

Mixed reactions to PM's five qualities

BANKERS and economists have expressed mixed reactions on the five qualities listed by the Prime Minister as essential for banking and financial institutions to have as the country moves towards a developed nation status.

While they agreed that Datuk Seri Dr Mahathir Mohamad's views are "well said", some of them had reservations about commercial and financial institutions balancing their profit orientation with social responsibilities.

Welcoming Dr Mahathir's five-point vision for banks and financial institutions, a local banker said as most commercial banks and financial institutions in the country were privately-owned and a few are public-listed, they have to put commercial gain before these social obligations.

"Decision-makers in these financial institutions have to earn their keep and answer to their shareholders. They cannot overlook the short-term gain or profits only to fulfil long-term social responsibilities," he said.

To neglect short-term profits, the banker said, the managers would jeopardise the financial performance and credibility of the banks.

An official of Bank of Commerce Bhd said banks and financial institutions, particularly those listed on the Kuala Lumpur Stock Exchange, would probably need to propose for "specific policy to effectively develop the five qualities".

"Unless the management team and shareholders can compromise to sacrifice profits to be a good corporate citizen, I think it will be quite difficult for non-Government banks to sacrifice commercial goal for the sake of fulfilling social responsibility towards the nation," he said.