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Dr M kept in the dark, RCI told

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> Anwar also not informed of forex losses, says ex-second finance minister

PUTRAJAYA: Tan Sri Nor Mohamed Yakcop told the Royal Commission of Inquiry on the foreign exchange losses suffered by Bank Negara that former prime minister Tun Dr Mahathir Mohamad was never told about the bank's dealings when it suffered losses in the forex market.

The former second finance minister also said that Datuk Seri Anwar Ibrahim, who was finance minister from 1991 to 1998, was not informed of the dealings either.

"I did not at any time, from the years 1986 to 1993, have discussions with the prime minister regarding

the forex dealings by Bank Negara Malaysia," he said.

Nor Mohamed, 70, said he was responsible for the forex transactions once he was appointed as manager for the banking department in 1986. From 1986 to 1993, he was responsible for the "External Reserves Management" and forex was a part of the "external reserves" activity.

"The forex losses occurred, there is no denying it. There is also no denying my accountability for the forex losses. I accepted my fair share of the accountability and



Nor Mohamed

Zeti Akhtar

resigned from Bank Negara," Nor Mohamed said, adding that he spoke regularly with the governor on the external reserves management and whenever there was a large movement in the exchange rates.

"I also reported on the ERC (external reserves committee) whenever it met," he said, adding that there were also weekly "senior officers meetings."

He said ERC comprised the governor, deputy governor and advisers.

"I did not report to either the finance minister nor the prime minister on any issues regarding external reserves management, as that was not my reporting line."

Earlier, former Bank Negara governor Zeti Akhtar Aziz said she believed that her predecessor, Jaffar Hussein, had taken responsibility for the losses.

Jaffar served as governor from 1985 until he resigned in April 1994.

"The governor has to take full

accountability for anything that happens, just like in a commercial bank. If something happens, whether (one) knew it or not, one has to be accountable.

"He took accountability for it in a very honourable way and he resigned," Zeti said.

Zeti yesterday told the commission that she had instructed former Bank Negara senior officer Abdul Aziz Abdul Manaf to prepare reports on the losses and gains made in forex trading between 1988 and 1994.

Aziz had last week told the commission the central bank lost RM31.51 billion between 1991 and 1994 in its forex dealings. Zeti served as governor from 2000 until she retired last year in April.