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MAHATHIR-BANKS

BANK MERGER PLAN SHOULD NOT BE TOO RIGID, SAYS DR MAHATHIR

KUALA LUMPUR, Oct 9 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the merger of banking sector in the country should not be too rigid.

"That is the government's view. I think the central bank should respect the government's view. We cannot be too rigid (in the merger programme)."

He was responding to a question on whether the number of anchor banks involved in the merger programme would be increased and whether Bank Negara would endorse it.

The Prime Minister said: "I think the central bank will normally adjust to it (the government's view)."

He was speaking at a news conference after chairing the Umno Supreme Council meeting at the Putra World Trade Centre, here.

When asked his personal view on whether there should be more than six anchor banks in the merger programme, he said, "I have no personal view. I only have the government's view."

Early this week, Dr Mahathir said the government has not ruled out the possibility of revising the number of anchor banking groups now standing at six banks led by Malayan Banking Bhd, Multi-Purpose Bank, Bumiputra-Commerce Bank, Perwira Affin Bank, Public Bank and Southern Bank.

The merger proposed by Bank Negara will see the local banking industry comprising 58 financial institutions consolidating into six anchor groups.

Regarding speculation that Arab-Malaysian Bank and Hong Leong Bank wanting to break away from the proposed merger plan, Dr Mahathir said, "we have not discussed on Arab-Malaysian Bank and Hong Leong Bank. They are talking generally." -- BERNAMA

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