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MAHATHIR-RHB

BANK UTAMA AND RHB BANK TO SIGN MERGER AGREEMENT SOON

KUALA LUMPUR, Jan 31 (Bernama) -- Bank Utama Bhd and RHB Bank are expected to sign their merger agreement soon, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"God willing, (it will be) soon," he told a press conference after officiating the Pasarakayat here today.

However, Dr Mahathir said that he could not give a guarantee concerning the merger.

"This is done by somebody else, how can I give a guarantee. I don't know," said Dr Mahathir, who is also the Finance Minister.

Asked whether the deal has been concluded, the prime minister said that he only heard that both parties wanted to sign the merger agreement soon.

And whether Utama will be paying RHB executive chairman Tan Sri Rashid Hussain RM6 a share for his 23.9 percent stake in RHB, Dr Mahathir said: "I don't know. You have to ask him."

Bank Utama Bhd, the only bank that has yet to join any of the 10 anchor banks under the country's banking industry consolidation exercise, has been given extra time for its proposed merger with RHB Bank.

On Jan 22, Dr Mahathir had said that Bank Utama's banking license would be cancelled if it does not find a merger partner by the end of June.

RHB Bank is 70 percent owned by RHB Capital Bhd, which in turn is controlled by Rashid Hussain Bhd (RHB).

Utama Banking Group, which owns Bank Utama is a 51-percent unit of Cahya Mata Sarawak Bhd, a diversified Sarawak-based group. Prior to RHB Bank, Bank utama has previously failed in its merger negotiation with the banking unit of AMMB Holdings and Edaran Otomobil Nasional (EON). --

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