

RHB Bank CEO to quit before merger

Nov 23 FEB 2002

Takeover by Utama awaiting Dr M's nod

THE head of Malaysia's RHB Bank Bhd, the country's third largest lender and part of RHB financial group, is leaving the bank ahead of a takeover by Utama Banking Bhd, banking sources said yesterday.

They said Yvonne Chia's departure from RHB Bank precedes the much-delayed takeover of RHB group by the smaller but politically influential Utama.

The merger will create Malaysia's third-largest banking group.

"She is leaving but I am not sure of the timing," one of the sources said. "Somebody from Utama is taking over."

Chia was named chief executive officer of RHB Bank in 1996, the first woman to hold the top position in a Malaysian bank.

Utama has been engaged in protracted talks to take a controlling 23.9 per cent stake in Rashid Hussain Bhd (RHB), which controls RHB Capital which in turn owns RHB Bank, in a deal analysts valued at RM1.1 billion.

But Utama and RHB said last week nothing was signed yet.

Bankers, however, said the deal was expected to be formally announced following Prime Minister Datuk Seri Dr Mahathir Mohamad's approval.

Dr Mahathir, who is also Finance Minister, is returning next

week from a month's holiday.

Under the rules, any bank merger agreements would require the approval of the Finance Minister.

Utama has been in talks since last April to buy RHB chief Tan Sri Abdul Rashid Hussain's stake. Abdul Rashid is executive chairman of RHB and RHB Capital.

The Sarawak-based Utama is also seeking to buy a 22.7 per cent stake in RHB from Malaysian Resources Corp Bhd (MRCB).

MRCB had offered to sell its stake in RHB to Utama for RM4.80 a share, RM1 more than it had sought earlier.

The merger of Utama with RHB will complete Malaysia's consolidation of its 54 financial institutions into 10 core banks.

The mergers were aimed at boosting the sector as the country widens its doors to foreign banks in line with World Trade Organisation rules.

RHB Capital shares closed down 11 sen at RM2.29 yesterday. RHB closed 12 sen down at RM1.94. — Reuters