

## **'Odd' for 1MDB to deal with small bank, says expert**

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1MDB's move to engage a small Swiss bank is strange, given the size and significance of the fund, a banking and finance expert says.

This comes after Swiss investigators probing the 1MDB case zero in on Zurich-based bank Falcon Private Bank AG over its relationship with 1MDB, the Wall Street Journal reports.

"It would be very odd for a government fund to even have an account with a small, private bank," Daniel Marovitz is quoted as saying.

Marovitz runs a European operations for cross-border bank payments service provider Earthport PLC and was previously managing director in Deutsche Bank AG's global transaction divisions.

He said large banks covet clients like 1MDB and compete aggressively for their business, the US daily reported.

The experts consulted by WSJ said large global banks are typically used to transact large amounts, while 1MDB used small private banks for billion-ringgit transactions.

"Large transactions tied to government funds or elected officials would also likely raise red flags for internal auditors, bankers and anti-money-laundering specialists," the daily reported.

According to the daily, Falcon is owned by Aby Dhabi-based government fund International Petroleum Investment Company (IPIC).

The daily reported that 1MDB had in September 2009 used private Swiss bank BSI SA to invest US\$1 billion in a Saudi oil venture and US\$700 million of that went to another private bank, Coutts International.

"1MDB said all payments were proper," it reported.

In May 2014, a 1MDB subsidiary uses a Falcon account in Hong Kong to pay \$175 million to a BSI account held by IPIC.

IPIC guaranteed US\$3.5 billion in 1MDB bonds issued to pay for power assets.

1MDB maintains that it has done nothing illegal, and will cooperate with all investigations.

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