

Chan wants Utama to be core bank

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SARAWAK Deputy Chief Minister Datuk George Chan said he still hoped that Utama Banking Bhd would eventually become a core bank even as its latest merger talks stalled, a newspaper reported yesterday.

Chan was quoted by the *Sarawak Tribune* in Kuching as saying he believed Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, would give consideration to the idea.

Chan said the Sarawak State government supported Utama's aim to become a core or anchor

bank instead of merging with another.

"If Utama is ready to merge with some other bank and that bank is willing to give anchor status to Utama, we are sure the Prime Minister will give his due consideration," Chan was quoted as saying.

Protracted talks on the merger between Utama and RHB Bank, the country's third largest lender, were deadlocked, forcing the Government to allow Utama a six-month extension to find a partner.

Utama, a small retail bank, is the only local lender still unat-

tached to any of the 10 core banks.

The Government ordered 54 financial institutions to merge into 10 groups. It wants to see the consolidation process completed, with Utama married off to one of the core groups.

Utama had proposed to buy out controlling shareholders of RHB and take over the financial group but failed to agree on pricing.

On Monday, Dr Mahathir gave Utama six months to find a partner. He also said Utama's banking licence would be revoked if it failed to meet the June deadline.

— Reuters