

Annual Accounts

Balance Sheet as at 31 December 2001



CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF BANK NEGARA MALAYSIA FOR THE YEAR ENDED 31 DECEMBER 2001

I have audited the Balance Sheet of Bank Negara Malaysia as at 31 December 2001 and the Profit and Loss Appropriation Account for the year then ended. These financial statements are the responsibility of the management of Bank Negara Malaysia. My responsibility is to express an opinion on these financial statements based on my audit.

2. I conducted my audit in accordance with the Audit Act 1957 and in accordance with International Standards on Auditing. These standards require an audit be planned and undertaken to obtain reasonable assurance that the financial statements are free of material misstatement. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessment of the accounting principles used as well as evaluating the overall presentation of the financial statements.

3. In my opinion, the financial statements give a true and fair view of the state of financial affairs of Bank Negara Malaysia as at 31 December 2001 and of the results of its operations for the year then ended.

(DATUK DR. HADENAN BIN ABDUL JALIL)
AUDITOR GENERAL

PUTRAJAYA
14 MARCH 2002

STATEMENT BY DIRECTORS

We, Zeti Akhtar Aziz and Datuk Oh Siew Nam, being the Chairman and one of the Directors of Bank Negara Malaysia, do hereby state that in the opinion of the Board, the accompanying Balance Sheet and Profit and Loss Appropriation Account together with the Notes thereto, 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 2001 and of the results of operations for the year ended on that date.

On behalf of the Board,

On behalf of the Board,

ZETI AKHTAR AZIZ

CHAIRMAN

8 MARCH 2002
KUALA LUMPUR

DATUK OH SIEW NAM

DIRECTOR

8 MARCH 2002
KUALA LUMPUR

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

I, Abdul Aziz Abdul Manaf, being the officer primarily responsible for the financial statements of Bank Negara Malaysia, do solemnly and sincerely declare that the accompanying Balance Sheet and Profit and Loss Appropriation Account together with the Notes thereto, 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 8th day of March 2002.)

Before me,

Bank Negara Malaysia

Balance Sheet as at 31 December 2001

| LIABILITIES | Note | 2001 RM | 2000 RM |
|---|-------------|--------------------|--------------------|
| Authorised Capital | | | RM200,000,000 |
| Paid-up Capital | 2 | 100,000,000 | 100,000,000 |
| General Reserve Fund | 3 | 5,067,022,733 | 4,860,967,368 |
| Other Reserves | 4 | 18,353,074,749 | 22,502,935,935 |
| Currency in Circulation | | 25,385,434,696 | 26,708,936,975 |
| Deposits: | | | |
| Commercial Banks, Finance Companies and Merchant Banks | | 54,655,303,228 | 58,153,159,586 |
| Federal Government | | 25,236,916,020 | 17,845,321,152 |
| Others | 5 | 10,642,678,946 | 9,187,717,327 |
| Bank Negara Papers | | 7,477,409,483 | 7,084,962,648 |
| Allocation of Special Drawing Rights | 6 | 664,034,013 | 688,434,713 |
| Other Liabilities | | 2,096,375,475 | 1,775,697,797 |
| | | 149,678,249,343 | 148,908,133,501 |

Profit and Loss Appropriation Account for the Year Ended 31 December 2001

| | 2001 RM | 2000 RM |
|--------------------------------------|--------------------|--------------------|
| Transfer to General Reserve Fund | 206,055,365 | 368,368,818 |
| Amount Payable to Federal Government | 500,000,000 | 1,000,000,000 |
| | 706,055,365 | 1,368,368,818 |

Notes on the following pages form part of these accounts.

| ASSETS | Note | 2001 RM | 2000 RM |
|--|-------------|------------------------|------------------------|
| Gold and Foreign Exchange | 7 | 113,542,290,653 | 109,835,487,903 |
| International Monetary Fund Reserve Position | | 3,193,521,377 | 3,310,871,020 |
| Holdings of Special Drawing Rights | | 487,814,793 | 418,681,635 |
| Malaysian Government Papers | 8 | 280,689,715 | 125,513,697 |
| Deposits with Financial Institutions | | 1,193,115,000 | 1,615,727,000 |
| Loans and Advances | | 8,934,922,674 | 8,712,001,856 |
| Deferred Expenditure | 9 | 1,141,441,833 | 1,712,162,748 |
| Other Assets | 10 | 20,904,453,298 | 23,177,687,642 |
| | | <u>149,678,249,343</u> | <u>148,908,133,501</u> |

| | 2001 RM | 2000 RM |
|------------|--------------------|----------------------|
| Net Profit | 706,055,365 | 1,368,368,818 |
| | <u>706,055,365</u> | <u>1,368,368,818</u> |



Notes To The Accounts - 31 December 2001

1. Accounting Policies

(a) Gold, Securities and Investments

Gold, securities and investments are stated at cost and provisions have been made for diminution in value as at 31 December 2001.

(b) Foreign Currency Translation

Assets and liabilities in foreign currencies have been revalued into ringgit at rates of exchange ruling on the balance sheet date. Transactions in foreign currencies during the year have been translated into ringgit at rates of exchange ruling on value dates.

The US dollar equivalent of the International Reserves comprising Gold and Foreign Exchange, International Monetary Fund Reserve Position and Holdings of Special Drawing Rights at 31 December 2001 was US\$30,848.3 million.

2. Paid-up Capital

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

3. General Reserve Fund

| | 2001 RM | 2000 RM |
|-------------------|---------------|---------------|
| As at 1 January | 4,860,967,368 | 4,492,598,550 |
| Net Profit | 206,055,365 | 368,368,818 |
| | 4,860,967,368 | 4,860,967,368 |
| As at 31 December | 5,067,022,733 | 4,860,967,368 |

4. Other Reserves

Other reserves comprise the Exchange Rate Fluctuation Reserve and the Contingency Reserve.

5. Deposits - Others

A substantial part of these deposits comprises deposits from Federal Statutory Authorities.

6. Allocation of Special Drawing Rights

International Monetary Fund (IMF) member countries are allocated Special Drawing Rights (SDR) in proportion to their subscriptions to the IMF. The allocation represents a dormant liability of the Bank to the IMF, against which assets are received in SDR from the IMF. The net cumulative of the allocation in SDR amounted to SDR139,048,000.

7. Gold and Foreign Exchange

| | 2001 | 2000 |
|--|-----------------|-----------------|
| | RM | RM |
| Foreign Securities | 73,906,519,326 | 49,430,594,309 |
| Foreign Deposits | 22,979,839,902 | 32,481,791,188 |
| Balances with Other Central Banks, Bank for International Settlements (BIS) and IMF | 7,584,696,571 | 18,244,301,173 |
| Others | 9,071,234,854 | 9,678,801,233 |
| | <hr/> | <hr/> |
| | 113,542,290,653 | 109,835,487,903 |
| | <hr/> <hr/> | <hr/> <hr/> |

8. Malaysian Government Papers

| | 2001 | 2000 |
|------------------------------------|-------------|-------------|
| | RM | RM |
| Malaysian Government Securities | 32,419,715 | 84,353,697 |
| Government Investment Certificates | 248,270,000 | 41,160,000 |
| | <hr/> | <hr/> |
| | 280,689,715 | 125,513,697 |
| | <hr/> <hr/> | <hr/> <hr/> |

9. Deferred Expenditure

This represents the net deficiency arising from foreign exchange transactions in 1993. The Government has undertaken to make good this deficiency as and when required to do so by the Bank. The amount outstanding is being amortised over a period of 10 years, beginning from 1994.

10. Other Assets

Other assets include investments in shares and bonds of RM20,788,824,243 acquired under section 30(1)(j) and section 30(1)(oo)(i) of the Central Bank of Malaysia Act 1958 (Revised - 1994).

11. Contingent Liabilities

Total contingent liabilities as at 31 December 2001 amounted to RM4,280,564,633. These comprise:-

- (a) an amount of RM4,225,348,536 which represents the obligation of the Bank to pay in full, in SDR or other convertible currencies, the amount of Malaysia's quota in the IMF under the Articles of Agreement; and
- (b) an amount of RM55,216,097 which represents the uncalled portion of the 3,000 units of shares held by the Bank in BIS. The amount is based on the nominal value (in gold francs) of the uncalled portion and gold price as at the balance sheet date.