

Bank Negara Malaysia

Annual Accounts



CERTIFICATE OF THE AUDITOR GENERAL
ON THE ACCOUNTS OF BANK NEGARA MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 1999

I have audited the Balance Sheet of Bank Negara Malaysia as at 31 December 1999 and Profit and Loss Appropriation Account for the year then ended. These financial statements are the responsibility of the Bank Negara Malaysia's management. 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, in conformity with the International Standards on Auditing. These standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation.

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 1999 and of the results of its operations for the year then ended.

(DATUK DR. HADENAN BIN ABDUL JALIL)
AUDITOR GENERAL

KUALA LUMPUR

STATEMENT BY DIRECTORS

We, Tan Sri Dato' Seri Ali Abul Hassan bin Sulaiman 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 1999 and of the results of operations for the year ended on that date.

On behalf of the Board,

On behalf of the Board,

TAN SRI DATO' SERI ALI ABUL
HASSAN BIN SULAIMAN
CHAIRMAN

DATUK OH SIEW NAM
DIRECTOR

15 MARCH 2000
KUALA LUMPUR

15 MARCH 2000
KUALA LUMPUR

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

I, Abdul Aziz Abdul Manaf, being the officer primarily responsible for the accounts 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 15th day of March 2000.)

Before me,

Bank Negara Malaysia

Balance Sheet as at 31 December 1999

		1999	1998
		R M	R M
LIABILITIES			
	Note		
Authorised Capital	RM200,000,000		
Paid-up Capital	2	100,000,000	100,000,000
General Reserve Fund	3	4,992,598,550	3,580,341,905
Other Reserves	4	27,407,427,022	28,342,866,826
Currency in Circulation		30,483,108,998	20,547,397,698
Deposits:			
Commercial Banks, Finance Companies and Merchant Banks		61,343,596,073	34,650,553,608
Federal Government		18,513,468,828	25,281,306,084
Others	5	2,049,180,270	9,079,320,115
Bank Negara Bills/Bonds		378,819,900	3,760,100
Allocation of Special Drawing Rights	6	724,385,851	743,978,271
Other Liabilities		1,055,028,275	2,380,298,386
		<u>147,047,613,767</u>	<u>124,709,822,993</u>

Profit and Loss Appropriation Account for the Year Ended 31 December 1999

	1999	1998
	R M	R M
Transfer to General Reserve Fund	753,934,360	367,909,804
Amount Payable to Federal Government	500,000,000	1,000,000,000
	<u>1,253,934,360</u>	<u>1,367,909,804</u>

Notes on the following pages form part of these accounts.

		1999	1998
		R M	R M
ASSETS	Note		
Gold and Foreign Exchange		113,765,926,146	96,264,938,326
International Monetary Fund Reserve Position		3,168,224,524	2,379,240,022
Holdings of Special Drawing Rights		330,338,578	793,875,612
Malaysian Government Papers	7	94,380,064	1,072,364,460
Deposits with Financial Institutions		2,134,841,000	2,512,101,000
Loans and Advances		7,029,644,859	5,773,389,590
Deferred Expenditure	8	2,282,883,663	2,853,604,578
Other Assets	9	18,241,374,933	13,060,309,405
		<u>147,047,613,767</u>	<u>124,709,822,993</u>

	1999	1998
	R M	R M
Net Profit	1,253,934,360	1,367,909,804
	<u>1,253,934,360</u>	<u>1,367,909,804</u>

Notes To The Accounts - 31 December 1999

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 1999.

(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 as at 31 December 1999 was US\$30,859.1 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

	1999 R M	1998 R M
As at 1 January	3,580,341,905	3,212,432,101
Net Profit	753,934,360	367,909,804
Transfer	658,322,285	-
	<u>4,992,598,550</u>	<u>3,580,341,905</u>

4. Other Reserves

Other reserves comprise the Exchange Rate Fluctuation Reserve, the Investment 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. Malaysian Government Papers

	1999 R M	1998 R M
Malaysian Government Securities	91,210,064	132,549,460
Government Investment Certificates	3,170,000	939,815,000
	<u>94,380,064</u>	<u>1,072,364,460</u>

8. 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.

9. Other Assets

Other assets include investments in shares and bonds of RM15,845,184,391 acquired under section 30(1)(j) and section 30(1)(oo)(i) of the Central Bank of Malaysia Act 1958 (Revised-1994).

10. Contingent Liabilities

Total contingent liabilities as at 31 December 1999 amounted to RM4,510,538,680, 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.