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AMMB-CONSOLIDATION
AMMB TO FOCUS ON INTERNAL CHANGES

KUALA LUMPUR, Sept 27 (Bernama) -- AMMB Holdings Bhd will be focussing on its own restructuring for the moment, instead of planning for the next phase of the local banking industry consolidation.

"We are still digesting (merger with) MBf Finance. We want to get through it and reap the benefits," executive chairman, Tan Sri Azman Hashim told reporters after the company's annual general meeting here today.

AMMB acquired MBf Finance for RM925 million in December last year.

He said there were major changes within the AMMB group structure as it was waiting for the greenlight from the central bank to merge its commercial banking arm, AmBank Bhd and finance unit, now under AMFB Holdings Bhd.

"The merger of finance company and the commercial bank is going to happen. It is only a matter of timing, which is up to the central bank," he added.

The next merger within the group could be the investment banking (AmMerchant Bank Bhd) and stockbroking which is now under AmSecurities Holding Sdn Bhd, he said.

All these are for the good of the group to make its operations more efficient, effective and synergistic, he added.

He said the group retail banking unit was also in the process of recruiting people to enable it to launch bancassurance in March next year.

He said based on its present size, AMMB group was quite independent and able to stand on its own.

"This (next phase of banking) merger, as the government is saying, will be guided by market forces," he added.

"But in the future who knows. Nowadays anything can happen because things are changing so fast. The scenario changes and even the business strategy changes," he said,

This could give rise to the possibility of future mergers, he added.

He said at the moment the group was also focusing on the domestic operations and not looking to make deals overseas.

"We need to be sure that our position in Malaysia is secure. But it doesn't mean that we cannot explore the possibility of of going overseas or regionally," he said.

On his retirement plan, Azman, who has been in banking business since 1960, when he joined the central bank, said he did not intend to leave the industry at the moment.

" I don't have any thoughts of leaving the banking industry," he said, when asked if he is thinking of exiting the industry.

"But just like PM (Prime Minister Datuk Seri Dr Mahathir who had announced that he would retire next year), one day I have to go. PM is 77 years old, so I got another 14 years to go if I follow him," he said lightheartedly.

"Why not, he is a good benchmark," he added.

As for AMMB's loan growth target, Azman was confident that it would achieve a four percent growth in its current financial year ending March 31, 2003.

The group's loan growth in the first four months stood at 2.5 percent, he said, noting that loan growth varied from sector to sector.

On the retail side, he said growth was close to 10 percent in the first four months, car loan growth at 11 percent and housing at 7-8 percent.

On the corporate loan, he said AMMB was attracting more and more clients to the bond market.

"If you see the trend overseas, there is also a shift from loans to bonds," he said.

He said AMMB was not affected by the shift to bonds as these are also part of its business. -- BERNAMA

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