

12/10/1999

BNM to continue working on six core banks

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BANK Negara Malaysia said it will work on its target of six groups under the consolidation of the banking industry but it will address "any issues as they arise".

Deputy governor of the central bank Datuk Dr Zeti Akhtar Aziz told reporters that she did not want to speculate on the final number of banking groups.

"I wouldn't want to speculate on the number. We announced that we're working towards six. We will address the issues as they arise," she said on the sidelines of the Asian Securities Analysts Federation 1999 Conference in Kuala Lumpur yesterday.

Zeti's remark is the first statement made by a central bank official since the Prime Minister Datuk Seri Dr Mahathir Mohamad said last week that he was willing to consider allowing more than six core groups. So far, all institutions have met the first deadline of signing memorandums of understanding on September 30. Since then, banks have to undergo due diligence processes which must be completed by November 15. Currently, the six anchors are Malayan Banking Bhd, Bumiputra-Commerce Bank Bhd, Perwira Affin Bank Bhd, Public Bank Bhd, Southern Bank Bhd and Multi-Purpose Bank Bhd.

"This is something in progress and therefore I shouldn't comment on it," Zeti said.

Second Finance Minister Datuk Mustapa Mohamed who gave the opening address to the conference earlier also declined to comment on the bank mergers.

Speaking to reporters after delivering his speech, Mustapa said he will be meeting with some central bank officials in the next few days to address the consolidation process.

The Prime Minister's remarks have fuelled speculation that three banking groups, namely the Arab-Malaysian group, RHB Bank and the Hong Leong group, might be given the anchor bank status.

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