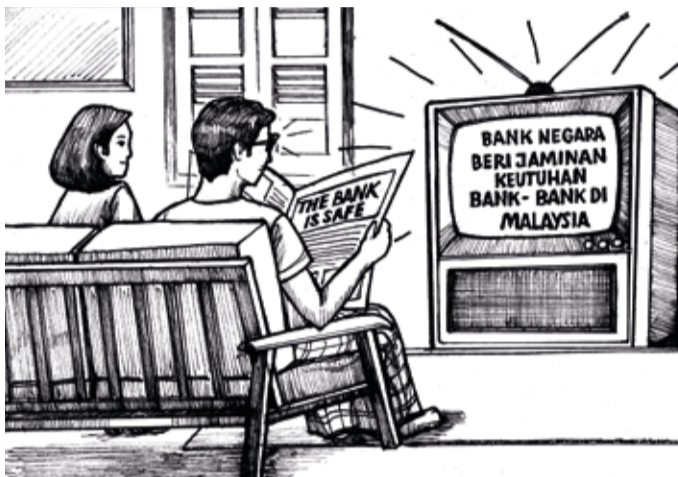
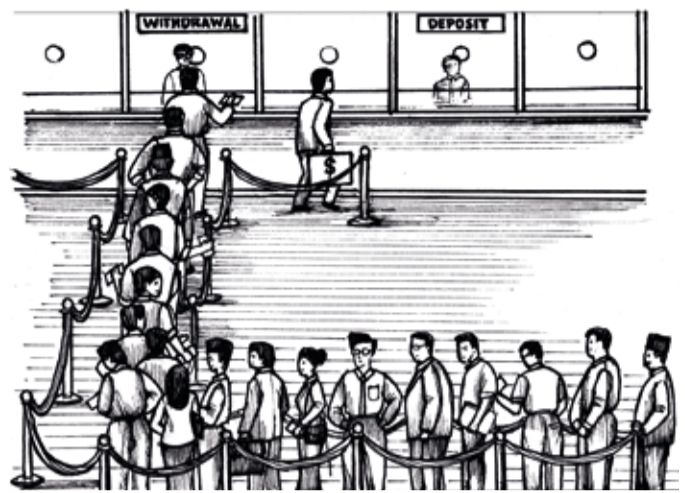


"Bolehkah kita percayakan bank?"

"Can we still trust the banks?"



YOUR MONEY IS SAFE, BSN TELLS SAVERS

KUALA LUMPUR, Wed. — Bank Simpanan Nasional assured all its account holders today that their money is safe.

Outgoing BSN chairman Datuk Dr Ani Arope said today that their money was not lost as a result of the \$22.2 million fraud at Bank Negara.

He confirmed today that all monies deposited by BSN as advance subscription for government securities had been converted into such securities.

Dr Ani said BSN had received an official receipt and letter of acceptance from Bank Negara.

"As far as the BSN is concerned, the money is not lost as reported in the Press," he said after officially handing over office to Encik Zubir Embong, the MP for Kuala Terengganu.

Bank Negara Governor Tan Sri Jafar Hussein had said yesterday that a former employee of the central bank had forged documents to fraudulently transfer \$22.2 million into one of the accounts of a local bank.

He also said that all of BSN's monies deposited with Bank Negara were never at risk.

Dr Ani said that none of

the BSN staff was involved in the fraudulent transfer, adding that the money was an advance for a bid for government securities made on July 1 last year.

He said that under normal procedure, an advance for the purchase of government securities should be paid to the Public Debt Registrar at Bank Negara.

He said the amount was part of the \$104 million paid out within a period of three months from July last year.

Dr Ani said the BSN was satisfied with the present system of purchase of government securities, adding "we have control over our money" in the system.

He also said that BSN's performance in the last three years had been good.

Its net profit had risen from \$19.69 million in 1986 to \$32.94 million in 1987.

The bank's projected net profit for 1988 was expected to be about \$40 million.

Dr Ani, who is now the chief executive of Kumpulan Guthrie, said the bank's deposits had increased from \$1.2 billion to \$2.15 billion, while the depositors had increased from 5.6 million to 6.7 million during his three-year tenure.

Pada tahun 1985, berlakunya pengeluaran wang secara besar-besaran (*bank run*) di sebuah bank utama akibat kegagalan sebuah bank di Hong Kong dan publisiti buruk yang berterusan terhadap skandal Bumiputra Malaysia Finance (BMF). Pengeluaran wang daripada bank tersebut dapat dibendung selepas Bank memberikan jaminan kepada orang ramai berhubung keutuhan bank yang dipertikaikan itu dan keupayaannya untuk memenuhi tanggungan deposit.

There was a run on a leading bank in 1985 sparked by the failure of a Hong Kong bank and continued bad publicity over the Bumiputra Malaysia Finance (BMF) scandal. The run was contained after the Bank gave a public assurance of the soundness of the bank in question and its ability to meet its deposit liabilities.

Almost forgotten BMF saga

FROM PAGE ONE

fact. Ibrahim himself admitted that he lied.

In the civil case brought by the liquidators of Eda Investment Limited, one of the two principal debtors of BMF, against him in the Hong Kong court in 1987, Ibrahim admitted that he had lied to the board of BMF, of which Lorrain was chairman, and to the chairman of Bank Bumiputra in Kuala Lumpur.

Asked by the court why he did these things, Ibrahim replied: "To cover my own mistakes, sir, of trusting George Tan and releasing the shares in the hope that whatever discussions I had with him would be complied with."

"So you admit you were covering up?"

"Yes, sir."

If the cross-examination was explosive, the judgement was a bombshell.

Hon. J. Liu in his judgement on December 15 1987, among other things wrote: "He (Jaafar) is a self-confessed liar to both firms of auditors, Mr Chung Ching Man, Commissioner Robert Tang QC, his own (BMF) board and headquarters as well as BMF's solicitors, Messrs Wilkinson and Grist."

"Mr Jaafar had secured from Bumi (BMF) and its Malaysian headquarters a concession in respect to his misconduct on the condition that he tells the truth. The concession was granted by a document bearing the date, October 14 1985, and Mr Jaafar conceded that his full disclosure was made until trial."

"Mr Jaafar produced, de truthfully witness which lie. It may be that so advantage of could or is to the benefits of (to) him."

But who are Lorrain's a Ibrahim in Tengku Raza George Tan, associate of the chairman of Point num Tengku Razak him? Lorrain's Ibrahim often leigh at the air

usually in one of George Tan's Rolls Royces, and was at his side during Tengku Razaleigh's many visits. But where were their business dealings held? Lorrain said Ibrahim was given a substantial shareholding in Tengku Razaleigh's family-

transfers had viving comp What is w Asiavest y tained its e time when Finance h was also of United f founder Bank Neg Tengku Lorrain's he did n lions, in pieces of property pledged to chanced of recovering the loans were good in view of the bullish property market in Hong Kong. Petronas acquired more than 80 per cent equity in BMF's parent company, Bank Bumiputra Malaysia Bhd, after the bank suffered a loss of \$970 million in 1983 following loan losses incurred by BMF.

And if the letter is a fake, as has been claimed by Tengku Razaleigh's supporters, they should do what they are good at, that is to take the parties involved to court.

Lorrain was not making an allegation. He was stating a fact. That Ibrahim had lied in the BMF case is an established fact. Carr'd Bank Page, Col. 2

COMMENT
Lorrain's letter and the forgotten BMF saga

Petronas selling off properties pledged to firm Recovering \$1 billion BMF loans

By Rosli Zakaria

KUALA LUMPUR, Thurs. — Petronas is confident of recovering loans totalling \$1 billion given out in Hong Kong by Bumiputra Malaysia Finance (BMF), which is now known as BMB Finance (Hong Kong).

Its chairman, Tan Sri Basir Ismail, said today it had sold by way of tender five out of the 10 BMF for the loans and that the chances of recovering the loans were good in view of the bullish property market in Hong Kong.

Petronas acquired more than 80 per cent equity in BMF's parent company, Bank Bumiputra Malaysia Bhd, after the bank suffered a loss of \$970 million in 1983 following loan losses incurred by BMF.

In 1984, it purchased the Hong Kong deposit-taking subsidiary's loans which had a book value of \$2.25 billion. Petronas paid \$1 billion for the Bank Bumiputra stake and \$1.25 billion for the Hong Kong loan portfolio.

The purchase of the loan portfolio was to free Bank Bumiputra from the problem loans. Tan Sri Basir, who is also chairman of Bank Bumiputra, said some of the properties were vacant and others developed.

However, he declined to reveal when the five properties were sold or the total value involved in the disposal because "I do not want to give any ideas to potential buyers".

Tan Sri Basir said this after donating US\$25,000 (\$47,500) to finance the aviation fuel requirement of the Malaysian team in the Malaysian International Air Race from Feb 5 to 28.