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# It was to **reduce** equity risk, explains Najib

> 1MDB US\$1.9b loan to PetroSaudi was decided by management, board of directors

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**KUALA LUMPUR:** A US\$1.9 billion (RM7.13 billion) loan from the state investment arm iMalaysia Development Bhd (iMDB) was approved for a subsidiary company of PetroSaudi International Limited as a way to reduce risk to the equity holdings in the company, Prime Minister Datuk Seri Najib

Abdul Razak said.

Najib, who is also finance minister and iMDB board of advisors chairman, said in a parliamentary written reply, that all decisions on iMDB transactions are made by its management and the board of directors.

He was responding to a question by Tony Pua (DAP-Petaling Jaya Utara), who asked the finance minister to state the reasons to approve a loan of US\$1.9 billion from iMDB to the subsidiary of PetroSaudi with only a guarantee that PetroSaudi doesn't have a paid-up capital more than US\$150,000

and whether this loan was approved by the then board of directors.



"According to the information given by iMDB management to the Finance Ministry, the loan was approved to reduce the risk compared to the equity holding in the joint effort company.

"All decisions and transactions of iMDB are made by the management and its board of directors," Najib said in the written reply.

Najib has been widely implicated in the decisions made pertaining to iMDB, which has debts of over RM42 billion.