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ZETI-BANK MERGER

BANK MERGER PROCESS IN PROGRESS, SAYS DR ZETI

KUALA LUMPUR, Oct 11 (Bernama) -- The bank merger process which may ultimately see six anchor banks is progressing well, said Bank Negara Malaysia deputy governor Datuk Dr Zeti Akhtar Aziz.

While declining to comment further, she said: "The banking merger process is in progress. I will therefore not speculate if the number of anchor banks will be increased."

She added that Bank Negara had already announced that it is working towards six and "we will address the issue as it arises".

Dr Zeti was approached by reporters after delivering a talk on "The Globalisation Trend: Towards a New World Economic Order and Financial Architecture" at the Asian Securities Analysts Federation (ASAF) 1999 Conference here today.

Meanwhile, Second Finance Minister Datuk Mustapa Mohamed, who officiated at the conference earlier, declined to comment on the matter other than to say the Prime Minister and Bank Negara governor had already made their respective statements on the matter.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said on Saturday the merger of the banking sector in the country should not be too rigid.

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

The prime minister 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.

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

Early last week, the prime minister said the government had not ruled out the possibility of revising the number of anchor banks.

The six banking anchors are Malayan Banking Bhd, Multi-Purpose Bank, Bumiputra-Commerce Bank, Perwira Affin Bank, Public Bank and Southern Bank.

There were speculations that Arab-Malaysian Bank and Hong Leong Bank wanted to break away from the proposed merger plan and become anchor banks.

-- BERNAMA

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