

# Corporate Briefing

16 October 2024



standard  
chartered

saadiq  
islamic

# Agenda



---

Agenda	Time
Welcome note and introduction	03:00 PM – 03:05 PM
Recitation of Holy Quran	03:05 PM – 03:10 PM
Company Briefing / Strategy	03:10 PM – 03:30 PM
Financial Performance	03:30 PM – 03:45 PM
Community Investments	03:45 PM – 04:00 PM
Q&A	04:00 PM – 04:15 PM

---



# Disclaimer

## Important notice

### Forward-looking statements

This document may contain 'forward-looking statements' that are based upon current expectations or beliefs, as well as statements formulated with assumptions about future events. These forward-looking statements can be identified by the fact they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive or market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legislative, regulatory and policy developments; the development of standards and interpretations; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates, future business combinations or dispositions; and other factors specific to the Group, including those identified in the financial statements of the Group. Any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be, nor should be interpreted as, a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to the Annual Report, the Half Year Report, and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group's actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

### Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

# Key messages



We are a global bank with deep local expertise in many of the world's most dynamic markets.  
We have...

Navigated the economic downturn cycle well through effective pricing discipline, pass through and risk management

Accelerated in areas where we have distinctive competitive advantage

Maintained discipline on costs and improved our productivity

Continued to strengthen our foundations and controls

Entered 2024 with a strong capital base and continued investments in new digital technologies and platforms

...and are now ready for the next phase of our transformation goals including achieving higher returns, building a best-in-class customer experience and strengthening our position as an employer of choice to deliver sustainable growth and substantial value for our clients and shareholders

# Going further, faster in 2024





# Recent Achievements

## Awards & Accolades

### Global Diversity, Equity, & Inclusion Benchmark



#### Awards 2023

- Vision, Strategy, and Business Impact
- DEI Structure and Implementation Recruitment Award
- Work-Life Integration, Flexibility, & Benefits Award
- DEI Communications Award
- DEI Learning and Development Award
- Connecting DEI and Sustainability Award
- Community, Government Relations & Philanthropy Award

### Gender Diversity Awards 2023



#### Awards 2023

- Employer of Choice

### Management Association of Pakistan



#### Awards 2023 / 2022

- Runner-up, Commercial Banks Sector, Financial Category
- Corporate Excellence Award under the Commercial Bank Sector

### CFA Society Pakistan



#### Awards 2023

- Winner Best Bank 2023, Mid-Size bank category
- Winner Gender Diversity at Workplace

### Asia Money Award



#### Awards 2022

- Best Bank Award in the ESG category

### Euromoney Market Leaders

#### Awards 2022

- Pakistan – CSR (Highly Regarded)
- Pakistan – D&I (Highly Regarded)
- Pakistan – Islamic Finance (Notable)



### Global Transaction Banking Innovation



#### Awards 2022

- Best Digital Treasury Management Initiative

### Adam Smith Award

#### Awards 2022/2021

- Special Recognition Award
- Best Account Receivables Solution for Coca Cola Beverages Pakistan Ltd.



### The Asset Triple A Awards

#### Awards 2022/2021

- Best Trade Finance Bank / Best Supply Chain Bank
- Best Cash Management Bank
- Best Service Provider - Cash Management (Transaction Banking)
- Best Service Provider - Supply Chain (Transaction Banking)
- Best Renminbi Bank (Transaction Banking)
- Best Supply Chain Solutions for Indus Motor Company (Transaction Banking)
- Best Supply Chain Solutions for IATA (Transaction Banking)





# Segmental Overview

## Largest foreign bank serving all segments & Islamic windows

### Wealth and Retail Banking

1

- Serving over **700K** customers with wide range of assets, deposits and WM solutions
- Contributes **37%** to bank's revenue
- Enjoys leadership position for key assets products, digital and affluent segment
- Advances and deposits were lower by 6% and 0.5% respectively
- Efficient and productive network of 40 branches
- High digital adoption

### Corporate & Institutional Banking

2

- Serving over **600** global corporates, **400** local corporates and medium enterprises, financial institutions, SOEs and Government of Pakistan
- Contributes **45%** to bank's revenue
- Deposits growth of **27%** since start of year
- Advances lower by 5% as business activity remained subdued
- Leverages on global footprint by offering unique end to end client solutions including cash management, corporate finance, cross-border solutions as well as employee banking

### Central & Other Items

3

- Comprising non client activities such as Treasury Markets and some central functions
- Contributes **18%** to bank's revenue
- Responsible for effective liquidity and interest rate risk management

### Islamic Banking

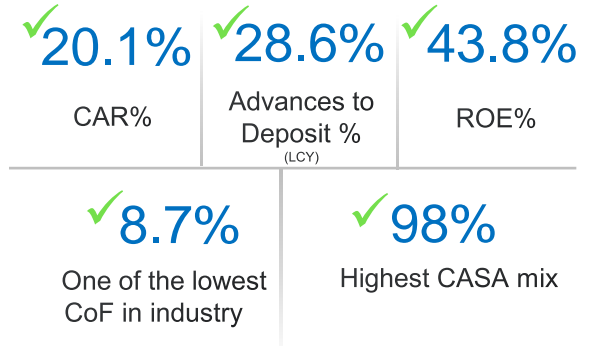
- Serving over **200k** customers and cuts across all businesses
- Contributes **17%** to bank's revenue; **30%** to advances and **9%** to deposits
- Bank leverages on Islamic Window model
- Operates under the global SC Islamic brand of "Saadiq"

# Standard Chartered in Pakistan

## Strong fundamentals continue



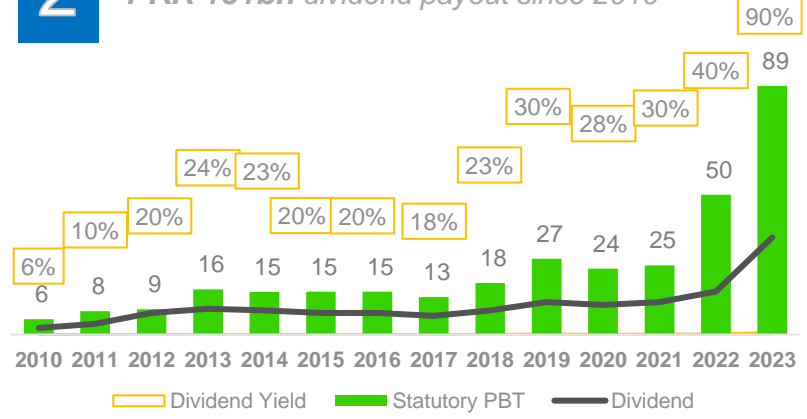
### 1 Strong Fundamentals



Facts based on H1 2024 Statutory Financials

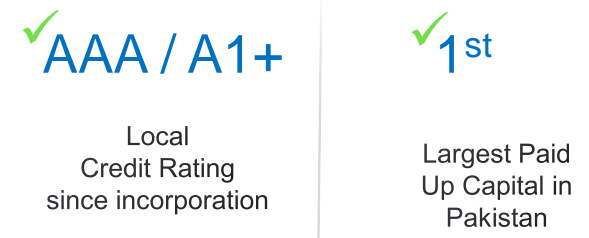
### 2 Continuous Dividends

\*PKR 161bn dividend payout since 2010



\*Includes H1 2024 interim dividend

### 3 Solid Foundations

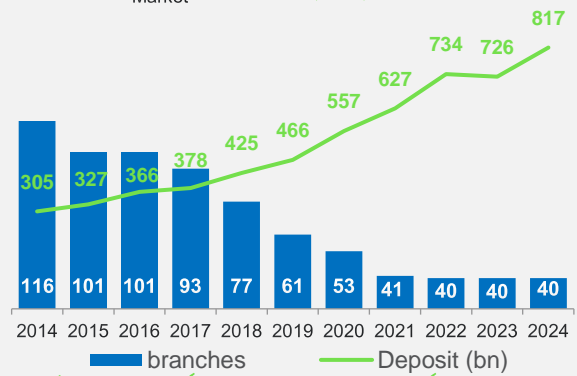


Facts based on H1 2024 Statutory Financials

### 4 Optimized Network

66% (Branches) SCB  
170% (Deposits)

54% (Branches) Market  
290% (Deposits)

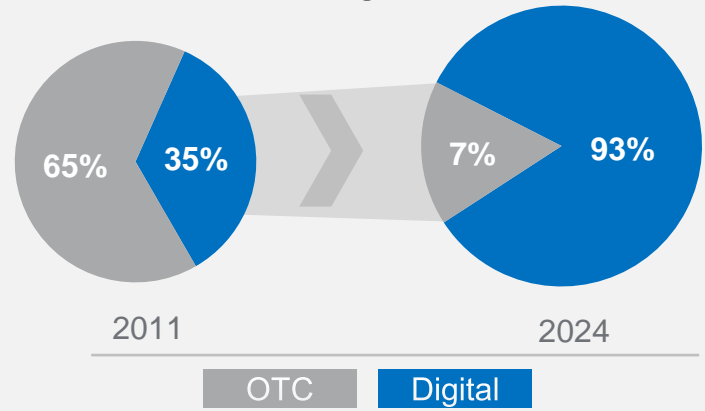


112 ATMs  
20 CDMs  
277K SC Mobile  
283K Online Users

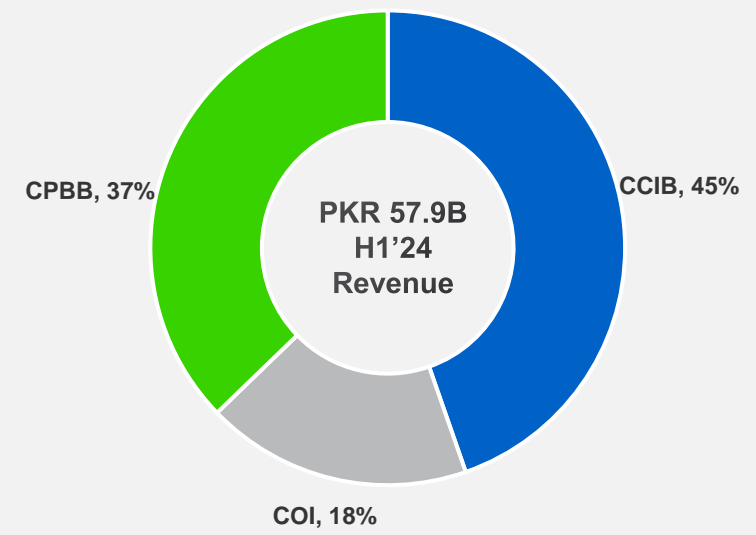
Facts based on H1 2024 Statutory Financials

### 5 Rapidly Digitizing

#### RB Transaction Migration



### 6 Diversified Business







# Our Financials



# Standard Chartered Pakistan - H1'24 Results

## Profit before tax

PKR **49.3B** (up 29% y/y)

## Industry leading Cost to Income Ratio

**18%** (18% in H1'23)

## Strong Return on Equity

**44%** (41% in H1'23)



## Income

PKR **57.9B** (up 24% y/y)

## Healthy growth in Total Assets

PKR **52B** (up 5% since Dec'23)

## Interim Dividend

**35%** (PKR 3.5 per share)

# Income Statement

## Resilient Financial Performance



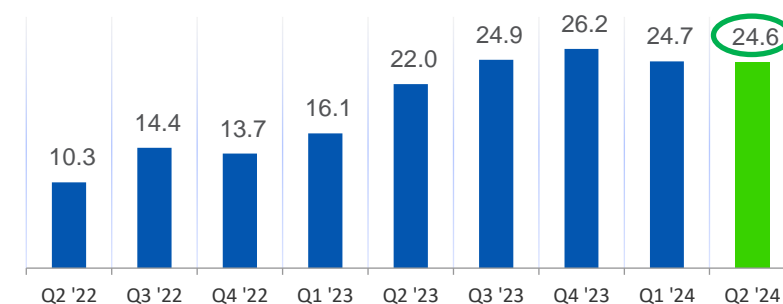
PKR Million	H1 2024 Actual	H1 2023 Actual	Var % Vs. H1 2023
Net Interest Income	48,042	42,524	13%
Non Interest Income	9,882	4,120	140%
<b>Revenue *</b>	<b>57,924</b>	<b>46,644</b>	<b>24%</b>
Operating expenses	(10,403)	(8,513)	22%
<b>Total operating expenses</b>	<b>(10,403)</b>	<b>(8,513)</b>	<b>22%</b>
<b>Profit before tax and provisions</b>	47,521	38,130	25%
Reversal / (Provisions) and write offs - net	1,772	12	14749%
<b>Profit before tax</b>	<b>49,293</b>	<b>38,142</b>	<b>29%</b>
Taxation	(27,816)	(19,358)	44%
<b>Profit after tax</b>	<b>21,477</b>	<b>18,785</b>	<b>14%</b>
<b>EPS - Rupees</b>	5.55	4.85	
<b>ROA</b>	4.2%	3.9%	
<b>ROE</b>	43.8%	40.8%	
<b>CI Ratio</b>	18.0%	18.3%	

### Highlights

- Highest ever half yearly revenue of PKR 57.9 bn; up 24% y/y
- Costs were higher by 22% y/y as inflation picked up; cost to income ratio improved to 18.0% from 18.3% (Jun 23), driven by revenue upside
- Strong recovery efforts and risk discipline continued resulting in net reversal of PKR 1,772mn compared to a reversal of PKR 12mn in H1'23
- Record half yearly PBT of PKR 49.3bn
- Healthy Return on Equity of 43.8%
- Lowest CI ratio in the industry; reflective of bank's productivity & efficient delivery model

### Quarter on quarter PBT

PKR B





# Balance Sheet

*Well capitalized and liquid*

PKR Million	Jun-24 Actual	Dec-23 Actual	Var %
<b>ASSETS</b>			
Cash and balances with banks	110,489	119,921	-8%
Lendings to financial institutions	114,885	365,241	-69%
Investments – net	534,947	226,712	136%
Advances – net	208,449	220,183	-5%
Intangible assets	26,095	26,095	0%
Other assets	60,049	43,795	37%
<b>TOTAL ASSETS</b>	<b>1,054,914</b>	<b>1,001,948</b>	<b>5%</b>
<b>LIABILITIES</b>			
Borrowings from financial institutions	21,357	48,265	-56%
Deposits and other accounts	816,857	719,535	14%
Other liabilities	116,816	137,925	-15%
<b>TOTAL LIABILITIES</b>	<b>955,030</b>	<b>905,725</b>	<b>5%</b>
Equity	99,884	96,223	4%
<b>AD Ratio (Country)</b>	<b>25.5%</b>	<b>30.6%</b>	
<b>AD Ratio (LCY)</b>	<b>28.6%</b>	<b>35.7%</b>	
<b>CAR</b>	<b>20.10%</b>	<b>20.07%</b>	
<b>CASA</b>	<b>97.9%</b>	<b>97.3%</b>	

## Highlights

- Growth in underlying balance sheet with total assets at PKR 1.05tn, up by PKR 52bn or 5% from Dec 23
- Advances growth was lower for H1 2024 as the economy slowed down due to higher interest rates and inflation, and ongoing political and economic uncertainty
- Advances book remains short-term ~ 70% under one year focusing on trade and working capital lines at improved returns
- Investment portfolio well placed to take advantage of volatility in interest rates, with weighted average interest rate repricing profile of ~2 months
- Total loss coverage ratio 112% (specific provision 99%)
- Deposits growth of PKR 97bn (14%) in H1'24. Current accounts registered strong growth of PKR 36bn (10%) from start of the year
- Strong and liquid balance sheet with LCY and Total AD ratio of 28.6% and 25.5% respectively
- Bank remains adequately capitalized with CAR of 20.1%

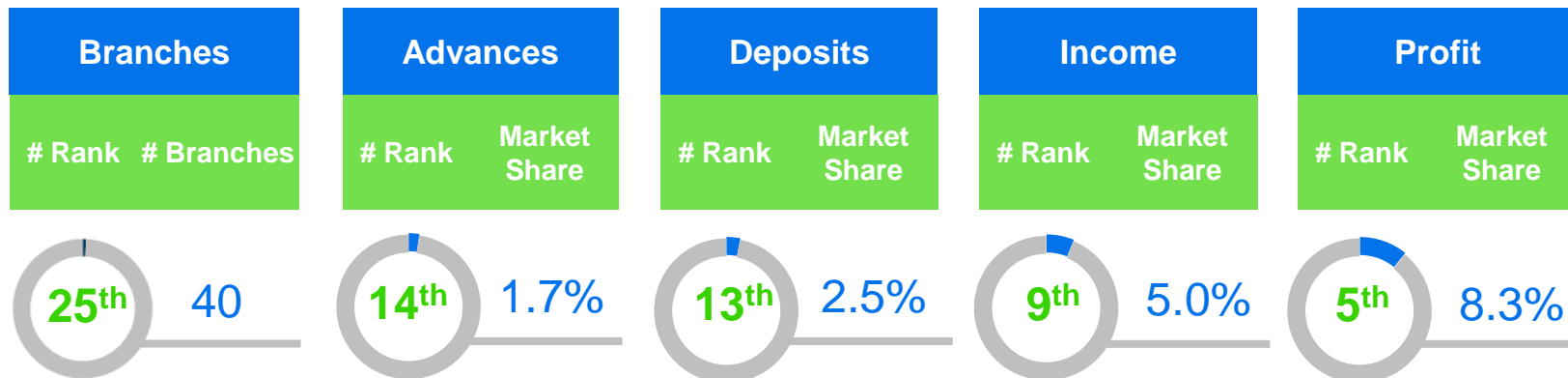
Deposits Mix	Jun-24	% to Total	Dec-23	% to Total	Var %
Current accounts	402,635	49%	366,725	51%	10%
Savings deposits	396,861	49%	333,722	46%	19%
CASA	799,495	98%	700,447	97%	14%
Fixed deposits	17,361	2%	19,088	3%	-9%
<b>Total</b>	<b>816,857</b>	<b>100%</b>	<b>719,535</b>	<b>100%</b>	<b>14%</b>



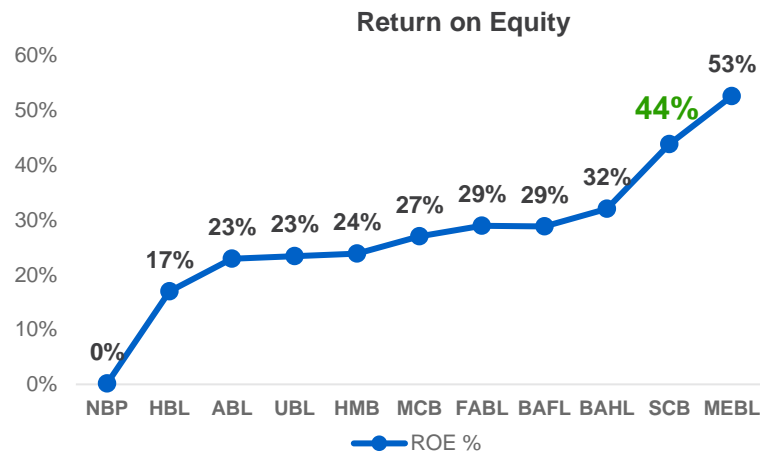
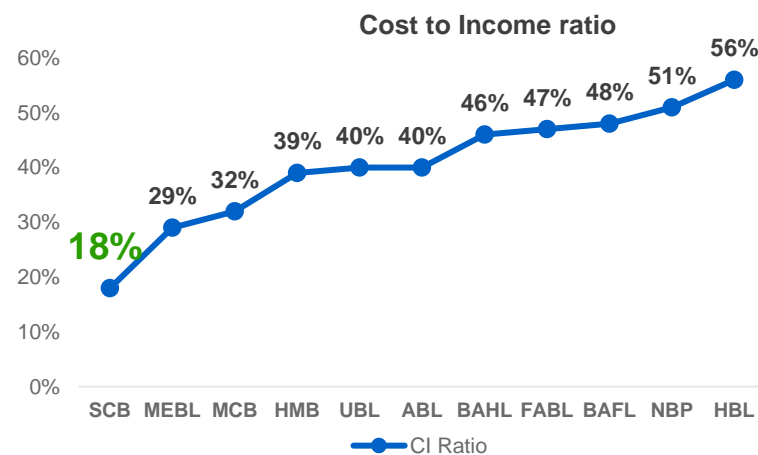
# Banking Sector and Competitive Landscape

*Strong, liquid & well capitalized*

## Market Standing – Punching above our weight



Source; H1 2024 Industry data / Statutory results



## SCB Strengths

- ✓ **Largest** share in MNCs & Correspondent Banking
- ✓ **Amongst top players** in Affluent, EB, and mortgage space
- ✓ **Trusted Advisor** to the Sovereign
- ✓ **Biggest** in Custody business
- ✓ **Leader** in FX spend and Spend per Card
- ✓ **Lowest** Cost to Income ratio
- ✓ **Strong** Return on Equity



# What to watch?

## *Bank remains solid but there are uncertainties*

### Potential headwinds

- Uncertain domestic political environment
- Geo-political tensions especially related to Middle East, Russian-Ukraine war, US-China relationship
- Fiscal slippages on revenue and expenditure front
- Impact on margins due to declining interest rate environment

### Potential tailwinds

- Realization of further bilateral / multilateral support post resumption of IMF programme
- External account and exchange rate stability
- Expected FDIs post restructuring of SOEs
- Growth in private sector advances in low-interest rates - increased economic activity and GDP



# Community Investments

## Here for Good



# Delivering on Commitment

## *Embedded in the community*

We will **empower the next generation to learn, earn and grow** through programmes focused on education, employability and entrepreneurship



**futuremakers**  
by Standard Chartered



### **EDUCATION**

Empowering adolescent girls with life skills



### **EMPLOYABILITY**

Employability work readiness and vocational training schemes for youth



### **ENTREPRENEURSHIP**

Provide training, capacity building and financing



# Delivering on our commitment

## Inclusive Communities



**futuremakers**  
by Standard Chartered

### Futuremakers

our global youth centric empowerment initiative, tackling inequality and promoting financial inclusion

#### Goal Programme (2016 – 2023)

- 140 Schools (Karachi and Islamabad)
- More than 90,000 beneficiaries

#### Goal Accelerator Programme

- Support 450 Young Women for entrepreneurship and employability



#### Employability



Sustained  
employment

#### Futuremakers Inclusive Employability Project Phase 1

- Beneficiaries included 480 youth with disabilities (20% with visual impairment)
- 100 have already transitioned)
- 40% of beneficiaries were females

#### Phase 2

- Beneficiaries included 960 youth with disabilities
- support 16 new startup ideas of 32 young entrepreneurs with disabilities



Disadvantaged  
young women

#### Employee Volunteering

- Achieved 28% participation rate and 78% SBV
- More than 1100 staff members participated in various activities

#PoweringYoungPeople

#### Standard Chartered Karachi United Youth League

- Launched in 2017, league engages more than 5,000 children
- In 2021, league incorporated LFC way community coaching clinics
- Through this programme 100 coaches and 6,500 children engaged



#### Entrepreneurship

Futuremakers Inclusive Employability Project

#### Standard Chartered Women in Tech

- Launched in 2019 with focus on capacity building of women owned enterprises.
- More than 100 founders graduated and have received mentoring and training
- 33 of them have received seed funding and have further raised USD 16 million in various programmes

#### Agri Sector project (Phase 1)

- Support 1000 young people in Rural and pre-Urban areas
- 900+ beneficiaries have been successfully selected and onboarded

#### (Phase 2)

- Worked with 700 high potential agripreneurs (88% women) from Phase 1
- Trained a new batch of 303 young people (93% women)

# Sustainability

## At the core of our strategy



### Environment

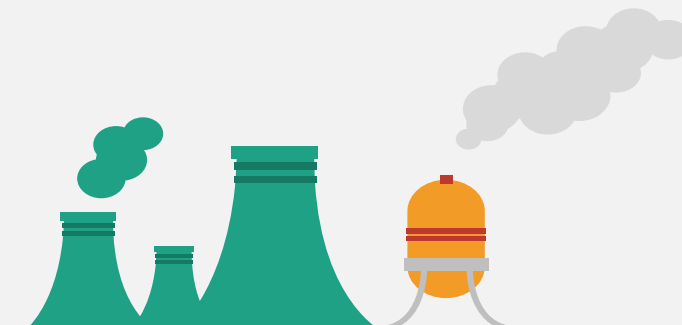
- **Sustainable Trade Structures**
  - ✓ Sustainable use of proceed structures to help clients in their day-to-day trade needs
  - ✓ Sustainability Linked structures to incentivize clients in meeting their sustainability targets
  - ✓ Several transactions done to support BCI cotton trades
- **Green Project Financing**
  - ✓ Promote eco friendly projects
  - ✓ Exploring Retail Clients Solar Financing solutions
- **Transition Finance**
  - ✓ Project Financing for Clients to gradually align business with net zero goals
- **Carbon Credits**
  - ✓ Opportunities in Carbon trading space with large local Corporates
  - ✓ Purchase of Carbon Credits generated through Delta Blue Mangrove restoration project in Sind
- **Climate Risk Mitigation**
  - ✓ Employing energy efficient solutions and Green building designs & operations at premises
  - ✓ Continuous tracking, monitoring and reduction in emissions to meet 2030 targets

### Social

- **Diversity & Financial Inclusion**
  - ✓ Digital onboarding and servicing solutions for unbanked mass market within CPBB
  - ✓ Exploring Supply Chain solutions for SMEs for CCIB clients' suppliers, vendors & distributors
  - ✓ Collaborations with DOs and Micro Finance Institutions
  - ✓ Low-Cost Housing Finance for low-income segments
  - ✓ Hiring practices aligned to increase female & differently-abled people in work streams
  - ✓ First ever Gender Bond being launched for clients
- **Community Engagement & Impact**
  - ✓ Expansion of GOAL programme to equip young girls with life enhancing skills – 90K + impacted
  - ✓ Helping women entrepreneurs scale their businesses through #WIT programme – 100 direct beneficiaries so far
  - ✓ Providing coaching and funding to women agri-preneurs in rural areas in partnership with British Asian Trust
  - ✓ Providing employment opportunities to people with disabilities in partnership with Sight savers – Target 480
- **Embedding Fair pay principles**
  - ✓ Launch of Employee assistance programs
  - ✓ Skills & development opportunities
  - ✓ Flexible work arrangements
  - ✓ Inflationary adjustments for impacted staff

### Governance

- **ESG Advisory**
  - ✓ Provide thematic and bespoke advice to support our clients on environment and social issues
  - ✓ Helping clients on KPI bench markings, ESG ratings and climate risk mitigation
- **Ethics & Transparency**
  - ✓ Instituting industry leading Anti Bribery & Corruption policies and strong Risk management practices
  - ✓ Robust Business Continuity Planning and H&S standards
  - ✓ Employing best reporting standards
  - ✓ All encompassing Country Conduct Plan to ensure highest ethical standards in interactions with internal and external stakeholders
- **Board & Director Diversity**
  - ✓ Employing best in class diverse composition of Board INEDS and NEDs
  - ✓ Vibrant and diversified Board in terms of skills, experiences and exposures
  - ✓ Continuous knowledge sharing and building practices to further enhance Board capacity





**Thank you**