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ANCHOR BANK
AMMB EYES ANCHOR BANK STATUS

KUALA LUMPUR, Oct 26 (Bernama) -- Financial group AMMB Holdings Bhd appears set to position itself as one of the anchor financial institutions following the government's policy reversal of the merger programme for local banks.

This follows a statement by its chairman, Tan Sri Azman Hashim, today that it would approach the authorities on negotiating merger partners.

The market has been expecting AMMB to place itself as an anchor bank following its push to repay RM900 million in loans owed to Danamodal Nasional Bhd by Arab-Malaysian Merchant Bank and Arab-Malaysian Finance Bhd.

AMMB shares was one of the active counters on the Kuala Lumpur Stock Exchange today.

BNM recently announced some leeway for local banks to choose their own merger groups and anchor banks in the revised bank merger programme as opposed to the previous ruling of six banking groups led by six anchor banks.

Banks can now decide on their merger partners and anchor banks whereas this was enforced upon them previously.

"We will be approaching the authorities on negotiating merger partners," he told a press conference after the opening of the Africa-Asia Business Forum by Prime Minister Datuk Seri Dr Mahathir Mohamad here.

Azman also thanked the prime minister for the government's reversal of the bank merger programme.

Dr Mahathir, who was also present at the press conference, clarified that the decision to change the previous strict merger programme with a more flexible one was not his alone.

"In fact both (the strict merger programme and the subsequent flexible stance) were made by the exco members of the National Economic Action Council," he said. -- BERNAMA

AD SHY