

Bank will stop 'irregularities'

PENANG: Bank Negara will take firm action against any bank found to be involved in irregularities.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday it was the responsibility of the central bank to investigate any allegation of banking irregularity.

On Monday, the *Asian*

Wall Street Journal reported that bank regulators were investigating politically well-connected controlling shareholders of United Malayan Banking Corp Bhd, after discovering questionable loans and other alleged irregularities.

It said that for the past three months, Bank Negara had been delving

into UMBC's affairs and its links with Datuk Kramat Holdings Bhd.

The controversy revolves around a lawyer businessman, said to be secretly calling the management shots at UMBC since it was acquired by DKH a year ago.

The report said banking officials wanted the businessman removed from

UMBC's management because they don't consider him qualified to manage the bank.

It claimed the businessman's name did not appear in official records as an executive of the bank although the law stipulated that Bank Negara must approve the appointment of chief banking and finance officers.