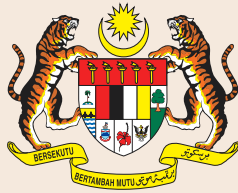


Annual Accounts

Balance Sheet as at 31 December 2002



**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF BANK NEGARA MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 2002**

I have audited the Balance Sheet of Bank Negara Malaysia as at 31 December 2002 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 2002 and of the results of its operations for the year then ended.


(DATUK DR. HADENAN BIN ABDUL JALIL)
AUDITOR GENERAL

PUTRAJAYA
11 MARCH 2003

STATEMENT BY CHAIRMAN AND ONE OF THE 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 2002 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

7 MARCH 2003
KUALA LUMPUR



DATUK OH SIEW NAM

DIRECTOR

7 MARCH 2003
KUALA LUMPUR

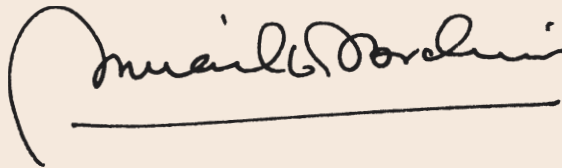
**DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF BANK NEGARA MALAYSIA**

I, Abdul Aziz Abdul Manaf, being the officer primarily responsible for the financial management 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 7th day of March 2003.)



Before me,



Lot 28.4, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

Bank Negara Malaysia

Balance Sheet as at 31 December 2002

LIABILITIES	Note	2002 RM	2001 RM
Authorised Capital		RM200,000,000	
Paid-up Capital	2	100,000,000	100,000,000
General Reserve Fund	3	5,398,963,841	5,067,022,733
Other Reserves	4	24,744,032,881	18,353,074,749
Currency in Circulation		27,137,417,900	25,385,434,696
Deposits:			
Commercial Banks, Finance Companies and Merchant Banks		69,864,345,027	54,655,303,228
Federal Government		13,827,163,949	25,236,916,020
Others	5	5,613,870,679	10,642,678,946
Bank Negara Papers		12,280,763,725	7,477,409,483
Allocation of Special Drawing Rights	6	718,346,440	664,034,013
Other Liabilities		2,512,656,290	2,096,375,475
		<u>162,197,560,732</u>	<u>149,678,249,343</u>

Profit and Loss Appropriation Account for the Year Ended 31 December 2002

	2002 RM	2001 RM
Transfer to General Reserve Fund	331,941,108	206,055,365
Amount Payable to Federal Government	500,000,000	500,000,000
	<u>831,941,108</u>	<u>706,055,365</u>

Notes on the following pages form part of these accounts.

ASSETS	Note	2002 RM	2001 RM
Gold and Foreign Exchange	7	127,515,059,930	113,542,290,653
International Monetary Fund Reserve Position		3,315,547,927	3,193,521,377
Holdings of Special Drawing Rights		585,019,336	487,814,793
Malaysian Government Papers	8	29,384,948	280,689,715
Deposits with Financial Institutions		2,902,228,350	1,193,115,000
Loans and Advances		8,015,270,790	8,934,922,674
Deferred Expenditure	9	570,720,918	1,141,441,833
Other Assets	10	19,264,328,533	20,904,453,298
		<u>162,197,560,732</u>	<u>149,678,249,343</u>

	2002 RM	2001 RM
Net Profit	831,941,108	706,055,365
	<u>831,941,108</u>	<u>706,055,365</u>

Notes To The Accounts - 31 December 2002

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 2002.

(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 International Reserves comprising Gold and Foreign Exchange, International Monetary Fund Reserve Position and Holdings of Special Drawing Rights at 31 December 2002 was RM131,415.6 million equivalent to US\$34,583 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

	2002	2001
	RM	RM
As at 1 January	5,067,022,733	4,860,967,368
Transfer from Net Profit	331,941,108	206,055,365
	<hr/>	<hr/>
As at 31 December	<u>5,398,963,841</u>	<u>5,067,022,733</u>

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 was RM718,346,440 equivalent to SDR139,048,000.

7. **Gold and Foreign Exchange**

	2002	2001
	RM	RM
Foreign Securities	100,151,230,400	73,906,519,326
Foreign Deposits	14,195,692,918	22,979,839,902
Balances with Other Central Banks, Bank for International Settlements (BIS) and IMF	2,696,527,431	7,584,696,571
Others	10,471,609,181	9,071,234,854
	<hr/>	<hr/>
	127,515,059,930	113,542,290,653
	<hr/> <hr/>	<hr/> <hr/>

8. **Malaysian Government Papers**

	2002	2001
	RM	RM
Malaysian Government Securities	29,384,948	32,419,715
Government Investment Certificates	-	248,270,000
	<hr/>	<hr/>
	29,384,948	280,689,715
	<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 RM19,137,397,334 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 2002 amounted to RM4,583,107,520. These comprise:-

- (a) an amount of RM4,514,174,688 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 RM68,932,832 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.

