

21 JAN 2002
MAHATHIR-UTAMA
UTAMA GIVEN EXTENSION TO FIND MERGER PARTNER

PETALING JAYA, Jan 21 (Bernama) -- Sarawak-based Utama Banking Group Bhd has been given an extension of time of about six months to find a merger partner, said prime minister Datuk Seri Dr Mahathir Mohamad here today.

No references were made to its earlier proposal to merge with RHB Bank Bhd.

"We have given an extension of about six months of which within that time, Utama has to find a partner," said Dr Mahathir, who is also finance minister.

The deadline for Utama to find a partner was Dec 31 last year and the extension is from that date, he told reporters after launching the community centre sponsored by the Puteri Umno Malaysia movement at the Taman Seri Manja flats.

"We will have to deal with this situation because Utama is not qualified to become an anchor bank as it does not have sufficient capital," he said in response to questions about the merger.

Dr Mahathir said that the government allowed only 10 anchor banks and Bank Utama has not merged with any of these banks.

The prime minister reiterated that there "will be 10 (anchor) banks and no more."

On Jan 15, Dr Mahathir had said that he hoped that there would be a decision within that week on the proposed merger between RHB and Utama as it was getting late.

"I hope they (RHB) will merge with Bank Utama," Dr Mahathir had said.

-- BERNAMA
WAN FR