



ARIF HABIB BANK LIMITED

AHBL/FIN/486/08
December 29, 2008

The General Manager
Karachi Stock Exchange (Guarantee) Limited
Karachi

✓ The General Manager
Lahore Stock Exchange (Guarantee) Limited
Lahore

The General Manager
Islamabad Stock Exchange (Guarantee) Limited
Islamabad

Material Information

Dear Sir,

In accordance with the Listing Regulation No. 28 and Clause (xxiii) of the Listing Regulation No. 37 under Code of Corporate Governance, we are pleased to convey the following information:

Further to our letter dated 20 October 2008 relating to the signing of M.O.U between Arif Habib Securities Limited (AHSL) and Consortium of foreign and local investors led by Mr. Husain Lawai, "Head of Terms" agreement has been signed by and between **Arif Habib Securities Limited**; and **Arif Habib Bank Limited (AHBL)**; and **Mr. Husain Lawai**, acting for himself and as the duly authorized representative of the Investors.

We are pleased to inform you that the following has been agreed subject to all regulatory approvals and due diligence by the consortium:

- Investment by the Investors in the equity of the Bank by subscribing to the share capital of the Bank comprising 51% of the increased Paid Up capital of the Bank, or at the option of the investors, 60% of the increased Paid Up capital and shall have majority directors on the Board.
- The investors shall confirm to AHSL, on or before January 15, 2009 if they intend to exercise the option to subscribe 60% of the increased Paid Up capital of the Bank.
- The Authorized capital of the Bank shall be increased to Rs.25 billion.

Contd.../2

A