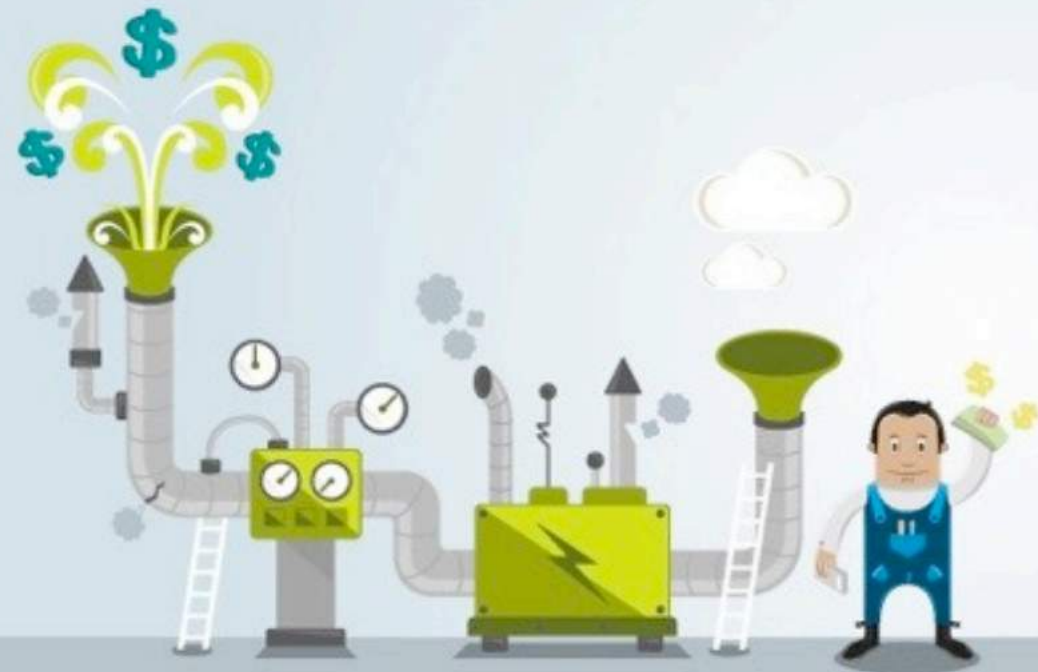


# 12 Ways To

## Save Money In Malaysia

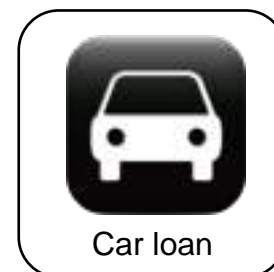
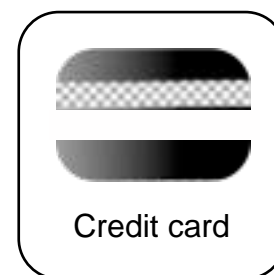
Using Common Financial  
Instruments & Common Sense



# "Say goodbye to complicated financial jargons & irritating bank runs."

Use iMoney's FREE comparison tools for:

- ❖ Home loan
- ❖ Personal loan
- ❖ Credit card
- ❖ Fixed deposit
- ❖ Insurance
- ❖ Investment
- ❖ ...and many more.



TRY NOW. IT'S FREE!



# HELLO FROM iMoney.my

Dear friends,

Money is an important part of modern civilisation. We earn it, we spend it, and most importantly, we save it for the possibility of a financially-sound future.

In 2012, I co-founded iMoney with a team of like-minded individuals in order to make sense of money; specifically, to unravel what the banks are doing with the money of the consumers, and to find out how common folks like you and I could look past the complicated financial jargons and really take advantage of what the banks are offering to serve our financial and monetary needs.

Somewhere along the line: we've come to realise the one common question that almost all Malaysians ask: How can one save money in an efficient manner? This e-book you now hold in your hands (or device) will unveil 12 simple ways to do just that. After hours of mind-boggling research, we have concluded these surprisingly simple tips that anyone can adopt to start reaping the benefits tomorrow.

From all of us at iMoney, we hope you find this e-book useful. If you need further help, look for us at [www.imoney.my](http://www.imoney.my).

Yours truly,

*Lee Ching Wei*

*Group CEO & Co-Founder of iMoney*

*CFA & CAIA Charterholder*



# TIP#1:

## Open & maintain high-yielding banking accounts

A savings or current account is now just a mechanism to **store** your money instead of one that can help you **generate more** money from your savings due to the negligible interest rates.

Well, it doesn't necessary need to be this way. Because in Malaysia, there are savings or current accounts that do generate substantial interests from your deposits, which include (i) high-yielding accounts applicable to Priority Banking customers; and (ii) savings accounts with "forced saving" mechanisms that generate interest as high as 2% p.a..

So if you're still holding a normal savings or current account that generates non-existential interests, consider alternatives. You can easily do so by looking up iMoney's savings account comparison table. Remember: in the quest of saving money, every little drop counts!

### In numbers:

For every RM10,000, the difference between a savings account that generates 0% interest and one that generates 2% interest is RM200 every year. For every RM100,000, that's a difference of RM2,000!



# TIP#2:

## Take advantage of high-interest fixed deposit promos

Once in a while, Malaysian banks do run fixed deposit promos with significantly higher interests than conventional fixed deposit (FD) accounts. Lookout for these promos to take advantage of the high interest rates offered.

Don't believe us? Consider the following:

Normal Board Annual Rate for FD	Best Promos Annual Rate for FD
3.15%	4.01%

So if you have sizable amount of cash you wish to put into a fixed deposit account, take the time to do the necessary comparison before choosing the one that offers you the best rate. That extra few hundred ringgit you earn all contribute towards your savings in the long run!

### In numbers:

If you have RM100,000, the difference between an FD account that generates 3.15% interest and one that generates 4.01% interest is RM860 a year.



# TIP#3:

## Use your money to invest in something

If you have moderate tolerance to risk, are not close to retirement age and have a sizable amount in your savings or fixed deposit account, you'll probably want to consider using some of the monies you have for investment purposes.

Be it in shares, gold or real estate, investment is a great way to generate even **more** money because the potential returns are usually much greater than, say, putting your money in a bank. The downside, however, is that investment involves **risks** – the risk of non-performance from your investments, or in certain cases, the risk of total evaporation of value for your investments caused by adverse market conditions.

Because not all categories of investments are born equal, you are advised to do your homework well before you engage with any kind of investment. If you've never invested in anything before, do some research by checking out iMoney's **free** library of investment articles for beginners.





# TIP#4:

## Getting a credit card that suits your need

You're probably wondering, how would getting a credit card help you save money? Well, it wouldn't. But getting one that suits your needs could potentially help you get more out of every ringgit you spend, which is just as good! Here are some categories of credit cards that would help you save based on your spending pattern:



Expenses	Credit card that suits you	Money-saving benefits
On groceries	Co-brand cashback credit card with supermarkets (e.g. Giant)	Up to 20% rebate
On fuel	Co-brand credit card with fuel brands (e.g. Shell, Petronas)	Up to 10% rebate
On travels	Co-brand credit card with airlines (e.g. AirAsia, MAS) and travel authorities (e.g. MATTA)	Earn up to 3,000 Air Miles for every RM1,000 spent.
On golfing, fine-dining	Premium credit card	Get free entries and discounts at golf courses and restaurants

# TIP#5:

## Pay off your credit card bills each month

Did you know by failing to pay your credit card bills in full each month, you're actually subjecting yourself to ridiculous interest charges of 13.5% - 17.5%\*? That's more than 10% of what the banks are paying you if you put the same amount of money into an FD account!

Sometimes, managing your debt is just as important as saving money. When faced between a choice of paying off your credit card bills and putting money into your bank, you're much better off doing the former. You'll find that the money you save from not having to pay the outrageous interest far outweighs the returns you generate if you put the money elsewhere.



### In numbers:

Ifs you have a credit card debt of RM10,000 on an interest rate of 17.5% p.a., you'll need 88 months to pay off your debt if you make only minimum payment each month. By the time you're done, you would have paid a whopping RM3,896.83 in interest. That's 38.96% of your principle amount!





# TIP#6:

## Choose loans wisely

Unless you're relatively well-off, getting a loan, be it a home loan, a car loan or a personal loan, is an inevitability for any working adults. But while you cannot escape the fact that you will need to get a loan, you can save tons of money by choosing a loan that fits your financial criteria.

Here are some examples:

- If you earn a side income, you can opt for a **flexi loan** for your home so you can easily put the extra cash you have in a linked account to lower the interest you are paying.
- By getting a loan with minimal or **no lock-in period**, you can refinance your loan any time to take advantage of lower prevailing interest rate. Get one with a perpetual lock-in period, and you're basically stuck until you've paid off your loan.
- If the prevailing interest rate is at an all-time low, getting a **fixed rate** loan (instead of a variable rate loan) would allow you to enjoy this low interest rate for the entire duration of your loan regardless of market conditions.

Need help understanding what you should consider for a loan? You can start by reading up on everything you need to know about [personal loans](#), [car loans](#) and [home loans](#) in Malaysia!



# TIP#7:

## Track and eliminate unnecessary expenses

Racked up a towering debt on your credit card? Tired of playing catch-up with the excessive financial charges imposed on your unsettled balance? You can save tons by taking up a Balance Transfer Programme – which allows you to transfer the amount of money you owe to another account for lower or no interest for a fixed amount of time.

Sounds too confusing? Just visualise this scenario: if you owed RM10,000 with your existing credit card at an interest rate of 17.5% p.a., then transfer this debt using a 0% interest balance transfer programme to another bank for a year; you'll be able to concentrate on paying off your principle without worrying about compounding interest for the next 12 months! Imagine the savings you are making from the interest you are **not** paying!

Don't know how to find a balance transfer programme? [Click here](#).



# TIP#8:

## Make an effort to manage your taxes

Paying taxes is an obligation of all working adults. You simply can't escape it. But by making an effort to understand the tax relief and rebates given by the authorities each year, you can drastically reduce your taxable income and pay less taxes. Best of all, reducing your taxes by tax relief and rebates is absolutely **legal**.

Here are a few things you can get tax relief on:

- ❖ Laptop and desktop computers
- ❖ Internet bills
- ❖ Books and magazines
- ❖ Medical expenses
- ❖ Interest on housing loan

To find out more, check out this [infographic](#).



# TIP#9:

## Track and eliminate unnecessary expenses

Have you ever taken a long, hard look at your daily and monthly expenses? If you haven't, start keeping a record now. You could be surprised by the amount of spending you could trim off from the list, such as:

- ❖ that monthly telco charges with a calling quota way beyond your needs.
- ❖ excessive runs at a quietly-expensive café or pub that are slowly burning a hole in your pocket.

By examining the numbers, you could uncover some pretty easy and unexpected ways to save too! For examples, you may find out that you could save hundreds of ringgit every month simply by:

- ❖ Switching from a daily to a monthly arrangement with your office car park facilities, or vice versa.
- ❖ Canceling your TV subscription that you seldom watch.

The fact is, you won't know unless you start tracking your expenses. So make sure you start doing so right away!



# TIP#10:

## Find an alternative income source

When you have more income, you have more money. And when you have more money, you have higher chances of saving enough for a financially-sound future.

The one-million-ringgit question is: how do you get more income?

You could, of course, ask for a raise or switch to a better-paying job. But a more realistic option that is within your immediate control is to start turning everything about and around you into income generators. Think about your profession. Whether you're good at selling, baking, writing, illustrating or bookkeeping, there is a strong chance someone out there is willing to pay for your expertise on a freelance basis. Also, think about the old stuffs you don't need anymore. Do you have enough to sell them in a garage sale?

Or perhaps list them on eBay? Explore your options, you'll be surprised at how many ways you could be generating extra cash from the things you already know and the things you already have!





# TIP#11:

## Wait for discounts and promos

Malaysia is renowned for discounts and promos. When it comes to shopping, we have our Mega Sale Carnivals. When it comes to travelling, we have the MATTA Fairs. In fact, just do a search on "Malaysia Sale" on the Internet and you'll be bombarded by local websites listing the latest sales events happening near you right now!

To save some money, you need to be a smart consumer and more often than not, show a little bit of patience. If you love reading, wait for book fairs (such as the Big Bad Wolf sale) where prices of selected books plummet by 30% or less of normal prices. If you have kids, international brand names conduct warehouse sales a couple of times a year where toys and baby accessories are sold at mere fractions of their original retail prices. Need to spice up your wardrobe? You'll be surprised at the deals you can pick up during the aforementioned Mega Sale Carnivals and Year-End Sales events.

Imagine if you were paying 50% or less for all the things you're using right now. That's a whole lot of money you could be putting into your bank!





# TIP#12

## Finally, make saving a way of life

If there's one thing you need to take away from this e-book, it is this: The road to saving money is not just a matter of adopting a few selective spending behaviours; **it is a way of life.**

- ❖ Imagine this: you've saved plenty by spending a whole day to manage your tax rebates, only to splurge your rebates at an unnecessarily expensive meal tomorrow.
- ❖ Or this: you've successfully carried out a balance transfer programme to save on interests for a year, then choose to not pay your other credit card bills hence off-setting all the savings you've made.

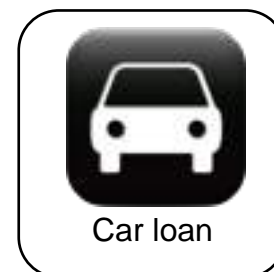
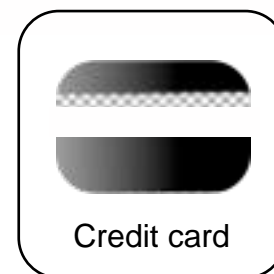
Simply put, you cannot hope to save money effectively if you do not embrace the act of saving in every aspect of your life. It has to be there in the way you spend, in the way you manage your debt, in the way you consume, and in the way you use your banks. There's simply no way around it.



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