

Bank Utama finalises merger with RHB Bank

BANK UTAMA Bhd has finalised its merger with Rashid Hussain Bhd (RHB) unit RHB Bank Bhd in a complex deal that will see the Sarawak-based financial institution acquire a combined 46.6% interest in RHB for RM1.17bil, Dow Jones Newswire reported yesterday.

Quoting banking sources, the report said Bank Utama would pay RM722mil, or RM6 per share, for a 23.9% equity interest held in the RHB banking group by its controlling shareholder Tan Sri Abdul Rashid Hussain.

Separately, Bank Utama will fork out a further RM448mil, or RM4.80 a share, for a 22.7% interest in RHB held by Malaysian Resources Corp Bhd.

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Flashback ... Star Business report on Jan 31

The report said that as part of the merger, Bank Utama would make a general offer for RHB Sakura Merchant Bankers Bhd's shares at RM4 each. Rashid controls a personal 21.95% interest in the listed merchant bank.

The report by Dow Jones echoes a *Star Business* report on Jan 31 which

said a breakthrough had been achieved in the long-running Bank Utama-RHB Bank merger saga, with Utama's major shareholder, Cahya Mata Sarawak Bhd, finally agreeing to proceed with the takeover.

It was reported that only a couple of technical issues remained to be sorted out; otherwise, everything was in place for a definitive sale and purchase agreement.

Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad has said that if Cahya Mata and Utama did not proceed with the merger with RHB, Bank Utama would be given until June to find itself another anchor bank partner or lose its banking licence.