

PM: Probe alleged irregularities at bank

By Farush Khan and Noorzita Samad

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday action should be taken against those found involved in the questionable loans and other alleged irregularities at United Malaysian Banking Corporation Bhd (UMBC).

He added that the matter should be probed by Bank Negara.

Dr Mahathir said this in Penang when asked to comment on a news report last

Monday that Bank Negara had been looking into UMBC's affairs and its links to listed Datuk Keramat Holdings Bhd.

Datuk Keramat Holdings now controls 60 per cent of UMBC, the country's fourth largest bank.

It took over the bank from Perbadanan Nasional Bhd last year.

Bank Negara, when contacted yesterday, declined comment.

But it is learnt that the central bank has been investigating the alleged irregularities in UMBC these past

three months.

It is also understood that the investigation focuses on the role of lawyer and businessman Simon Tay Chiow Kee — a little-known figure in the Malaysian corporate and financial fraternity — in UMBC's operations.

Sources said Bank Negara was still continuing the probe.

The news report said although Tay was not listed in UMBC's official records as a shareholder or an executive director of the bank, Bank Negara investigators believed he had been "secretly

calling the shots at UMBC since it was acquired by Datuk Keramat Holdings".

Banking regulations stipulate that Bank Negara must approve the appointment of all chief executives of banks and finance firms in the country.

The report added that Bank Negara was also investigating the allegations that Datuk Keramat Holdings used UMBC to indirectly finance the acquisition of a controlling interest of 32.7 per cent in George Town Holdings Bhd last year.