

## 1. Executive Summary

The Autoriti Monetari Brunei Darussalam (AMBD) commissioned the Centre for Strategic and Policy Studies (CSPS) to embark on the Financial Literacy Survey and National Strategy Project on 28th January 2015. AMBD, as a driver of the development of the financial services sector, recognizes financial literacy as an underlying factor in realizing this agenda. As such, the Project is important in better understanding Brunei Darussalam's position in terms of financial literacy, and how to move forward from thereon.

The objectives of the Project are firstly, to measure the level of financial literacy. This is done primarily with the use of a specially designed national survey of the adult population (the Financial Literacy Survey). The data analysis addresses the relationship between the demographic characteristics and the level of financial knowledge, attitudes, and behaviour. Furthermore, the analysis evaluates the links between financial knowledge and behaviour. In order to obtain internationally comparable results, the measurement process adopts the most generally accepted approaches.

The second objective is to provide policy recommendations, best practices and a national strategy for promoting financial literacy. The financial literacy strategy will contain major policy recommendations to promote financial literacy specifically designed to address the needs of the Bruneian population, with special attention to the target groups identified during the analysis.

Following the presentation of the findings contained in the Interim Report, CSPS held a forum with the major stakeholders, consisting of (1) Bank and Insurance Representatives, (2) Policy-makers from the finance, education, and social services sectors, and (3) Community leaders and representatives. These groups assisted in identifying specific financial literacy projects and programs to be implemented.

The final deliverable of the project is this Final Report, which includes the major findings from the Financial Literacy Survey, Policy Recommendations, Best Practices, and a National Strategy for promoting financial literacy, fulfilling the second objective of the project.

The improvement of financial literacy is in line with the three main objectives of Wawasan 2035. The financial literacy strategy will assist in realising the goals of:

1. Achieving a well-educated and highly skilled population, able to make informed judgments and to take effective decisions regarding the use and management of money;
2. Enhancing the quality of life of the households, in particular of those with less financial resources, improving the accessibility of the financial market to those Bruneians who are currently excluded; and

3. Attaining a dynamic and sustainable economy, creating new economic opportunities and improving the business skills and entrepreneurship of the general public.

Financial well-being is an important component of the overall quality of life. It affects the resources available to people to achieve their personal goals and face lifetime challenges. Furthermore it is strongly related to the overall emotional and physical wellbeing, having an impact on personal security.

We propose the following high-level financial literacy vision:

“All Bruneians are able to achieve the highest financial well-being, given their resources and burdens, through the access to well-suited financial products as well as through credible and independent information and advice”

The proposed National Strategy recommends a broad set of policies aimed at changing the socio-economic and financial environment where people live, in order to positively influence the key components of Financial Literacy and facilitate behavioural change.

The recommended roadmap is classified into the following four strategic themes:

- ▶ **Financial Education.** Financial Education aims at facilitating behavioural change, acting on knowledge, attitudes, and motivations. Policies under this theme focus on providing lifelong learning opportunities to improve skills, knowledge, awareness, attitudes, and motivations required to achieve behavioural change. Policy interventions comprise the inclusion of financial education in the national curriculum, improving the provision of targeted workplace training, providing community learning opportunities, and achieving a critical mass of educators, who can effectively deliver financial education in the whole country.
- ▶ **Financial Information and Advice.** These initiatives aim at providing free, credible and independent information and advice, in order to improve accessibility, transparency and provide support and motivation. Policies under this theme will also aim at keeping people engaged in the learning and behavioural change process through regular targeted awareness campaigns.
- ▶ **Institutional Design.** These initiatives aim at improving the environment within which consumers and SMEs take financial decisions, facilitating positive behavioural change. Policies under this theme include the use of regulatory strategies and behavioural incentives to improve financial behaviours, facilitate market innovation, and promote financial well-being.
- ▶ **Governance and Evaluation.** Dedicated governance should be established to monitor and evaluate the implementation of the strategy, and to coordinate the efforts. These initiatives highlight the importance of stakeholder networking,