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More time for Utama to ink deal

SARAWAK-BASED Bank Utama has been given more time to complete merger negotiations with RHB Bank, which were feared to have collapsed last week due to pricing and control issues.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday Bank Utama was granted an extension to complete the deal but not the six months as reported earlier.

"It would seem that Utama has now come back, wishing to complete the deal," he said after launching the Ministry of Finance's 'A Day with the Customers' event.

Bank Utama had faced the possibility of losing its banking licence if it failed to find a merger partner by the end of June.

Utama Banking Group, which owns Bank Utama, is a subsidiary of Cahya Mata Sarawak Bhd while RHB Bank is 70 per cent-owned by RHB Capital Bhd, which in turn is controlled by Rashid Hussain Bhd (RHB).

The merger plan was to involve Utama Banking Group acquiring Malaysian Resources Corporation Bhd's stake in RHB and the shares held by RHB executive chairman Tan Sri Abdul Rashid Hussain.

RHB shares closed yesterday at RM2.30, up six sen, while RHB Capital gained nine sen to RM2.70. Utama Banking Group rose six sen to RM1.70.

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