

Governance

144 Board of Directors, Senior Management,
Organisation Structure and Statutory
Committees of the Bank

Governance



Governance

Bank Negara Malaysia is responsible for promoting monetary and financial stability conducive to the sustainable growth of the Malaysian economy. Our governance arrangements ensure that we continue to discharge our mandates effectively as a credible and independent institution. These arrangements are set out by statute – in the Central Bank of Malaysia Act 2009 and other laws that the Bank administers – as well as internal policies developed by the Bank over the years. Our governance framework continues to be aligned with global best practices and promotes accountability and high standards of integrity in discharging our duties and conducting our operations.

Board of Directors

The Board is chaired by the Governor and comprises the Deputy Governors, the Secretary General of the Treasury, as well as Independent Non-Executive Members who form the majority of the Board. His Majesty the Yang di-Pertuan Agong appoints all members of the Board, except the Deputy Governors, who are appointed by the Minister of Finance.

As set out in the Central Bank of Malaysia Act 2009, the Board is responsible for overseeing the management and operations of the Bank to ensure that we remain financially and operationally sound and that our financial resources are utilised effectively and efficiently for purposes of delivering our mandates.

The Board continuously provided oversight and advice on our operations and policy measures throughout 2021. Together with our senior management, the Board provided invaluable perspectives on our key measures on targeted relief and recovery facilities to address the impact of the pandemic and floods as well as the Financial Sector Blueprint 2022-2026.

The Board also actively steered and supported our efforts to achieve organisational excellence. This included continuous efforts to set and maintain the highest standards of ethics and conduct by our staff and strengthening our human capital, culture transformation journey and cybersecurity resiliency.

Board Committees

The Board is supported by three committees consisting solely of Independent Non-Executive Members - Board Governance Committee, Board Audit Committee and Board Risk Committee. Each of these Committees is guided by its own terms of reference to assist the Board in providing oversight of the administration of the Bank.

During the year, these Committees reviewed and deliberated on key matters affecting the Bank, with the objective of ensuring adequate internal checks and balances on the management and operations of the Bank.

	Board Governance Committee (BGC)	Board Audit Committee (BAC)	Board Risk Committee (BRC)
Roles and Responsibilities	<ul style="list-style-type: none"> • Responsible for overseeing the Bank's governance framework and practices • Reviews and makes recommendations to the Board on the Bank's budget, operating plan and remuneration policies • Recommends to the Board on the appointment and reappointment of members of the Board and other legislated committees of the Bank 	<ul style="list-style-type: none"> • Responsible for the integrity of the Bank's accounts and financial statements • Provides oversight over the adequacy of the Bank's internal controls and compliance with legal requirements and internal guidelines • Reviews and approves the Bank's audit framework, audit charter, internal audit plan and reports, and oversees follow up actions to address material findings 	<ul style="list-style-type: none"> • Oversees the implementation of the Bank's enterprise risk management framework • Responsible for oversight of the Bank's management of financial, operational and information technology, reputational and cybersecurity risks, including its risk governance, structure and accountabilities • Makes recommendations to the Board on the resource allocations for effective management of risks

As the Board is statutorily required to meet at least once a month and in view of the pandemic situation, the Board held most of its meetings virtually. In 2021, the Board secured an attendance rate of 95.5% for Board meetings and 97.4% for Board Committees meetings, as illustrated in the following table:

Designation	Members	Board	BGC	BAC	BRC
Chairman	Nor Shamsiah Yunus	13/13			
Ex officio	Abdul Rasheed Ghaffour	13/13			
	Jessica Chew Cheng Lian	13/13			
	Marzunisham Omar	13/13			
	Datuk Seri Asri Hamidon @ Hamidin (Secretary General of the Treasury)	11/13*			
Independent Non-Executive	Dato Sri Lim Haw Kuang ¹	13/13	10/10		4/4
	Dato' Paduka Sulaiman Mustafa	11/13*	9/10*	6/6	
	Chin Suit Fang ²	13/13	5/5 [^]	6/6	4/4
	Dato' Dr. Nirmala Menon a/p Y.B. Menon ³	13/13	4/5 [^]	6/6	4/4
	Tan Sri Mohamed Azman Yahya ⁴	12/13*	10/10		4/4

Retired during 2021

Independent Non-Executive	Dato' N. Sadasivan a/l N.N Pillay ⁵	2/3*	3/3	1/2*	
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Note:

- ¹ Retired on 28 February 2022.
- ² Appointed as member of BGC and stepped down from BRC on 27 January 2022, as part of the rotation of Board Committees' memberships.
- ³ Appointed as Chairman of BRC on 27 January 2022 to replace Dato Sri Lim Haw Kuang as part of Board's succession planning.
- ⁴ Appointed as Chairman of BGC on 27 January 2022 to replace Dato' Paduka Sulaiman Mustafa as part of Board's succession planning.
- ⁵ Retired on 15 March 2021.
- * Absent due to unavoidable prior commitments or health reasons.
- [^] Non-members attending by invitation, to inform and educate the Independent Non-Executive Members on specific matters under consideration by the Committees.

Board Induction and Development

Newly appointed Independent Non-Executive Members will undergo a comprehensive on-boarding programme encompassing our key mandates, policy priorities, governing frameworks and operations to enable them to perform their oversight role effectively.

The Independent Non-Executive Members have diverse backgrounds, including in accounting and finance, financial industry, information and technology, risk management and audit. In addition to the skills, knowledge and extensive experience from their respective fields, the Bank benefits from the collective wisdom and insights of the Board as well as their in-depth understanding of issues in the financial, business and public sector. To augment their oversight abilities, our Independent Non-Executive Members continuously participate in various training programmes on contemporary themes and engage in policy discourse with the Bank's management and staff on core issues affecting central banks including monetary policy, digital currencies and financial services, cybersecurity, cloud technologies, climate risks and green finance and human capital development.

Board of Directors



Nor Shamsiah Yunus

Chairman

Appointed to the Board: 1 July 2018

Qualifications

- Bachelor of Arts in Accountancy, University of South Australia, Australia
- CPA Australia
- Malaysian Institute of Accountants

Key Appointments and Directorships

- Chairman, Board of Directors of The SEACEN Centre
- Council Member, Islamic Financial Services Board
- Member, Board of Directors of Perbadanan Insurans Deposit Malaysia
- Member, Governing Board of International Islamic Liquidity Management

Past Experience

- Assistant Director, Monetary and Capital Markets Division, International Monetary Fund
- Deputy Governor, Bank Negara Malaysia. Also served as the ex officio member of Board of Directors of Bank Negara Malaysia during her tenure as the Deputy Governor.



Abdul Rasheed Ghaffour

Ex Officio Member

Appointed to the Board: 16 July 2016

Qualifications

- Bachelor of Economics, University of Malaya, Malaysia
- Master of Business Administration, University of Oxford, United Kingdom

Key Appointments and Directorships

- Member, Board of Directors and Executive Committee of The SEACEN Centre
- Member, *Jawatankuasa Pengurusan Kursi* of Tun Ismail Ali Chair, University of Malaya

Past Experience

- Alternate Executive Director, South East Asia Voting Group on the International Monetary Fund Executive Board
- Assistant Governor, Bank Negara Malaysia

Board of Directors



Jessica Chew Cheng Lian

Ex Officio Member

Appointed to the Board: 1 January 2018

Qualifications

- Bachelor of Commerce (Accounting and Finance), University of Melbourne, Australia
- Chartered Banker Institute (Scotland)
- Asian Institute of Chartered Bankers
- CPA Australia (Associate)

Key Appointments and Directorships

- Member, Board of Directors of Danamodal Nasional Berhad
- Advisor, Board of Directors of Malaysian Accounting Standards Board

Past Experience

- Assistant Governor, Bank Negara Malaysia



Marzunisham Omar

Ex Officio Member

Appointed to the Board: 15 June 2020

Qualifications

- Bachelor of Arts (Economics), University of Cambridge, United Kingdom
- Master of Arts (Economics), University of Cambridge, United Kingdom

Key Appointments and Directorships

- Member, Board of Directors of ASB Management Sdn Bhd
- Member, Board of Directors of Malaysian Investment Development Authority

Past Experience

- Executive Director, International Monetary Fund
- Assistant Governor, Bank Negara Malaysia

Board of Directors



Datuk Seri Asri Hamidon @ Hamidin

Ex Officio Member

Appointed to the Board: 1 May 2020
Secretary General of the Treasury, Ministry of Finance

Qualifications

- Diploma of Public Administration, National Institute of Public Administration (INTAN), Malaysia
- Bachelor of Economics (Honours), University of Malaya, Malaysia
- Master of Economics, Hiroshima University, Japan
- Attended the Harvard Premier Business Management Program

Key Appointments and Directorships

- Chairman, Board of Directors of Retirement Fund (Incorporated)
- Chairman, Board of Directors of 1Malaysia Development Berhad
- Chairman, Board of Directors of GovCo Holdings Berhad
- Member, Board of Directors of Perbadanan Insurans Deposit Malaysia
- Member, Board of Directors of Permodalan Nasional Berhad
- Member, Board of Directors of Tenaga Nasional Berhad
- Member, Board of Directors of Lembaga Tabung Haji
- Member, Board of Directors of DanaInfra Nasional Berhad

Past Experience

- Served for more than 25 years in various Government departments and divisions such as the Economic Planning Unit in the Prime Minister's Department and in the Ministry of Finance.



Dato Sri Lim Haw Kuang*

Independent Non-Executive Member

Appointed to the Board: 1 March 2015

Qualifications

- Bachelor of Science (Computing Science) Degree, Imperial College, University of London, United Kingdom
- Master of Business Administration Degree in International Management, IMD Switzerland (Formerly known as *International Management Institute, Geneva*)

Key Appointments and Directorships

- Chairman, Board of Directors of Sime Darby Overseas (Hong Kong)
- Chairman, Board of Director of Ranhill WorleyParsons Sdn Bhd
- Member, Board of Directors and Executive Director of Ranhill Utilities Berhad
- Member, Board of Directors of Wison Group (China)
- Member, Board of Directors of Century Energy International Holdings Limited
- Special Advisor, SMJ Petroleum Sdn Bhd

Past Experience

- Member, Board of Directors of Sime Darby Berhad
- Member, Board of Directors of Jinxin Fertility Group Limited
- Member, Board of Directors of BG Group
- Member, Board of Directors of ENN Group
- Executive Chairman, Shell Companies in China
- Chairman, Shell Malaysia
- Member, China Council for International Cooperation on Environment and Development
- President, Malaysia Business Council for Sustainable Development
- Director, China Business Council for Sustainable Development

* The Board of Directors wishes to extend our appreciation and gratitude to Dato Sri Lim Haw Kuang, who completed his term on 28 February 2022.

Board of Directors



Dato' Paduka Sulaiman Mustafa

Independent Non-Executive Member

Appointed to the Board: 1 January 2019

Qualifications

- Diploma in Land Use Control and Planning, North East London Polytechnic, United Kingdom
- Chartered Surveying Professional, Royal Institution of Chartered Surveyors, London, United Kingdom
- Royal Institution of Chartered Surveyors
- Royal Institution of Surveyors Malaysia
- Registered Valuer, Estate Agent and Property Manager, Board of Valuers, Appraisers, Estate Agents and Property Managers

Key Appointments and Directorships

- Deputy Chairman, Managing Director and Senior Partner, Jones Lang Wootton (Singham Sulaiman Sdn Bhd)
- Member, Board of Directors of Pelaburan Hartanah Berhad
- Founder, Congenital Heart Foundation Malaysia
- Advisor, Prosper Property Panel of Permodalan Usahawan Nasional Berhad
- Professional Member, World Future Society

Past Experience

- Senior Lecturer, *Universiti Teknologi Malaysia*
- Member, Supervisory Committee of Sime Darby Property Division
- Council Member, *Majlis Agama Islam Dan Adat Melayu Terengganu*



Chin Suit Fang

Independent Non-Executive Member

Appointed to the Board: 1 November 2019

Qualifications

- Malaysian Institute of Accountants
- Malaysian Institute of Certified Public Accountants

Key Appointments and Directorships

- Member, Monetary Penalty Review Committee

Past Experience

- Partner, PwC Malaysia
- Markets Leader for PwC Malaysia and PwCMYVN (Malaysia & Vietnam)
- Corporate Responsibility and Diversity & Inclusion Leader, PwC Malaysia
- Member, PwC Global Gender Advisory Council
- Mentor for Women in Leadership Malaysia by ICAEW & TalentCorp Malaysia

Board of Directors



Dato' Dr. Nirmala Menon a/p Y.B. Menon

Independent Non-Executive Member

Appointed to the Board: 16 March 2020

Qualifications

- Bachelor in Medicine, University of Mysore, India
- Postgraduate qualifications in Insurance Medicine

Key Appointments and Directorships

- Member, Board of Directors of Sime Darby Berhad
- Member, Board of Directors of Aviva Singlife Holdings Private Limited (Singapore)
- Member, Board of Directors of Ramsay Sime Darby Health Care

Past Experience

- Member, Board of Directors of AXA Affin General Insurance Berhad
- Member, Board of Directors of Khazanah Nasional Berhad
- Member, Board of Directors of Avicennia Capital Sdn Bhd
- President and Chief Executive Officer, ING Malaysia Berhad
- Executive Vice President, Head of Designated Markets & Health Asia, Metlife Asia Pacific Limited
- Head of South Asia, ING Asia Pacific Limited
- Medical Officer, Hospital Kuala Lumpur



Tan Sri Mohamed Azman Yahya

Independent Non-Executive Member

Appointed to the Board: 1 June 2020

Qualifications

- Bachelor of Science (Economics), London School of Economics and Political Science, United Kingdom
- Institute of Bankers Malaysia
- Institute of Chartered Accountants in England and Wales
- Malaysian Institute of Accountants

Key Appointments and Directorships

- Chairman, Board of Directors of Symphony House Sdn Bhd
- Chairman, Board of Directors of Sepang International Circuit Berhad

Past Experience

- Chairman, Board of Directors of Pengurusan Danaharta Nasional Berhad
- Chairman, Board of Directors of Ranhill Utilities Berhad
- Chairman, Corporate Debt Restructuring Committee
- Member, Board of Directors of Khazanah Nasional Berhad
- Member, Board of Directors of Sime Darby Berhad
- Member, Board of Directors of AIA Group Limited
- Member, Board of Directors of PLUS Expressways Berhad
- Member to PEMUDAH, Financial Reporting Foundation, Capital Market Advisory Group, Malaysia Special Economic Committee

Board of Directors



Kamarulazman Muhamed *Independent Non-Executive Member*

Appointed to the Board: 1 January 2022

Qualifications

- Association of Chartered Certified Accountants, Nottingham Trent University, United Kingdom
- Master of Science in Information System Management, Salford University, United Kingdom

Key Appointments and Directorships

- Founder and Chief Executive Officer, Aerodyne Group
- Adjunct Professor, Universiti Putra Malaysia
- Member, Economic Action Council
- Member, Majlis Kemakmuran Bersama
- Member, Majlis Ekonomi Digital dan 4IR
- President, New Entrepreneur Foundation
- Member, National Robotics Direction Plans Steering Committee
- Member, Malaysian National Aerospace Council

Past Experience

- Exco Member, Economic Planning Unit, Prime Minister's Department
- Business Exco, Majlis Amanah Rakyat
- Director and Country Manager, Computer Associates International
- Audit Manager, Auerbach Hope Chartered Accountants, London

Senior Management

As provided by the Central Bank of Malaysia Act 2009, the Governor is responsible for the management of the Bank in discharging its mandates. In performing these duties, the Governor is assisted by a senior management team consisting of Deputy and Assistant Governors. The Bank's organisation structure is designed to promote clear lines of reporting and accountability across its wide-ranging functions.

Various management committees are established to enable the senior management team and other senior officers of the Bank to deliberate on the Bank's business, and in particular those involving the organisation's strategy and top-most priorities. These management committees include policy committees such as the Financial Stability Committee and the Joint Policy Committee, a committee tasked to deliberate cross-cutting issues and coordinate policies that may have impact on the financial system and the broader economy. The management committees enable the Bank to draw on diverse functional backgrounds and insights across the Bank to arrive at well-informed decisions through open and candid deliberations.

Supported by these structures, senior management sets internal policies and leads the operations of the Bank to ensure that it gives effect to its objects, carries out its functions and uses its resources in a manner that is effective, prudent and consistent with the interests of the Bank, for the benefit of the nation.

Senior Management



Nor Shamsiah Yunus
Governor



Abdul Rasheed Ghaffour
Deputy Governor



Jessica Chew Cheng Lian
Deputy Governor



Marzunisham Omar
Deputy Governor



Norzila Abdul Aziz
Assistant Governor



Adnan Zaylani Mohamad Zahid
Assistant Governor



Abu Hassan Alshari Yahaya
Assistant Governor



Aznan Abdul Aziz
Assistant Governor



Fraziali Ismail
Assistant Governor



Abd. Rahman Abu Bakar
Assistant Governor



Dr. Norhana Endut
Assistant Governor

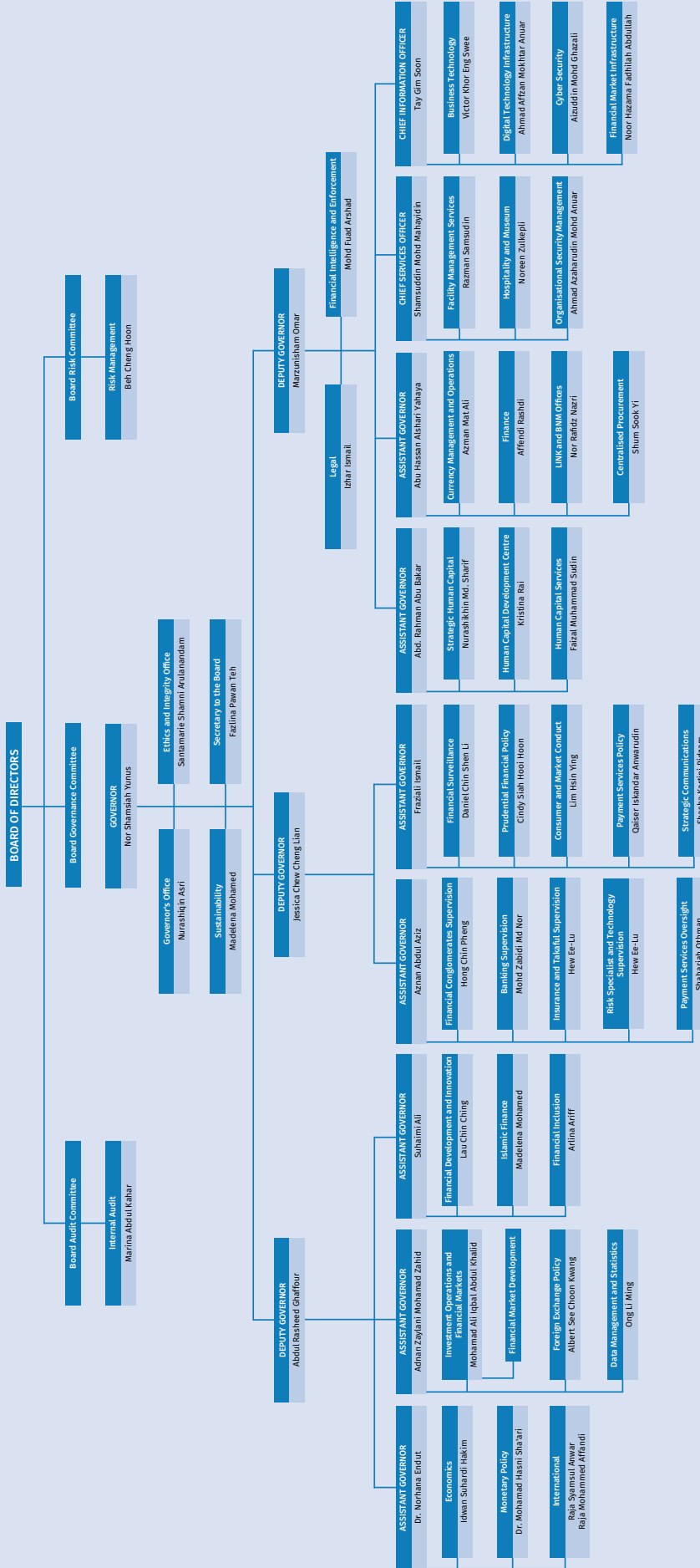


Suhaimi Ali*
Assistant Governor

*Effective 1 April 2022

BANK NEGARA MALAYSIA

Organisation Structure



Effective 1 April 2022

Statutory Committees

In certain areas, the responsibility for decision-making is placed beyond the direct remit of the Board or Management. These matters are reserved for specific organs created by statute.

Monetary Policy Committee

The primary objective of monetary policy in Malaysia is to maintain price stability while giving due regard to developments in the economy. Under the Central Bank of Malaysia Act 2009 (CBA 2009), the Monetary Policy Committee (MPC) of Bank Negara Malaysia is responsible for formulating monetary policy and the policies for the conduct of monetary policy operations.¹ The MPC decides on the policy interest rate, the Overnight Policy Rate (OPR), to influence other interest rates in the economy.

In carrying out this mandate, the MPC determines the direction of monetary policy based on its assessment of the balance of risks to the outlook for both domestic inflation and growth. The MPC also monitors risks of destabilising financial imbalances given their implications for the prospects of the economy. The MPC meets at least six times a year to decide on the OPR and publishes the Monetary Policy Statement (MPS) following each meeting to explain its decisions.

The MPC comprises the Governor, the Deputy Governors, and not less than three but not more than seven other members, including external members who are appointed by the Minister of Finance upon the recommendation of the Bank's Board Governance Committee. At present, the MPC has nine members, three of whom are external members. The membership of the MPC seeks to bring together a diversity of expertise and experience that is critical for sound monetary policy decision-making.

Members*

Nor Shamsiah Yunus (Chairman)

Abdul Rasheed Ghaffour

Jessica Chew Cheng Lian

Marzunisham Omar

Norzila Abdul Aziz**

Dr. Norhana Endut

Dato' Dr. Gan Wee Beng (External Member)**

Nor Zahidi Alias (External Member)

Lim Chee Sing (External Member)

¹ For a detailed account of the evolution of the MPC and its governance and processes, refer to the 'Box Article: Evolution of the Monetary Policy Committee of Bank Negara Malaysia: Key Milestones over the Years' in the Bank's Annual Report 2015.

* As at 30 March 2022.

** Term ends on 1 April 2022.

Financial Stability Executive Committee

The Financial Stability Executive Committee (FSEC) was established in 2010 pursuant to Section 37 of the Central Bank of Malaysia Act 2009 (CBA 2009). The FSEC supports the Bank's statutory mandate of preserving financial stability through its powers to decide on specific policy measures that may be taken by the Bank to avert or reduce risks to financial stability.

In carrying out this mandate, the FSEC reviews, assesses and decides on proposals tabled by the Bank to:

- Issue orders to a person or financial institution that is not regulated nor supervised by the Bank to undertake specific measures in the interest of financial stability;
- Extend liquidity assistance to a financial institution that is not regulated nor supervised by the Bank, or to the overseas operations of a licensed financial institution in Malaysia; and
- Provide capital support to a licensed financial institution in Malaysia that has ceased to be viable or is likely to become non-viable.

This serves to ensure continuous and effective financial intermediation, including the orderly functioning of the money market and foreign exchange market, and preserve public confidence in the financial system.

The FSEC consists of seven members, a majority of whom are non-executive members who are independent of the Bank's Management. Members are subject to the FSEC's Code of Ethics and Conflict of Interest, which serves to preserve the integrity of the FSEC's decisions. In 2021, the FSEC met twice to discuss risk developments and assessments of financial stability amid an economic environment that remains affected by COVID-19.

Members*

Nor Shamsiah Yunus (Chairman)

Abdul Rasheed Ghaffour

Datuk Seri Asri Hamidin @ Hamidon (*Independent non-executive member*)

Datuk Syed Zaid Albar (*Independent non-executive member*)

Rafiz Azuan Abdullah (*Independent non-executive member*)

Yoong Sin Min (*Independent non-executive member*)

Dato' Abdul Rauf Rashid (*Independent non-executive member*)

* As at 30 March 2022.

Shariah Advisory Council

The Shariah Advisory Council of Bank Negara Malaysia (SAC) was established in May 1997 as the highest Shariah authority for Islamic financial institutions in Malaysia. The Central Bank of Malaysia Act 2009 (CBA 2009) reinforces the roles and functions of the SAC as the authority for the ascertainment of Islamic law for the purposes of Islamic financial business which are supervised and regulated by the Bank.

The SAC assumes a pivotal role in ensuring consistent application of Shariah rulings by the Islamic financial institutions in Malaysia. The Shariah rulings by the SAC serve as a main reference for Islamic financial institutions to ensure end-to-end Shariah compliance in product structuring and implementation of their financial activities. In addition, the CBA 2009 provides that Shariah matters brought to the court or raised in any arbitration proceeding must be referred to the SAC for clarity and certainty.

The SAC provides the Shariah basis for the development of a comprehensive Shariah contract-based regulatory framework for Islamic financial institutions in Malaysia. In this regard, the SAC specifies the essential features of the contracts taking into consideration the various Shariah views, research findings, as well as custom and market practices.

The SAC members are appointed by the Yang di-Pertuan Agong, based on the advice of the Minister of Finance after consultation with the Bank. Currently, the SAC has nine members comprising Shariah scholars and practitioners with vast experience, domestically and abroad in the areas of Shariah, law, Islamic economics, and finance.

In 2021, the SAC met ten times to decide and issue rulings that address pressing issues and strengthen long-term developmental impact on the Islamic finance ecosystem in Malaysia.

Members*

Tan Sri Dr. Mohd Daud Bakar (Chairman)

Prof. Dr. Ashraf Md. Hashim (Deputy Chairman)

Sahibus Samahah Dato' Dr. Haji Anhar Haji Opir

Dato' A. Aziz. A. Rahim

Prof. Dr. Mohamad Akram Laldin

Prof. Dr. Engku Rabiah Adawiah Engku Ali

Dr. Marjan Muhammad

Burhanuddin Lukman

Zainal Abidin Jamal

* As at 30 March 2022.

Monetary Penalty Review Committee

The Monetary Penalty Review Committee (MPRC) is an independent committee legislated under section 238 of the Financial Services Act 2013 (FSA) and section 249 of the Islamic Financial Services Act 2013 (IFSA). The MPRC considers appeals from persons (individuals or institutions) against the administrative monetary penalties or pecuniary remedies imposed by the Bank in exercising its administrative enforcement powers under the FSA, the IFSA and the Development Financial Institutions Act 2002.

The MPRC provides an independent avenue for aggrieved parties to appeal against the Bank's decisions. The MPRC may decide to either confirm the Bank's decision or require the Bank to reconsider and reach a decision in accordance with the findings of the MPRC. The members of MPRC are appointed by the Minister of Finance from among the Independent Non Executive Board Members of the Bank or other external persons upon recommendation by the Bank.

Members*

Tan Sri Hasan Lah (Chairman)

Prof. Dr. Choong Yeow Choy

Chin Suit Fang

Lillian Leong Bee Lian

* As at 30 March 2022.