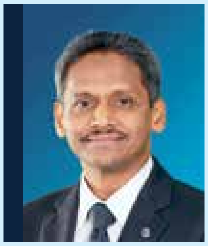
Board of Directors and Committees of the Bank

Board of Directors

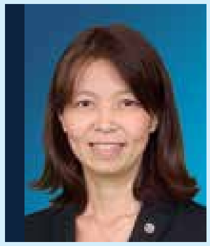
Muhammad bin Ibrahim, *FCB*

Governor and Chairman



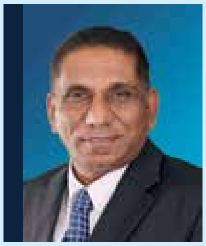
Shaik Abdul Rasheed
bin Abdul Ghaffour, *CB*

Deputy Governor



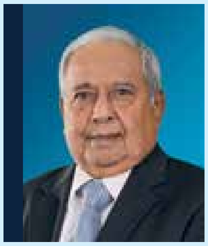
Chew Cheng Lian (Jessica),
CB

Deputy Governor



Tan Sri Dr. Mohd Irwan
Serigar bin Abdullah

Secretary General of Treasury



Dato' N. Sadasivan
a/l N.N. Pillay

Member, Board Governance Committee

Member, Board Audit Committee

Tan Sri Dato' Sri
Dr. Sulaiman bin Mahbob

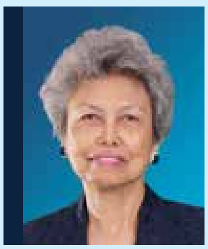
Chairman, Board Governance Committee

Member, Board Audit Committe

Datuk Chin Kwai Yoong

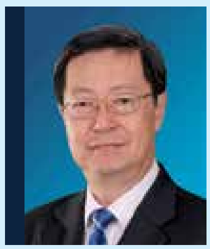
Chairman, Board Audit Committee

Member, Board Governance Committee



Tan Sri Dato' Seri
Siti Norma binti Yaakob

Member, Board Governance Committee



Dato Sri Lim Haw Kuang

Chairman, Board Risk Committee

The Board of Directors wishes to extend its appreciation and gratitude to **Tan Sri Datuk Dr. Yusof bin Basiran** and **Dato' Lee Yeow Chor** who completed their terms on 28 February 2018, and **Dr. Sukudhew Singh** who retired as Deputy Governor on 31 December 2017.

Management Committee

Members from left to right

Ahmad Hizzad bin Baharuddin, *FCB*
Assistant Governor

Abu Hassan Alshari bin Yahaya
Assistant Governor

Norzila binti Abdul Aziz
Assistant Governor

Shaik Abdul Rasheed bin Abdul Ghaffour, *CB*
Deputy Governor

Muhammad bin Ibrahim, *FCB*
Governor

Chew Cheng Lian (Jessica), *CB*
Deputy Governor

Donald Joshua Jaganathan, *FCB*
Assistant Governor

Marzunisham bin Omar
Assistant Governor

Mohd. Adhari bin Belal Din
Assistant Governor

Monetary Policy Committee

Monetary policy is formulated independently by the Monetary Policy Committee based on a sound governance framework

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 charged with the responsibility of formulating monetary policy and the policies for the conduct of monetary policy operations[1]. In this regard, 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 growth and inflation. The MPC also monitors risks of destabilising financial imbalances given their implications for the prospects of the economy. The Committee 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 three to seven other members, including external members who are appointed by the Minister of Finance upon recommendation by the Bank's Board Governance Committee. At present, the MPC has six members, two of which are external members. The membership of the MPC is intended to bring together a diversity of expertise and experiences that is critical for sound decision-making on monetary policy.

Members from left to right

Prof. Tan Sri Dato' Seri Dr. Noor Azlan bin Ghazali
Vice-Chancellor, Universiti Kebangsaan Malaysia

Shaik Abdul Rasheed bin Abdul Ghaffour, *CB*
Deputy Governor

Muhammad bin Ibrahim, *FCB*
Governor and Chairman

Chew Cheng Lian (Jessica), *CB*
Deputy Governor

Prof. Dr. Yeah Kim Leng
Professor of Economics, Sunway University Business School, Sunway University

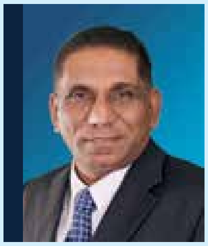
Norzila binti Abdul Aziz
Assistant Governor

[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 Bank Negara Malaysia's Annual Report 2015.

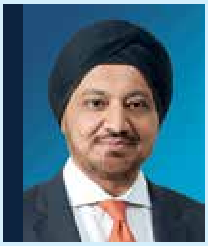
Financial Stability Executive Committee

Muhammad bin Ibrahim, *FCB*
Governor and Chairman

Shaik Abdul Rasheed bin Abdul Ghaffour, *CB*
Deputy Governor



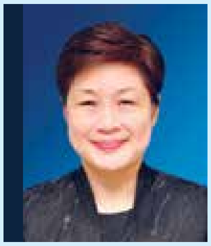
Tan Sri Dr. Mohd Irwan Serigar bin Abdullah
Secretary General of Treasury



Tan Sri Dato' Seri Ranjit Ajit Singh
Chairman of Securities Commission Malaysia

Rafiz Azuan Abdullah
Chief Executive Officer of Perbadanan Insurans Deposit Malaysia

Datuk Johan bin Idris
External Expert



Yoong Sin Min
External Expert

Financial Stability Executive Committee

The Financial Stability Executive Committee (Executive Committee) was established in 2010 pursuant to Section 37 of the Central Bank of Malaysia Act 2009 (CBA 2009). Its primary purpose is to contribute to the fulfilment of 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. These measures are:

- the issuance of orders to a person or financial institution that is not supervised by the Bank to undertake specific measures;
- the extension of liquidity assistance to a financial institution that is not supervised by the Bank, or to overseas operations of a licensed financial institution in Malaysia; and
- the provision of capital support to a non-viable licensed financial institution in Malaysia.

The Executive Committee is a key component of the accountability framework that has been institutionalised for the exercise of the broad financial stability powers accorded to the Bank under the CBA 2009. It is responsible to ensure that proposed measures within its purview are appropriate, having regard to the Bank's assessment of risks to financial stability. The Executive Committee meets at least twice a year.

The Executive Committee consists of seven members, a majority of whom must be non-executive members who are independent of the Bank's Management. Members are subject to the Executive Committee's Code of Ethics and Conflict of Interest, which serve to preserve the integrity of the Executive Committee's decisions.

Shariah Advisory Council

Shariah Advisory Council

The Shariah Advisory Council of Bank Negara Malaysia (SAC) was established in May 1997 as the highest Shariah authority in Islamic banking and takaful in Malaysia. In the Central Bank of Malaysia Act 2009 (CBA 2009), the roles and functions of the SAC were further reinforced as the authority for the ascertainment of Islamic law for the purposes of Islamic financial activities which are supervised and regulated by the Bank.

The SAC assumes a pivotal role in ensuring the consistency of Shariah rulings applied in the Islamic banking and takaful industry. The Shariah rulings by the SAC serve as a main reference for Islamic financial institutions to ensure end-to-end Shariah compliance in the structure and implementation of their financial products and services. In addition, the CBA 2009 provides that, any questions on Shariah matters in a court or arbitration proceeding must be referred to the SAC, whose opinions shall be binding.

The SAC provides the Shariah basis for the development of a comprehensive Shariah contract-based regulatory framework for Islamic banking and takaful in Malaysia. In this regard, the SAC defines the essential features of the contracts taking into consideration the various Shariah views, research findings, as well as custom and market practices. Moving forward, the SAC, through its members, individually and collectively, will expand its sphere of influence to support more product innovation and encourage harmonisation of Shariah interpretation locally and globally.

The appointment of the SAC members is made upon approval by the Yang di-Pertuan Agong, on the advice of the Minister of Finance after consultation with the Bank. Currently, the SAC has ten (10) members consisting of prominent Shariah scholars, jurists and legal experts.

Members from left to right

Burhanuddin bin Lukman
Head of Takaful Unit, International Shariah Research Academy for Islamic Finance (ISRA)

Prof. Dr. Asmadi bin Mohamed Naim
Dean, Islamic Business School, Universiti Utara Malaysia

Prof. Dr. Mohamad Akram bin Laldin
Executive Director, ISRA

Sahibus Samahah Datuk Dr. Zulkifli bin Mohamad Al-Bakri
Mufti of Wilayah Persekutuan

Prof. Dr. Ashraf bin Md. Hashim (Deputy Chairman)
Chief Executive Officer, ISRA Consultancy

Datuk Dr. Mohd Daud bin Bakar (Chairman)
Founder and Executive Chairman, Amanie Group

Dato' A. Aziz bin A. Rahim
Chairman, Enforcement Agencies Integrity Commission

Tan Sri Sheikh Ghazali bin Abdul Rahman
Shariah Legal Advisor, Attorney General Chambers

Prof. Dr. Engku Rabiah Adawiah binti Engku Ali
Professor, IIUM Institute of Islamic Banking and Finance (IIiBF), International Islamic University Malaysia (IIUM)

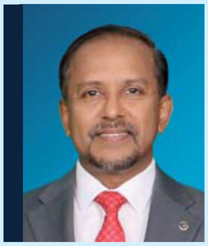
Dr. Shamsiah binti Mohamad
Senior Researcher, ISRA

Financial Stability Committee

Muhammad bin Ibrahim, *FCB*
Governor and Chairman

Shaik Abdul Rasheed bin Abdul Ghaffour, *CB*
Deputy Governor

Chew Cheng Lian (Jessica), *CB*
Deputy Governor



Donald Joshua Jaganathan, *FCB*
Assistant Governor

Marzunisham bin Omar
Assistant Governor

Ahmad Hizzad bin Baharuddin, *FCB*
Assistant Governor

Financial Stability Committee

The Financial Stability Committee (FSC) is a high-level internal committee of the Bank. It is responsible for monitoring and taking actions to reduce or avert risks to financial stability stemming from both system-wide and institutional developments. Section 29 of the Central Bank of Malaysia Act 2009 defines "risk to financial stability" as a "risk which in the opinion of the Bank disrupts, or is likely to disrupt, the financial intermediation process including the orderly functioning of the money market and foreign exchange market, or affects, or is likely to affect, public confidence in the financial system or the stability of the financial system".

The FSC reviews and decides on:
- macroprudential policies to reduce or avert identified risks to the financial system as a whole;
- significant supervisory responses to address risks arising in individual financial institutions which are regulated by the Bank;
- actions to resolve a financial institution that has ceased, or is about to cease, to be viable. This includes notifying Perbadanan Insurans Deposit Malaysia (PIDM) for the purpose of resolution actions by PIDM where applicable; and
- recommendations to the Financial Stability Executive Committee on the exercise of powers within its remit.

An important part of the FSC's role is to monitor the effectiveness of policies and actions taken; and ensure they remain appropriate, taking into account risk developments.

The FSC is chaired by the Governor and its members comprise all Deputy Governors and the Assistant Governors responsible for regulation, supervision, treasury operations and payment systems. The meeting is generally held four times a year and is also attended by selected senior officers of the Bank.