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PM: 1MDB has garnered RM5b in local debts

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Parliament told by Najib in a written reply to a question by Pandan MP

by P PREM KUMAR

THE controversial strategic investment fund 1Malaysia Development Bhd (1MDB) has accumulated over RM5 billion in debts with local financial institutions.

Prime Minister Datuk Seri Mohd Najib Razak said as of January 2015, 1MDB's debts with local banks amount to RM5.04 billion.

The figure was released in a two-line written reply to a parliamentary question by Pan-

dan MP Rafizi Ramli.

Rafizi requested the Ministry of Finance (MoF) to list all 1MDB debts with local banks as of January this year, and to reveal the latest annual audit results conducted by Bank Negara Malaysia (BNM) for each debt.

1MDB reportedly has RM42 billion in liabilities and previously missed deadlines to pay off interests on its debts.

It needed several extensions to pay a RM2 billion instalment from last year, and only made the payment last month.

On Wednesday, Finance Minister Datuk Seri Ahmad Husni Hanadzlah revealed that the loan was only paid off after tycoon Tan Sri T Ananda

Krishnan's Tanjong plc helped 1MDB secure refinancing to get the cash it needed to avoid defaulting.

Ahmad Husni said Tanjong had arranged the funding with the help of private investors via a refinancing method, as 1MDB's cashflow was not enough.

"It is not the bank, but from outside and was managed by Tanjong. Tanjong helped to obtain the RM2 billion fund with a principal repayment tenure of 15 months, and interest repayment (to be settled) within six months," the minister told the Dewan Rakyat during the MoF's winding-up speech.

In a press conference at Parliament lobby, Batu MP Tian Chua

questioned Tanjong's eligibility to charge interest on 1MDB.

"According to BNM, only financial institution are allowed to charge interest. In that case, we want to know whether Tanjong was given some preferential treatment and was there any violation of BNM rules.

"The MoF must also disclose the interest rate charged on the short-term loans, and who is the investors that Tanjong roped in to raise so much of money in such a short-term," he said.

1MDB, the state-owned strategic investment firm is currently the subject of an investigation by the Auditor General's Department and in line for further scrutiny by Parliament's Public Accounts Committee.