Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

DATA PULSE 2026

The People Behind the Deposits
How Malaysians Save, Adapt and Build Resilience

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This report was prepared by the research team comprising Jarratt Ma, Nurfazlin Mohamad, Leong Kai Xin, Jeff Kim Mun Fu, Farah Amiruddin and Fariza Ahmad.

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Contact Information

For queries, kindly contact: datapulse@pidm.gov.my

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Message from the Deputy Minister of Finance

To build a stronger Malaysia, we must first understand how Malaysians build financial security in their daily lives.

As Malaysia advances towards becoming a more inclusive, resilient and prosperous nation, it is important that our policies and decisions are grounded in a deeper understanding of the realities faced by Malaysians.

Over the years, Malaysia has made significant progress in expanding access to financial services. This achievement reflects the collective efforts of government, regulators, financial institutions and many others who share a common goal of broadening economic opportunity and strengthening financial inclusion.

Malaysia's economic progress has also expanded opportunities for many households. Demographic shifts, technological change, stagnant wages and an increasingly uncertain global environment are reshaping how people save, manage risk and plan for the future. In this context, financial wellbeing is influenced by more than income alone. It is also shaped by the ability of individuals and families to build savings, withstand unexpected shocks and prepare for different stages of life.

To better understand these realities, we must look beyond aggregate indicators. National statistics remain important, but they do not always reveal how economic and financial developments are experienced across regions, communities and demographics. Better evidence leads to better decisions. It enables more informed policymaking, strengthens institutional responses and supports a more meaningful public discourse on issues that matter to Malaysians.

It is in this spirit that I welcome Perbadanan Insurans Deposit Malaysia's (PIDM) inaugural *Data Pulse* publication, *The People Behind the Deposits – How Malaysians Save, Adapt and Build Resilience.* By bringing together insights from Malaysia's depositor landscape with broader economic, demographic and social perspectives, the publication contributes to a richer understanding of financial resilience and economic wellbeing.

I commend PIDM for this initiative and see it as the beginning of a broader national endeavour. I call on government agencies, regulators, financial institutions, researchers and other stakeholders to come together, contribute relevant data and expertise, and connect insights across institutions and disciplines. The task now is to bring together the data, expertise and perspectives held across our institutions and harness them through sustained collaboration to secure a more resilient, inclusive and financially secure future for every Malaysian.

YB Tuan Liew Chin Tong
Deputy Minister of Finance

Foreword by the Chief Executive Officer

A resilient and inclusive financial system rests not only on confidence and access, but also on a deeper understanding of the faces behind the numbers and the lives behind the data.

Malaysia has made meaningful progress in expanding access to financial services, with around 2.4 retail deposit accounts per adult. This achievement reflects the sustained efforts of policymakers, regulators and financial system partners to build a financial system that enables more Malaysians to participate in the formal economy.

Yet access is only part of the story.

Behind every deposit account is a person. It may be a young adult taking the first steps towards financial independence, a family balancing present needs with future aspirations, or a retiree seeking peace of mind after a lifetime of work. Headline numbers reveal broad patterns of the financial system, but less about the circumstances, choices and vulnerabilities of the people who rely on it each day.

At PIDM, protecting financial consumers and contributing to financial system stability are central to our mandate. In carrying out this responsibility, PIDM has developed a distinctive perspective on Malaysia's depositor landscape, shaped by the information entrusted to us. When examined carefully and shared responsibly, these data can complement the work of others seeking to understand the financial lives of Malaysians.

Data Pulse reflects our belief that carefully examined and responsibly shared data can contribute to a deeper understanding of Malaysians' financial lives. In this inaugural edition, PIDM brings together depositor information alongside selected economic, demographic and social indicators to explore how financial conditions intersect with the lives of Malaysians. By looking beyond aggregate figures, we seek to illuminate the faces behind the numbers and the lives behind the data.

No single dataset can provide a complete picture of household financial wellbeing. Rather than offering definitive answers, *Data Pulse* seeks to contribute another perspective through which Malaysia's financial landscape can be understood. We hope these insights will stimulate further research, enrich policy discussions and contribute to more informed conversations on financial resilience and the evolving financial realities of Malaysians.

Afiza Abdullah
Chief Executive Officer
Perbadanan Insurans Deposit Malaysia

About *Data Pulse*

***Data Pulse* reveals patterns in Malaysia's depositor landscape that aggregate statistics may miss.** Drawing on PIDM's depositor data alongside selected economic, demographic and social indicators, it examines how Malaysians participate in the banking system, accumulate deposits and respond to changing financial conditions.

As a PIDM initiative, *Data Pulse* makes these insights accessible to policymakers, researchers, financial system partners and the wider public. Its purpose is to sharpen collective understanding, inform sound policy and institutional decisions, and strengthen evidence-based dialogue on Malaysia's evolving economic and social landscape.

By integrating multiple data sources and analytical perspectives, *Data Pulse* highlights differences across groups and regions that headline aggregates may not capture. These patterns can support more focused inquiry into financial resilience, inclusion and wellbeing.

The analysis describes patterns in deposits and banking participation, not the full financial position, motivations or behaviour of individual households. Findings should therefore be interpreted as an additional analytical lens rather than definitive evidence of causation or household welfare.

***Data Pulse* reflects PIDM's belief that responsibly used evidence can help build a more informed, resilient and inclusive nation.** PIDM welcomes enquiries and collaboration proposals from policymakers, researchers and financial system partners who can contribute complementary data, analytical expertise or applied research on how Malaysians save, accumulate deposits and respond to changing financial conditions.

About PIDM

Established in 2005, PIDM administers two protection systems – the Deposit Insurance System (DIS) and Takaful and Insurance Benefits Protection System (TIPS). In addition to its financial consumer protection mandate, PIDM is also the resolution authority for its member institutions. In this role, PIDM is responsible for undertaking prompt resolution actions in the event of a member institution failure, minimising disruption to financial consumers and preserving financial system stability.

As part of the financial safety net together with the Ministry of Finance and Bank Negara Malaysia, PIDM also collaborates closely with other agencies and financial industry players in areas of common interest for the benefit and safeguard of financial consumers.

PIDM is also an advocate for financial literacy and aims to build a financially literate and financially resilient society through its awareness campaigns.

Executive Summary

The strength and resilience of Malaysia's financial system reflect decades of collective effort by financial system participants, regulators, policymakers and financial system partners. Together, they have built a system that is trusted, stable and capable of supporting the nation's economic aspirations. In doing so, the financial system serves not only as an intermediary of capital, but also as an important pillar of Malaysia's economic resilience, helping households and businesses navigate periods of uncertainty while supporting long-term growth and prosperity.

As most Malaysians now participate in the formal banking system, this has also created a unique opportunity to better understand how Malaysians save, adapt and build resilience over time. Malaysia's financial system generates a rich and evolving picture of household financial behaviour, one that extends beyond headline statistics and offers valuable insights into the realities experienced by individuals, families and communities across the country.

This inaugural edition of *Data Pulse* examines Malaysia's retail depositor landscape using depositor-level data from PIDM member banks. It offers a window into how Malaysians save, respond to changing financial conditions and build financial resilience over time.

First, savings of Malaysians continued to grow, but not at the same pace for everyone. Total retail deposits expanded at a compound annual growth rate (CAGR) of 5.2% over the past decade or 3.7% per adult, but outcomes differed across states, age groups and gender. Deposits per adult grew nearly four times faster in Sarawak than in Labuan over the same period, while deposits among Malaysians aged 65 and above expanded even as those of 35 to 54 held steady. Female deposits also grew faster than male deposits. These differences offer a view into how economic opportunities, life-stage demands and local conditions shape the capacity to build financial resilience.

Second, Malaysia is broadly but unevenly banked. There are around 2.4 retail deposit accounts for every adult nationally, yet adults in Kuala Lumpur are associated with almost six times as many accounts as those in Sabah. Average deposit per account tells a similar story. While balances average nearly RM16,000 per account nationally, they range from over RM20,000 in some states to less than RM5,000 in others. The data suggest that the more meaningful differences across states no longer lie in whether Malaysians participate in the banking system, but in how deeply they engage with it.

Third, deposits per adult not only increase with age, but increase at an accelerating rate, with growth momentum peaking in the later working years before moderating after retirement. Meanwhile, Malaysians in their 30s and 40s do not appear to hold substantially more deposits than people of the same age a decade earlier. Understanding why may be central to understanding how Malaysians build financial resilience in the years that matter most.

Fourth, Malaysia's strongest savings growth in the past decade occurred among those aged 65 and above. As the population ages, an increasing share of national savings is becoming concentrated among older savers who appear most responsive to changes in interest rates, not because of age itself, but because they hold larger balances. As a result, the behaviour of these depositors may play an increasingly important role in shaping Malaysia's future savings landscape.

Fifth, women now hold slightly more deposit accounts than men and have narrowed the savings gap to RM88 for every RM100 held by men over the past decade. However, the gap widens with age and varies across states. The evidence suggests that the challenge is no longer participation in the financial system, but whether participation translates into comparable levels of savings accumulation, financial resilience and long-term financial security.

The findings point to a common theme. The critical question is no longer how many Malaysians can access the financial system, but how participation translates into savings, resilience and financial security. The evidence suggests that financial outcomes remain uneven even as participation becomes increasingly widespread.

By providing a data-driven portrait of who saves, how much, and how confident they are, *Data Pulse* offers insights into the state of Malaysia's evolving depositor landscape. More importantly, it invites a broader conversation about what helps Malaysians build financial resilience and how participation in the financial system can be translated into stronger financial outcomes over time.

Malaysia's Savings at a Glance

5.2%
annual growth in retail deposits over the past decade
(3.7% per year per adult)

2.4 retail deposit accounts
per Malaysian adult

73%
of accounts below RM10,000 are held by Malaysians under 55

70%
of accounts above RM100,000 are held by Malaysians aged 55 and above

Not all depositors respond equally to changes in interest rates

- Larger-balance accounts are more sensitive
- Younger depositors are more sensitive at comparable deposit balances

Women hold
RM88
for every RM100 held by men, compared to RM78 a decade ago

The People Behind the Deposits

A country's financial story begins with its people. Across Malaysia, millions of depositors place their trust in the banking system every day, managing life's expenses, saving for the future and building resilience against uncertainty.

This edition of the *Data Pulse* explores the Malaysian retail depositor landscape, moving beyond aggregate-level trends to understand the people behind the numbers. Through insights on account ownership, savings balances, geography and age, it reveals both the progress made in financial inclusion and the unevenness that remains. Unless otherwise stated, all analyses in this publication relate only to retail depositors of PIDM member banks covered by the deposit insurance system, and do not include other deposit-taking institutions or non-bank financial institutions.

Behind the statistics are millions of Malaysians at different stages of life. To make the evidence more tangible, this publication follows three illustrative depositor personas whose experiences mirror key stages of the savings life cycle. Their stories provide a personal lens through which we can better understand the behaviours, challenges and aspirations that shape Malaysia's depositors.

The chapters that follow explore the different ways in how Malaysians participate in the banking system, accumulate savings and respond to changing financial conditions. Some accumulate deposits faster than others (Chapter 1). Some respond more strongly when interest rates change (Chapter 2). While others experience varying savings outcomes despite participating equally in the banking system (Chapter 3).

Together, these patterns reveal a more nuanced picture of how Malaysians save, adapt and build financial security over time, and how financial outcomes can differ across individuals, shaped by differences in income, employment, cost of living and other circumstances, despite broad participation in the banking system.

Three Malaysians Across the Savings Life Cycle

The Young Entrepreneur in her mid-20s

Building a business and a financial future at the same time, she relies on a single account to manage payments, expenses and day-to-day cash flow. She saves when she can but most of her income goes back into the business.

The Mid-Career Saver in his mid-40s

Balancing household expenses, a mortgage and future goals, he uses multiple accounts to manage growing financial responsibilities while steadily building savings.

The Retiree in her mid-60s

After decades of saving, her focus has shifted from accumulation to preservation. Deposit income supplements a modest pension and provides a buffer against unexpected expenses.

These three profiles represent different stages of the savings life cycle: entering the workforce, building wealth and preserving accumulated savings. Their stories reappear throughout the publication whenever the data reveal meaningful differences between these stages.

Chapter 1
Beyond Access: Mapping Malaysia's Savings Landscape

Despite a decade marked by a pandemic, episodes of elevated inflation and economic uncertainty, Malaysians have continued to build savings. Total deposits held with PIDM member banks grew at a compound annual growth rate (CAGR) of 4.1% between 2015 and 2025, outpacing average inflation of 1.8% over the same period.

Retail depositors[1] have seen their total savings grow at an even faster CAGR of 5.2% over the same decade. After accounting for Malaysia's growing population, this still translates into deposits per adult growth of 3.7% a year. For many Malaysians, these savings represent more than money held in a bank account, they are the financial foundation upon which everyday spending, future aspirations and protection against unexpected setbacks are built.

What Malaysians save individually also matters collectively. These savings provide banks with a stable source of funding that supports lending to households and businesses across the economy. In this way, the growth of Malaysian savings contributes not only to household financial security, but also to the financing of economic activity.

Yet the headline story is only part of the picture. Behind the aggregate numbers are very different savings experiences across regions and age groups.

These differences reveal more than where savings are accumulating. They provide a window into how financial resilience is developing across Malaysia. Some Malaysians are building more financial buffers than others. These patterns provide a useful starting point for further inquiry into how Malaysians participate in the financial system, accumulate savings and develop confidence in the institutions that hold those savings.

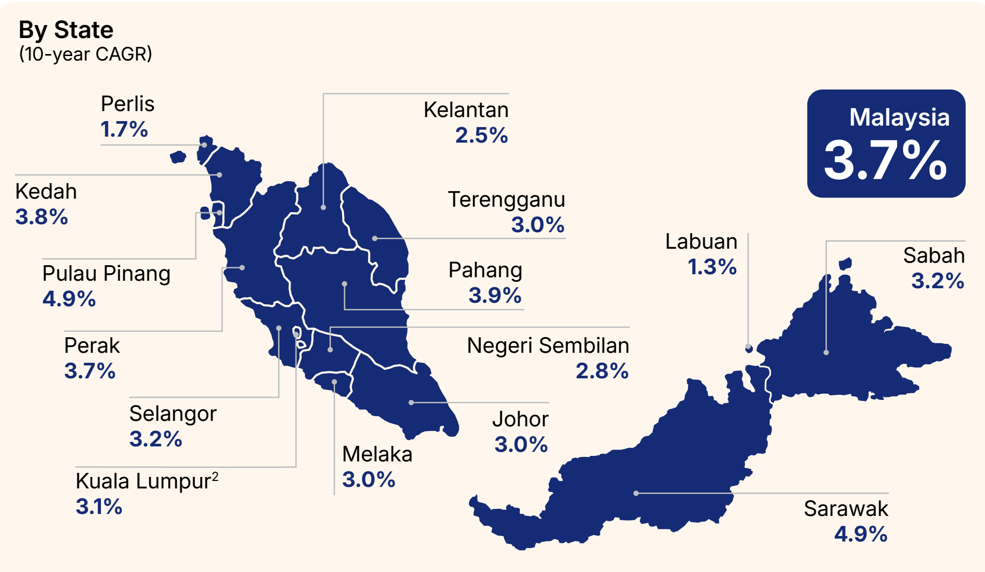
[1] *From this point onwards, the analysis focuses exclusively on retail deposits. Data are as of 2025 unless otherwise stated.*

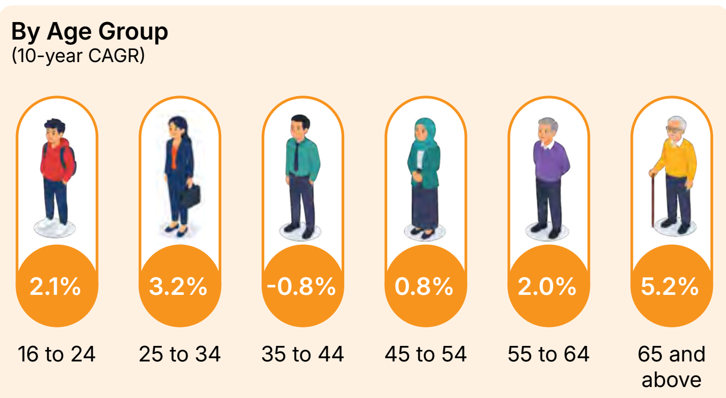
Box 1.1: Where and Among Whom Did Savings Grow Fastest?
(2015 – 2025 Deposits per Adult CAGR)

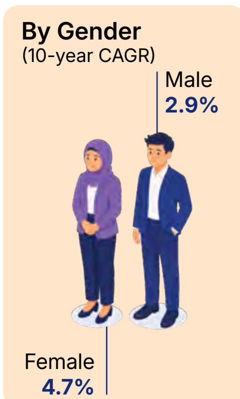
While retail deposits per adult held with PIDM member banks grew at a CAGR of 3.7% between 2015 and 2025, savings did not accumulate at the same pace across Malaysia.

Across states, CAGRs ranged from 4.9% in Sarawak to 1.3% in Labuan. Across age groups, growth ranged from 5.2% among Malaysians aged 65 and above to -0.8% among those aged 35 to 44. Female deposits grew 4.7%, outpacing male deposits at 2.9%.

Taken together, the figures suggest that savings growth over the past decade has been uneven. The sections that follow examine these differences in greater detail.







Source: PIDM

1.1 Participation: The Geography of Savings

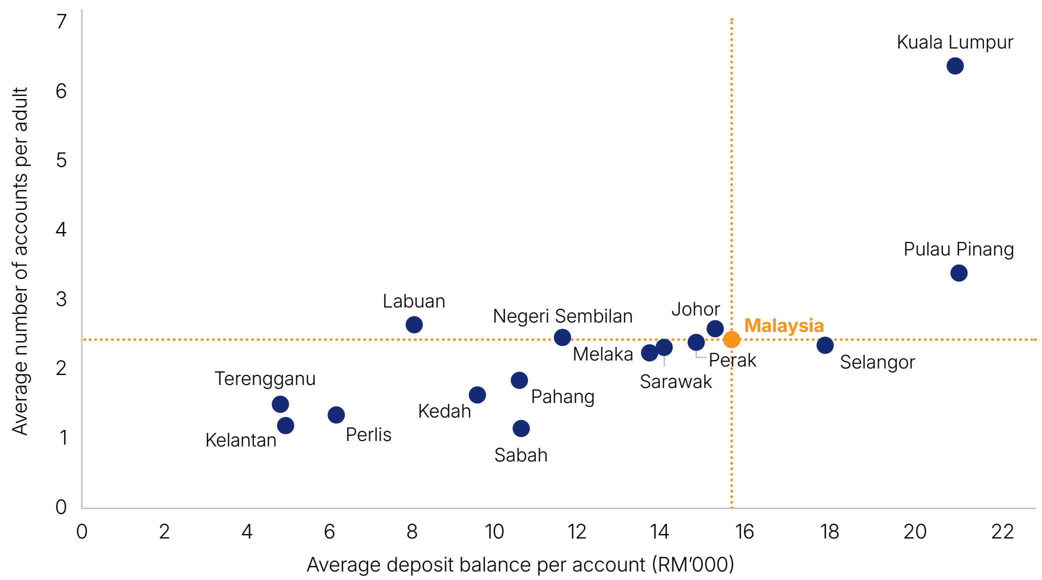
For many years, financial inclusion was primarily about access. Did people have a bank account? Were banking services available where they lived? In Malaysia, those questions are becoming less central. According to the World Bank's Global Findex 2025, nearly 9 in 10 Malaysian adults hold an account with a financial institution or similar provider, while Bank Negara Malaysia reports that 93% of adults held an active deposit account in 2024. Access no longer appears to be the defining challenge. Most Malaysian adults already participate in the formal financial system.

The more pertinent question today may be how Malaysians participate once they are inside the system.

How Many Bank Accounts Does One Person Need?

PIDM data suggest that the number of bank accounts held per adult differs substantially across the country. Nationally, there are **around 2.4 retail deposit accounts for every adult**. Yet, adults in Kuala Lumpur are associated with almost six times as many deposit accounts as adults in Sabah. Even in states with lower ratios, such as Sabah, Kelantan, Perlis and Terengganu, account ownership remains above one account per adult. This may suggest that participation in the banking system extends across the country, even if the depth of participation varies. Average balances show a similar degree of variation across states. While deposits average almost RM16,000 per account nationally, balances exceed RM20,000 in Kuala Lumpur and Pulau Pinang but remain below RM5,000 in Kelantan and Terengganu. States with more accounts per adult also tend to record higher average balances per account.

Chart 1.1: Average Number of Accounts per Adult and Average Deposit Balance per Account by State



Source: PIDM, Department of Statistics Malaysia

[2] "Kuala Lumpur" includes Putrajaya throughout this publication, where applicable.

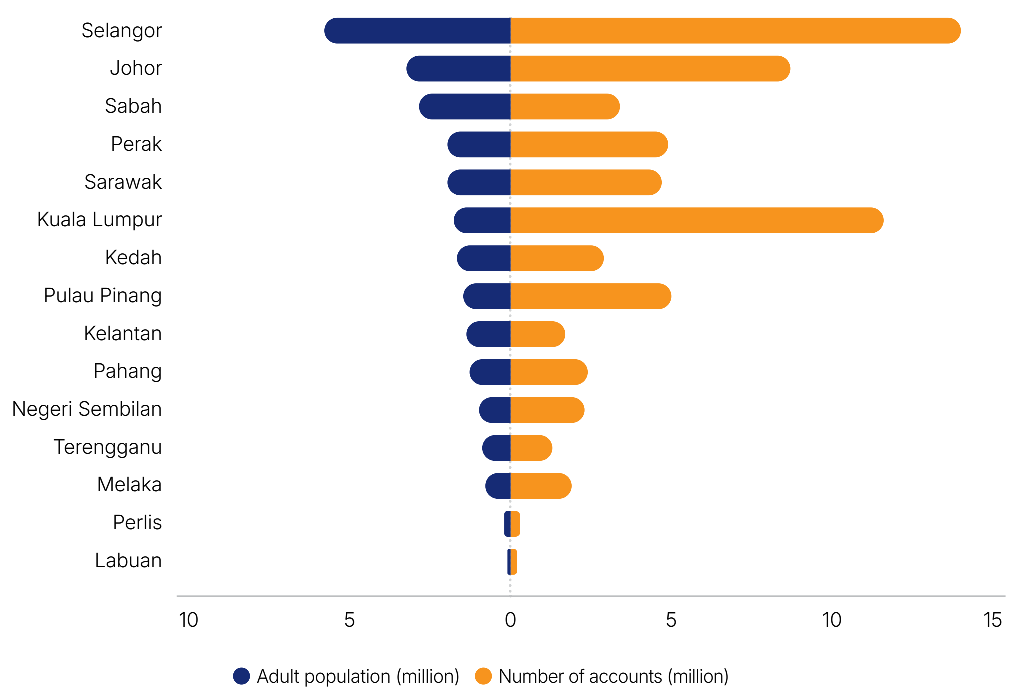
Several explanations are possible. More economically developed areas may generate demand for separate salary, transaction, savings and business accounts. Greater availability of banking products could also encourage households to maintain multiple accounts. In other regions, some may rely more heavily on cooperatives, development financial institutions or other savings channels that fall outside PIDM's deposit data. The data cannot determine which explanation matters most. What it can suggest is that the meaningful differences across states may no longer lie in whether Malaysians participate in the banking system, but in how deeply they engage with it.

Those differences become even more apparent when viewed geographically.

Where Do Malaysians Bank?

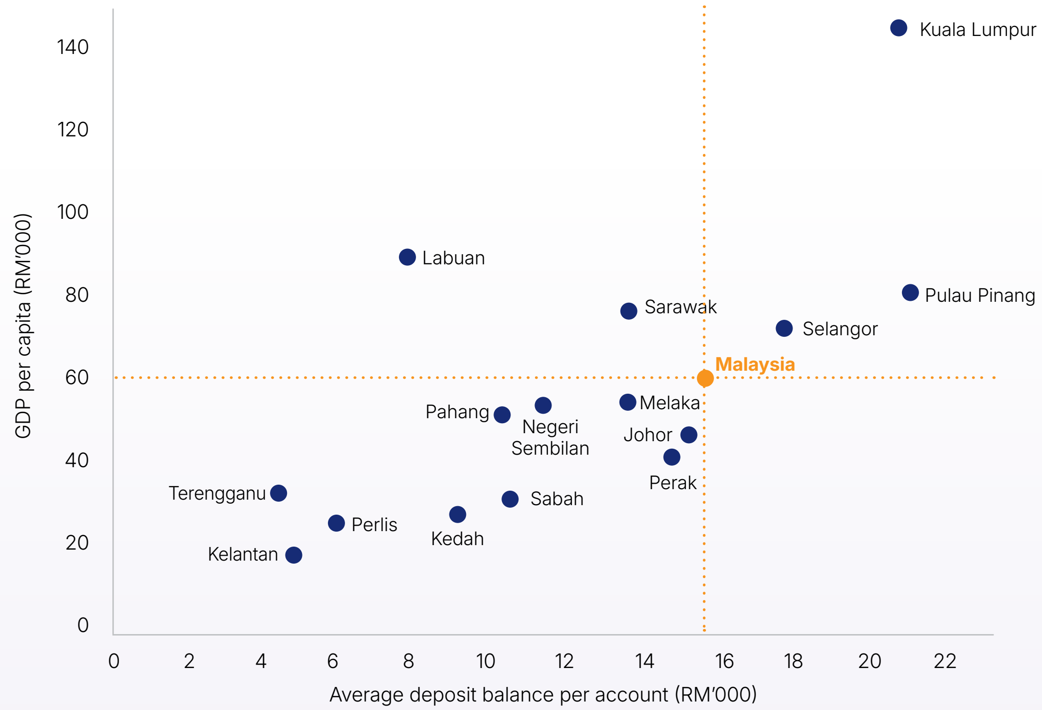
Deposit accounts are concentrated in a relatively small part of the country. Selangor, Kuala Lumpur, Johor and Pulau Pinang hold a disproportionately large share of accounts despite representing a much smaller share of Malaysia's land area. Together, they collectively hold 60% of all accounts, despite representing less than 47% of Malaysia's adult population and occupying just 8.7% of the country's land area. The pattern presents an interesting contrast. Access to banking appears widespread across Malaysia, yet banking activity remains heavily concentrated in a handful of economic centres.

Chart 1.2: Adult Population and Accounts by State



Source: PIDM, Department of Statistics Malaysia

Chart 1.3: Average Deposit Balance per Account and Gross Domestic Product (GDP) per Capita by State



Source: PIDM, Department of Statistics Malaysia

Economic geography appears to play an important role. States with higher income levels generally record both more deposit accounts and larger average balances (Chart 1.3). Greater urbanisation, denser economic activity and broader access to financial services may all contribute to this relationship. The concentration of accounts may reflect stronger economic opportunities, but understanding the underlying drivers requires evidence beyond deposit data alone.

If economic geography explains part of the story, another possibility lies in the geography of banking itself.

Do Branches Create Accounts or Do Accounts Create Branches?

States with larger account bases generally support larger branch networks. Selangor, Kuala Lumpur, Johor, Perak and Pulau Pinang combine extensive branch coverage with large numbers of deposit accounts, while states such as Perlis, Kelantan and Terengganu operate on a considerably smaller scale (Chart 1.4). This raises a question of causality: do branches encourage greater participation in the banking system, or do banks simply establish more branches where demand is already strongest?

PIDM data reveal a close relationship between banking activity and branch presence, but not the direction of influence. Banks may expand into areas where customer demand already exists. Similarly, greater physical accessibility may encourage more customers to open and maintain more accounts. The relationship is likely to be mutually reinforcing, although the data cannot determine the relative contribution of each channel.

Answering this would require bringing account and branch data together with insights on branch strategy, customer behaviour, digital banking adoption and local economic conditions. Collaboration across key stakeholders could help uncover how Malaysians engage with financial services in different communities, strengthening the evidence base for more effective financial inclusion and resilience strategies.

What is perhaps more surprising is how similar branch utilisation appears across much of the country. Nationally, there are over 24,000 deposit accounts per branch, and most states cluster relatively closely around this benchmark (Chart 1.5). Despite substantial differences in population size, geography and economic structure, the variation is modest. This consistency suggests that branch networks may be shaped by similar commercial considerations across much of Malaysia.

Chart 1.4: Accounts and Branches by State

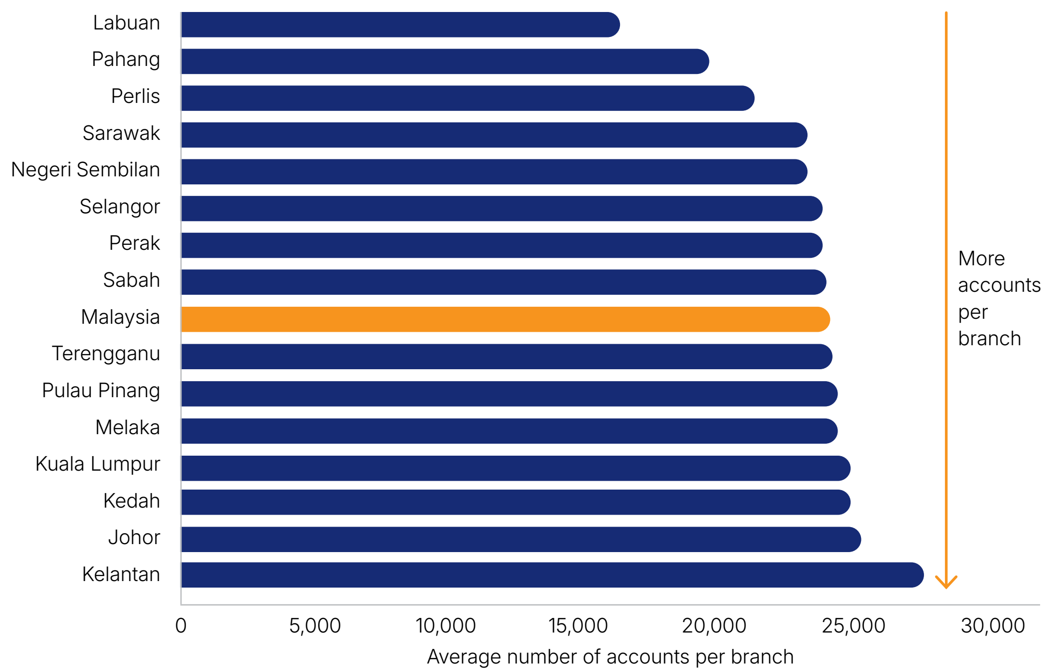
Source: PIDM

Looking at accounts per branch suggests that banking activity and branch capacity may not be evenly matched across states. States with relatively fewer accounts per branch, such as Labuan, Pahang and Perlis, may have more branch capacity relative to current banking activity. Accounts per branch ratios provide one way of exploring how closely branch networks correspond with patterns of banking activity.

Such observations may be treated as starting points for further investigation on how branch networks can be further optimised. Accounts per branch can highlight differences between banking activity and physical infrastructure, but they provide only a partial indication of how intensively branch networks are utilised. Higher or lower ratios may reflect differences in branch utilisation, but they may also be influenced by factors such as digital banking adoption, population density, travel distances, customer preferences and the availability of alternative banking channels.

Taken together, the evidence points to a broader conclusion. Geography matters. The states that generate the largest share of economic activity also account for a disproportionate share of Malaysia's deposit accounts and banking infrastructure. Yet region alone cannot explain why some accumulate substantial savings while others do not. Understanding those differences requires moving beyond regions and examining the people behind the accounts. The next section therefore shifts from geography to demographics, exploring how savings accumulation changes across different stages of life.

Chart 1.5: Average Number of Accounts per Branch by State



Source: PIDM

1.2 Accumulation: The Life Cycle of Savings

Malaysia's depositor base looks young. Its deposit balances do not. Those aged 25 to 44 account for almost half of all depositors, broadly reflecting the country's population structure. Yet depositors aged 55 and above hold more than 63% of total deposit balances despite accounting for less than 26% of accounts. Account ownership shows who participates in the banking system. Deposit balances reveal where savings have accumulated.

Malaysians generally build larger deposit balances as they move through adulthood, with those in their later working years holding more than younger adults. But progress over time has been less uniform. Malaysians reaching middle age today do not appear to hold substantially larger deposit balances than people at the same stage of life a decade earlier.

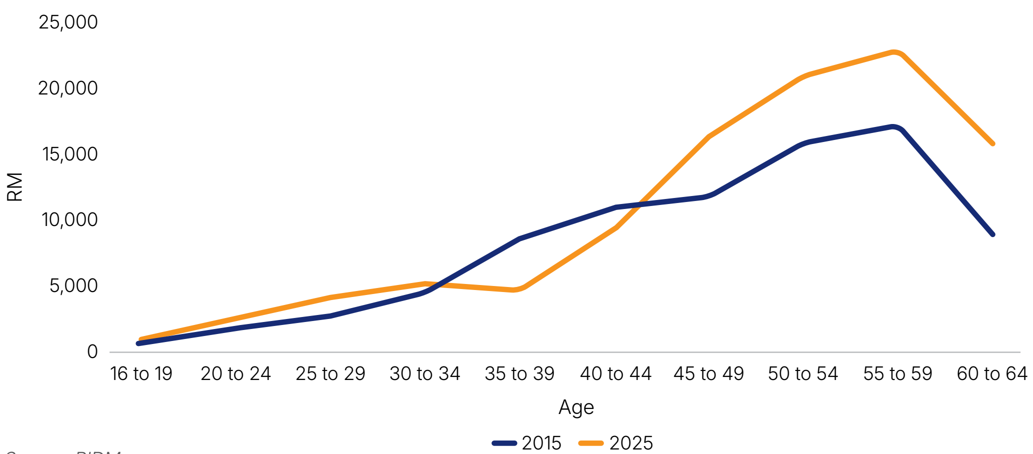
These findings capture two different comparisons. Savings continue to accumulate as Malaysians age, but the deposit position reached by a given age may not be improving materially over time. The question is therefore not only whether Malaysians build savings across the life cycle, but whether people are reaching each stage from a stronger financial position than those who came before them.

When Do Savings Really Begin?

Most Malaysians enter the banking system when they are young. Yet the largest deposit balances tend to emerge much later.

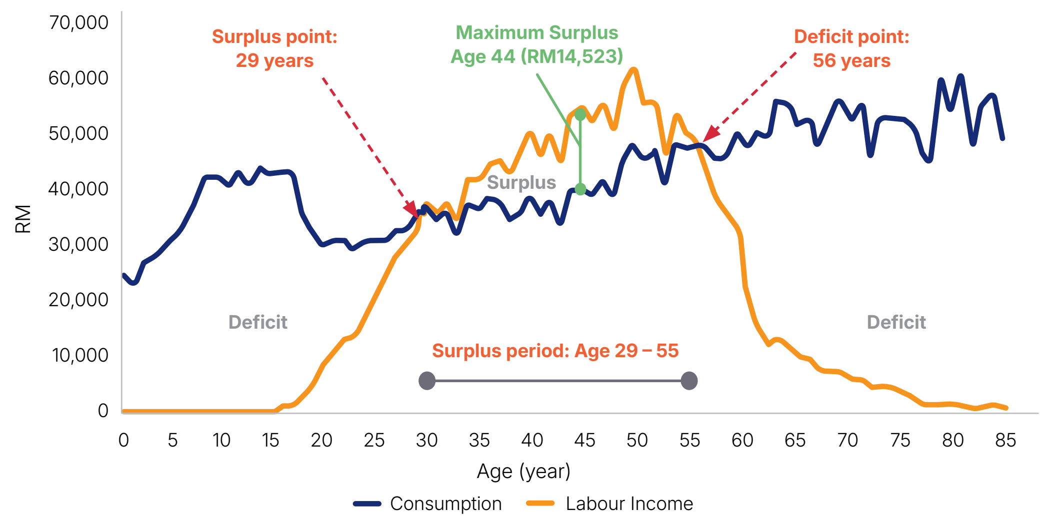
PIDM data show that deposits per adult not only increase with age, but increase at an accelerating rate across successive working-age groups, with growth momentum peaking in the later working years before moderating after retirement (Chart 1.6). Deposits continue to grow among older Malaysians, but at a slower pace. This pattern is consistent with a life-cycle process of accumulation, although the data compare age groups rather than following the same individuals over time.

Chart 1.6: Change in Average Deposit Balance per Adult Across Age Groups



Source: PIDM

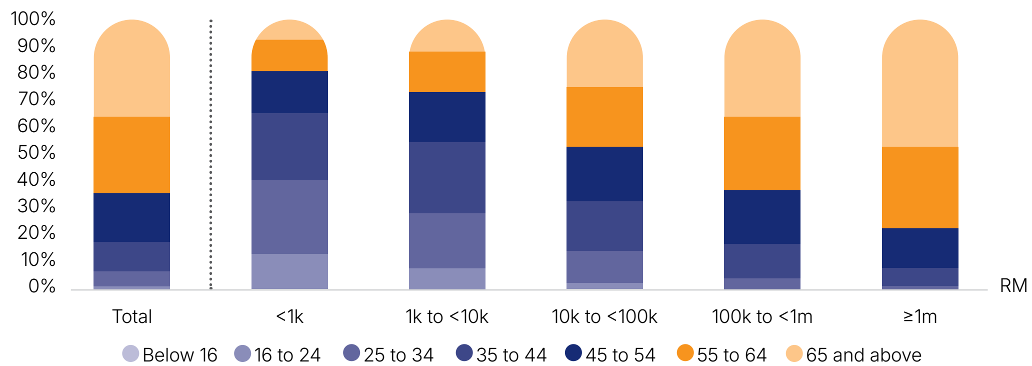
Chart 1.7: Life Cycle Deficit per Capita Value



Source: Department of Statistics Malaysia, National Transfer Accounts Malaysia 2022

The pattern broadly aligns with findings from the Department of Statistics Malaysia's (DOSM) National Transfer Accounts Malaysia 2022. Labour income typically exceeds consumption between ages 29 and 55, creating a financial surplus that peaks around age 44[3] before narrowing as Malaysians approach retirement (Chart 1.7). These are the years when earning capacity may provide the greatest scope to build assets after meeting current expenses.

Chart 1.8: Distribution of Deposit Balance by Age Group



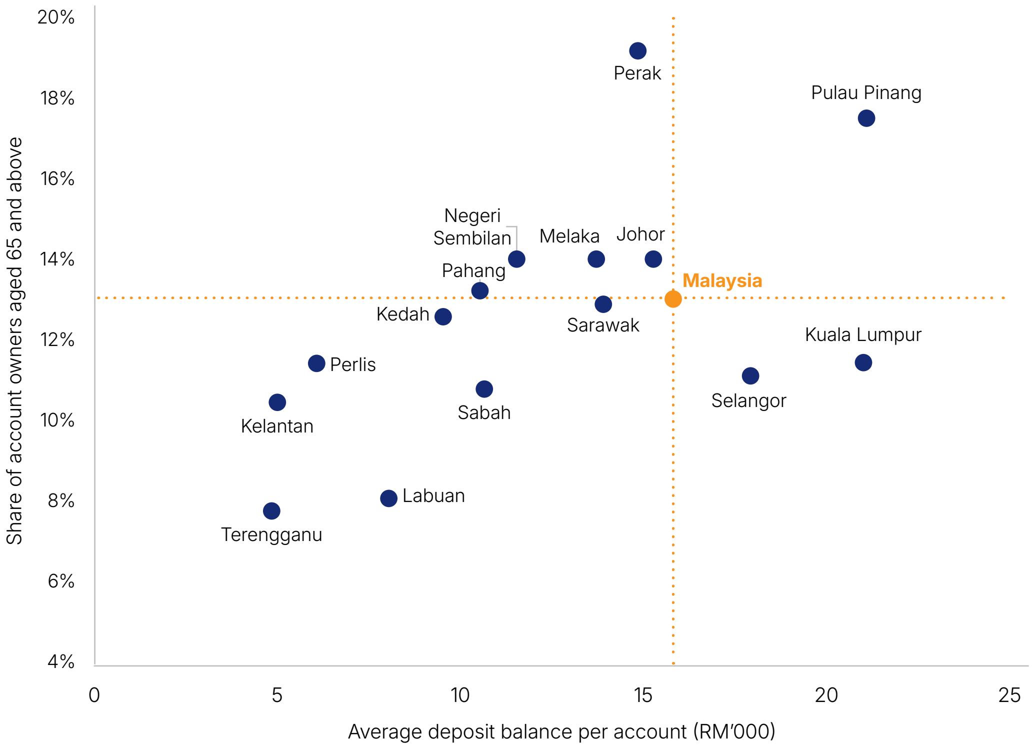
Source: PIDM

The age profile of depositors also shifts noticeably as balances increase. Those younger than 55 account for more than 73% of deposits held in accounts with balances below RM10,000. As balances increase, the age profile shifts towards older depositors. Those aged 55 and above account for around 70% of deposits held in accounts with balances of RM100,000 or more (Chart 1.8).

The association between age and deposit balances is also visible geographically. States with a larger share of account owners aged 65 and above tend to record higher average deposit balances per account (Chart 1.9).

[3] *Consistent with the mid-career saver (page 8).*

Chart 1.9: Share of Account Owners Aged 65 and Above and Average Deposit Balance per Account



Source: PIDM

The tendency for deposit balances to rise with age is not new in Malaysia, but it has steepened over time. Between ages 35 and 59, deposits rise more sharply across successive age groups in 2025 than they did in 2015. The cumulative difference in deposits per adult between Malaysians aged 35 to 39 and those aged 55 to 59 widened to more than RM68,000 in 2025, from less than RM56,000 in 2015.

The steeper profile does not show that individual Malaysians suddenly begin saving more rapidly after age 35. Instead, a greater share of accumulated deposits appears towards the latter part of the life cycle compared with a decade earlier.

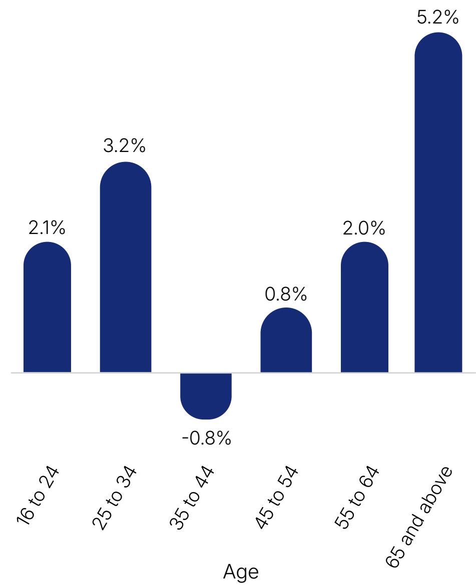
The three depositor personas introduced earlier[4] help illustrate this progression. The young entrepreneur is laying a financial foundation while balancing business costs and everyday needs, leaving limited room for substantial savings accumulation. The mid-career saver may have greater earning capacity, but also a mortgage, household expenses and a child's education to fund, creating both the means and the need to build financial buffers. The retiree has moved from building savings towards preserving liquidity, paying medical insurance premiums and maintaining a buffer against unexpected expenses. These personas show how the room to accumulate deposits may change as Malaysians' earning capacity, commitments and financial priorities evolve over a lifetime.

Who Is Pulling Ahead?

The life-cycle comparison shows that older Malaysians generally hold more deposits than younger Malaysians. A different comparison asks whether Malaysians at a particular age hold more today than people of the same age did a decade ago.

On this measure, progress has been uneven.

Chart 1.10: Average Deposit Balance per Adult by Age Group, CAGR, 2015 – 2025



Source: PIDM

Deposits per adult among Malaysians aged 65 and above grew at a CAGR of 5.2% between 2015 and 2025, the strongest growth among the age groups. Growth was also relatively firm among those aged 25 to 34, at 3.2%. Those aged 16 to 24 and 55 to 64 recorded growth of around 2.0% a year.

The middle age years present a more subdued picture. Deposits per adult declined at a compound annual rate of 0.8% among those aged 35 to 44 and grew by only 0.8% among those aged 45 to 54. The deposit positions associated with these ages were therefore broadly stagnant over the decade.

The finding is not that middle-aged Malaysians have stopped accumulating deposits. At any given point in time, they continue to hold more than younger adults. Rather, Malaysians reaching middle age today do not appear to hold substantially more deposits than those who reached the same stage of life a decade earlier.

Several explanations are plausible. For many Malaysians, these years may bring competing claims on income. Earning capacity may be approaching its peak, but so too may commitments to housing, children's education, ageing parents, medical protection and everyday household needs. Middle-aged Malaysians may also be holding a larger share of their assets outside bank deposits than comparable age groups did a decade ago.

Understanding the deposit positions in the middle age years requires a broader view of household finances. Data on income, expenditure, housing commitments, debt and non-deposit assets would help distinguish among the possible explanations. Bringing these perspectives together would require collaboration across institutions to provide a richer understanding of how Malaysians translate income into long-term financial resilience and where barriers to accumulation may be emerging.

[4] *See "Three Malaysians Across the Savings Life Cycle" (page 8).*

Who Uses the Banking System More?

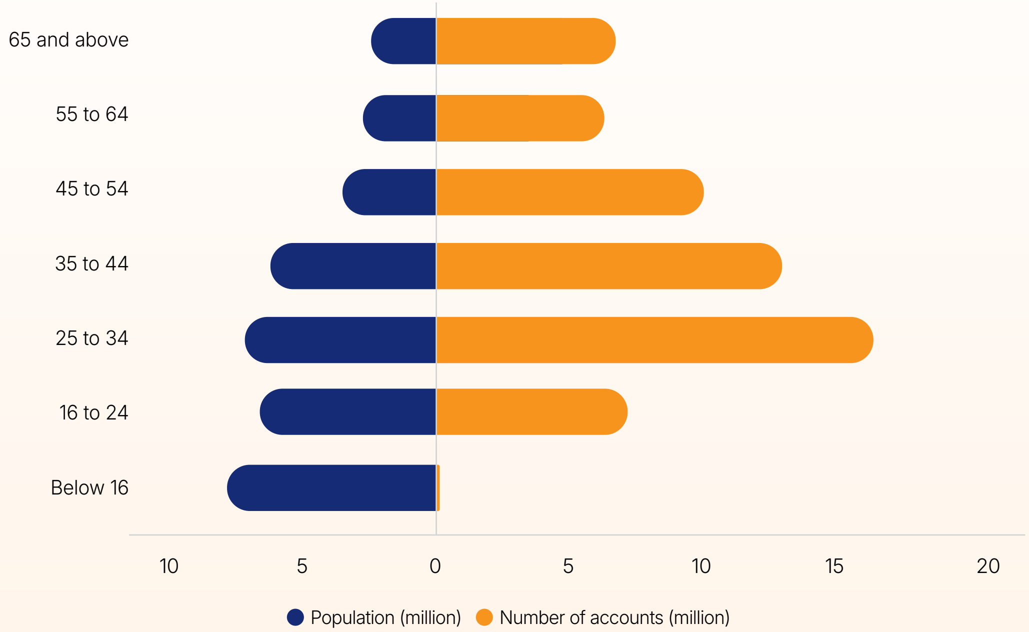
Age may not only influence how much people save, but also how they engage with the banking system.

The overall distribution of accounts initially appears to mirror Malaysia's population structure (Chart 1.11). Malaysians aged 25 to 34 account for the largest share of depositors, followed by those aged 35 to 44 and 45 to 54.

A sharper distinction emerges when accounts are measured relative to the population. Most age groups maintain between approximately 2.6 and 2.8 accounts per adult. Younger ones aged 16 to 24 maintain substantially fewer, at around 1.2 accounts per adult. By contrast, Malaysians aged 65 and above maintain more than 3.1 accounts per adult. This may reflect the need for multiple accounts to support different transactional, savings or liquidity needs, or reflect relationships maintained across several institutions and products.

The personas help make the distinction tangible. The young entrepreneur may rely on a principal account to receive payments and meet business and everyday expenses. The mid-career saver may maintain separate accounts for household spending, a mortgage, children's education and longer-term goals. The retiree may use several accounts to manage liquidity, fixed deposits and funds intended for different future needs.

Chart 1.11: Population and Number of Accounts by Age Group



Source: PIDM, Department of Statistics Malaysia

Box 1.2: What Does an Ageing Malaysia Mean for Savings?

Malaysia is ageing, along with distribution of its deposits.

In the past decade, Malaysians aged 65 and above increased from 5.8% to 8.0% of the population. Over the same period, their share of total deposits rose from 25.3% to nearly 38.2%.[5] Older Malaysians are therefore not only becoming a larger demographic group. They are also accounting for a larger share of the total savings.

Malaysia is expected to become an aged society by 2048,[6] when citizens aged 65 and above account for 14% of the population. Reflecting this challenge, the National Ageing Blueprint 2025 – 2045 identifies retirement adequacy as one of its four key pillars.[7] As this transition unfolds, understanding how Malaysians build, preserve and draw upon savings to prepare for retirement will become increasingly important. Age may move from being one among many characteristics of Malaysia's depositor landscape to one of its key features.

This shift may change not only the composition of the deposit base, but also what Malaysians need from their deposits. As older depositors account for a larger share, demand may increasingly favour products and services that balance returns with dependable income, ready access to funds, capital preservation and protection against medical or other unexpected expenses.

The data may not indicate how older depositors will behave in the future, but it does suggest that understanding older savers will become increasingly important for understanding Malaysia's broader savings landscape. What is already evident is that the financial decisions of older Malaysians will matter increasingly to the size, composition and behaviour of the deposit base. For financial institutions, this raises questions about how products and services will evolve alongside retirement needs. For PIDM, it strengthens the case for understanding how older depositors value access, confidence and protection.

[5] *In other words, the population of those aged 65 and above grew at an average rate of 4.3% per year while their deposits per adult grew at a CAGR of 5.2%.*

[6] *Ministry of Finance Malaysia (2025), Malaysia to become aged nation by 2048.*

[7] *The Blueprint's four key pillars cover long-term care, labour market and skills, fiscal and social protection, and retirement savings, highlighting the broader financial and economic challenges of an ageing population. See The Edge Malaysia (2026).*

1.3 Confidence: The Trust Behind Savings

The data so far point to two features of Malaysia's savings landscape. Participation in the banking system is broad, but the depth of that participation and the capacity to accumulate deposits vary considerably across regions and life stages. Yet accounts and balances tell only part of the story. Confidence matters too. Whether people are setting aside money for an emergency, a child's education, a home or retirement, placing those savings in a bank is ultimately an act of trust.

This raises an important question: does knowing that eligible deposits are protected encourage greater participation in the banking system and a stronger propensity to save?

Answering this is not straightforward. Participation and saving behaviour are shaped by many factors, making it difficult to isolate the influence of deposit protection alone. While the evidence may not be conclusive, the patterns are nonetheless revealing. In the next part, we explore what these insights might suggest when viewed alongside our deposit data.

Does Deposit Protection Awareness Increase Savings?

Awareness of PIDM[8] reached 79% in 2025, up from 53% in 2015. Across Malaysia, awareness ranged between 87.5% in Sarawak and 67.9% in Kelantan, and between 88.7% for those aged 45 to 49 and 70.3% for those aged 18 to 24. Awareness ranks relatively high among both men and women, at 81.1% and 77.1% respectively.

Chart 1.12: Public Awareness of PIDM to Deposit Accounts by State

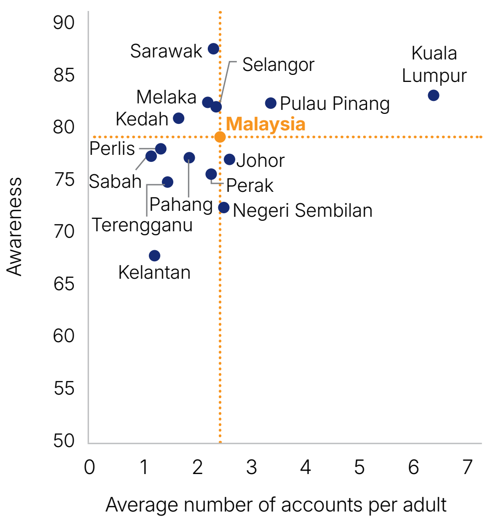
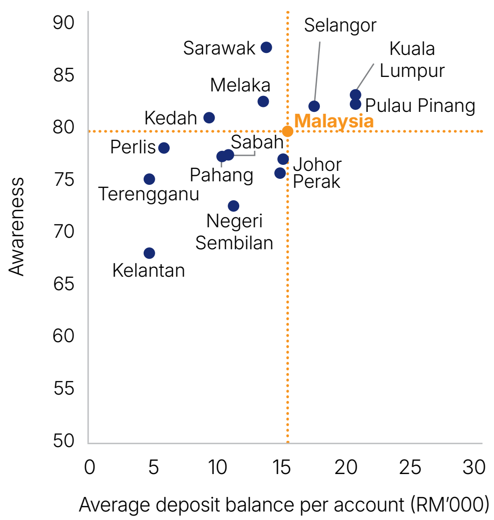


Chart 1.13: Public Awareness of PIDM to Deposit Balances by State



Source: PIDM, Department of Statistics Malaysia

States and age groups with more deposit accounts and higher deposit balances generally also record higher awareness. Kuala Lumpur, Selangor and Pulau Pinang, for example, combine relatively high awareness with more accounts and higher balances with the banking system. Other states exhibit weaker awareness alongside fewer accounts and lower balances, such as Kelantan, Negeri Sembilan and Terengganu (Charts 1.12 and 1.13). People between the ages of 25 to 54 have relatively high awareness, accounts and balances while those below 25 and above 60 tend to record lower levels across these measures.

What remains unclear is whether awareness of deposit protection encourages greater participation and accumulation of balances, or whether those with more accounts and larger balances are simply more likely to be aware of how their deposits are protected. Awareness of deposit protection may reinforce confidence in keeping savings within the banking system. Similarly, Malaysians with more accounts or larger balances may also be more likely to learn how those savings are protected. Other factors, including income, education, financial literacy, access to financial services and local economic conditions, could influence both awareness and patterns of participation and accumulation.

Turning that uncertainty into understanding will require data beyond deposits and awareness alone. Information on financial literacy, household income and expenditure, product usage, non-deposit assets and saving decisions could help explain how awareness, confidence and financial engagement interact. Policymakers, researchers, financial system partners and the wider public may each hold complementary data and expertise that could illuminate different parts of this relationship.

Bringing those perspectives together could help answer a question with practical relevance for Malaysia: what helps Malaysians feel confident enough to participate in the formal financial system, keep their savings within it and continue accumulating towards their financial goals?

Awareness of PIDM may not be why Malaysians begin saving, but its role may be more foundational. Access opens the door to the financial system. The opportunity to accumulate gives participation purpose. Confidence may help sustain both, although its influence is likely to vary across individuals and circumstances.

[8] *An annual consumer survey is conducted to measure, among others, levels of awareness and advocacy among the public about PIDM and our financial consumer protection systems.*

1.4 From Account Ownership to Building Buffers

Malaysia's savings story is one of broad participation, but varied outcomes. Across the country, Malaysians are connected to the banking system in large numbers. Yet the depth of that participation differs markedly. Deposit accounts cluster in major economic centres. Deposit balances build unevenly across regions and life stages. Older Malaysians hold a growing share of the country's liquid savings, while the deposit positions of those in their middle age years have changed relatively little over the past decade.

These differences do not diminish the progress Malaysia has made in widening financial access. They show how the challenge is evolving. Having an account opens the door to the formal financial system, but the capacity to build a meaningful deposit buffer depends on far more than access alone. Economic opportunity, family commitments, geography and stage of life all influence the capacity Malaysians have to build savings for a home, a child's education, retirement or an unexpected setback.

The findings also suggest that participation and accumulation are supported by something less visible: confidence in the institutions that hold those savings. Public awareness of deposit protection is relatively widespread, yet its relationship with saving and financial engagement is not always straightforward. Awareness, confidence and financial behaviour appear connected, but the direction of influence remains an open question worthy of further inquiry.

The findings point towards an important national aspiration: enabling more Malaysians to go beyond participating in the financial system to building stronger financial foundations over time. Deposit data offer one perspective on that journey. It highlights where progress is visible, where outcomes remain uneven and where important questions remain unanswered. Understanding why savings outcomes differ across regions, life stages and demographic groups will require insights beyond deposits alone. Bringing together perspectives from policymakers, researchers, financial system partners and the wider public could help build a richer understanding of how Malaysians accumulate financial resilience and prepare for the future.

As Malaysia's population ages and financial needs evolve, the composition of the deposit base will matter increasingly. The Malaysians holding these deposits are not equally placed to respond when economic conditions change. Some have substantial balances and room to adjust their financial decisions. Others must continue to prioritise immediate commitments, regardless of the incentives offered by changing returns.

Those differences are likely to matter when financial conditions change. When interest rates move, whose deposits move with them? The next chapter examines how responses differ across age groups, deposit balances and states, and whether the strongest movements reflect age itself or the financial capacity accumulated over a lifetime.

Chapter 2 Behind the Numbers: Who Shifts When Rates Shift?

Interest rates are often expected to influence saving behaviour. In practice, however, not everyone has the same room to respond. For some, higher returns create an incentive to save more. For others, everyday commitments leave little surplus cash to move. Chapter 2 asks a simple but important question: when rates shift, whose deposits move?

The answer matters because not every ringgit of deposits is equally sticky. Two banks may hold deposit bases of similar size, but those deposits may behave differently depending on whether they are held by younger or older depositors, whether balances are small or large, and how responsive these groups are to changes in returns. For PIDM, banks and the broader financial system, this composition matters for deposit stability, pricing strategy, liquidity risk and early-warning surveillance.

Headline deposit growth can reveal that deposits are moving, but not necessarily who is moving them. A decline in deposits may reflect broad-based withdrawal across many households or the actions of a relatively small group of larger-balance depositors. The same aggregate outcome can therefore mask very different patterns of behaviour.

This chapter examines interest rate sensitivity — the extent to which deposit growth rises or slows when the Overnight Policy Rate[9] (OPR) changes — across age, deposit balance size and geography. The question is not whether deposits respond when rates change. The aggregate evidence suggests that they do. The more interesting question is who is driving that response. Is deposit behaviour shaped primarily by age, by financial capacity, or by some combination of the two?

2.1 When Interest Rates Rise, Do Deposits Follow?

Retail deposit growth appears to vary across different interest rate settings. Against a sample average growth rate of 5.8%,[10] retail deposits grew an average 3.3 percentage points above trend during periods of OPR hikes and an average 3.0 percentage points below trend in times of OPR cuts.[11] This suggests that monetary policy transmission through deposits remains effective, with deposit growth strengthening during policy rate hiking cycles and moderating during easing cycles.

As interest rates rise, higher returns on deposits increase the incentive to save or keep funds in deposit accounts. When rates fall, that incentive weakens. But interest rates are not the only factor that can affect household savings. Economic growth, inflation and labour market conditions can also shape households' capacity and willingness to save. Table 2.1 therefore compares these broader macroeconomic conditions across periods of hikes and cuts.

[9] The Overnight Policy Rate (OPR) is the benchmark interest rate set by Bank Negara Malaysia, through its Monetary Policy Committee (MPC), that influences, among others, banks' lending and financing rates, as well as deposit rates.

[10] This analysis uses annual retail depositor data of PIDM member institutions from 2014 to 2025. The sample average growth rate excludes the COVID-19 period (2020 – 2022), when exceptional economic conditions and policy measures disrupted the relationship between interest rates and deposit growth.

[11] Interest rate sensitivity is measured by comparing average deposit growth during rate-hike and rate-cut periods with the sample average growth rate.

Table 2.1: Average Conditions During Interest Rate Cycles

Indicator	During rate hikes	Overall average	During rate cuts
Retail deposit growth	9.1%	5.8%	2.9%
GDP growth	4.8%	4.9%	4.7%
Inflation	2.2%	2.1%	1.4%
Unemployment rate	3.2%	3.2%	3.2%

Note: Values represent period averages. The overall average covers the full sample period, excluding the COVID-19 period (2020 – 2022).

Source: PIDM, Department of Statistics Malaysia

The comparison makes the difference in deposit growth particularly notable. Average GDP growth was broadly similar during hiking and cutting periods, at 4.8% and 4.7% respectively, while the unemployment rate averaged 3.2% in both. Inflation showed a somewhat larger difference, averaging 2.2% during hiking periods and 1.4% during cutting periods. Against these relatively similar macroeconomic conditions, retail deposit growth showed a much wider divergence, at 9.1% during episodes of rate hikes compared with 2.9% during episodes of rate cuts. The contrast suggests that the interest rate settings may play a meaningful role in shaping deposit growth, alongside many other factors as well.

The macro-observation is therefore a starting point, not the full story. The more pertinent question is what sits behind the aggregate: are deposit movements broad-based and stable, or concentrated among groups that may move more quickly when returns change?

2.2 Who Appears Most Sensitive? What the Data Show

After examining how deposit growth varies across different interest rate settings, the next question is whether all depositors respond in the same way. To explore this, depositors were segmented by age and deposit balance, and each group's deposit growth during periods of OPR hikes and cuts was compared against its respective sample growth.[12]

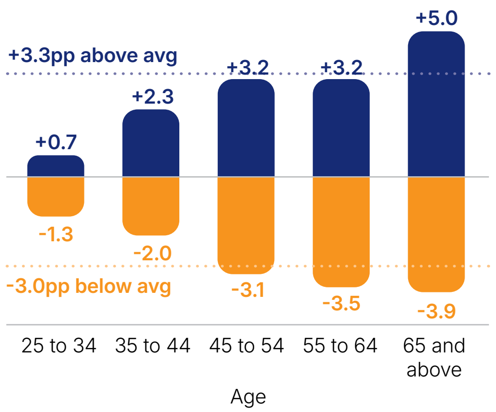
Age and Interest Rate Sensitivity

Responsiveness appears to increase steadily with age. Depositors aged 25 to 34 experienced changes of only around 1 percentage point above (or below) their average growth rate during rate hikes (or cuts). Among those aged 65 and above, the corresponding swing was closer to 4 to 5 percentage points.

While responses to rising and falling rates were broadly balanced across most age groups, the youngest and oldest depositors stood out. Younger depositors appeared more responsive when rates fell, whereas older depositors appeared more responsive when rates increased.

[12] Interest rate sensitivity is measured by comparing average deposit growth during rate-hike and rate-cut periods with each age group's or deposit balance bucket's sample average growth rate.

Chart 2.1: Interest Rate Sensitivity by Age Group, Percentage Points (pp)



Source: PIDM

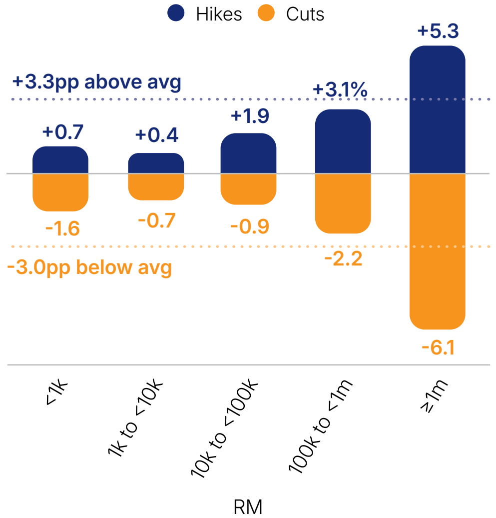
One explanation lies in the financial realities of different life stages. Younger Malaysians, like our young entrepreneur introduced earlier,[13] are often balancing the costs of building a career, households and families, leaving less room to increase savings when rates rise. Older Malaysians, like the retiree, are more likely by contrast to have accumulated financial buffers and paid down major liabilities, making changes in deposit returns more consequential in ringgit terms.

Yet the age pattern should not be interpreted too quickly. A different explanation may be hiding beneath the surface. Older depositors are also more likely to hold larger balances. If larger balances are inherently more responsive to changes in returns, what appears to be an age effect may in fact be a balance effect.

Deposit Balance and Interest Rate Sensitivity

Responsiveness appears to increase with deposit balance. The difference, however, is that the progression is far less gradual. Responsiveness remains relatively muted among smaller-balance depositors before rising sharply among those holding larger balances (Chart 2.2).

Chart 2.2: Interest Rate Sensitivity by Deposit Balance, Percentage Points (pp)



Source: PIDM

Depositors with less than RM10,000 exhibit limited sensitivity to interest rate movements overall. If anything, they appear somewhat more responsive to rate cuts than to rate hikes. This is perhaps unsurprising. Smaller balances are often maintained for day-to-day transactions and precautionary liquidity rather than to maximise returns. When balances are modest, even a meaningful change in interest rates may translate into only a small difference in ringgit terms, providing little incentive to adjust savings behaviour.

[13] *See "Three Malaysians Across the Savings Life Cycle" (page 8).*

The picture changes once balances exceed RM10,000. Sensitivity becomes progressively stronger, particularly during periods of monetary tightening. This is perhaps as balances grow, the same increase in interest rates generates a larger change in ringgit terms. Larger-balance depositors may therefore have both greater incentive and greater flexibility to shift funds in response to changing returns.

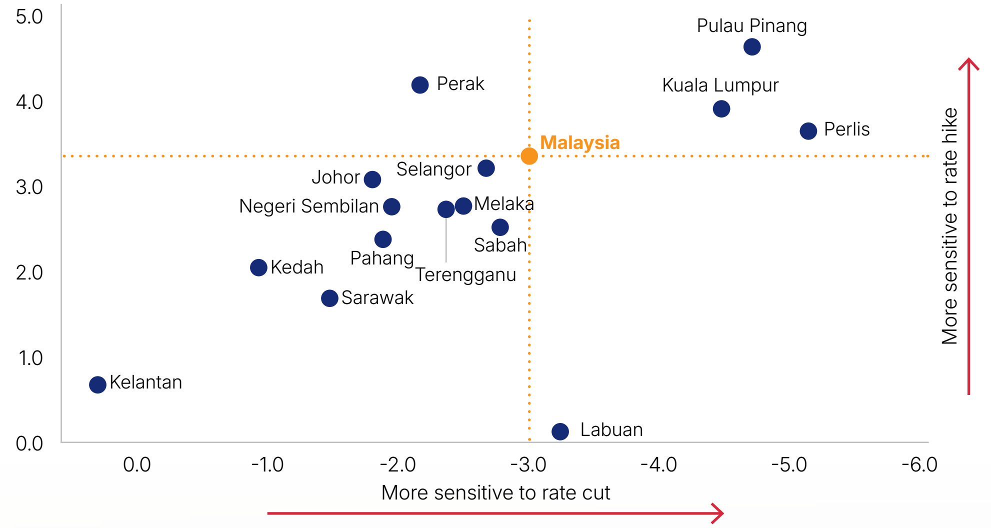
Viewed from this perspective, interest rate sensitivity appears to be linked to the financial resources available to depositors. Smaller balances remain closely tied to day-to-day liquidity needs and appear relatively stable when rates change. Larger balances, by contrast, exhibit greater responsiveness to changing prospects.

This distinction matters because aggregate deposit growth can miss important differences beneath the surface. A deposit base may appear stable overall while still containing a relatively small group of larger-balance depositors whose behaviour changes markedly when rates or financial incentives move. For banks, this has implications for deposit pricing, liquidity management and the composition of the deposit base itself.

This leaves an important question unresolved. Older depositors appear more responsive to changes in interest rates, but they are also more likely to hold larger balances after decades of accumulated savings. **As such, are older depositors more responsive because they are older, or because they hold more savings?**

Box 2.1: Which States Appear Most Sensitive?

Chart 2.3: Interest Rate Sensitivity by State, Percentage Points (pp)



Source: PIDM

Examining deposit behaviour across states provides a geographical perspective on interest rate sensitivity. It also offers a broad indication of how depositor characteristics, such as age profile and deposit balances, may differ across regions. States vary in demographic composition, average deposit holdings, income levels and economic structure, all of which can influence how strongly deposit growth responds to changes in interest rates.

There is considerable variation across states (Chart 2.3). Kuala Lumpur and Pulau Pinang exhibit stronger-than-average responses during both monetary tightening and easing cycles, placing them in the upper-right quadrant of the chart. At the other end of the spectrum, Kelantan appears less responsive than average in both situations, suggesting a comparatively less interest sensitive deposit base.

Most other states cluster around the centre of the chart, indicating responses that are broadly in line with the national average during both rate-hike and rate-cut cycles. This suggests that while interest rate sensitivity varies across regions, the most pronounced differences are concentrated in a relatively small number of states.

The chart does not, by itself, explain why these differences exist. Understanding why some states respond more strongly than others remains an important area for future study. Combining deposit data with information on income, wealth, financial product usage and local economic conditions could provide a more complete picture of the factors shaping depositor behaviour. Such insights would be valuable for policymakers seeking to better understand the transmission of monetary policy, as well as for banks managing funding stability and deposit competition across different regions.

2.3 Who Appears Most Sensitive? What the Estimation Shows

To disentangle the closely related effects of age and deposit balance, a panel regression was estimated using PIDM's granular depositor-level data. The data are disaggregated into age and deposit balance segments across time, increasing the sample to 1,860 observations, from the 45 observations in the earlier descriptive analysis. The additional granularity allows the estimation to distinguish more effectively between the effects of age, deposit balance and interest rates.

The model[14] includes interaction terms between age and the OPR, as well as between deposit balance and the OPR. This allows the relationship between depositor characteristics and deposit growth to vary across different interest rate environments rather than assuming a fixed effect.

In practical terms, the model asks two questions. First, do depositors of the same age but with different deposit balances respond differently when interest rates change? Second, do depositors with similar balances but different ages respond differently? This helps distinguish whether observed differences in responsiveness are more closely associated with age itself or with the size of deposits held.

The results suggest that deposit balance is a more important determinant of interest rate sensitivity than age. After controlling for age, larger balance depositors continue to exhibit stronger responses to changes in the OPR. By contrast, once deposit balance is held constant, older depositors appear less responsive than younger depositors. Both relationships are statistically significant.

Holding deposit balance constant, younger depositors appear to respond more to changes in the OPR than older depositors. Interestingly, this is a notable departure from the descriptive analysis, which suggested that responsiveness increased with age. This suggests that the stronger response observed among older depositors may be reflecting their larger deposit balances, rather than age itself. To illustrate, at an OPR of 3.0%, each additional year of age is associated with around 0.47 percentage points lower deposit growth.

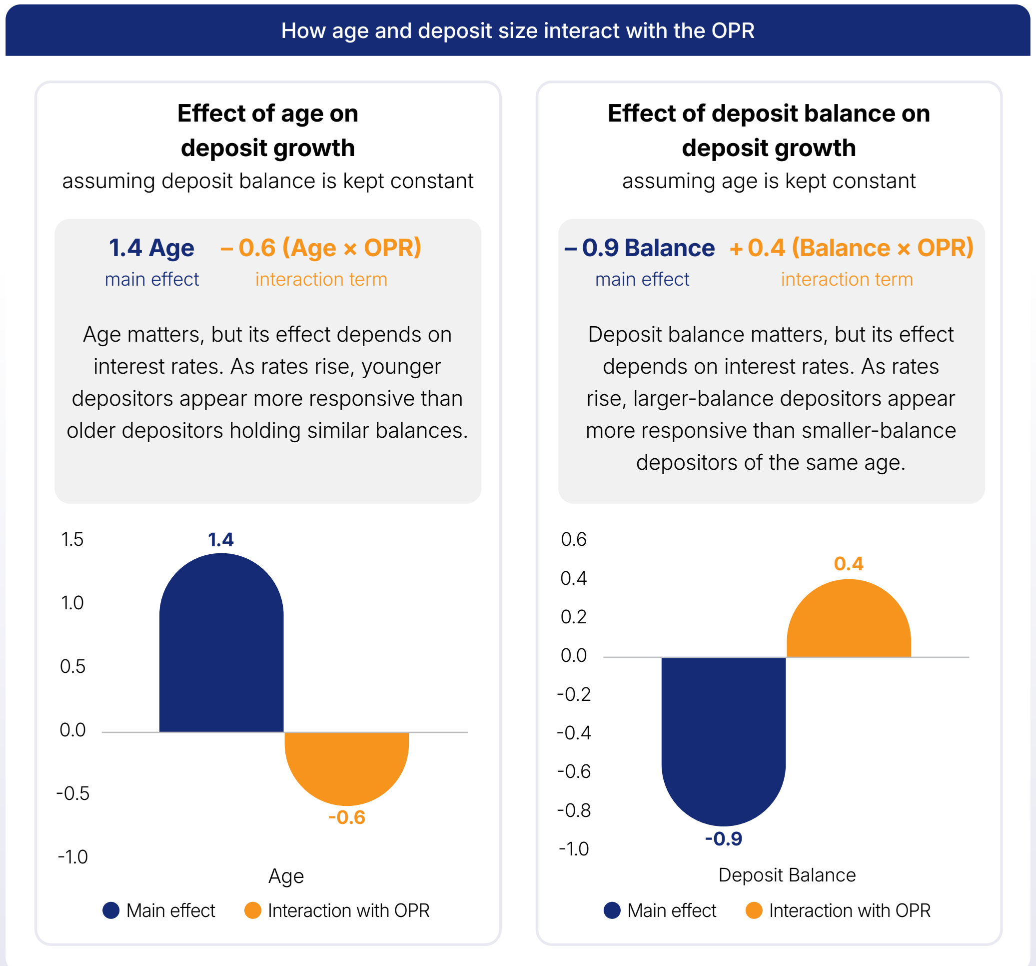
Holding age constant, depositors with larger balances appear to respond more to changes in the OPR than those with smaller balances. This reinforces the descriptive analysis, where larger-balance depositors also appeared more responsive to interest rate changes — suggesting that deposit balance itself plays an important role in shaping OPR sensitivity. To illustrate, at an OPR of 3.0%, each additional RM100,000 in deposits is associated with around 0.33 percentage points higher deposit growth.

These findings are intuitive. Depositors with larger balances have more funds at stake and therefore face a stronger financial incentive to respond when returns change. Older depositors, meanwhile, may place greater emphasis on liquidity, safety and capital preservation, making them less inclined to adjust their deposit behaviour in response to interest rate changes alone. However, the data identify differences in behaviour rather than the underlying motivations for those differences.

[14] *The model and its details can be found in the Appendix.*

The estimation also helps reconcile the apparent contradiction observed in the descriptive analysis. Older depositors exhibited larger movements in deposit growth across interest rate cycles, but this appears to reflect the larger balances they tend to hold rather than age itself. Once deposit balance is taken into account, larger balances remain associated with stronger responsiveness, while the age effect becomes weaker and reverses direction. The evidence therefore suggests that financial capacity, rather than age alone, is the more important factor shaping depositor responses to changes in interest rates.

Chart 2.4: Panel Regression Results



Source: PIDM

2.4 From Who Moves to Where Money Moves

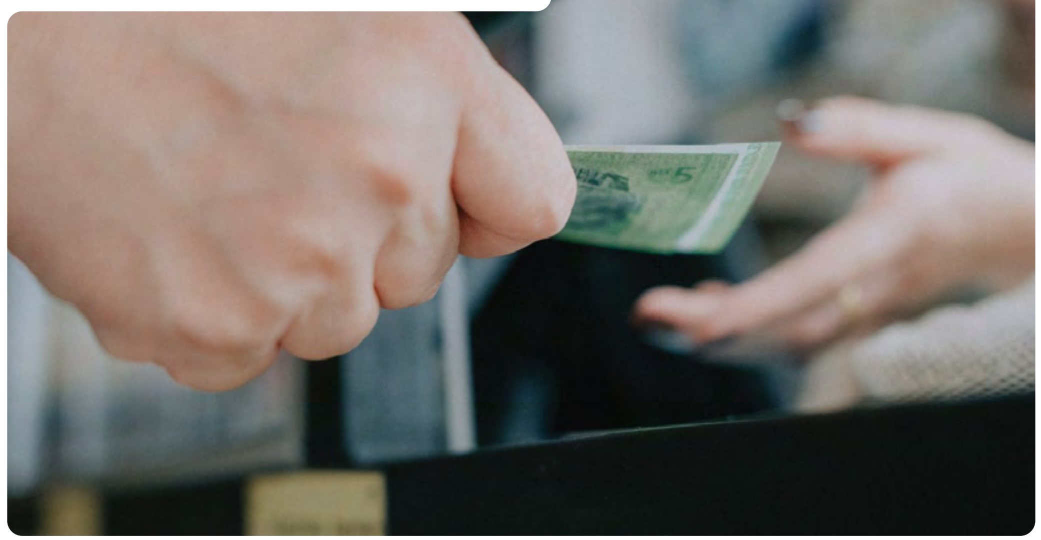
Chapter 2 suggests that interest rate sensitivity is shaped less by age than by financial capacity. Larger-balance depositors appear to drive a disproportionate share of deposit movements during changes in the OPR, while smaller-balance depositors exhibit more limited responses. The findings therefore point to an important reality: monetary policy may not be transmitted evenly across all households.

Yet the analysis also raises new questions. Where do funds move when deposit growth slows? Do depositors shift savings between banks, into other financial products, towards debt repayment or into consumption? How do income, wealth, financial literacy and life circumstances influence the ability of households to respond to changing returns?

The next question is where the money goes. The current data do not show whether slower deposit growth reflects withdrawals, transfers between banks, shifts into different deposit products, movement into other financial assets or slower new saving.

Answering these questions will require perspectives that extend beyond deposit data alone. Banks, regulators, researchers and public institutions each hold different pieces of the puzzle. By bringing together data on savings, investments, retirement assets, borrowing and household finances, future research could provide a richer understanding of how Malaysians respond to changing financial conditions and how monetary policy is transmitted through the broader economy.

Ultimately, the question is not simply who moves when rates move. It is what those movements reveal about the financial resilience, flexibility and preparedness of Malaysian households in an increasingly complex economic environment.



Chapter 3
Bridging the Gap: Understanding Gender and Savings

Malaysia has made significant progress in advancing gender equality over the past decade. Women have achieved notable gains in educational attainment,[15] labour force participation[16] and economic empowerment. Yet gaps remain.

A 2019 World Bank study[17] revealed a more nuanced picture of economic outcomes. Although men's average monthly earnings exceeded women's by just 3.2%, it masked substantial variation across the earnings distribution. At the highest end, men at the 99th percentile make 16.9% more than women at the same percentile. Across much of the middle-income range, however, women often earned as much as, or more than, men, with female earnings exceeding earnings of their male counterparts at many points between the 60th and 90th percentiles. These findings suggest that gender inequality is increasingly less about participation itself and more about differences in career progression, wealth accumulation and access to the highest-paying opportunities.

The question is whether similar patterns emerge in savings?

Malaysia's gender savings story is no longer primarily about access. Women today are educated, banked and active participants in the country's formal financial system. Female deposits grew faster than male deposits between 2015 and 2025, at a CAGR of 4.7% compared with 2.9% for men, while the number of deposit accounts held by women has remained at parity with men.

The more pertinent question today is whether participation is translating into accumulation. Are women building savings at the same pace as men? Do similar levels of participation lead to comparable levels of financial security?

The challenge is no longer whether women participate in the financial system. It is whether participation translates into comparable financial outcomes.

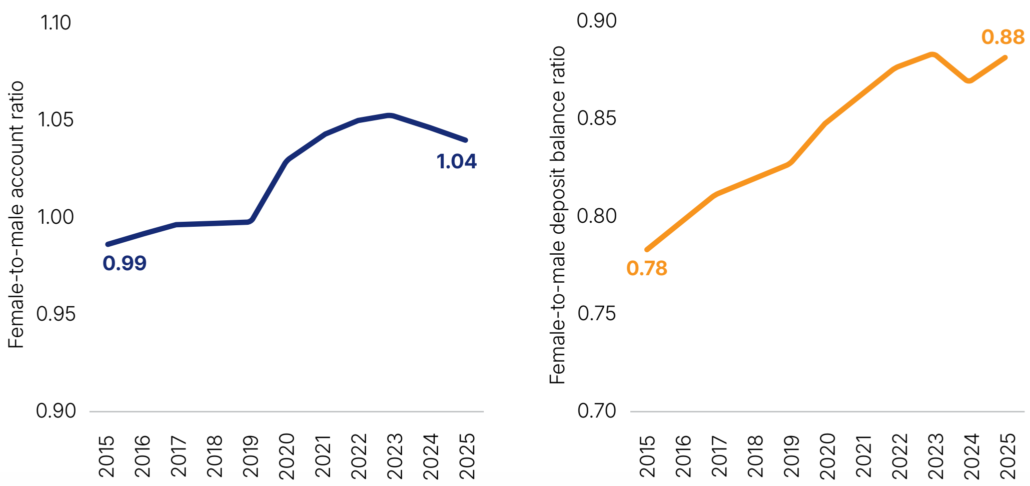
[15] *Female enrolment in higher education is now at 56.4% compared to 45.5% in 2015, according to Department of Statistics Malaysia.*

[16] *Female labour force participation rate is now at 56.6% compared to 54.0% in 2015, according to Department of Statistics Malaysia.*

[17] *According to the World Bank (2019), Breaking Barriers: Toward Better Economic Opportunities for Women in Malaysia.*

3.1 Women Have the Accounts but Do They Have the Balances?

Chart 3.1: Female-to-Male Deposit Balance and Account Ratios, 2015 – 2025



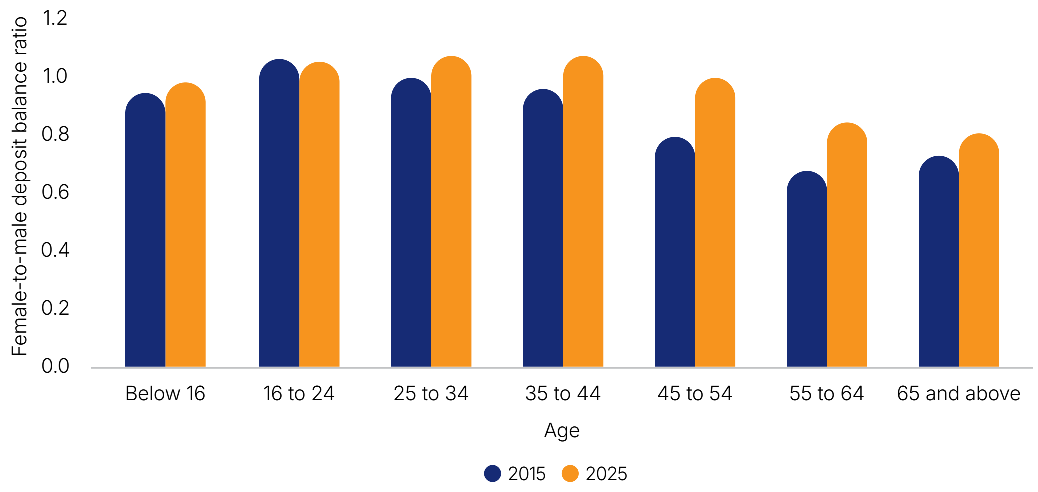
Source: PIDM

The most significant change in Malaysia's gender deposit landscape has occurred not in participation, but in accumulation. Women hold as many deposit accounts as men in 2025, with a female-to-male account ratio of 1.04.[18] The larger shift occurred in deposit balances. Women now hold RM88 for every RM100 held by men, compared with RM78 a decade earlier. While a gap remains, it has reduced considerably to 12%, from 22% a decade earlier. The improvement suggests that women have been gradually closing the savings accumulation gap, supported by faster deposit growth than their male counterparts over the past decade.

[18] *The ratio in 2015 was around 0.99.*

When Does the Gap Emerge?

Chart 3.2: Female-to-Male Deposit Balance Ratio by Age Group



Source: PIDM

Looking across age groups reveals a more nuanced picture. Women are closer to parity with men in deposit balances than they were a decade ago across every age group. Yet one pattern has remained remarkably consistent: relative deposit balances begin to diverge from age 45 onwards.

While female deposit balances exceed those of men among Malaysians aged 16 to 44, the relationship reverses from age 45 onwards. Women continue to hold as many accounts as men, and in some older age groups even more, but their relative deposit balances decline with age. The contrast is most pronounced among those aged 65 and above, where women hold more accounts than men but only around 80% of the deposit balances held by their male counterparts.

The divergence appears well before retirement. Among those aged 45 to 54, women already hold more accounts than men, yet their deposit balances fall below parity. By ages 55 to 64, and even more so among those aged 65 and above, the gap widens further.

The depositor personas[19] show how small differences can build up over time. At the start of her career, a woman may save just as much as, or even more than, a man of the same age. However, later in life, time spent caring for children or family members, together with differences in career progression and earnings opportunities, may affect how much she is able to save. Over the years, these differences can accumulate, resulting in substantially lower savings by retirement.

[19] *See "Three Malaysians Across the Savings Life Cycle" (page 8).*

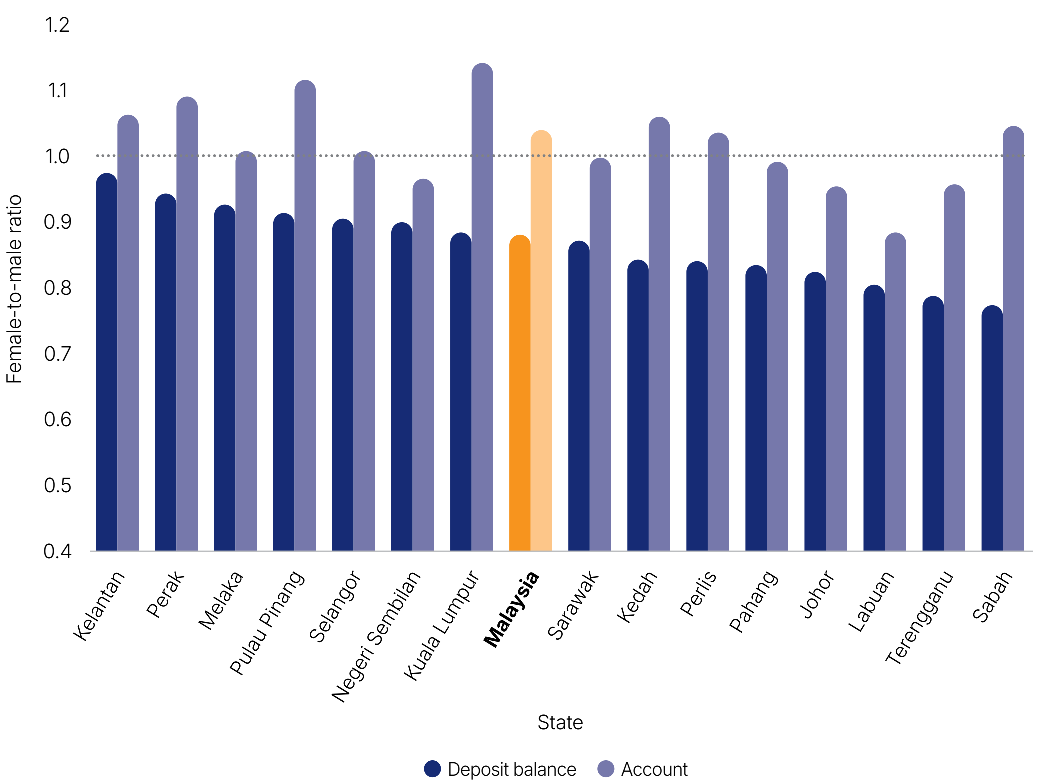
Where Is the Gap Widest?

Looking across states, the improvement in women's relative savings positions has been broad-based. The national ratio has risen to RM88 of deposits for every RM100 held by men, with every state recording some degree of improvement over the past decade.

Among the states, Kelantan records the narrowest deposit gap, with women holding RM98 for every RM100 held by men. By contrast, Sabah records the widest gap, with women holding RM77 for every RM100 held by men.

Participation patterns also vary across states. Relative to the national female-to-male account ownership ratio of 1.04, women are more strongly represented in some states (Kuala Lumpur, Pulau Pinang and Perak), while in others, account ownership remains below parity (Labuan, Terengganu and Johor).

Chart 3.3: Female-to-Male Deposit Balance and Account Ratios by State



Source: PIDM

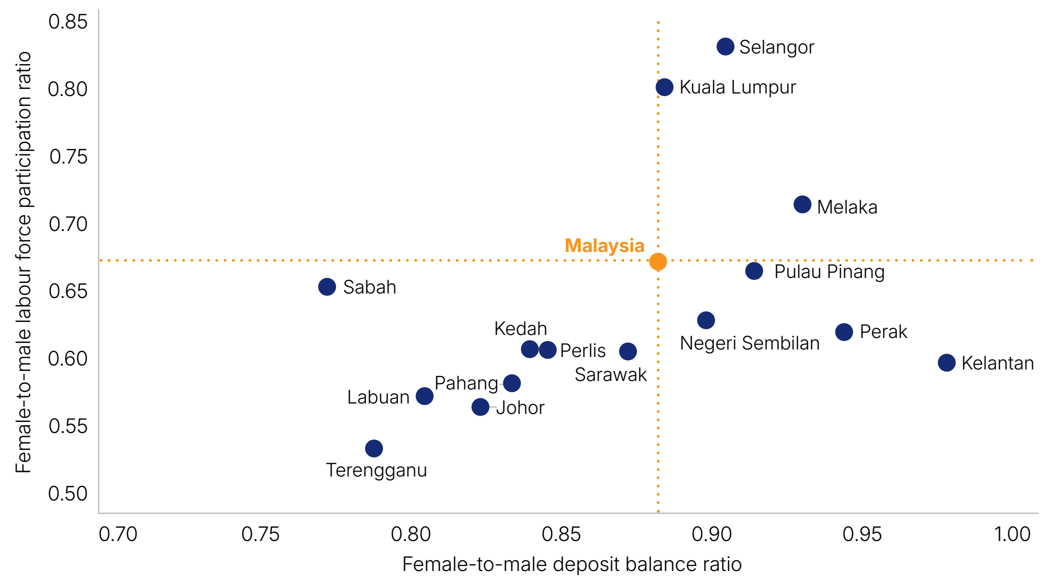
3.2 Do Broader Gender Outcomes Translate into Savings Outcomes?

The evidence so far points to a clear conclusion: participation alone cannot explain differences in savings outcomes. Women participate actively in the banking system, yet differences in deposit accumulation persist across age groups and states. The next question is whether broader economic outcomes help explain why.

Malaysia has made considerable progress in narrowing gender disparities in education, labour force participation and economic opportunity. Yet improvements in these areas do not always translate directly into equivalent savings outcomes. Comparing the gender savings gap in deposit balances with broader indicators of economic participation provides further context on the differences observed.

When compared with relative labour force participation, the gender savings gap exhibits a mildly positive relationship. States where women participate more actively in the workforce generally tend to record narrower savings gaps. However, the relationship is far from exact. Kelantan, for example, records one of the lowest female-to-male labour force participation ratios, yet women hold RM98 in deposits for every RM100 held by men.[20] Meanwhile, some states with stronger female labour force participation continue to exhibit relatively wider savings gaps.

Chart 3.4: Female-to-Male Deposit Balance and Labour Force Participation Ratios



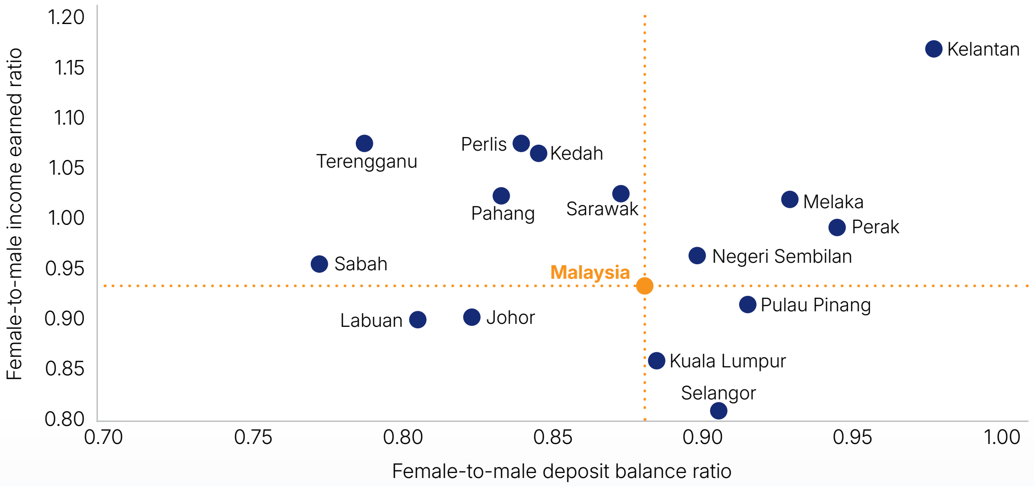
Source: PIDM, Department of Statistics Malaysia

This suggests that participation in the labour market, while important, is only one factor influencing savings accumulation. Differences in earnings, occupational structure, sectoral career progression opportunities, household financial arrangements and wealth accumulation opportunities may also play important roles.

[20] *Notably, Kelantan is also the state with the 3rd highest number of women-owned establishments according to the Department of Statistics Malaysia's Women-Owned Statistics (2025).*

A similar pattern emerges when income is considered. States where women earn relatively more than men generally tend to record narrower savings gaps. Yet the relationship remains imperfect. Several states outperform or underperform what income differences alone would suggest, indicating that income is an important, but incomplete, explanation for differences in savings accumulation.

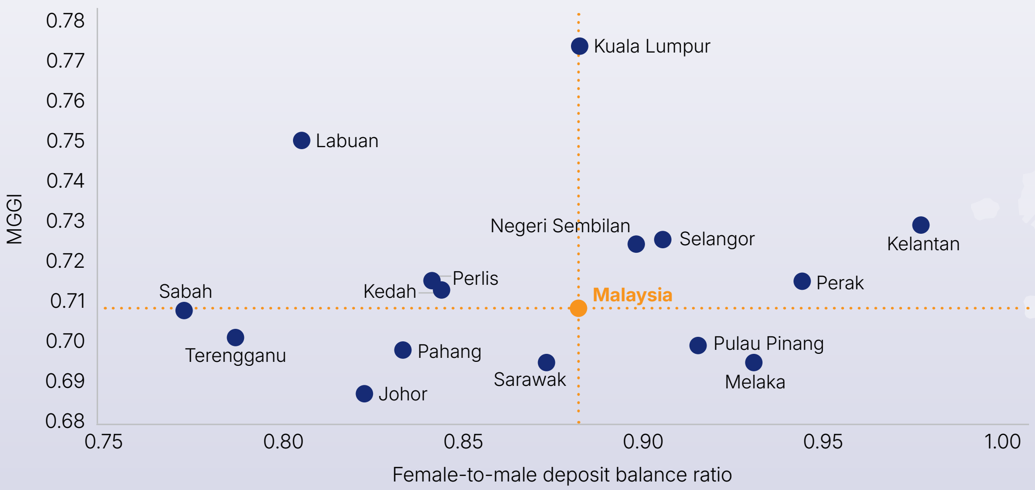
Chart 3.5: Female-to-Male Deposit Balance and Income Earned Ratios



Source: PIDM, Department of Statistics Malaysia

The relationship becomes even less straightforward when viewed through the broader lens of gender outcomes. States with stronger performance in the Malaysia Gender Gap Index (MGGI)[21] do not necessarily exhibit smaller savings gaps, suggesting that improvements in education, economic participation and empowerment do not always translate one-for-one into stronger savings outcomes.

Chart 3.6: Female-to-Male Deposit Balance Ratio and MGGI



Source: PIDM, Department of Statistics Malaysia

[21] The Malaysia Gender Gap Index is compiled by the Department of Statistics Malaysia to measure equality in educational attainment, health, economic opportunity, and political power, providing a data-driven baseline for the Malaysian government to evaluate the progress of national gender-related initiatives.

3.3 From Opportunities to Outcomes

Taken together, the evidence points to a broader conclusion. Malaysia has made substantial progress in reducing disparities in educational attainment and expanding women's participation in the economy and financial system. However, these gains have not translated one-for-one into savings parity. Differences in savings accumulation persist across both age groups and regions.

The findings suggest that the remaining challenge is less about access and participation, and more about how economic opportunities are translated into long-term financial accumulation and resilience. Women today are educated, connected to the banking system and increasingly active participants in the economy. Yet the ability to convert these advantages into accumulated financial resources remains uneven.

This distinction matters because savings represent more than balances held in a bank account. They can help households navigate unexpected expenses, periods of income disruption and financial uncertainty. The findings therefore point to a broader question that extends beyond gender alone: as financial inclusion matures, what determines whether participation translates into lasting financial security?

Conclusion – Progress, Gaps and Possibilities

Malaysia's financial inclusion journey has been a positive one. Today, access to banking services has improved significantly and participation in the formal financial system is widespread. Yet, as this publication has shown, financial outcomes continue to evolve differently across regions, life stages and circumstances. **Behind every deposit is a Malaysian story: a dream pursued, a family supported, a challenge overcome or a future being built.**

Consider a young woman in her 20s in Kelantan starting her own business. She has 1 account for daily transactions and modest savings as she balances business and personal expenses. As a result, she is not especially responsive to rate hikes, though she may be somewhat more sensitive to rate cuts, a pattern common among younger depositors. Despite these differences, her savings are likely to remain broadly comparable to those of men in her state throughout her life.

Now consider a mid-career professional in his 40s in Kuala Lumpur or Pulau Pinang. With 4 to 6 accounts serving different purposes, he holds larger balances than he did in his 20s and pays closer attention to interest rates as his savings grow. Although his income has risen, so have his commitments, from housing and family expenses to future aspirations. Greater engagement with financial services also makes him more aware of deposit protection. His wife, who has thus far saved at a similar pace, could face career interruptions and greater caregiving responsibilities. Over time, these factors may slow the growth of her savings relative to his, resulting in a widening gap in their savings balances.

Finally, consider a retiree in her 60s in Sarawak, a state that has recorded strong deposit growth. Her savings grew steadily during her working years, but she has gradually begun drawing them down in retirement. She remains highly aware of deposit protection and attentive to returns on her savings. However, preserving liquidity, meeting healthcare needs and maintaining a buffer against unexpected expenses may now matter as much as earning higher returns.

Perhaps the most important insight is that financial resilience cannot be measured through a single indicator. Account ownership, deposit balances, interest rate responsiveness and savings patterns each provide one piece of a much larger picture. Together, they remind us that meaningful financial inclusion is ultimately about outcomes: the ability to build security, weather uncertainty and plan confidently for the future.

The findings in this publication are not intended to provide all the answers. Rather, they are an invitation to ask better questions. How will Malaysia's ageing population reshape savings behaviour? What factors most influence long-term financial resilience? How can we better understand the realities faced by different segments of society? These questions deserve ongoing exploration.

This publication is a starting point for that conversation. We invite policymakers, researchers, financial system partners and the wider public to collaborate on research, generate new insights and strengthen the foundation for better policy and decision-making. Together, we can build a deeper understanding of how Malaysians save, adapt and plan for the future, and use those insights to support a more resilient and inclusive financial system.

Appendix

A. Glossary

Term	Definition
Accounts / Number of Accounts	The total number of deposit accounts registered with member banks. A depositor may maintain multiple accounts within a single member bank or across several member banks.
Branch	The data is based on the account opening location.
Deposits	Money placed with a PIDM member bank in eligible deposit products. These deposits are protected by PIDM if a member bank fails, subject to PIDM's coverage limits and eligibility requirements. For more information on coverage and eligibility, please refer to the PIDM website.
Member Banks	All commercial banks licensed under the Financial Services Act 2013, and all Islamic banks licensed under the Islamic Financial Services Act 2013. Membership is compulsory under the PIDM Act. For a full list of member banks, please refer to the PIDM website.
Retail Depositors	Individual persons with deposit accounts at member banks held solely, jointly or in trust.

B. Technical Notes

	Panel Regression
Model statistics	
Observations (N)	1,860
Predictors	**Coefficient**
Dependent variable	
Year-on-year deposit growth	
Main effects	
Age	1.39^{***}
Deposit balance	-0.90^{***}
OPR	27.02^{***}
Interaction effects	
Age × OPR	-0.62^{***}
Deposit balance × OPR	0.41^{***}

*Notes: Statistical significance is indicated by ***p < 0.01, **p < 0.05 and *p < 0.10.*

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PERBADANAN INSURANS DEPOSIT MALAYSIA

1-800-88-1266

info@pidm.gov.my

www.pidm.gov.my