

**WSJ: IPIC didn't get US\$1.4b collateral from 1MDB**  
**MalaysiaKini.com**  
**Sept 9<sup>th</sup>, 2015**

UAE's International Petroleum Investment Company (IPIC) has reportedly not received the US\$1.4 billion collateral payment promised to it by 1MDB, according to The Wall Street Journal (WSJ).

The fund was part of a 2012 deal where IPIC guaranteed US\$3.5 billion in bonds issued by 1MDB, in exchange for a 49 percent stake in the latter's power assets and a collateral payment.

However, while the auditor-general's draft report on 1MDB's accounts showed that the collateral payment was made to IPIC's subsidiary Aabar Investments PJS, IPIC's own consolidated financial statements had no receipt of the payment.

The US financial daily said this was confirmed by two separate sources.

According to the WSJ, the spokesperson for the UAE, Ibrahim Al Abed, and the country's ambassador to the United States have declined to comment on the issue of the collateral payment.

Meanwhile, the Prime Minister's Office (PMO), IPIC and Aabar have so far not responded to questions from WSJ.

However, WSJ reported that a new management team at IPIC is now investigating the actions and relationship between their previous managers and 1MDB.

This revelation came amid reports that a rescue plan for 1MDB signed earlier this year where IPIC would inject funds into the troubled company was now likely to be aborted.

1MDB is struggling to repay its US\$11 billion in debt or RM47 billion by now, due to the weakening ringgit.

IPIC and Aabar entered into an agreement with 1MDB in late May, which saw IPIC then paying off US\$975 million (RM3.57 billion) of 1MDB's debts.

Under the initial plan, IPIC would have also helped to further reduce 1MDB's debt by between RM12 billion and RM12.5 billion.

In return, IPIC was supposed to receive a number of financial assets from 1MDB.

1MDB had been under intense scrutiny since last year, being investigated by several agencies, including the Public Accounts Committee (PAC) and the Malaysian Anti-Corruption Commission (MACC).

Malaysiakini has also reached out to the prime minister's office, 1MDB and IPIC and is currently waiting for their responses.

In a statement later today, 1MDB said the fund was reflected in its own accounts but it cannot speak on IPIC's behalf on what happened to the funds after they were paid.

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Source: <http://www.malaysiakini.com/news/311623>