

Islamabad, 23rd July, 2004

ABL FETCHES HIGHEST OFFER OF RS 14.20 BILLION

The auction of additional shares as a part of reconstruction of Allied Bank of Pakistan Limited was held under the Chairmanship of the Deputy Governor, State Bank of Pakistan, Mr. Tawfiq A. Husain at SBP BSC (Bank), Islamabad today. Consortium of Ibrahim Leasing & Ibrahim Group offered the highest bid of Rs. 14.20 billion for acquiring these additional shares in Allied Bank of Pakistan, which constitutes 75.35% of the revised capital.

The bidding was conducted in two phases. The representatives of media opened the sealed bids submitted by five (5) pre-qualified bidders. Based on the sealed bids, three highest bidders viz (a) Consortium of Ibrahim Leasing & Ibrahim Group (Rs 13.013 billion) (b) NDLC-IFIC Bank Limited (Rs 9.6 billion) and (c) Askari Commercial Bank Limited (Rs 9.1 billion) amongst the five were allowed to participate in the open bidding. Consortium of Ibrahim Leasing & Ibrahim Group raised the bid to Rs 14.2 billion in the open bidding,

The bidding results along with the Scheme for reconstruction of ABL would now be placed for approval before the Federal Government. Consequent upon its approval the Letter of Acceptance (LOA) will be issued to the successful bidder. The successful bidder will be required to pay the bid price (less the earnest money) within a period of 30 days from the issuance of LOA.

ABL with a deposit base of around Rs.118 billion is the fifth largest bank of Pakistan and has a network of 746 branches throughout the country. The transfer of management of ABL to a strategic investor will turnaround the bank and usher in a new era of growth and financial stability.

Speaking on the occasion the Deputy Governor, State Bank of Pakistan, Mr. Tawfiq A. Husain has termed the successful bidding of additional shares of ABL as beneficial both for the organization as well as for the banking industry of the country. The State Bank of Pakistan under the umbrella of Section 47 of Banking Companies Ordinance, 1962 carried out the reconstruction of ABL, he added. Mr. Tawfiq said the State Bank of Pakistan took every possible measure to ensure transparency in the reconstruction process of ABL and to bring in quality investors while providing level playing field to all the investors. He appreciated the strong commitment and support extended by the Federal Finance Minister, Mr. Shaukat Aziz, Governor, State Bank of

Pakistan, Dr. Ishrat Husain, SBP team and the President ABL, Mr. Khalid A. Sherwani for the reconstruction of ABL.

Earlier, Mr. Muhammad Kamran Shehzad, Director Banking Policy Department, State Bank of Pakistan, Karachi explained the bidding process to all the parties. In line with the bidding procedure, all the bidders dropped their sealed bids in a bid box, which were opened and read out by the representatives of the media. The sealed bidding process was followed by open bidding.

It may be recalled that the State Bank of Pakistan (SBP) started the process of reconstruction of ABL by inviting Expression of Interests (EOIs) in July, 2003 from all banks, Developments Finance Institutions (DFIs), Investment Banks and Leasing Companies. Twelve parties submitted their EOIs. After scrutiny, SBP invited nine parties to submit Statement of Qualifications (SOQs). In response, seven parties submitted the SOQs, which were allowed access to the Data Room. The Pre-qualification Committee that included representatives of State Bank of Pakistan short-listed five parties for their continuing interest in the bidding process. They were: M/s Askari Commercial Bank Limited, NDLC-IFIC Bank Limited, Consortium of Ibrahim Leasing & Ibrahim Group, M/S Pak Kuwait Investment Company Ltd & Consortium of Jahangir Siddiqui Investment Bank Limited & Jahangir Siddiqui Company Limited.
