



PRESS RELEASE

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PAKISTAN SELECTED FOR CONSULTATION FOR MSCI EM IN 2016

(Karachi, June 10, 2015): MSCI Inc. (MSCI), the premier provider of global equity indexes, announced today via their press Release that it will include, MSCI Pakistan Index in its 2016 Annual Market Classification Review for potential reclassification of Pakistan to emerging markets.

Pakistan, after consistently remaining part of MSCI Emerging Markets Index for nearly 15 years (from Feb 2, 1994 to Dec 31, 2008), was removed from the EM index in the wake of deteriorated investment climate followed by worldwide financial meltdown in 2008. As a consequence, the MSCI Pakistan Index was reclassified as a component of Frontier Markets Index in May 2009. Since then, Pakistan Index was not reconsidered for inclusion into the MSCI EM Index due to Pakistan equity market not meeting the requirements set for the MSCI EM Index.

Every year in June, MSCI conduct a public consultation process with market participants to review the new list of countries under review (if any) for potential market reclassification in the upcoming review cycle which will span over the following 12 months.

MSCI notes positive developments

MSCI has noted Pakistan's progress on improving market conditions, significant improvement in overall economic condition of the country, A 161% increase in market capitalization as a result of a six years strong rally (KSE-100 index up 484.0% since Jan-2009) and government's privatization have increased the number of companies meeting minimum market capitalization criteria, while jump in local retail and foreign institutional participation have helped in recovery of market's prices & liquidity which helped Pakistani market to meet the MSCI prescribed criteria for EM index with respect to size and liquidity. In view of these developments, the MSCI have decided to open public consultation for Pakistan to be re-classified as a component of their Emerging Market Index.

The most significant potential benefits of this reclassification would be an increase in portfolio flows with greater participation of foreign institutional investors and index-tracking investors, as very large institutional investors do not look at frontier markets but limit their investments in developed and emerging markets only.

Being in the EM Universe will put Pakistan on the radar screen of a very large global investor base. At the same time, this development will also significantly enhance Pakistan's profile for global fixed income investors who have over US\$1trillion invested in emerging market debt.