

UAE's biggest bank says no takeover offer for global bank Standard Chartered

Shares in global bank [Standard Chartered](#) have dipped after First Abu Dhabi Bank (FAB) confirmed that a takeover offer is not currently on the cards.

The United Arab Emirates' biggest bank told investors on Friday: "First Abu Dhabi Bank notes the recent press speculation in relation to Standard Chartered and reiterates that it is not evaluating a possible offer for Standard Chartered."

Shares in Standard Chartered slipped by more than 6% on Friday morning following the announcement.

It comes after fresh reports emerged on Thursday that the bank could be again considering a takeover bid worth up to 35 billion US dollars (£28.9 billion) for London-listed Standard Chartered.

It had told investors back in December that it had been in the early stages of evaluating a possible offer, but that such a bid had been abandoned.

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It did not say why any potential talks may have collapsed.

But speculation on Thursday that it could be reconsidering an offer was enough to send shares in Standard Chartered up by a 10th.

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FAB added that it reserves the right to announce an offer for the bank in the future.

But under UK and Hong Kong takeover rules, it would have to wait six months unless it had the agreement of the board, or if another company chose to swoop in with a takeover deal.

Standard Chartered is set to reveal its earnings figures for its fourth financial quarter next Thursday.

As a predominately Asian bank, but with a strong presence in Africa and the [Middle East](#), it has been an attractive business for companies eyeing up global expansion.

Susannah Streeter, head of money and markets at Hargreaves Lansdown, said: "Given that Standard Chartered has such a large footprint in emerging markets with its operations in 59 countries, and is highly active across the Middle East, it's clear why speculation about a First Abu Dhabi Bank takeover reached fever pitch given the opportunities presented.

"However, there are still risks ahead, given that the group

has large exposure to commercial real estate debt in China, with related impairment charges chipping away at profit's full potential."

Russ Mould, an investment director at [AJ Bell](#), said companies with exposure to emerging markets have been "out of favour" recently.

He said: "Emerging markets – and companies with emerging market exposure – have been out of favour and those with Chinese exposure only more so.

"It will be interesting to see if Standard Chartered returns to favour if, as and when the dollar weakens, global growth improves and emerging markets start to attract fresh investor interest."

Nevertheless, Standard Chartered has seen its share price surge by nearly a quarter over the last six months.