



Standard Chartered has a long and established history in Pakistan, opening our first branch in Karachi in 1863. Despite this, our business was relatively limited. As recently as 2000, we had only 7 branches in 3 cities across the country.

Today it is a very different story. We now have 176 branches across 41 cities and have ambitious growth plans. As at end 2007, total revenues stood at PKR 22.3 billion versus PKR 1.1 billion in 2000, assets were PKR 255.5 billion versus PKR 32 billion and profit before tax was PKR 4.1 billion versus PKR 251 million.

So what has led to this turnaround in SCBP's business?

The year 2006 marked the beginning of a major transformation for Standard Chartered's operations in Pakistan. It was during this year that the Bank announced its acquisition of Union Bank, one of the best private sector banks in Pakistan.

The US\$ 487 million, the largest ever transaction in Pakistan's banking history, spearheaded the establishment of Standard Chartered Bank (Pakistan) Limited (SCBP), the first international bank in Pakistan to be locally incorporated. The acquisition effectively cemented our position as the largest and fastest growing international bank in Pakistan: we are now the 5<sup>th</sup> largest bank in terms of revenue and operating profit.

In early 2007, the combined bank had 115 branches across 22 cities in Pakistan. A year later, by mid 2008, the bank has 176 branches across 41 cities. Our geographic footprint growth has led the Bank in becoming a part of the social and economic fabric of the country, positioning us to deliver on our vision of *"Being the best locally embedded international bank"*.

We were able to achieve our transformation through:

- Expanded distribution footprint
- Innovative products and services emphasizing the strength of our international franchise
- Business model with a sustainable strategy for leveraging the franchise positioning
- Relentless focus on deriving the benefit of synergies from the acquisition

We have adopted a multi-pronged approach towards product innovation. Of our two businesses, Consumer banking business focuses on Wealth Management and the SME sectors, leveraging our expanded reach. This focus has earned us the "*The Best Retail Bank in Pakistan 2007*" award from the Asian Banker Magazine.

Wholesale banking business has doubled through active selling of value added products and active product push among our customer portfolio. New products and aggressive client acquisition strategy has helped increase our share of the country's export business from 3.48% in 2006 to 10.3% in 2007. We have also won 10 out of a total of 17 mandates for Islamic Sukuks resulting in being recognized, two years in a row, through the "*Pakistan Deal of the year*" award.

It is worth noting, that after the acquisition of the Union Bank by Standard Chartered, many foreign banks rushed to Pakistan and acquired other small and medium sized banks / financial institutions with the aim to expand their network and business in the growing Pakistani market. This has not only led to significant capital inflows in Pakistan, it has also acted as a catalyst for much needed consolidation in the banking sector. We are proud to have led the way in banking in Pakistan!