

Don't just sit and wait, Nazir tells 1MDB bosses

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Board members of state investment firm 1Malaysia Development Bhd must appoint an independent auditor to verify its accounts or resign, says CIMB Group chairperson Nazir Abdul Razak.

Nazir is the younger brother of Prime Minister Najib Abdul Razak, who is chairperson of 1MDB's board of advisors.

"The immediate check for a responsible board is to appoint an independent (auditor) now [...] otherwise the board and management, in my view, should resign.

"It is your basic responsibility. There's a complete mistrust in your financial situation. You have to responsibly deal with that. But instead you sit there and wait for AG (auditor-general).

"To me that's irresponsible. If you do that then it's better for you to step down and let someone else come in and take over," the banker was quoted by The Star as saying over luncheon at the Asean Business Club forum today.

1MDB has been attacked for remaining silent despite numerous reports of mishandling of funds.

On Wednesday, Singapore's Business Times reported that a group of banks led by Deutsche Bank is demanding early repayment of a RM3 billion loan after doubts rose over 1MDB's collateral held in a Singapore bank.

1MDB said it could not comment on the matter due to confidentiality issues.

The early repayment demand could trigger a cross default, with the government admitting that 1MDB has poor asset liquidity. This could affect the government's credit ratings.

Najib earlier said 1MDB is keeping the funds repatriated from the Cayman Islands in Singapore for ease of transaction.

The funds were repatriated after public pressure, given 1MDB's mounting debts of RM42 billion. The government guarantees RM16 billion of the firm's loans.

The firm is fully owned by the finance ministry, which is also headed by Najib.

Nazir previously said that even his teen son can tell that 1MDB is problematic, and urged the firm to clear the air over its alleged mismanagement.

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