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Goldman Sachs Group made about US\$500 million (Bt15 billion) arranging three bond sales in the past year for 1Malaysia Development, the state investment fund led by Prime Minister Najib Razak, said a person familiar with the matter.

The total is almost as much as Malaysia pays each month on its debt and compares with Goldmans record \$694 million of global bond underwriting fees in the first quarter.

Goldman, the securities firm with the fastest-growing investment-banking fees, arranged \$6.5 billion of bond sales for the fund. 1MDB, as the fund is known, was started in 2009 to invest in energy assets, tourism, agriculture and property developments such as the \$8.5 billion business district in Kuala Lumpur named after Najib's late father.

Opposition lawmakers said the fund lacks transparency, pointing to the timing of the latest note sale in March as well as the fees. Goldman won the underwriting work without competing for the deals, according to the person, who asked not to be named as the details are confidential.

"Relationships are what I'll attribute these wins to," said Ang Ser-Keng, a senior lecturer of finance at the **Singapore Management University**. "If they wanted to issue a bond very quickly, maybe Goldman had the appetite and balance sheet to do the deal."

Goldman's revenue from the 1MDB deals amounted to about 7.7 per cent of the face value of the securities. Underwriters collected average fees of 1.32 per cent this year on junk bonds, rated below Baa3 by Moody's Investors Service and BBB- at Standard & Poor's.

In the first quarter, New York-based Goldman reported a 36-per-cent increase in investment banking fees, including a 69-per-cent rise in fixed-income underwriting revenue. Fees across the industry gained 17 per cent.