



ARIF HABIB
SECURITIES LTD.

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29 December 2008

1. **The Commissioner**
Securities Market Division
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Blue Area, Islamabad.

2. **The Managing Director**
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Karachi.

Dear Sir,

Re: Dissemination of Material 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 (hereinafter referred to as 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.

