

## **PM gives one-liner to query on 1MDB loans**

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Prime Minister and Finance Minister Najib Abdul Razak has refused to entertain a question in Parliament on the details of 1Malaysia Development Bhd's (1MDB) loans from local banks.

The question by Rafizi Ramli (PKR-Pandan) demanded the details, up to January 2015, as well as the findings of Bank Negara's compliance audit on each bank.

However, Najib's written reply to this was only one sentence long: "Up until January 2015, the 1MDB debts to local banks is RM5.037 billion."

At 12 percent of total debts of 1MDB, this one-liner implies that the state investment fund is not a systemic risk to the Malaysian banking system.

Earlier, Bank Negara Malaysia governor Zeti Akhtar Aziz (right) said stress tests show that 1MDB will not hurt the economy.

Cabinet minister Khairy Jamaluddin also said while there are concerns of systemic risks, he believes 1MDB will not be a black hole swallowing up Malaysian banks if the Finance Ministry firm fails to pay its debts.

However, a livid Rafizi told reporters that Najib's reply lends credence to his earlier claims regarding alleged irregularities in Ambank's loan RM2 billion loan to 1MDB.

"If Bank Negara had cleared Ambank with respect to the loans given to 1MDB, obviously the minister will not hesitate to disclose the audit findings," he said.

### **Credibility of banking system at stake**

By choosing silence on the audit findings, Rafizi said Najib was in fact suggesting that Bank Negara did raise serious issues with the loan approval process.

Rafizi (left) explained that his question was specifically designed to unearth the outcome of Bank Negara's compliance audit on loans given by Maybank, RHB and Ambank.

"I was provided information that Bank Negara raised serious issues with Ambank with regard to the approval process of loans given to 1MDB.

"The issue is of utmost importance not so much of its amount to the banking system but the alleged lack of governance that can further undermine the credibility of our banking and financial system, already rocked by the 1MDB scandal so far.

"The fact that the minister refused to answer can only confirm that the allegation has some

truth," Rafizi added.

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