

### FABL expresses interest in operations of RBS Pakistan

Today Faysal Bank has expressed interest in acquiring the local operations of RBS after approval for due diligence by the bank's board of directors. Previously MCB had agreed to acquire the operations for a consideration of US\$87mn, however the deal didn't go through after MCB failed to receive approval from the regulator. Assuming the fact that FABL successfully bids for the bank at US\$87mn, which as of Sep accounts would mean a PB multiple of 0.85x – FABL's book value would increase from the current Rs20.9/share to Rs22.9/ share. Total Assets post acquisition would rise to Rs255bn, while total deposits and advances would rise to Rs182bn and Rs145bn respectively. This would result in the bank leapfrogging Habib Metro and Bank Al Habib to the ninth largest based on assets and deposits. On the basis of its loan book, the bank would become the seventh largest in the country.

We currently have a 'Hold' stance on the bank with a full year 2009 EPS expectation of Rs2.1/share. The scrip is currently trading at a 2010E PE and PBV of 7.6x and 0.7x.

#### SCHEDULED BANKS - KEY INFO (as on Sep 30, 2009) - Pre Acquisition

Banks (Rs mn)	Total Assets	Deposits	Advances
5 Allied Bank Ltd.	379,240	301,588	210,474
6 Bank Al-Falah	346,689	294,815	179,289
7 Askari Comm. Bank	240,793	191,449	124,959
8 SCB Pakistan	287,538	189,947	123,192
9 Bank Al-Habib	222,400	175,860	93,134
10 Habib Metropolitan bank	234,316	134,508	99,142
11 Faysal Bank	158,703	109,332	94,187
12 NIB Bank	189,034	105,852	79,973
13 Meezan Bank	108,079	87,681	37,238
14 RBS Pakistan	96,107	72,836	50,643

#### SCHEDULED BANKS - KEY INFO (as on Sep 30, 2009) - Post Acquisition

Banks (Rs mn)	Total Assets	Deposits	Advances
5 Allied Bank Ltd.	379,240	301,588	210,474
6 Bank Al-Falah	346,689	294,815	179,289
7 Askari Comm. Bank	240,793	191,449	124,959
8 SCB Pakistan	287,538	189,947	123,192
9 Faysal Bank + RBS Pakistan	254,810	182,168	144,830
10 Bank Al-Habib	222,400	175,860	93,134
11 Habib Metropolitan bank	234,316	134,508	99,142
12 NIB Bank	189,034	105,852	79,973
13 Meezan Bank	108,079	87,681	37,238

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