



PRESS RELEASE

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(Karachi, September 10, 2012): Karachi Stock Exchange had a meeting with Morgan Stanley Capital International (MSCI), a leading provider of market indices across the world, held at MSCI office in London on 3rd of September 2012. The purpose of the meeting was to persuade MSCI to upgrade Pakistan's capital market's status from frontier to emerging markets. The KSE delegation was led by Mr. Munir Kamal, Chairman, Karachi Stock Exchange, and included Mr. Nadeem Naqvi, Managing Director, Karachi Stock Exchange, Muhammad Hanif Jhakura, Chief Executive Officer, Central Depository Company of Pakistan and Mr. Haroon Askari, Deputy Managing Director, Karachi Stock Exchange along with other Market participants.

The Delegation updated MSCI on the Demutualization of the Stock Exchanges in Pakistan, structural changes and comprehensive reforms in Regulatory Framework, Risk Management and Operations of the Exchange.

KSE delegation also highlighted underlying signs of economic stabilization in Pakistan, change in monetary policy stance, centralization of Capital Gain Tax at National Clearing Company of Pakistan and implementation of KYC and Anti Money Laundering Regulations in the Stock Brokerage industry. The delegation specifically accentuated the steps taken by the Government including the 18th Amendment and the improvement in trade relations between Pakistan and India to accelerate development of bilateral business and investment between the two countries.

As a result of the above measures, improvement in market dynamics that has taken place in the last six to eight months was emphasized by the KSE delegation. MSCI officials appreciated the comprehensive macro market and institutional capacity update presented to them and said that these factors will be kept in mind when the next review is due, and if there are any additional aspects that they need to understand, they will contact KSE.

At the same time, MSCI highlighted they have a responsibility toward providing an objective assessment regarding sustainability of market reforms and institutional capacity to end users of MSCI indices. In this regard, they would also look for feedback from such users. Both sides concluded the session with assurance to remain engaged in continuing dialogue going forward.

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