

Annual Financial Statements



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Annual Financial Statements



REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF BANK NEGARA MALAYSIA FOR THE YEAR ENDED 31 DECEMBER 2016

Report on the Financial Statements

I have audited the financial statements of Bank Negara Malaysia which comprise the Statement of Financial Position as at 31 December 2016 and Income Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Central Bank of Malaysia Act 2009 and applicable financial reporting standards approved in Malaysia to the extent that it is, in the opinion of the directors, appropriate to do so, having regard to the objects and functions of the Bank. The directors are also responsible for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement or omission, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. The audit has been carried out in accordance with the Audit Act 1957 and in conformity with the auditing standards approved in Malaysia. Those standards require that I comply with ethical requirements as well as to plan and perform the audit in order to obtain reasonable assurance that the financial statements are free from material misstatement or omission.

The audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement or omission of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers the internal control relevant to Bank Negara Malaysia

in the preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Bank Negara Malaysia. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Bank Negara Malaysia as at 31 December 2016 and of the financial performance and the results of its operations for the year then ended, in all material respects, in accordance with the Central Bank of Malaysia Act 2009 and the financial reporting standards approved in Malaysia to the extent that it is, in the opinion of the directors, appropriate to do so, having regard to the objects and functions of the Bank. The preparation of the financial statements differs in some aspects, from the approved accounting standards in Malaysia. In accordance with the requirements of Section 9 of the Act, I also report that in my opinion, the accounting records and other records required by the Act have been properly kept by Bank Negara Malaysia.



(TAN SRI DR. MADINAH BINTI MOHAMAD)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
3 MARCH 2017



STATEMENT BY CHAIRMAN AND ONE OF THE DIRECTORS

We, Muhammad bin Ibrahim and Chin Kwai Yoong, being the Chairman and one of the Directors of Bank Negara Malaysia, do hereby state that in the opinion of the directors, the financial statements are drawn up so as to give a true and fair view of the state of affairs of Bank Negara Malaysia as at 31 December 2016 and of the results of operations for the year ended on that date, in accordance with the Central Bank of Malaysia Act 2009 and applicable Malaysian Financial Reporting Standards (MFRS) to the extent that it is, in the opinion of the directors, appropriate to do so, having regard to the objects and functions of the Bank.

On behalf of the Board,



MUHAMMAD BIN IBRAHIM
CHAIRMAN

28 FEBRUARY 2017
KUALA LUMPUR

On behalf of the Board,



CHIN KWAI YOONG
DIRECTOR

28 FEBRUARY 2017
KUALA LUMPUR

BANK NEGARA MALAYSIA

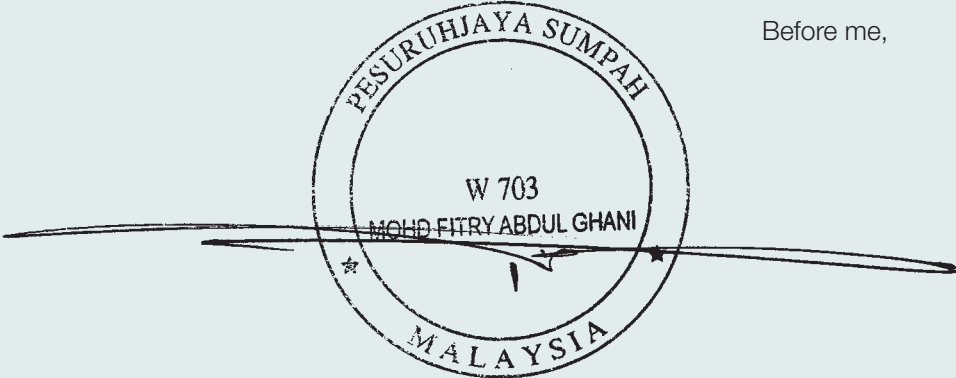
**DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF BANK NEGARA MALAYSIA**

I, Eugene Hon Kah Weng, being the officer primarily responsible for the financial management of Bank Negara Malaysia, do solemnly and sincerely declare that the financial statements for the year ended 31 December 2016, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
this 28 February 2017.)



Before me,



BANK NEGARA MALAYSIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

		2016 RM million	2015 RM million
ASSETS			
	Note		
Gold and Foreign Exchange	3	415,506	398,178
International Monetary Fund Reserve Position	4	3,467	3,291
Holdings of Special Drawing Rights	4	4,956	7,657
Malaysian Government Papers	5	4,265	1,917
Deposits with Financial Institutions	6	1,528	1,290
Loans and Advances	7	7,740	6,958
Land and Buildings	8	2,114	2,114
Other Assets	9	11,403	19,163
Total Assets		450,979	440,568
LIABILITIES AND CAPITAL			
Currency in Circulation		97,752	88,157
Deposits from: Financial Institutions		170,249	157,170
Federal Government		9,441	10,213
Others	10	534	588
Bank Negara Papers		8,602	24,114
Allocation of Special Drawing Rights	4	8,118	8,009
Other Liabilities	11	11,446	21,083
Total Liabilities		306,142	309,334
Paid-up Capital	12	100	100
General Reserve Fund	13	14,666	14,572
Risk Reserve	14	126,741	112,716
Land Revaluation Reserve	15	752	752
Unappropriated Profits	16	2,578	3,094
Total Capital		144,837	131,234
Total Liabilities and Capital		450,979	440,568

Notes on the following pages form part of these financial statements.

BANK NEGARA MALAYSIA

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 RM million	2015 RM million
	Note		
Total Income	17	9,024	11,792
Less:			
Recurring Expenditure	18	(1,124)	(1,206)
Development Expenditure	19	(1,373)	(2,740)
Total Expenditure		(2,497)	(3,946)
Net Profit Before Tax		6,527	7,846
Less: Taxation	20	(49)	(52)
Net Profit After Tax		6,478	7,794
Less: Transfer to Risk Reserve	14	(3,900)	(4,700)
Unappropriated Profits of the year		2,578	3,094

Notes on the following pages form part of these financial statements.

BANK NEGARA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General Information

Bank Negara Malaysia (the Bank) is a statutory body established under the Central Bank of Malaysia Act 1958 which has been repealed by the Central Bank of Malaysia Act 2009. The principal place of business is located at Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.

The principal objects of the Bank are to promote monetary stability and financial stability conducive to the sustainable growth of the Malaysian economy. In this regard, the Bank's primary functions are as follows:

- (a) to formulate and conduct monetary policy in Malaysia;
- (b) to issue currency in Malaysia;
- (c) to regulate and supervise financial institutions which are subject to the laws enforced by the Bank;
- (d) to provide oversight over money and foreign exchange markets;
- (e) to exercise oversight over payment systems;
- (f) to promote a sound, progressive and inclusive financial system;
- (g) to hold and manage the foreign reserves of Malaysia;
- (h) to promote an exchange rate regime consistent with the fundamentals of the economy; and
- (i) to act as financial adviser, banker and financial agent of the Government.

The Board of Directors approved the annual financial statements on 28 February 2017.

2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies are consistently applied to both of the financial years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

- (a) These financial statements have been prepared in accordance with the Central Bank of Malaysia Act 2009 and applicable Malaysian Financial Reporting Standards (MFRS). Section 10 of the Central Bank of Malaysia Act 2009 provides that the Bank, in preparing its financial statements, shall comply with accounting standards to the extent that it is, in the opinion of the directors, appropriate to do so, having regard to the objects and functions of the Bank. The directors, having considered its responsibilities for the formulation and conduct of effective monetary policy and promoting financial stability, are of the opinion that, it is appropriate to differ, in certain aspects, from the MFRS.
- (b) The preparation of the financial statements on the basis stated in 2.1 (a) requires the management to make judgements, estimates and assumptions based on available information that may affect the application of accounting policies and the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on the management's best knowledge of current events and actions, the actual results could differ from those estimates.

BANK NEGARA MALAYSIA

2.2 Measurement Base and Accounting Basis

The financial statements have been prepared on an accrual basis, using the historical cost convention, except as otherwise disclosed.

2.3 Foreign Currency Translation

- (a) The financial statements have been prepared using Ringgit Malaysia, the currency of the primary economic environment in which the Bank operates.
- (b) Assets and liabilities in foreign currencies are translated into Ringgit Malaysia using the exchange rate prevailing as at the end of the financial year. Transactions in foreign currencies during the year are translated into Ringgit Malaysia using the exchange rate prevailing at the transaction dates.
- (c) All foreign exchange unrealised gains or losses arising on translation are recognised in Risk Reserve while realised gains or losses upon settlement are recognised in the Income Statement.

2.4 Gold

Gold is carried at fair value. Unrealised gains and losses from changes in the fair value on gold are recognised in Risk Reserve. Realised gains or losses from the sale of gold are recognised in the Income Statement.

2.5 Foreign Securities

Foreign securities are stated at amortised cost or fair value. Fair value changes are recognised in Risk Reserve or in the Income Statement. Upon derecognition, realised gains or losses are recognised in the Income Statement.

2.6 Net Profit

The net profit of the Bank is appropriated in accordance with section 7 of the Central Bank of Malaysia Act 2009 and only realised gains are available for distribution.

2.7 Repurchase and Reverse-Repurchase Agreements

The amount borrowed under repurchase agreements is reported under Other Liabilities while the amount lent under reverse repurchase agreements is reported under Other Assets. For repurchase agreements, the difference between the sale and repurchase price is recognised as interest expense in the Income Statement. Conversely, for reverse repurchase agreements, the difference between purchase and resale price is recognised as interest income in the Income Statement.

2.8 Land and Buildings

- (a) The Bank capitalises all its land while buildings are maintained at nominal cost of RM10 each.
- (b) The amount of land capitalised at initial recognition is the purchase price along with any further costs incurred in bringing the land to its present condition.
- (c) After initial recognition, land is stated at revalued amount. Professional valuations of the Bank's land will be carried out once every ten years with any surplus arising on revaluation to be recognised directly in the Land Revaluation Reserve.
- (d) Gain or loss arising from the disposal of land is determined as the difference between the net disposal proceeds and the carrying amount of the land and is recognised in the Income Statement on the date of disposal.

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2.9 Other Fixed Assets

All other fixed assets are completely written-off in the year of acquisition.

3. Gold and Foreign Exchange

	2016	2015
	RM million	RM million
Gold	6,411	5,620
Foreign Securities	345,024	311,459
Foreign Deposits	6,306	8,778
Balances with Other Central Banks	41,415	52,091
Others	16,350	20,230
	<u>415,506</u>	<u>398,178</u>

4. International Monetary Fund (IMF) Reserve Position, Holdings of Special Drawing Rights (SDR) and Allocation of Special Drawing Rights

The IMF objectives are to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth and reduce poverty around the world. The IMF also provides advice and temporary funding to member countries in the event of balance of payments difficulties.

IMF Reserve Position

This consists of the reserve tranche position of Malaysia's quota, lending under the Financial Transaction Plan (FTP) and New Arrangements to Borrow (NAB). The IMF quota determines the member country's voting strength, the financial contributions to the IMF, the amount of financing the member can access in the event of balance of payment difficulties and the amount of SDRs allocated to the member. Both FTP and NAB programmes are used to provide loans if the IMF has a need for funds in excess of quota resources.

Holdings of Special Drawing Rights

Holdings of Special Drawing Rights (SDR) are an international reserve asset created by the IMF. SDR is periodically allocated to IMF member countries on the basis of the size of member countries' quota. A member may use SDR to obtain foreign exchange reserves from other members and to make international payments, including to the IMF.

Allocation of Special Drawing Rights

This liability to the IMF represents an equivalent amount of SDR received since its inception.

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5. Malaysian Government Papers

Malaysian Government Papers refer to holdings of Government debt instruments that are among the instruments that can be used in the Bank's monetary policy operations.

	2016 RM million	2015 RM million
Malaysian Government Securities	3,916	1,917
Malaysian Government Investment Certificates	349	-
	<u>4,265</u>	<u>1,917</u>

6. Deposits with Financial Institutions

Deposits with financial institutions comprise deposits placed by the Bank with financial institutions under section 75(i) and section 100 of the Central Bank of Malaysia Act 2009.

7. Loans and Advances

Loans and advances comprise mainly of advances extended by the Bank to the participating institutions under various schemes such as Fund for Small and Medium Industries and New Entrepreneur Fund aimed at promoting growth and development of small and medium business establishments. The extensions of these advances are provided under section 48, section 49 and section 100 of the Central Bank of Malaysia Act 2009.

8. Land and Buildings

	2016 RM million	2015 RM million
Freehold land, at cost	1,250	1,250
Freehold land, at revaluation	864	864
	<u>2,114</u>	<u>2,114</u>

Freehold land, at cost, were purchased in 2014. Freehold land, at revaluation, were revalued by an independent valuer on 1 August 2014. Buildings recorded at nominal value amounts to RM3,540 (2015: RM3,540).

9. Other Assets

Included in other assets are securities purchased under reverse-repurchase agreements of RM5,735 million (2015: RM13,747 million) and investments in shares and bonds of RM4,602 million (2015: RM4,614 million) acquired under section 48(1) and section 100 of the Central Bank of Malaysia Act 2009.

10. Deposits from Others

A substantial part of these deposits comprises deposits from national institutions, government agencies and public authorities.

11. Other Liabilities

Other liabilities include mainly placements by financial institutions under the repurchase agreements of RM9,248 million (2015: RM18,553 million).

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12. Paid-up Capital

The paid-up capital of RM100 million is owned by the Government of Malaysia.

13. General Reserve Fund

	2016 RM million	2015 RM million
At 1 January (as previously reported)	14,572	14,572
Prior year adjustments:		
Transfer made to General Reserve Fund reclassified to Unappropriated Profits	-	(35)
As restated	<u>14,572</u>	<u>14,537</u>
Amount approved and transferred to the General Reserve Fund during the year	94	35
As at 31 December	<u><u>14,666</u></u>	<u><u>14,572</u></u>

With effect from 2015, appropriations of net profits to the General Reserve Fund and dividends to the Government are recognised upon the approval by the Minister as provided under section 7 of the Central Bank of Malaysia Act 2009.

Transfer to the General Reserve Fund for the year ended 2015 of RM94 million was approved by the Minister on 4 March 2016.

14. Risk Reserve

The Risk Reserve are financial buffers comprising unrealised gains or losses on translation of foreign currency assets and liabilities and fair value changes from securities carried at fair value.

A market risk measurement framework is used to estimate financial buffers required to cushion unexpected loss arising from unfavourable circumstances not within the control of the Bank. Financial buffers are built from the appropriation as provided under section 7 of the Central Bank of Malaysia Act 2009.

15. Land Revaluation Reserve

Land Revaluation Reserve relates to unrealised surplus of land upon their revaluation.

16. Unappropriated Profits

	2016 RM million	2015 RM million
Balance 1 January	3,094	3,035
Less: Appropriations approved during the year		
Transfer to General Reserve Fund	(94)	(35)
Dividend paid to the Government	<u>(3,000)</u>	<u>(3,000)</u>
	-	-
Current year's unappropriated profits	<u>2,578</u>	<u>3,094</u>
Balance 31 December	<u><u>2,578</u></u>	<u><u>3,094</u></u>

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For the year ended 31 December 2016, the Board recommends a transfer to the General Reserve Fund of RM78 million and dividend payable of RM2.5 billion to the Government.

In accordance with section 7 of the Central Bank of Malaysia Act 2009, appropriations to the General Reserve Fund and declaration of dividends to the Government are subject to the approval of the Minister, and if approved will be recognised in the next financial year ending 31 December 2017. The dividend paid to the Government for the year ended 2015 amounted to RM3 billion was approved by the Minister on 4 March 2016.

17. **Total Income**

Total income comprises revenue from foreign reserves management which includes interest and dividends, non-treasury income, realised capital gains or losses, and is stated at net of amortisation/accretion of premiums/discounts and monetary policy cost.

18. **Recurring Expenditure**

Recurring expenditure are expenses incurred in the management and administration of the day-to-day operations of the Bank.

19. **Development Expenditure**

Development expenditure are expenses incurred mainly to finance developmental and long term projects undertaken by the Bank that are in line with its principal objects and functions.

20. **Taxation**

The Bank is exempted from payment of income tax and supplementary income tax as set out in the Income Tax (Exemption) (No. 7) Order 1989. Tax expense relates to unclaimable withholding taxes on income from foreign dividend and interest and capital gains taxes on sale of foreign investments.

21. **Contingencies and Commitments**

21.1 **Contingent Assets**

Total contingent assets as at 31 December 2016 amounted to RM1,400 million. These comprise the Bank's total contributions to International Centre for Leadership in Finance (ICLIF) Trust Fund of RM800 million and International Centre for Education in Islamic Finance (INCEIF) Trust Fund of RM600 million to finance activities related to training, research and development of human resource in banking and financial services managed by The ICLIF Leadership and Governance Centre and INCEIF, respectively. It is provided in the Trust Deeds that the total contributions will be returned to the Bank when the Centres become self-sufficient in the future.

21.2 **Commitments**

Total commitments as at 31 December 2016 comprise the following:

(a) **Membership with IMF**

- (i) The Bank has an obligation to pay to IMF SDR2,988 million, equivalent to RM18,020 million (2015: SDR1,259 million, equivalent to RM7,491 million) or in other convertible currencies which represents the unpaid portion of Malaysia's quota in the IMF under the Articles of Agreement.

- (ii) The Bank has participated in the New Arrangements to Borrow (NAB), a set of credit arrangements between the IMF and its member countries to provide a supplementary source of financing to IMF for the purpose of safeguarding the stability of the international monetary system. As at 31 December 2016, the amount of undrawn credit under the NAB is SDR288 million, equivalent to RM1,737 million (2015: SDR307 million, equivalent to RM1,826 million).
 - (iii) On 23 July 2012, the Bank has pledged a USD1,000 million, equivalent to RM4,486 million (2015: USD1,000 million, equivalent to RM4,294 million) bilateral contribution to the IMF for precautionary and financial crisis resolution purposes.
- (b) **Investment with Bank for International Settlements (BIS)**
The Bank has a commitment of SDR12 million, equivalent to RM72 million (2015: SDR12 million, equivalent to RM71 million) which refers to the uncalled portion of the 3,220 units of shares held by the Bank in the BIS based on the nominal value of SDR5,000 each using the SDR rate at the date of the Statement of Financial Position.
- (c) **Swap Arrangements**
- (i) **ASEAN Swap Arrangement**
The Bank has participated in the multilateral ASEAN Swap Arrangement (ASA) together with other ASEAN central banks and monetary authorities to provide short-term foreign currency liquidity support to member countries with balance of payments difficulties. As at 31 December 2016, the Bank's total commitment amounted to USD300 million, equivalent to RM1,346 million (2015: USD300 million, equivalent to RM1,288 million) and there was no request for liquidity support under ASA from any member country during the financial year.
 - (ii) **Bilateral Currency Swap Arrangement**
On 20 April 2015, the Bank renewed the Bilateral Currency Swap Arrangement (BCSA) agreement with the People's Bank of China with the objective of promoting and facilitating trade settlement in the local currency between the two countries. As at 31 December 2016, the Bank's total commitment under the BCSA is RM90 billion (2015: RM90 billion) and there has been no request to activate the BCSA during the financial year.
 - (iii) **Chiang Mai Initiative Multilateralisation Arrangement**
The Bank has participated in the Chiang Mai Initiative Multilateralisation (CMIM) arrangement to provide financial support to ASEAN+3 member countries facing balance of payments and short-term liquidity difficulties. The effective date of the CMIM Agreement is 24 March 2010. Under the CMIM arrangement, member countries facing balance of payments and short-term liquidity constraints can obtain financial support in US dollar through swap arrangements against their respective local currencies. As at 31 December 2016, the Bank's total commitment is USD9.1 billion, equivalent to RM41 billion (2015: USD9.1 billion, equivalent to RM39 billion) and there was no request for liquidity support from any member country.

(iv) **Repurchase Agreement with Central Banks and Monetary Authorities**

The Bank has entered into repurchase agreements totalling USD5 billion, equivalent to RM22 billion (2015: USD5 billion, equivalent to RM21 billion) with various central banks and monetary authorities under the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) to provide liquidity assistance in times of emergency. As at 31 December 2016, there was no request for liquidity assistance from any counterpart.

(d) **Liquidity Investment Arrangement (LIA) with International Islamic Liquidity Management Corporation (IILM)**

In December 2016, the Bank as member of the International Islamic Liquidity Management Corporation (IILM) entered into a Liquidity Investment Arrangement (LIA) to further solidify support for the entity. As at 31 December 2016, due to the joint and several liability of the agreement, the total commitment of participating members under the LIA is USD600 million, equivalent to RM2,692 million. However the Bank's net commitment is capped at USD100 million, equivalent to RM449 million as the arrangement allows for counterclaim of USD500 million, equivalent to RM2,243 million against the other participating members .

22. **Financial Risk Management**

The Reserve Management Committee oversees the assessment, measurement and the control of the investment risks in the management of reserves to be within acceptable levels to ensure that the objectives of capital preservation, liquidity and return are met. In undertaking this function, the major risks of the investments fall into the following areas:

(a) **Market Risk**

Market risk is the exposure of the Bank's investments to adverse movements in market prices such as foreign exchange rates, interest rates and prices of bonds and equities. Market risk is assessed and monitored on a daily basis. A benchmark policy approved by the Board of Directors reflects the long-term objectives and acceptable risk-return profile of the investments. Investments may be made in instruments that are different from those in the benchmark. This deviation in investment is controlled through a set of risk management limits, governance arrangements and investment guidelines that are also approved by the Board of Directors. Sensitivity analysis and stress testing are undertaken to assess emerging risks and potential marked-to-market losses from adverse movements and volatility in the market, as well as liquidity conditions.

(b) **Credit Risk**

Credit risk is the risk of default of the issuer of the debt or failure of the counterparty to perform its contractual obligation to the Bank resulting in the Bank not receiving its principal and/or interest that has fallen due in a timely manner. A comprehensive credit risk framework governs the permissible investments and the risk appetite of the Bank. This ensures investments are placed with issuers and counterparties of high credit standing and the probability of losses from this risk is low. The framework, which is approved by the Board, also incorporates market-based credit indicators such as ratings implied from financial market prices, and internal credit assessment. This enhances the credit framework by providing a more dynamic and forward-looking credit assessment.

(c) **Operational Risk**

Operational risk is the risk of financial losses due to failed internal processes, inadequate controls and procedures, or any other internal or external events that impede operations. Operational risk is mitigated through a robust governance framework and effective implementation of risk controls and limits. A comprehensive operational risk surveillance mechanism is in place to support the identification of emerging risks in the Bank's operations to allow for action to be taken in managing gaps and in mitigating financial losses.

23. **Bank Negara Malaysia Staff Welfare Account (SWA) and Bank Negara Malaysia Staff Welfare Account (Medical Fund) (termed as the 'Medical Fund Account')**

The SWA was established on 1 March 1991 under section 15 (5) and (6) of the Central Bank of Malaysia Act 1958 while the Medical Fund Account was established on 21 June 2006 under section 15 (6) of the Central Bank of Malaysia Act 1958. Both the SWA and the Medical Fund continue to exist under section 83 (4) and (5) of the Central Bank of Malaysia Act 2009.

The SWA is governed under the Bank Negara Malaysia Staff Welfare Account Trust Directions 1991. As stipulated in the Trust Directions 1991, the SWA shall be administered by a committee authorised by the Board (Authorised Committee of the Board). The accounts of the SWA are to be maintained separately from the other accounts of the Bank and shall be audited in the same manner of the Bank's Account. The objective of the SWA is to provide loans to the staff for certain allowable activities, finance the activities of the staff's associations and give education excellence awards to the children of staff. The SWA also manages the insurance compensation of the deceased staff received by beneficiaries who have yet to attain the legal age.

The Medical Fund Account is governed under the Bank Negara Malaysia Staff Welfare Account (Medical Fund) Trust Directions 2006. The objective is to assist the Bank to meet the medical expenses of eligible retirees and their dependents. As stipulated in the Staff Welfare Account (Medical Fund) Trust Directions 2006, the Medical Fund shall be administered by a Medical Fund Committee. The Medical Fund Account is to be maintained separately under the Staff Welfare Account and shall be audited in the same manner of the Staff Welfare Account.

