

Newspaper	The Sun
Date	25/08/2017C

'BNM lost **RM8.5b** in forex folly'

> Amount was deducted from central bank's 'other reserve' account, RCI told

BY S. TAMARAI CHELVI
newsdesk@thesundaily.com

PUTRAJAYA: The Royal Commission of Inquiry into Bank Negara Malaysia's (BNM) foreign exchange losses in the 1980s and 1990s heard yesterday that RM8.5 billion was deducted from the central bank's reserves as a result of such losses.

The loss was charged to its "other reserve" account (BNM has two reserves, "international" and "other").

Wong Yew Sen, 69, who was then the manager of BNM's internal audit department, said an audit report showed the losses were recorded for forex transactions in 1992.

Wong said he had checked a draft and supervised the preparation of an audit report made by a team of examiners.

"RM8.5 billion was deducted from the 'other reserve' account on Dec 31, 1992 and this was a result of forex activity.

"I cannot say whether the act to charge the forex loss to the 'other reserve' account is correct but the financial statement was presented and approved by the Auditor-General."

He said no benefit can be obtained by BNM in hiding the information on the loss by transferring or hiding it under the "other reserve" account.

"I don't know if anyone in BNM or any other party had obtained any personal benefit due to the forex transaction, to the extent of causing a huge amount of loss to the central bank.

He said BNM took action to improve the weakness, which was identified in the audit report.

Earlier at about 9am, former prime minister Tun Dr Mahathir Mohamad arrived at the Palace of Justice, where the inquiry was held. He left about an hour later.

He said he felt compelled to observe the proceedings because of its significance.

The Parti Pribumi Bersatu Malaysia chairman also said he would not resign from his post in the party or the Pakatan Harapan coalition if he was found by the RCI to have played a role in the forex losses.

The Sun - 25/8/2017 pg. 2



Mahathir leaving the Palace of Justice in Putrajaya yesterday.