



PRESS RELEASE

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(Karachi, February 29, 2012): Mr. V. Shankar, Member of the Board, Standard Chartered Bank PLC and CEO – Europe, Middle East, Africa & Americas, visited the Karachi Stock Exchange on February 28, 2012. He rang the “Opening Bell” of the Exchange in the presence of the Chairman KSE, Mr. Muneer Kamal, Managing Director, Mr. Nadeem Naqvi and directors of the Governing Board of KSE, Mr. Yacooob Habib and Mr. Saeed Butt. Mr. Shankar was accompanied by Mr. Mohsin Nathani, Chief Executive of Standard Chartered Bank (Pakistan) Limited (SCBPL) and senior members of his management team. DMD – KSE, Mr. Haroon Askari and senior management of the Exchange were also present on the occasion.

Mr. Muneer Kamal, Chairman KSE, welcomed Mr. Shankar to Pakistan’s Premier Capital Market and appreciated the solid brand franchise of Standard Chartered Bank (Pakistan) Limited and its long history of contribution to Pakistan’s financial sector and the economy.

Mr. Kamal said that Pakistan’s economy was at an inflection point. Despite challenges posed by low tax-to-GDP ratio, power sector difficulties and current account pressure due to demand slowdown in key export markets, Pakistan today was in a position to repay IMF loans. Foreign exchange reserves, supported by strong remittances by overseas Pakistanis, were in a much healthier position than at the height of global financial crisis in late 2008. While debt servicing burden had risen, it should be viewed in the global context and Pakistan’s total debt-to-GDP ratio of 64% was far lower than many Euro zone and G-8 economies. A concerted effort to mobilize tax revenue and focus on emerging domestic energy resources such as coal would go a long way in fixing structural deficiencies causing large budget deficits. Mr. Kamal highlighted that economic growth can be further accelerated with growing intra-regional trade in the sub-continent. He pointed out that while intra-regional trade in East Asia was 23% of GDP, it was only 1% of the GDP in South Asia.

Mr. Shankar appreciated Karachi Stock Exchange’s warm welcome and the Exchange’s insights into macro-issues facing Pakistan’s economy. He expressed confidence that given the resource base and proper galvanization of the large, young population, near-term economic challenges could be surmounted. Commenting on intra-regional trade, Mr. Shankar agreed with Mr. Kamal that there was tremendous opportunity for growth in this area. Giving the example of India-China Bilateral trade, he said that when India –China Trade opened up they had to overcome some apprehensions, however, today they are one the largest trading partners with benefit to both countries.



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Mr. Shankar asked how Standard Chartered could contribute to further development and growth of Pakistan's Capital Market. Mr. Nadeem Naqvi, Managing Director, KSE, thanked Mr. Shankar for showing interest in our capital market and said that areas where KSE and SCBPL could cooperate included, investor awareness generation, attracting non-resident Pakistanis (NRPs) to the capital market and helping private companies list on the Exchange.

Presenting an overview of the Economy and KSE, Mr. Naqvi highlighted the potential of this market. He said that using conservative estimates, 50% of the economy was in the undocumented sector. Thus the actual GDP of Pakistan was not the official number of US \$210 billion but nearer US \$300 billion and even assuming a 3% real GDP growth, by 2015 the actual GDP would likely be US \$350 – 375 billion. He further estimated that per capita income of top 10% of households in Pakistan was nearer US \$5000 versus national per capita income of US \$1190. This represented a significant potential market for investment and financial services. Mr. Naqvi also briefed the honorable guests regarding major steps taken by the KSE and SECP to enhance risk management, investor protection and operating efficiency since the 2008 global financial crisis.

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Mr. V. Shankar, Member of the Board, Standard Chartered Bank Plc. – Europe, Middle East, Africa & America, rings the “KSE bell” on his visit to the Karachi Stock Exchange in the presence of Mr. Muneer Kamal, Chairman-KSE, Mr. Nadeem Naqvi, Managing Director-KSE, members of the Governing Board of Directors of KSE and Senior Management of Standard Chartered Bank, on February 28, 2012.



Chairman-KSE Mr. Muneer Kamal presents memento to Mr. V. Shankar, Member of the Board, Standard Chartered Bank Plc. – Europe, Middle East, Africa & America, who visited the Karachi Stock Exchange on February 28, 2012. Mr. Nadeem Naqvi, Managing Director-KSE is also present on the occasion.