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PM: LOCAL BANKS SHOULD BE ONE-STOP FINANCIAL SUPERMARTS IN LABUAN

KUALA LUMPUR, Aug 19 (Bernama)-- Local banks with subsidiaries in Labuan should establish themselves as +one-stop financial supermarkets+ so that Malaysia and other countries in the region need not go far for their offshore banking needs, said prime minister Datuk Seri Dr Mahathir Mohamad here tonight.

Speaking at Public Bank Bhd's 25th anniversary, he said local banks should strive to acquire more expertise and improve their operational efficiency to consolidate their presence in Labuan.

This would enable them to compete with the international banks when the latter established their operations in Labuan, he said.

The prime minister said only the best financial institutions would eventually be successful in Labuan given the competitive environment there.

Datuk Seri Dr Mahathir described Labuan as a +window+ to attract ideas and new expertise in banking operations and it would be able to increase the sophistication in the country's financial sector.

The launch of Labuan as an international offshore financial centre, he said, was part of the government's strategy to develop and expand Malaysia's financial services to support the country's thrust towards the 2020 vision.

In accordance with the government's policy on South-South co-operation, he said Public Bank would expand its network to Sri Lanka soon.

The prime minister said the bank is also working towards an understanding with a bank in Vietnam in view of the wide investment opportunities there.

Apart from offering financial services, Datuk Seri Dr Mahathir said the involvement of Public Bank in these two countries would help them in their socio-economic development and help bring about improved trading ties.

Public Bank's chairman Tan Sri Thong Yaw Hong said as part of its overall growth and gaining synergy from its group expansion, the bank had also ventured overseas in Hong Kong and New Zealand.

Plans are afoot with Bank Negara's approval to establish a selective presence in other countries of the Asia Pacific region to facilitate the expansion of trade and investment into Malaysia and other countries of the region, he said.

Public Bank, he said, is willing to participate and invest in promoting private sector ventures which are productive and profitable.

The bank today has an authorised capital of \$1 billion and a paid up of \$553 million. Group shareholders' funds stood at \$806.06 million with total group assets amounting to \$10.7 billion.

The group reported a pre tax profit of \$80.69 million for the half year ended June 30, 1991.

The group provides a total network of 188 branches for both banking and financial services, with 83 branches under the bank, 74 under Public Finance Bhd and 31 branches JCC Finance Co Ltd in Hong Kong.--Bernama