires a blend of innovative digital tools and in-person initiatives. While digital platforms offer new and innovative ways to expand outreach more affordably and effectively, physical learning and roadshows remain crucial for communities with limited connectivity. More focused awareness campaigns on FEN, NS2.0 and available initiatives are also needed, particularly for advocates of underserved segments like the social enterprises, NGOs and the public.

Customised and engaging learning experiences

Stakeholders stressed the need for tailored educational content that reflects the distinct financial needs and aspirations of diverse demographic groups. Generic materials often fall short; real-life examples, simplified language and interactive elements such as case studies, gamification and group discussions are essential for improving engagement. For example, financial education programmes should emphasise the real-life costs of poor financial decisions to drive home the importance of sound financial practices and decision-making. Personalised support, like business coaching for microentrepreneurs, also further enhances learning and empowers individuals to apply financial knowledge in practical contexts.

Timely and practical financial guidance

Just-in-time financial education delivered at key decision points (e.g., prior to accessing financial support to purchase a car or house), can encourage more careful consideration and better decision-making. Timely and consistent nudges also support better short-term financial planning, such as managing credit card payments and building emergency savings.

Strategic partnerships and incentives

Stronger partnerships among Ministries, agencies, financial service providers, and community organisations can facilitate better pooling of resources and expertise to amplify the reach and impact of financial literacy initiatives across communities. By working together, stakeholders can also create meaningful incentives that reward positive financial behaviours, such as matched savings and reward points for financial milestones like debt payoffs or when completing a financial course. Such incentives help to reinforce lessons of financial education and motivate individuals to adopt habits that promote long-term financial well-being.

Continuous measurement and evaluation of impact

Intentionally embedding measurement and evaluation practices into the organisational culture is essential for tracking progress, identifying improvements and adapting financial literacy programmes based on comprehensive and evidence-based analysis, ensuring programmes remain effective and relevant.

Empowering and collaborative peer-led financial literacy





Nearly half of respondents from the underserved communities prefer learning financial literacy from their peers. This peer-to-peer learning within a familiar community builds trust, making it easier for individuals to discuss sensitive financial matters and seek advice. Since traditional education is often inaccessible to this group, peer-assisted learning enables them to learn from each other's real-life financial experiences, practical tips, and community-specific financial strategies.

How FEN Responds

The success of the NS2.0 hinges on dynamic collaboration with a diverse range of stakeholders. By tackling the challenges identified during these engagement sessions and harnessing the unique strengths of each stakeholder, the NS2.0 is poised to further elevate the financial literacy, resilience and well-being of Malaysians.

Drawing from the stakeholders’ feedback and recommendations, the diagram below outlines clear, actionable steps to build a comprehensive NS2.0, emphasising enhanced teamwork, targeted education programmes, and continuous evaluations to ensure sustained impact. Incremental adjustments to existing policies, aimed at key life transitions could enhance the nation’s financial literacy efforts in a way that feels both practical and inclusive. Collaboration between the government, educational institutions, and the private sector is key to making these ideas a reality, and by working together, we can ensure more Malaysians have the financial skills they need to thrive.

Actionable Steps to Build a Comprehensive NS2.0

 Leveraging Stakeholders' Strength	<p>Institute collaboration with strategic partners: Enhance partnerships with influential (high influence, high interest) stakeholders who can significantly impact the programme by shaping policy and offering strategic support</p> <p>Educating the public through financial service providers: Financial service providers to expand their financial education programmes beyond corporate social responsibility efforts to include measurable, broader and more targeted reach</p>
 Branding and Communication	<p>Promotion and awareness campaigns: Increase awareness of FEN and its initiatives. This could involve more localised outreach programmes and digital campaigns to ensure widespread awareness and participation</p> <p>Support for financial scams awareness: Create targeted campaigns that educate the public on recognising and avoiding financial scams, with specific focus on digital and online financial safety</p>
 Improving Financial Education Programme	<p>Provide just-in-time education with customised content and engaging elements, particularly through financial service providers and digital commerce platforms. Incorporate personalised support to enhance effectiveness of the financial education programme</p> <p>Embed financial education at key life transitions (e.g., when entering the workforce, during income increments, and pre-marriage) by providing timely, relevant and context-specific learning for greater impact</p> <p>Provide incentives and rewards for good financial behaviour by thoughtfully integrating incentives and rewards (e.g., prior to disposing scholarship or study loan to final year students), financial education initiatives can increase engagement, reinforce positive behaviours, and ultimately lead to improved financial well-being</p>
 Ongoing Monitoring and Evaluation	<p>Feedback mechanisms: Establish regular feedback loops with stakeholders – including ministries, financial service providers, social enterprises, NGOs, and the public – to continuously assess the effectiveness of NS2.0 initiatives and make necessary adjustments. This will help ensure that the Strategy remains relevant and impactful</p>

Building a Comprehensive NS2.0

Chapter 03

Foundations for Change: The National Strategy 2026 - 2030

Vision, Mission and Key Objectives [↗](#)

Target Segments [↗](#)

Strategic Priorities [↗](#)

Enablers [↗](#)

Cross-cutting Lens [↗](#)

At the heart of NS2.0 lies a clear and cohesive framework designed to drive meaningful progress in financial literacy. This chapter outlines the foundational elements of the Strategy that collectively shape its direction. Together, these components form the framework for advancing financial education and fostering financial well-being of Malaysians across all life stages.

National Strategy 2026 - 2030

Vision

Malaysians with strong **financial capabilities** to achieve **financial resilience and well-being** for a secure, inclusive and sustainable future

Mission

Building a financially literate and resilient Malaysian society through inclusive, dynamic, innovative, and well-targeted financial education that is continuously delivered via a whole-of-nation approach to cultivate the culture of informed and rational financial decision-making

Key Objectives



Elevate financial literacy where consumers can make informed financial decisions suited to their financial needs



Improve digital financial literacy with consumers participating meaningfully and securely in the digital economy



Enhance financial inclusion through equitable access to financial resources and services



Improve financial resilience and well-being with consumers managing finances effectively to withstand shocks, meet current needs and achieve future goals

Strategic Priorities (SP)

SP1
Promote wise financial planning and preparation for retirement

SP2
Foster smart and responsible debt management

SP3
Secure financial future with risk protection

SP4
Promote safe, confident and meaningful usage of digital financial services

SP5
Encourage investments for wealth creation

Outcomes

Malaysians understand and apply day-to-day money management and longer-term financial planning across different life stages to secure adequate savings and personal wealth, achieving financial independence, resilience, and sustainability, including during retirement

Malaysians possess heightened awareness of responsible borrowing practices and effective debt management strategies, leading to healthier credit scores

Malaysians safeguard their income, savings and assets against shocks through comprehensive personal financial risk management and protection strategies, including precautionary savings and insurance/takaful, for stronger financial resilience

Malaysians possess the necessary skills and knowledge to strategically embrace opportunities and navigate risks in the digital economy safely and confidently, leading to better financial choices and improved quality of life

Malaysians possess the knowledge and confidence to make informed investment decisions, leveraging both traditional and digital platforms, to foster long-term wealth creation and financial security

Target Segments

Across life stages, with focus on vulnerable segments



Children
(5 - 9 years old)



Adolescents
(10 - 14 years old)



Youth/Young adults
(15 - 30 years old)



Adults
(31 - 59 years old)



Elderly
(>60 years old)

Cross Cutting Lens



Gender equality



Mental health



Climate awareness



Economic and cultural diversity

Enablers



Robust research framework and thought leadership



Strengthened infrastructure facilities and secured data sharing



Effective public and private sector commitment

Monitoring and evaluation

A structured and systematic monitoring and evaluation framework enabling data-driven decision-making, continuous improvement, and accountability

Vision, Mission and Key Objectives

Vision

The Strategy aims to equip Malaysians with strong financial capabilities that enable them to make informed financial decisions, access and use financial products and services with confidence, and participate meaningfully in the financial system. With the right knowledge and capabilities, Malaysians are better able to manage daily financial commitments, protect themselves from risks, and pursue long-term financial goals that improve their lives and uplift their communities. For underserved communities, financial literacy can be particularly transformative in breaking down access barriers, building trust in the financial system and creating pathways to greater financial security and opportunity.

This vision recognises that financial literacy is a fundamental life skill and critical enabler for financial inclusion. Meaningful economic progress begins when every Malaysian knows how to build, protect and grow their own wealth. By embedding financial literacy more deeply and equitably across society, the Strategy aims to foster a more secure, inclusive and sustainable future for all Malaysians.

Mission

The Strategy sets out to implement a comprehensive framework for delivering inclusive, innovative, **dynamic and well-targeted financial education** tools and resources to all segments of society through a whole-of-nation approach. This cultivates a culture of informed and rational financial decision-making, contributing to a resilient, equitable and sustainable economy.

Broad Principles for Effective Financial Education



Inclusive

Ensure financial education is accessible for all Malaysians, with a specific focus on addressing the needs of unserved and underserved segments. This supports the broader goal of financial inclusion, ensuring that everyone can participate meaningfully in the financial system



Dynamic

Provide financial education that adapts to evolving economic conditions, technological advancements and diverse population needs. This ensures that financial education initiatives remain relevant and effective in addressing current and future financial challenges



Innovative

Leverage innovation and technologies to enhance financial education, making learning more engaging and impactful for a diverse population, particularly younger, tech-savvy individuals



Well-targeted

Design and implement financial education initiatives tailored to the unique needs and circumstances of different population groups. This maximises the effectiveness of financial education, ensuring that it resonates with and benefits all segments of society

Key Objectives

The Strategy focuses on delivering **four key objectives** that will drive collaborative efforts across sectors to realise the NS2.0 Vision.

Key Objectives of NS2.0

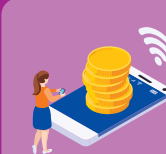
01



Elevate financial literacy

Improve capability to make informed and sound financial decisions confidently, through an enhanced understanding of one's financial circumstances and improved ability to use financial products and services effectively to meet one's needs

02



Improve digital financial literacy

Strengthen ability to understand, utilise and manage digital financial products and services safely and confidently

03



Enhance financial inclusion

Promote more inclusive, equitable and meaningful usage of financial resources, products and services to facilitate economic empowerment and advancement for all segments of society

04

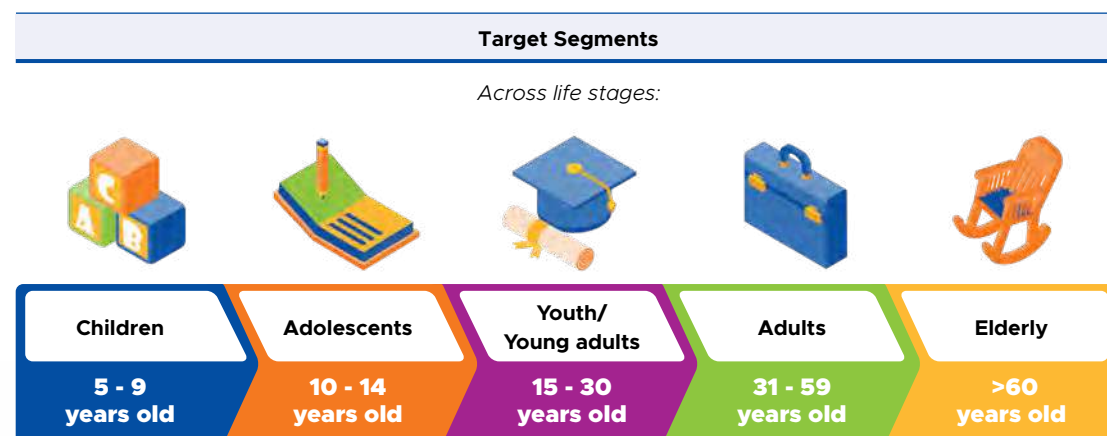


Improve financial resilience and well-being

Ensure stronger cultivation of right values, behaviours and attitudes to manage finances effectively, minimise financial stress, withstand shocks, as well as meet current financial needs and future financial goals, ultimately improving overall quality of life

Target Segments

The Strategy is committed to addressing the diverse and evolving financial needs of **consumers across all life stages**. A specific focus is placed on **supporting vulnerable groups** who are most in need, ensuring they have access to financial literacy tools and resources that promote greater financial empowerment and equity.



With a focus on vulnerable segments:

Low income including urban poor

Rely on informal or low-paying jobs, leading to unstable income that makes it hard to plan or save. Most of their earnings go toward basic needs such as rent, food, and transport, leaving little room for savings

Middle income

Experience financial pressure despite stable incomes, due to rising living costs and major commitments including mortgages, car loans, and education expenses. Additionally, supporting both children and ageing parents often leaves little room for savings or retirement planning

Women

Encounter barriers to full economic participation due to cultural expectations, limited confidence in financial decision-making and challenges in fully leveraging available financial products and services to manage finances and grow assets

Single parents

Manage limited and often single-source income while balancing caregiving responsibilities, which makes it difficult to budget effectively, build savings, or plan for emergencies and retirement

Illiterate individuals

Struggle with informed financial decision-making and full use of essential services due to limited literacy and numeracy skills, leading to exclusion from digital tools and greater vulnerability to scams and informal networks

Rural and out-of-reach communities

Face limited access to financial products and services due to geographic isolation, poor infrastructure, and weak internet connectivity, making it difficult to engage with banks, attend financial education programmes, or pursue income-generating opportunities

Persons with disabilities

Encounter physical and digital accessibility barriers, as many financial service providers and digital platforms are not designed to accommodate diverse needs, limiting their ability to access and use financial services independently

Indigenous people

Face ongoing challenges in accessing financial products and services due to limited access to banks, unclear land ownership that prevents them from using land for loan or investment, and financial education that does not reflect their linguistic and cultural contexts. This leads to low trust in formal systems and continued reliance on informal networks, keeping many in poverty

Microentrepreneurs and gig workers

Navigate financial instability due to irregular income and lack of social protection, which makes it challenging for microentrepreneurs and gig workers to plan, save, or recover from financial shocks such as illness, accidents, or job loss

We recognise that vulnerability is complex and multifaceted, and that different individuals and communities may face financial challenges due to a wide range of social, economic and structural factors. Ensuring inclusivity requires coordinated and sustained efforts across public, private and civil society sectors. The Strategy plays a focused role in strengthening financial literacy as part of this broader national effort, complementing the work of Ministries, agencies and organisations dedicated to addressing the wider needs of these communities.

Strategic Priorities

The NS2.0 centres around **five Strategic Priorities (SP)**, each designed to address the financial needs of Malaysians across various life stages. Each SP is further **supported by specific strategies and initiatives** to drive financial education forward.



Strategic Priority

01

Promote wise financial planning and preparation for retirement



Outcome

Malaysians understand and apply day-to-day money management and longer-term financial planning across different life stages to secure adequate savings and personal wealth, achieving financial independence, resilience, and sustainability, including during retirement



What success looks like

Improved understanding and inculcation of financial concepts and long-term financial planning for life events, including marriage, parenthood, pilgrimage, death and major illnesses

Greater individual and household wealth accumulation to manage longevity risks and ensure long-term financial security

Greater understanding and readiness to respond to economic and policy changes (e.g., interest rate changes, inflation)

As individuals move through different life stages, their financial needs evolve from simple pocket money management during their school years to more complex financial obligations in adulthood. This progression underscores the importance of building strong financial management skills early on, to ensure financial stability and well-being is sustained throughout different phases of life. Instilling necessary financial knowledge, skills, attitudes and behaviours from a young age is hence crucial to support prudent financial decisions at every stage of life.

In Malaysia, substantial progress has been made in integrating financial education into the school curriculum, led by the Ministry of Education (MOE). A 2023 study involving 3,094 students showed encouraging results, with 77% and 64.1% demonstrating high levels of financial knowledge and positive financial attitude, respectively. However, only 17.6% of students exhibited strong financial behaviours, highlighting a need for more hands-on financial experiences. This gap suggests that while students may understand financial principles in theory, they lack opportunities to apply them in practical, everyday settings, which are essential to reinforcing positive financial habits. Similarly, a 2022 study by the Ministry of Higher Education (MOHE) reported a commendable financial literacy score of 67% among university students and staff. However, it also revealed worrying levels of indebtedness, suggesting a tendency to take on debt without fully grasping the long-term implications. This highlights an urgent need to address early financial habits, including good day-to-day money management, as well as instil longer-term financial planning skills as students, before they enter the workforce.

As youth transition into adulthood, their financial responsibilities and challenges grow, requiring careful financial planning, including preparation for retirement. This stage of life often involves higher expenses for housing, education and healthcare, while also needing to manage debt and build savings within their income constraints. A 2022 survey by the Securities Commission Malaysia (SC) found that most Malaysian youth spend the bulk of their income on necessities, and more concerning, on debt repayments, leaving little for savings or investments.⁷ Additionally, data from the Employees Provident Fund (EPF) reveals that nearly half of Malaysians have yet to begin retirement planning. These findings highlight the urgent need for continuous engagement in financial and retirement planning, especially as Malaysia is expected to reach aged nation status within the next two decades. Without sufficient preparation, many individuals may be confronted with financial insecurity in later life.

Recognising these gaps, our focus will be on advancing the following strategies:

- i. Drive lasting improvements in financial planning awareness, knowledge and habits across all life stages through leveraging behavioural insights; and
- ii. Strengthen the financial literacy ecosystem to enhance access to and effective usage of financial planning resources and tools

⁷ More information is available at <https://www.sc.com.my/api/documentms/download.ashx?id=9f1ac661-f250-4b0d-8706-c45cbac9906e>.

Strategy

01

Drive lasting improvements in financial planning awareness, knowledge and habits across all life stages through leveraging behavioural insights

Key initiatives:

Expand the use of behavioural analytics to develop customised financial education interventions tailored to life stages and needs, encouraging forward-looking financial decision-making and prudent financial and retirement planning habits

Improve consumer awareness and capability to guard against behavioural biases that can undermine sound financial planning, such as herd mentality and susceptibility to financial scams

Incorporate practical financial planning activities in financial education in school, such as budgeting exercises and saving simulations, to help students better apply their financial knowledge to real-world scenarios to foster more sustainable behavioural changes

Strategy

02

Strengthen the financial literacy ecosystem to enhance access to and effective usage of financial planning resources and tools

Key initiatives:

Enhance the FEN Navigational Website as a comprehensive, user-friendly, one-stop portal that provides financial planning information, resources, tools and advisory services in an accessible and engaging format

Drive more seamless sharing of data and experiences across the financial sector and partner institutions to better identify financial management gaps and develop more effective solutions

Further expand strategic partnerships to promote public awareness of FEN and strengthen its role as a coordinated national network that designs and drives interventions for effective financial planning

Advocate for mandatory financial education for tertiary students, building on foundational lessons from primary and secondary schools. It should focus on offering practical, real-life financial experiences that prepare students for working life



Strategic Priority

02

Foster smart
and responsible
debt management

Outcome

Malaysians possess heightened awareness of responsible borrowing practices and effective debt management strategies, leading to healthier credit scores

What success
looks like

Improved debt management skills and behaviour, including enhanced understanding of budgeting and financial assessment before borrowing

Improved debt repayment behaviour, resulting in positive repayment trends

Improved credit profiles

Increased utilisation of professional credit counseling services for debt management

Debt is a key component of personal finance, with individuals using various sources of debt such as credit cards, car loans, student loans and mortgages to meet their needs and goals. When managed wisely, debt can offer financial flexibility and opportunities. However, poor debt management can result in adverse long-term financial consequences, including financial stress, debt spirals and even bankruptcy. A 2020 survey by Agensi Kaunseling dan Pengurusan Kredit (AKPK) revealed that 27% of Malaysian working adults experience financial stress primarily due to high debt levels.⁸ Practices like missing payments, overusing credit cards and taking on excessive debt may ultimately erode financial security and resilience.

Notably, over 53,000 individuals aged 30 and below who are burdened with loan obligations have sought assistance from AKPK to restructure their debt, through the Debt Management Programme (DMP). While this reflects a growing financial vulnerability among the younger generations, they are also taking steps to manage their financial commitments.

Effective debt management, built on awareness, discipline and strategic planning, is key to maintaining a strong financial foundation. A favourable credit profile opens doors to better loan terms, more affordable credit and broader access to financial products, thereby contributing to financial stability and overall economic health.

Responsible debt management involves avoiding excessive borrowing, timely debt repayment, and engaging proactively with financial service providers if faced with repayment challenges. Fostering these habits is key to ensuring sustainable access to and usage of financing and requires adaptive strategies and coordination across multiple sectors. It is also crucial for these efforts to be complemented with robust consumer protection measures, including the financial sector providers' adherence to responsible lending practices and fair treatment of consumers as required by BNM.

Our strategies include:

- i. Improve debt management knowledge and practices for long-term financial health; and
- ii. Ensure inclusive access to finance complemented with comprehensive advisory and support, particularly for the vulnerable and underserved segments.

⁸ More information is available at <https://www.akpk.org.my/sites/default/files/2024-06/Money-20and-20Mental-20Well-Being-20-28Living.pdf>.

Strategy

01

Improve debt management knowledge and practices for long-term financial health

Key initiatives:

Expand targeted financial education initiatives that focus on responsible borrowing and smart debt management, by leveraging innovative channels and digital touchpoints

Introduce just-in-time financial education on managing debt for targeted vulnerable segments, providing timely information (e.g., credit purposes and risks, and repayment obligations) at critical moments (e.g., right before taking a loan) to ensure better retention and decision-making

Strategy

02

Ensure inclusive access to finance complemented with comprehensive advisory and support, particularly for the vulnerable and underserved segments

Key initiatives:

Increase awareness and accessibility of debt counselling services and relief programmes, while proactively destigmatising these services, to encourage early intervention and prevent escalation of financial crises

Raise awareness and improve capacity on the usage of alternative scoring models to better ease access to credit and financial opportunities for thin-file* borrowers such as gig workers

**Refers to borrowers with limited or no formal credit history. This poses challenges for credit assessment using traditional credit assessment methods.*



Strategic Priority

03

Secure financial future
with risk protection

Outcome

Malaysians safeguard their income, savings and assets against shocks through comprehensive personal financial risk management and protection strategies, including precautionary savings and insurance/takaful, for stronger financial resilience

What success
looks like

Improved awareness and understanding of risk management and protection mechanisms and their benefits

Higher adoption of financial risk protection products and strategies, including life and health insurance/takaful, as well as measures to protect against climate-related risks such as floods, storms, and other natural disasters

Risk protection plays a vital role in safeguarding individuals and businesses from unexpected financial disruptions and vulnerabilities. These risks can arise from life-changing events, such as financial shocks, accidents, illnesses or death, natural disasters like floods, and pandemics that disrupt livelihoods. For many Malaysians – particularly lower-income households – the impacts of these events can be devastating, underscoring the urgent need for accessible and effective financial risk management and protection.

Based on the FCI Survey 2024, many Malaysians remain inadequately prepared for such events, with six out of ten individuals reporting difficulty to secure RM1,000 emergency funds. Additionally, only 37% of Malaysians can sustain themselves for at least three months if they lose their main source of income.

Furthermore, 35% of Malaysians indicate a lack of sufficient financial protection when faced with adverse and catastrophic events. While the proportion of Malaysians showing interest to learn about insurance or takaful products have increased, this has not translated into strong tangible adoption of life insurance or family takaful (2024: 28%; 2018: 17%), particularly among vulnerable groups that need it most.

Climate-related risk protection also remains underdeveloped, with only one in four low-income households covered by such insurance (Ridzuan M. R. et al, 2023).⁹ These gaps highlight a broader issue: financial risk protection remains out of reach for many, affected by a lack of awareness, misconceptions about its roles and benefits, and gaps in the provision of suitable and affordable insurance/takaful products.

To address these gaps, it is crucial to empower Malaysians with a better understanding and appreciation for personal financial risk management and protection. This includes prioritising building precautionary savings, such as emergency and sinking funds, while also safeguarding financial future through insurance/takaful. Our focus will be on the following strategies:

- i. Increase consumer awareness and understanding of risk protection and its benefits, nudging consumers towards responsible and optimal risk management; and
- ii. Improve access to and usage of microinsurance/microtakaful, particularly for the vulnerable segments.

⁹ Ridzuan, M. R., Razali, J. R., Soon-Yew, J., Yusof, N. M., Lai-Kuan, K., Manas, N. H. N., & Rahman, N. A. S. A. (2023). Mitigating Flood Risk in Malaysia through Flood Insurance: Exploring the Feasibility of the United States and Japanese Approaches. *International Journal of Academic Research in Business and Social Sciences*, 13(9), 240 – 260.

Strategy

01

Increase consumer awareness and understanding of risk protection and its benefits, nudging consumers towards responsible and optimal risk management

Key initiatives:

Intensify targeted financial education by FEN on the importance of risk protection strategies (e.g., precautionary savings and insurance/takaful) for different target segments, particularly youth, low-income households and microentrepreneurs

Leverage behavioural insights and digital innovations to nudge consumers towards responsible financial risk management and fostering sound long-term protection habits

Incorporate education on climate risks within financial literacy engagements and conduct capacity building on greening SMEs

Provide training and capacity building for community leaders as influential and credible voices to encourage more community members to engage in financial and climate risk protection activities

Strategy

02

Improve access to and usage of microinsurance/microtakaful, particularly for the vulnerable segments

Key initiatives:

Support the provision of affordable, suitable and easy-to-use microinsurance/microtakaful products tailored to the needs of vulnerable groups like low-income communities, through greater collaboration and data sharing with financial service providers to enhance understanding of protection gaps and segment-specific risks

Integrate product feature comparison tools and financial advisory to further support consumers in making informed decisions about risk management



Strategic Priority

04

Promote safe, confident
and meaningful usage of
digital financial services

Outcome

Malaysians possess the necessary skills and knowledge to strategically embrace opportunities and navigate risks in the digital economy safely and confidently, leading to better financial choices and improved quality of life

What success
looks like

More inclusive access to and higher adoption of digital financial services

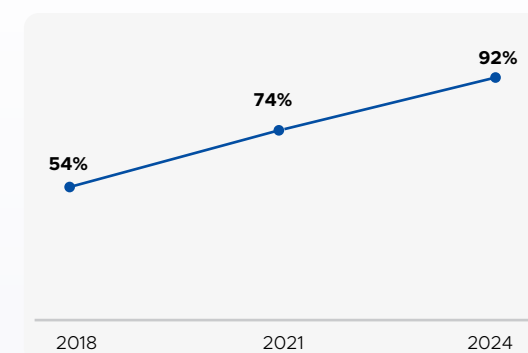
Increased digital financial literacy, especially among the vulnerable and underserved segments

Stronger trust in reliability and security of digital financial services

Digitalisation is transforming financial services at an unprecedented pace, making transactions easier, faster and more widely accessible. From in-store payments and money transfers to online purchases, Malaysians are embracing digital methods that enhance ease and efficiency in managing daily finances. This shift presents opportunities to reduce financial exclusion and contribute to better financial choices that can improve quality of life. Yet, these benefits can only be fully realised if all Malaysians are equipped with the right knowledge and skills to use digital financial services (DFS) safely, responsibly and confidently.

The FCI Survey 2024 indicates promising growth in DFS adoption among Malaysians, indicating a growing readiness to engage digitally.

Usage of DFS by Malaysians



Source: FCI Survey 2024

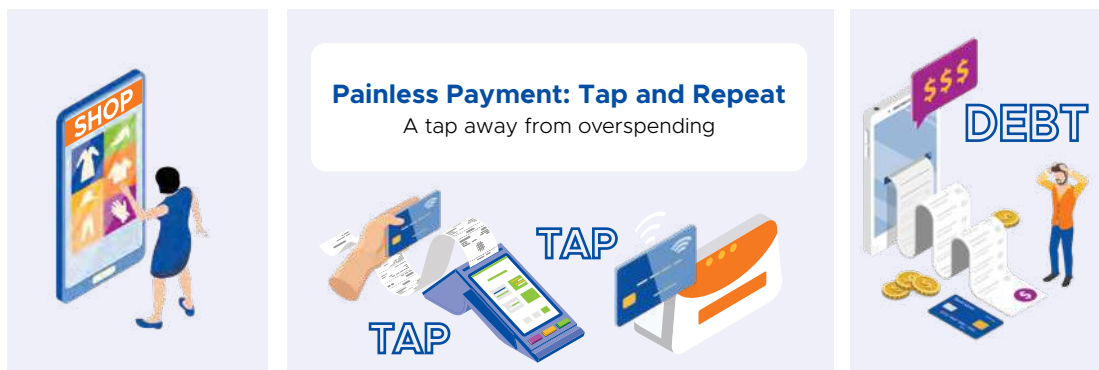
While the digital financial ecosystem creates many new opportunities, it also poses risks such as scams, fraud, and cybersecurity threats. Based on the FCI Survey 2024, nearly one in six Malaysians have experienced encounters with scammers. Digital scam cases reported at Polis Diraja Malaysia (PDRM) also more than tripled in just one year, between 2023 and 2024. Against this backdrop, low digital financial literacy (DFL) continues to hinder the safe and confident use of DFS. For example, 61% of Malaysians do not pay attention to website security when conducting online banking transactions (FCI Survey 2024), while 32% remain uncertain about responding to common scams, such as impersonation and fraudulent notifications (RinggitPlus, 2024).¹⁰

To address these risks, the National Scams Response Centre (NSRC) was established in 2022 as a dedicated, multi-agency platform¹¹ to combat the growing number of online financial fraud cases and cybercrimes. The NSRC acts as a one-stop centre to coordinate scam reports, assist victims, and block stolen funds through close collaboration with enforcement authorities and financial institutions. It also plays a critical role in strengthening public awareness and preventive measures to bolster financial safety in the digital space.

The widespread use of DFS is also giving rise to new behaviours, such as impulsive consumption, facilitated by the “painless payment” effect. Global research shows that the ease of digital payments tends to lessen the negative emotions associated with spending, thus reducing price sensitivity and encouraging overspending.

¹⁰ More information is available at <https://ringgitplus.com/en/blog/wp-content/uploads/2024/09/RMFLS-2024-Survey-Report.pdf>.

¹¹ The NSRC is a joint effort among the National Anti-Financial Crime Centre (NFCC), BNM, PDRM, and Malaysian Communications and Multimedia Commission (MCMC), as well as financial institutions and the telecommunications industry.



Importantly, efforts to promote DFS must strike a careful balance. While the focus is on building a future-ready, digitally capable population, attention must also be given to ensuring that no segment of society is left vulnerable and unprotected. The elderly and persons with disabilities (PWDs) are among groups most susceptible to digital risks and exclusion. Supporting these vulnerable groups is essential not only for financial inclusion, but also for maintaining safety, trust and dignity in the digital financial ecosystem.

To this end, the following strategies will be pursued:

- i. Enhance DFL while cultivating cybersecurity awareness and promoting informed usage of redress and advisory; and
- ii. Promote greater usage of DFS to deepen financial inclusion.

Strategy

01

Enhance DFL while cultivating cybersecurity awareness and promoting informed usage of redress and advisory

Key initiatives:

Embed DFL content into widely-used digital platforms (e.g., online banking, e-commerce, social media) to deliver relevant financial information at the point of need

Encourage greater research to create innovative educational materials, rooted in psychological and behavioural insights, to improve consumers' understanding of spending influences such as impulse buying, painless payments and present bias (i.e., favouring instant gratification over long-term benefits)

Intensify financial education on the importance of cyber hygiene to protect against digital scams and frauds, leveraging public spaces and public transportation advertisements for greater reach. This includes enhancing consumers' ability to authenticate online financial information, products and services

Promote greater awareness and uptake of redress and advisory services, including ways to identify formal, legitimate support channels

Strategy

02

Promote greater usage of DFS to deepen financial inclusion

Key initiatives:

Expand cashless campaigns to further encourage adoption of digital payment in a safe manner, using both physical and digital platforms to widen outreach

Conduct tailored awareness programmes on e-remittance services in collaboration with financial service providers, targeting microentrepreneurs and migrant workers

Develop innovative financial education tools via digital platforms, targeting microentrepreneurs and gig workers to enhance their income-generation capabilities

Strategic Priority

05

Encourage investments
for wealth creation

Outcome

Malaysians possess the knowledge and confidence to make informed investment decisions, leveraging both traditional and digital platforms, to foster long-term wealth creation and financial security

What success
looks like

Improved understanding of key investment concepts

Increased participation in the Malaysian Capital Market, including through traditional and digital platforms

Greater adoption of digital investments

Enhanced awareness and adoption of Sustainable and Responsible Investment practices

Investing is an important way to build long-term wealth and secure financial future. It helps consumers to protect against rising costs and enables savings to grow through the benefits of compounding returns. Sound investment practices, such as diversification, allow individuals to balance risks and rewards and to build wealth sustainably over time.

Although Malaysians are increasingly aware of the importance of investing, many still lack the confidence to get started or manage their investments effectively. A 2022 survey by the SC found that 65% of people in Malaysia are unsure about their investment skills, primarily due to limited knowledge.¹² Furthermore, technological advancements and financial innovations have introduced a wider array of investment options. This may be overwhelming for some consumers, but it also provides significant opportunities for those who are well-informed.

Digital investment platforms have made it easier for people to invest. These platforms are easy to access, convenient, and often require only a small starting capital, making them appealing to younger and first-time investors. The SC's 2024 survey supports this, indicating that most consumers prefer investing smaller amounts in simple, straightforward products.¹³ While these digital tools empower consumers to take charge of their investments more easily, they also require a clear understanding of one's personal financial goals and risk tolerance, to avoid taking on more risk than one can manage.

At the same time, investment education is also crucial to protect consumers from scams. A behavioural insights study by the SC shows that one in three Malaysians are vulnerable to investment fraud, despite their high education levels. This highlights the need for greater financial education to support consumers in safeguarding their wealth and building trust in investment offerings.

As consumers become more financially aware, many are also beginning to consider the wider impact of their financial decisions. There is growing interest in aligning investments with personal values, particularly among those who are more conscious of environmental and social issues. This shift is contributing to more demand for Sustainable and Responsible Investment (SRI). In light of this, making SRI more understandable and accessible will enable more Malaysians to grow their wealth while contributing to the SDG.

To encourage greater participation in investments across various platforms and offerings, we will prioritise the following strategies:

- i. Promote greater awareness on the availability, risks and benefits of investment products;
- ii. Facilitate greater adoption of digital investments; and
- iii. Broaden SRI product awareness to encourage greater participation.

¹² More information is available at <https://www.sc.com.my/api/documentms/download.ashx?id=9f1ac661-f250-4b0d-8706-c45cbac9906e>.

¹³ More information is available at <https://www.sc.com.my/api/documentms/download.ashx?id=687f2605-37bb-42dc-91a9-fc7ecf754a33>.

Strategy

01

Promote greater awareness on the availability, risks and benefits of investments

Key initiatives:

Intensify financial education on investment concepts and the characteristics, risks and benefits of different investment offerings

Promote greater research and use of behavioural insights to nudge Malaysians in making well-informed investment decisions by enhancing understanding of financial biases, motivations and decision-making tendencies

Strategy

02

Facilitate greater adoption of digital investments

Key initiatives:

Foster partnerships with fintech providers and digital players to deliver comprehensive educational initiatives that empower consumers to better understand digital investment tools, including their risks and benefits, as well as the underlying technologies, security measures and regulatory frameworks that govern these platforms

Promote greater transparency and trust in digital investment platforms by encouraging clear communication and user-friendly interfaces

Strategy

03

Broaden SRI product awareness to encourage greater participation

Key initiatives:

Provide innovative financial education campaigns and accessible resources, leveraging on collaborations with financial service providers and fintech players. This includes enhancing the skills and competencies of professionals (e.g., wealth managers, brokers and financial planners and advisors) on SRI principles to better educate consumers and promote SRI options

Develop clearer classifications of SRI products based on distinct investment strategies, enabling consumers to make informed choices that align with their values

Enablers

The successful realisation of Strategic Priorities requires the support of **three pivotal enablers**¹⁴ within the broader ecosystem, strengthening the environment in which the NS2.0 operates in.



¹⁴ For more information on ways to get involved with the implementation of the NS2.0, please refer to Chapter 4 From Strategy to Action: The Strategy's Delivery Approach. [↗](#)

Cross-cutting Lens

The Strategy also highlights four cross-cutting thematic considerations to be integrated within all financial literacy strategies across the board, to ensure these strategies are not only relevant and impactful but also contribute to global development such as the SDGs.

Cross-cutting considerations for financial literacy strategies, in line with broader development goals



Economic and cultural diversity

Malaysia's economic and cultural diversity offers both challenges and opportunities for financial literacy efforts. Consumers from different economic, cultural and ethnic backgrounds may have distinct financial behaviours and risk tolerances shaped by income levels, as well as religious and cultural norms.

Effective financial education strategies must be sensitive to this diversity, providing tailored content that resonates with different communities. This inclusive approach ensures financial literacy programmes meet the needs of every segment, enhancing financial capabilities, promoting social cohesion, and supporting economic inclusion.



Climate awareness

Financial decisions, such as investments and spending, have far-reaching effects on environmental outcomes. Integrating climate awareness into financial education helps consumers recognise the environmental effects of their financial choices and fosters sustainable decision-making.

According to the United Nations Environment Programme (UNEP, 2020), raising consumer awareness about sustainable finance options could reduce global greenhouse gas emissions by up to 15% by 2030. By promoting climate-conscious financial behaviours, Malaysia can align its financial literacy efforts with global environmental goals, contributing to a more sustainable and resilient future.

At present, 56% of Malaysians have expressed concerns about climate change, primarily driven by the lower-income group. In contrast, less than 23% of higher-income earners share similar sentiments. Increasing environmental awareness and changing attitudes among higher-income groups could lead to more positive impact, given their greater purchasing power and potential to influence usage of more sustainable products and services.



Gender consideration

Improving gender equality is an important global priority aligned with the SDGs. Financial literacy efforts should focus on providing equitable access to tools and resources to enhance women's financial capabilities. Worldwide, nearly 750 million women are excluded from formal financial systems, which hinders their economic participation. In Malaysia, despite minimal gender gaps in financial account ownership and credit access, economic participation remains uneven, with women's labour force participation at 55% and only 20% women-owned SMEs. Lower labour force participation and wage disparities, in turn, make women more vulnerable to financial shocks.

Financial education tailored to enhance women's financial capabilities can empower them to better manage their resources, invest in their futures, and positively impact their families and the broader society.



Mental health

The interplay between financial stress and mental health is increasingly recognised as a critical area of concern. Financial anxiety can lead to mental health issues such as depression and anxiety, which in turn can impair financial decision-making and reduce life satisfaction. These mental health challenges can often result in impulsive or irrational financial decisions, such as overspending or taking on unmanageable debt, further exacerbating financial stress. AKPK's Money and Mental Well-being report in 2020 corroborated this correlation. Concerningly, almost half of the working adults in Malaysia reported that financial stress negatively impacted their mental health.

By integrating mental health awareness into financial education, we empower individuals not only to manage their finances effectively but also to cope with the emotional toll of financial stress. This dual focus supports more informed financial choices, enhances economic productivity, and promotes overall well-being. A holistic approach to financial literacy that includes mental health considerations fosters a stronger sense of agency, enabling individuals to make informed financial choices, improve economic productivity, and ultimately enhance their overall well-being. Prioritising mental well-being in financial education not only supports individual resilience but also contributes to a healthier, more productive society.

Chapter 04

From Strategy to Action: The Strategy's Delivery Approach

Building on Current Success to Achieve More [↗](#)

Making a Difference Together [↗](#)

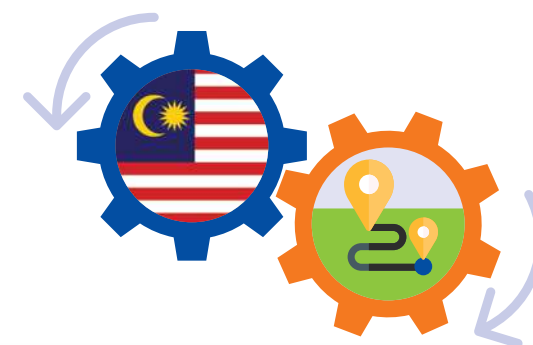


Transforming strategic vision into effective implementation requires a well-defined delivery framework that emphasises collaboration and customisation. This chapter details the multifaceted delivery approach underpinning the NS2.0, designed to ensure maximised outreach and impact of financial literacy strategies.

A fundamental component of this delivery framework is the whole-of-nation approach, which underscores the need for close collaboration and coordination among a broad range of public and private stakeholders. This optimises resources and enhances synergies among stakeholders to broaden outreach and ensure effective execution of financial literacy strategies. This collaborative ethos is anchored upon two core tenets: the shared responsibility of all stakeholders in advancing financial well-being and the empowerment of individuals in taking proactive control of their financial futures.

Another crucial element of the delivery framework is the tailored implementation of financial literacy initiatives. This approach adapts the deployment of programmes to meet the diverse and unique needs of various segments of society. Additionally, prioritising initiatives that can achieve scale and having a continuous feedback loop are integral to ensuring effectiveness. Regular engagement with stakeholders provides insights into emerging challenges and evolving needs, allowing for timely adjustments and alignment with real-world conditions. This iterative process ensures that financial literacy initiatives remain impactful and responsive to the dynamic needs of the Malaysian population.

Building on this, the delivery framework also incorporates a dual delivery model, combining national-level strategies with sub-national initiatives in specific regions, economic sectors and sub-populations.



This two-pronged approach ensures that the broad financial literacy objectives of the NS2.0 are achieved while also addressing the localised needs and preferences of consumers at the regional and community level.

Furthermore, the delivery approach maximises its impact through strategic partnerships with influential change agents. Collaborations with community leaders, including religious figures and educators are essential for enhancing the acceptance and relevance of financial literacy initiatives. These change agents serve as vital conduits between formal financial education and everyday financial practices, driving deeper engagement and facilitating more sustainable behavioural change.

Building on Current Success to Achieve More

To date, FEN has leveraged strong partnerships with educational institutions, government bodies and various organisations to launch impactful initiatives that elevate financial literacy across all life stages. These collaborative efforts have yielded positive outcomes, demonstrating that partnerships are a powerful driver of progress.

Key Collaborative Initiatives by FEN Members and Partners

Empowering Financial Literacy: FEN's Impactful Initiatives

1. FEN has **leveraged partnerships** with educational institutions, government bodies and organisations to enhance financial literacy across all life stages
2. These collaborations have produced **measurable outcomes**, highlighting the importance of teamwork in advancing financial education

Key Initiatives	Target Segment	Outcomes
Integration of financial education into school curriculum Integrated financial education into the formal school curriculum at all levels	Pre-school to upper secondary levels students	Students aged 13 to 14 can now apply financial concepts in their daily lives, and interpret financial documents using basic numerical operations (MOE, 2023)
Introduction of FEN PROAKTIF Provided online financial education program designed for final-year students of higher learning institutions	Final-year students of higher learning institutions	Students gained essential personal financial management skills for the workforce
Enhancements to the FEN digital outreach platforms Transformed the FEN website into a comprehensive financial education platform and launched FEN social media platforms	All	The website now offers over 800 free financial literacy resources contributed by FEN members and partners More than 47,000 users have benefited from these resources
Grassroots-level initiative through FEN Nationwide Roadshow Provided free financial education to communities, covering personal financial management, digital financial literacy, fraud awareness and risk protection	Rural communities, Technical and Vocational Education and Training students, women microentrepreneurs, self-employed, and indigenous communities	On average, close to 14% improvements in participants' knowledge, behaviour and attitude among the unserved and underserved segments In 2024 , the roadshow covered 98 locations and reached over 39,000 people
Cross-sector financial literacy initiatives by FEN members FEN members conducted respective flagship financial literacy programmes to offer the public easier access to information on financial products and services, alongside advisory and educational resources across various topics. This includes BNM's Karnival Celik Kewangan (KCK), EPF's Financial Literacy Week (FLW), SC's InvestSmart® and Permodalan Nasional Berhad (PNB)'s Minggu Saham Amanah Malaysia (MSAM)	All	Progressive improvements in digital financial literacy driven by intensified awareness campaigns addressing gaps identified in the FCI Survey 2021: Almost 90% of KCK Pahang participants indicated awareness of mule accounts . 86% do not share with password with close friends 82% of KCK Sarawak participants indicated cautiousness when conducting online banking transactions using unsecured settings

Members, Associate Members and Partners Involved

FEN Members

- Bank Negara Malaysia
- Securities Commission Malaysia
- Ministry of Education
- Ministry of Higher Education
- Employees Provident Fund
- Perbadanan Insurans Deposit Malaysia
- Permodalan Nasional Berhad
- Agensi Kaunseling dan Pengurusan Kredit

FEN Associate Members

- Ministry of Youth and Sports
- Ministry of Rural and Regional Development
- Social Security Organisation
- Kumpulan Wang Persaraan (Diperbadankan)

FEN Partners

- Financial Planning Association of Malaysia
- Malaysian Financial Planning Council
- Federation of Investment Managers Malaysia
- Private Pension Administrator Malaysia
- Bursa Malaysia Berhad
- Creador Foundation
- RinggitPlus
- Prudential Assurance Malaysia Berhad
- Securities Industry Development Corporation
- Alliance Bank Malaysia Berhad
- Visa International (Asia Pacific) LLC
- HSBC Bank Malaysia Berhad
- FWD Takaful x Arus Academy
- Bank Simpanan Nasional
- LeapEd Services Sdn Bhd
- Financial Markets Ombudsman Service
- Financial Industry Collective Outreach
- Financial Literacy for Youths: Malaysia
- Malaysian Takaful Association
- Credit Guarantee Corporation Malaysia Berhad
- Life Insurance Association of Malaysia
- P10 Holding Sdn Bhd
- Federation of Malaysian Consumers Associations
- Eastspring Investments Berhad
- Institute for Capital Market Research Malaysia
- Shopee Mobile Malaysia Sdn Bhd
- RHB Bank Berhad
- Great Eastern Takaful Berhad
- Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat)
- Bank Pertanian Malaysia Berhad (Agrobank)
- FWD Insurance x Arus Academy
- Bank Muamalat Malaysia Berhad
- TikTok Malaysia

Making a Difference Together

FEN remains deeply committed to working closely with various stakeholders from all sectors to bring the vision of the NS2.0 to life and make a difference that counts.

FEN invites you to join us on this meaningful journey. Together, we can empower every Malaysian, build financial resilience, and shape a future where financial well-being is attainable for all. Interested parties can email us at info@fenetwork.my.

Ways Interested Parties Can Be Involved

Policy feedback for progress

Members of the public, along with private and public bodies are encouraged to share ideas and views in facilitating the formulation and implementation of appropriate financial literacy policies and programmes

Partners in implementation

Ministries, agencies, financial service providers, schools, NGOs, religious bodies and community groups can collaborate to strengthen current capacity building efforts and deliver targeted financial education programmes, particularly the vulnerable segments

How can interested parties make a difference?

Resources and tools

Academicians, and both public and private bodies can work together to enhance financial literacy materials, resources and tools that raise financial awareness and addresses the needs of the target segments. Greater involvement in research and behavioural studies will ensure the resources and tools are impactful and relevant

Awareness and outreach

Members of the public, as well as private and public bodies can support in promoting and raising awareness on the NS2.0 by sharing clear, widespread messages across diverse platforms to reach all segments of society

Chapter 05

Tracking Progress: Monitoring and Evaluation of the NS2.0

[Towards a More Structured Monitoring and Evaluation Framework for NS2.0](#)

[Governance and Progress Reporting](#)

[How FEN Stakeholders Can Support the Monitoring and Evaluation Framework](#)



The effective implementation of NS2.0 also hinges on robust monitoring and evaluation (M&E) to track progress and ensure its strategies deliver meaningful outcomes. This chapter outlines the M&E approaches adopted to ensure the NS2.0 stays on course to achieve its goals.

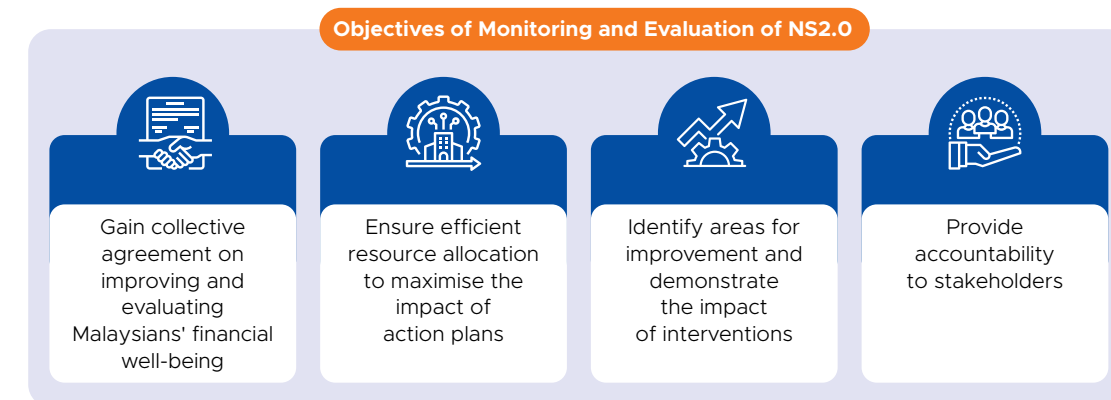
In ensuring inclusive and impactful financial education initiatives, FEN currently adopts a two-pronged approach in measuring and evaluating the effectiveness of its initiatives.

Two-Pronged Approach for Evaluating Financial Literacy Initiatives



Towards a More Structured Monitoring and Evaluation Framework for NS2.0

Building on these foundations, NS2.0 introduces a more structured M&E Framework that integrates clear targets, delivery tracking and strong governance. The framework serves as a compass to assess what works, what does not and why, enabling evidence-based refinements throughout the Strategy's lifecycle.



NS2.0 Monitoring and Evaluation Framework

This framework ensures that the NS2.0 strategies are implemented with clear objectives and measurable outcomes. By aligning stakeholders around shared success measures, it promotes efficient use of resources, maximises impact and supports continuous improvements to maintain relevance and effectiveness. Crucially, it also strengthens accountability and fosters trust, which are key to the Strategy's long-term success. The implementation of the M&E Framework will have two components:

i. Macro-level: Headline Indicators and Targets

As introduced in Chapter 1: Setting the Stage: Malaysia's Financial Literacy Landscape, these macro-level headline indicators set out the shared aspirations for what the Strategy aims to achieve by 2030. They define common goals and align the efforts of all stakeholders, providing a clear overarching direction in advancing financial literacy. By tracking progress against these benchmarks, stakeholders can collectively stay focused, measure impact and course-correct where needed to ensure meaningful outcomes

ii. Micro-level: Delivery Plan

Complementing the headline indicators, the Delivery Plan provides the operational backbone for NS2.0. It outlines how the Strategic Priorities will be delivered, detailing the planned actions, timelines, stakeholder responsibilities and intermediate outcomes. This ensures better coordination and accountability in implementation, while enabling continuous monitoring of progress on the ground. The full Delivery Plan will be published in the first quarter of 2026, providing stakeholders with a common roadmap to guide and coordinate efforts throughout the Strategy period



NS2.0 Delivery Plan

The Delivery Plan serves as a practical roadmap to guide the implementation of financial literacy initiatives. It provides clear steps for stakeholders to deliver comprehensive financial education, supported by a structured yet flexible guidance that seeks to accommodate various institutional roles, capacities and contexts. Anchored in the Strategy’s vision and mission, the Delivery Plan focuses on three key areas: shifting mindsets and behaviours around money, strengthening financial skills of key target segments to navigate economic challenges, and building strong partnerships to drive sustainable change.

To support its effective implementation, a Programmatic Roadmap has been developed to provide a more coordinated and institutionalised framework. It sets out broad, adaptable initiatives aligned with the Strategic Priorities, offering a flexible and scalable framework to guide implementation over the Strategy’s 5-year period. By prioritising practical and high-impact action plans, it aims to embed financial education into everyday life, helping individuals make informed decisions, build resilience and improve financial well-being.

A key feature of the Delivery Plan is the development of National Level Initiatives (NLIs), which aims to transform selected institutional efforts into scalable, high-impact programmes. These initiatives are designed to optimise resources, strengthen collaboration, and minimise duplication, to ensure financial literacy initiatives reach more people more effectively. The NLIs empower all stakeholders to identify and act on priority areas for immediate intervention, channel limited resources toward highest-value and highest-impact activities, and deliver quick wins that build early momentum while also laying the groundwork for sustained change throughout the NS2.0. By focusing on scalability and adaptability, the NLIs contribute to creating lasting positive change across diverse communities in Malaysia.

An example of an NLI is the FEN PROAKTIF, which is an online programme targeting final year students of higher learning institutions. Developed to equip youths with essential financial skills as they transition into the workforce, the programme comprises five comprehensive modules: cashflow management, debt management, building wealth, financial risk management, and digital financial literacy. FEN PROAKTIF embodies the key features of an NLI by aligning directly with the NS2.0’s Strategic Priorities, targeting a critical life stage with high-impact potential, and adopting a scalable, recurring delivery model. Its implementation through strategic partnerships also positions it for a wide, sustained reach and long-term relevance.

More details of the Delivery Plan will be published in the first quarter of 2026.

Overview of NS2.0 Delivery Plan

NS2.0 Vision

Malaysians with strong **financial capabilities** to achieve **financial resilience and well-being** for a **secure, inclusive and sustainable future**

NS2.0 Mission

Building a **financially literate and resilient** Malaysian society through **inclusive, dynamic, innovative, and well-targeted financial education** that is continuously delivered via a **whole-of-nation** approach to cultivate the culture of informed and rational financial decision-making

Aligned to the NS2.0's vision and mission, the Delivery Plan is strategically positioned to achieve the key objectives of NS2.0

Objectives of Delivery Plan

1. Comprehensive guidance for institutions to achieve impactful outcomes
2. Broaden and enhance the effectiveness of financial literacy strategies and action plans



Value Propositions of Delivery Plan

- i. Transformative changes:** Transforming knowledge into good financial attitude and behaviour to foster sustainable and lasting impact
- ii. Financial resilience:** Strengthen financial capability and resilience of key target groups to better equip them in navigating economic challenges
- iii. Strategic partnerships:** Expand networks to leverage diverse expertise, foster sustainable development and drive collective growth



NS2.0 Key Objectives



Elevate financial literacy where consumers can make informed financial decisions suited to their financial needs



Improve digital financial literacy with consumers participating meaningfully and securely in the digital economy



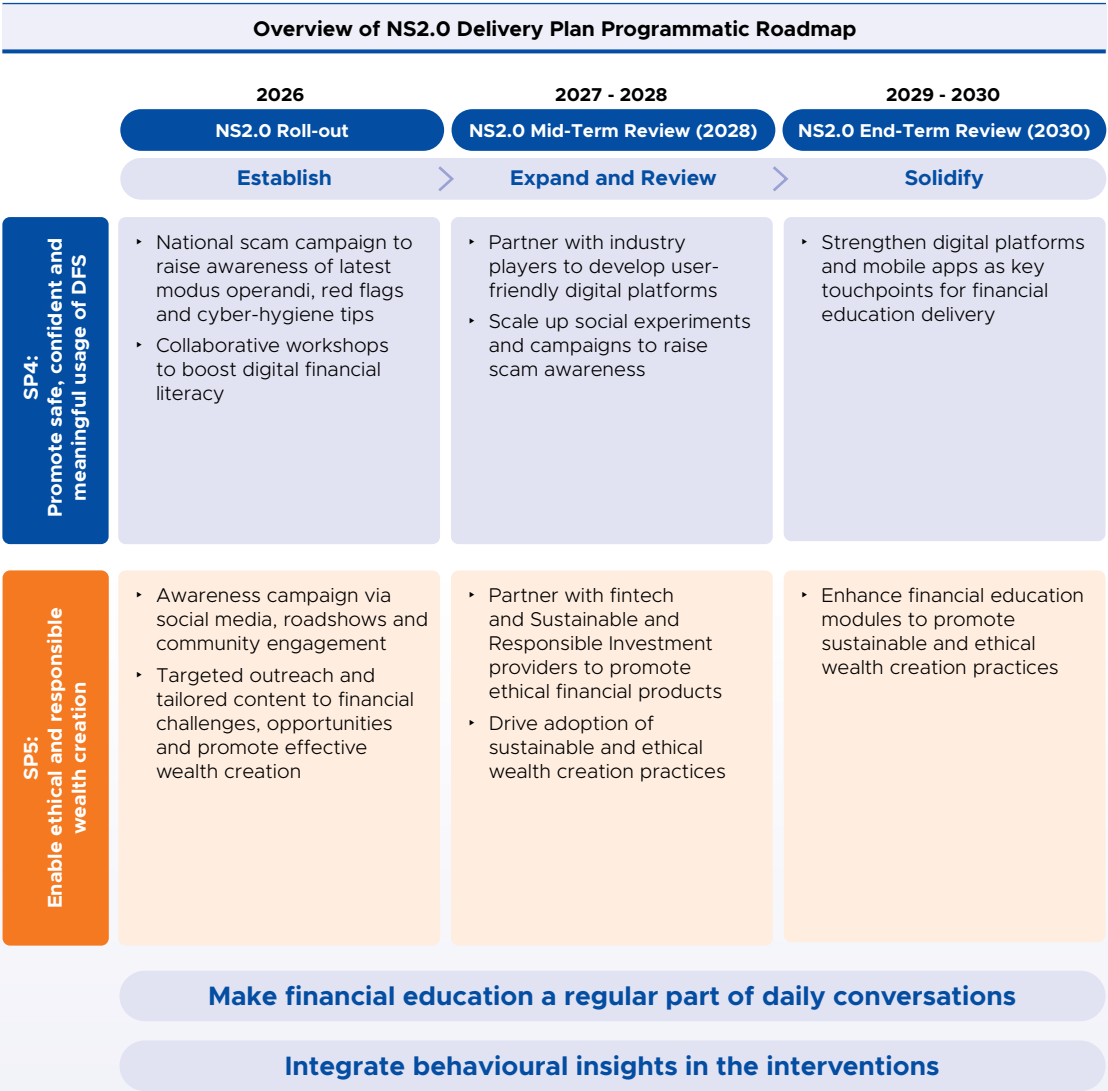
Enhance financial inclusion through equitable access to financial resources and services



Improve financial resilience and well-being with consumers managing finances effectively to withstand shocks, meet current needs and achieve future goals

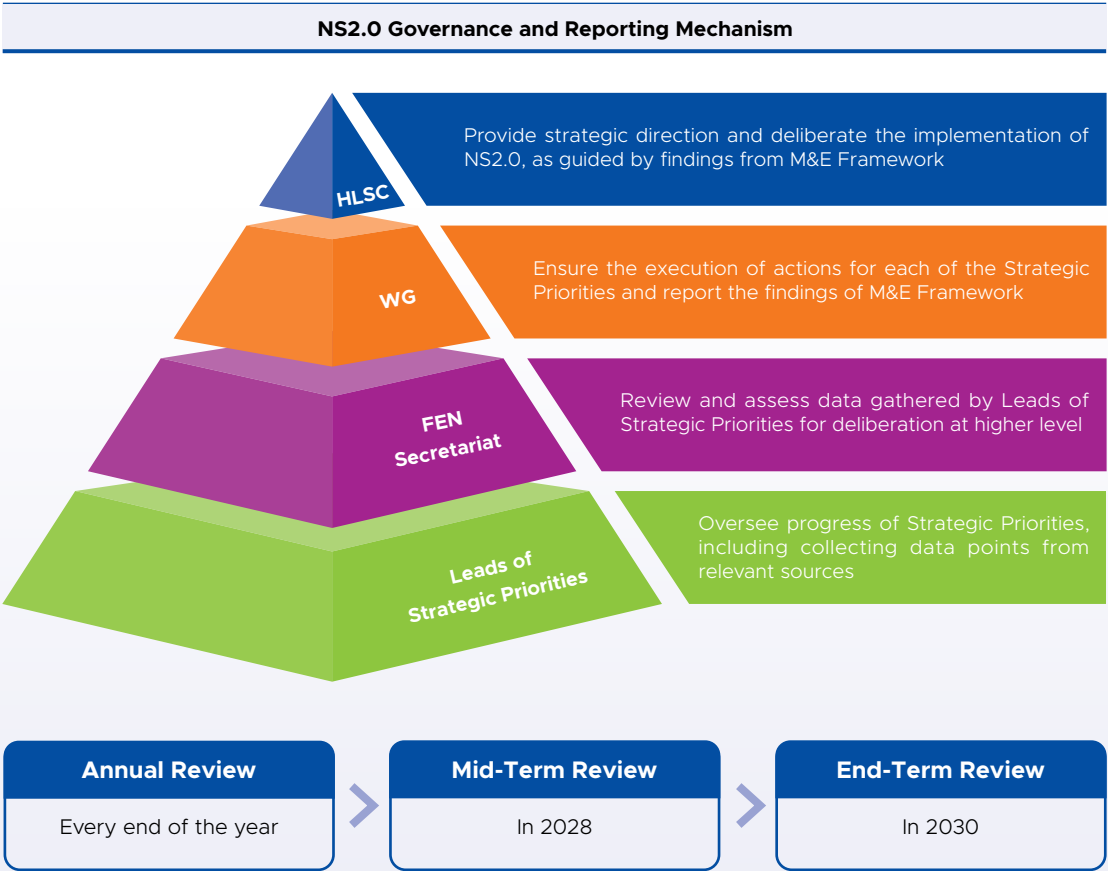
Overview of NS2.0 Delivery Plan Programmatic Roadmap

	2026 NS2.0 Roll-out	2027 - 2028 NS2.0 Mid-Term Review (2028)	2029 - 2030 NS2.0 End-Term Review (2030)
	Establish	Expand and Review	Solidify
SP1: Promote wise financial and retirement planning	<ul style="list-style-type: none"> Enhance and scaling up FEN online youth structured programme Integrate financial education for educators, civil servants and microentrepreneurs Encourage savings among target groups, including for retirement 	<ul style="list-style-type: none"> Progressive implementation of FEN online youth structured programme in TVET institutions and universities Enhance and scale up financial education via capacity building programmes for Ministries, religious authorities, financial institutions, civil servants and microentrepreneurs Increase access of financial education solutions to Malaysians via financial institutions' mobile apps, and digital platforms 	<ul style="list-style-type: none"> Enhance Financial Education Programmes based on emerging risks and trends. Ensure relevance of financial education content by exploring new tools, solutions, and platform expansions
SP2: Foster smart and responsible credit management	<ul style="list-style-type: none"> Pilot just-in-time financial education tools for personal finance and debt management Pilot debt management tools as part of mental health at workplace Just-in-time credit management tips National campaign to encourage individuals to seek help from official channels 	<ul style="list-style-type: none"> Expand reach on just-in-time financial education for pre-financing applications Scale up just-in-time financial education tools for personal finance and debt management Extend financial education initiatives to support mental health at workplaces 	<ul style="list-style-type: none"> Improve financial education modules and tools using digital innovations Evaluate the behavioural impact of just-in-time financial education to assess suitability for application to other financial education topics beyond debt management
SP3: Secure financial future with risk protection	<ul style="list-style-type: none"> Interactive workshops simulating real-life scenarios focused on risk management and protection strategies Deploy mobile units for outreach to rural and urban communities 	<ul style="list-style-type: none"> Collaborate with insurers and takaful operators to integrate financial education into risk protection products Expand mobile outreach and pop-up clinics for financial education in underserved areas 	<ul style="list-style-type: none"> Strengthen collaboration with insurers and takaful operators to enhance behavioural changes in risk protection Leverage digital innovations to improve mobile financial education services



Governance and Progress Reporting

A clear governance and reporting mechanism is in place to facilitate timely and effective communication of findings and assessments. Annually, FEN’s two-tiered governance structure – the Working Level Group (WG) and the High-Level Inter-Agency Steering Committee (HLSC) – will review the results from data and indicators gathered under the Delivery Plan. Key checkpoints will also take place at the midpoint and upon the completion of the Strategy cycle in 2030. These assessments will reflect on progress, achievements and improvements, while guiding future actions to navigate the evolving financial ecosystem.



How FEN Stakeholders Can Support the Monitoring and Evaluation Framework

The success of the M&E Framework relies on active involvement of various stakeholders, each playing a distinct and crucial role in the implementation of the NS2.0.

FEN's Role	Stakeholders' Role
<p>Collaborate with international organisations like the World Bank and OECD to exchange knowledge and experiences with conducting M&E, ensuring alignment with global best practices</p> <p>Continue to support stakeholders in adopting the FEME Framework to evaluate their respective financial education programmes</p>	<p>If you are in the financial services ecosystem: Contribute relevant administrative data that supports the M&E of NS2.0's Strategic Priorities.¹⁵ This data is essential for tracking financial literacy and behavioural trends across the population</p> <p>If you are a financial literacy community group: Embed the FEME Framework within your financial education programmes. Community groups are often at the forefront of financial education efforts and are well-positioned to provide ground-level insights into the effectiveness of various interventions and the changing needs of target segments</p>

As we move forward with implementing the NS2.0, the M&E Framework will serve as a compass, steering efforts toward achieving the goals of the NS2.0. It is through this systematic and evidence-based approach that the NS2.0 can truly make a meaningful and lasting impact on the financial lives of Malaysians, strengthening financial resilience and well-being for a more sustainable future.

¹⁵ Stakeholders that are interested to contribute data, feedback and resources may refer to Ways Interested Parties Can Be Involved in Chapter 4 From Strategy to Action: The Strategy's Delivery Approach for more information.

Appendices

About the Financial Education Network

About the Malaysia Financial Literacy and Capability Index



About the Financial Education Network



The Financial Education Network (FEN) is an inter-agency platform comprising of institutions and agencies committed to improving the financial literacy of Malaysians. FEN leverages on its members' expertise and resources to co-ordinate, co-operate and collectively drive efforts to promote effective delivery of financial education initiatives to Malaysians in a sustainable manner. FEN will work with relevant Ministries, industry associations, institutions, consumer groups and other key stakeholders to deliver, monitor, and measure financial education initiatives under the Strategy.

The FEN adopts a two-tiered governance framework to drive the initiatives of the Strategy:

A **High-Level Inter-Agency Steering Committee** to provide strategic direction and oversee the formulation and implementation of the Strategy

A **Working-Level Group** to ensure the execution of initiatives for each of the Strategic Priorities and report the progress and outcome to the High-Level Inter-Agency Steering Committee

Members and Associate Members of FEN



Co-Chairs and Joint Secretariat



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Associate Members



Ministry of Youth and Sports



Ministry of Rural and Regional Development



Social Security Organisation



Kumpulan Wang Persaraan (Diperbadankan)

Partners of FEN and Acknowledgement

Partners



Financial Planning Association of Malaysia



Malaysian Financial Planning Council



Federation of Investment Managers Malaysia



Private Pension Administrator Malaysia



Bursa Malaysia Berhad



Creador Foundation



RinggitPlus



Prudential Assurance Malaysia Berhad



Securities Industry Development Corporation



Alliance Bank Malaysia Berhad



Visa International (Asia Pacific) LLC



HSBC Bank Malaysia Berhad



FWD Takaful x Arus Academy



Bank Simpanan Nasional



LeapEd Services Sdn Bhd



Financial Markets Ombudsman Service



Financial Industry Collective Outreach



Financial Literacy for Youths: Malaysia

Partners



Malaysian Takaful Association



Credit Guarantee Corporation Malaysia Berhad



Life Assurance Association of Malaysia



P10 Holding Sdn Bhd



Federation of Malaysian Consumers Associations



Eastspring Investments Berhad



Institute for Capital Market Research Malaysia



Shopee Mobile Malaysia Sdn Bhd



RHB Bank Berhad



Great Eastern Takaful Berhad



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TikTok Malaysia

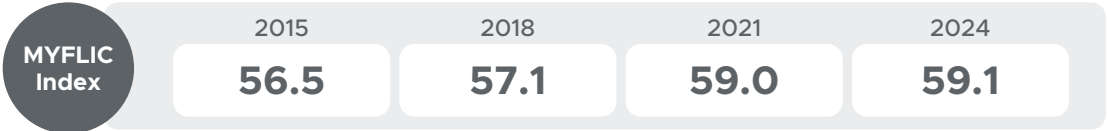
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WORLD BANK GROUP
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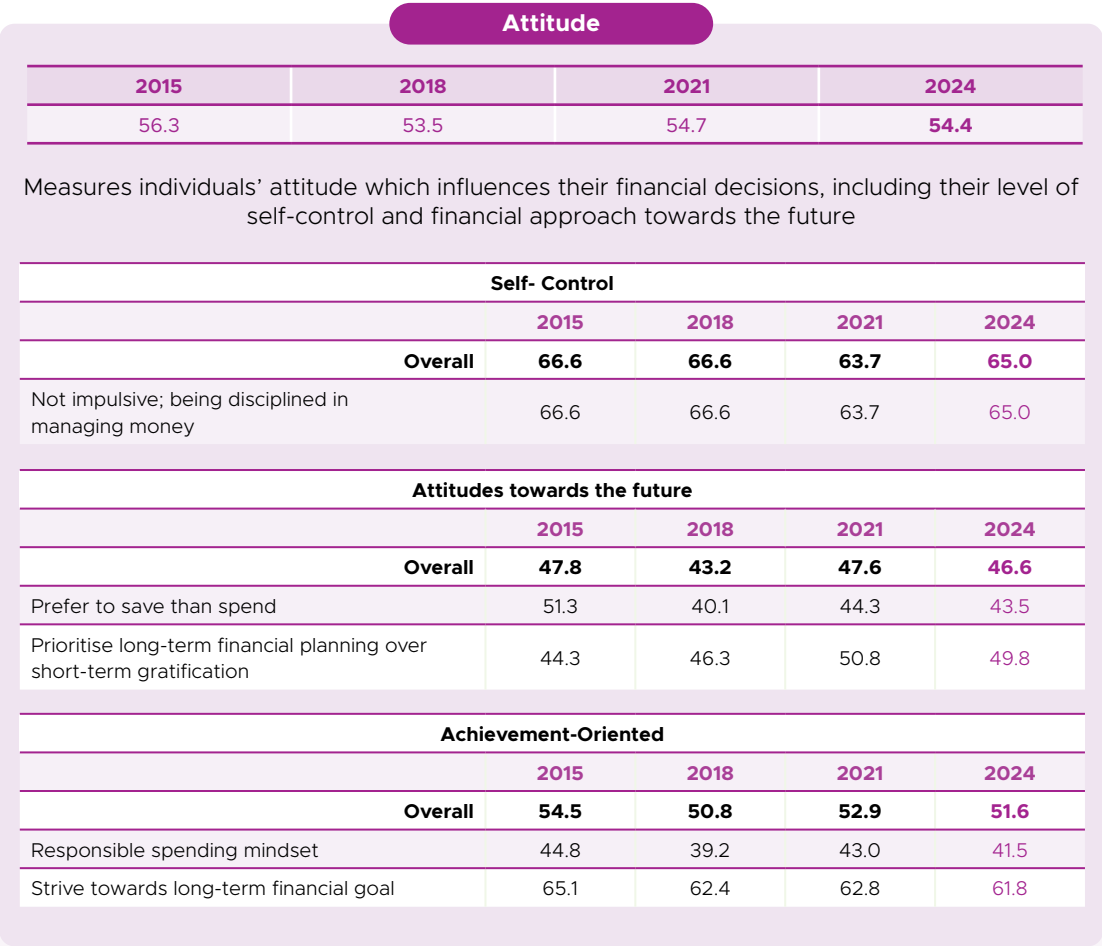
About the Malaysia Financial Literacy and Capability Index

The Malaysia Financial Literacy and Capability (MYFLIC) Index is a comprehensive measure developed to assess the financial capability of Malaysians. It is derived from the Financial Capability and Inclusion Demand Side (FCI) Survey, a cross-sectional study conducted every three years by Bank Negara Malaysia. MYFLIC evaluates financial knowledge, behaviour and attitude to provide valuable insights of financial literacy and capability in the country.



Knowledge				
2015	2018	2021	2024	
55.0	55.6	60.2	62.9	
Assesses individuals' understanding of financial products, their grasp of basic financial concepts and their ability to apply numerical skills in everyday financial decisions				
Product Awareness and Ownership				
	2015	2018	2021	2024
Overall	56.6	52.0	55.9	64.8
Financial product awareness	89.4	75.7	82.6	89.7
Current product ownership	48.0	49.5	54.0	64.1
Take up of financial product in past 2 years	32.4	30.8	31.0	40.5
Understanding of Financial Concepts				
	2015	2018	2021	2024
Overall	64.6	67.7	72.5	73.3
Risk and return concept	71.8	76.5	85.7	85.0
Definition of inflation	74.6	75.2	81.0	85.1
Diversification principle in investment	47.4	51.5	50.8	50.0
Literacy and Numeracy Skills				
	2015	2018	2021	2024
Overall	44.3	47.0	52.3	50.6
Time-value of money	46.1	38.3	43.5	46.3
Interest paid on loans	64.8	62.3	72.3	69.7
Interest plus principal	33.8	43.9	50.0	42.0
Compound interest	32.1	43.5	43.5	44.5

Behaviour							
2015		2018		2021		2024	
58.4		62.2		61.9		59.9	
Evaluates individuals' actions and behaviours that affect their financial well-being in the short and long term, focusing on money management, long-term planning and decision-making							
Money Planning and Management							
		2015	2018	2021	2024		
Overall		67.2	68.2	65.2	67.2		
Budgeting and planning		69.6	67.8	69.2	72.3		
Monitoring expenses		56.8	67.0	53.8	51.9		
Living within means		71.6	69.0	70.7	78.2		
Not overspending		70.6	68.8	67.2	66.5		
Long Term Planning							
		2015	2018	2021	2024		
Overall		51.3	55.5	58.1	58.7		
Ability to deal with unexpected expenses		45.3	47.2	50.7	46.5		
Have saving plan/strategy		66.8	71.2	69.4	65.9		
Retirement planning		41.8	48.2	54.1	63.9		
Product Decision-Making							
		2015	2018	2021	2024		
Overall		57.6	63.0	62.6	53.6		
Perceive information on financial products as sufficient, reliable, and easy to understand		57.6	63.0	62.6	53.6		



Refers to the essential knowledge, skills, attitude and behaviours that enable individuals to understand, navigate and safely use digital financial services and technologies. DFL Index assesses how well Malaysians can effectively and securely engage with these digital financial tools in their daily lives.





Higher financial literacy is generally associated with greater individual financial well-being (FWB). FWB Index consists of two key components; financial resilience, which refers to the ability to cope with negative financial shocks, and individuals’ subjective perceptions of their personal financial situation.

		2021	2024
Objective Financial Resilience	% of Malaysians who could fully cover major unexpected expense equivalent to a month salary without borrowing money	55	51
	% of Malaysians whose income was enough to cover their living costs in the last 12 months	81	71
	% of Malaysians who could continue to cover their living expenses for more than 3 months if they lost their income	36	37
	% of Malaysians who usually have money left over at the end of the month	44	35
Subjective Financial Well-being	% of Malaysians who feel they have too much debt	30	26
	% of Malaysians who are satisfied with their current financial situation	51	39
	% of Malaysians who feel they could have the things they want in life given their money situation	28	27
	% of Malaysians who feel their finances are controlling their life	81	81
	% of Malaysians who are worry their money might not last	76	80
	% of Malaysians who are just getting by financially	80	81
	% of Malaysians who tend to worry about paying normal living expenses	79	84
	% of Malaysians who feel their financial situation limits them from doing things that are important to them	83	85

