

# Mahathir on the lessons of BMF

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KUALA LUMPUR, Tues. — Datuk Seri Dr Mahathir Mohamad told bankers tonight that the losses suffered on account of the BMF affair demonstrate all too clearly that without adequate attention to sound management and effective supervision, serious mistakes can occur. And the lesson must be driven home.

He said this means that the management of financial institutions must at all times be professional, in carrying out their duties and the board of directors must at all times be alert to the effectiveness and competence of their staff.

"Just as I expect the administrators in Government to, be fully informed and be on top of the State of affairs and policies in their charge, so would I expect the senior bankers and their boards to be fully aware of the health of their financial institutions and the direction they are steering over the Short and long term," the prime Minister said.

"In the pursuit of profit, bankers must never lose sight of their basic responsibility as trustees of the financial assets of the community in which they serve."

Datuk Seri Dr Mahathir Mohamad was speaking at the joint annual dinner of the association of banks and financial institutions.

## Integrity

On the BMF losses, he said: "The nation cannot afford such losses nor should we expect to. I would like to reiterate that action will be taken against the wrong-doers, but the lesson must be driven home.

Managers of financial institutions, just as managers of public and private enterprises

must be totally committed and involved in the affairs of institutions under their charge.

"Hence, you will notice that we have separated the non-executive chairmen from the chief executive officers in some public enterprises."

"I do not wish to lecture my hosts. But the financial community has a special responsibility to society.

"The standing of the nation, the value of the ringgit and the confidence of the public, here and abroad rests on the competence, professionalism and integrity of the leaders of our financial agencies."