



PRESS RELEASE

NIB DIVESTING ITS 27% STAKE IN NAFA TO NATIONAL BANK OF PAKISTAN

The Board of Directors of NIB has announced its intention to divest NIB's 27% stake in National Fullerton Asset Management Company (NAFA) to the National Bank of Pakistan (NBP) at a price between Rs 38.00 and Rs 42.00 per share. The exact price and documentation is to be finalized over the next few weeks.

NIB, along with NBP and Alexandra Fund Management Ltd, founded NAFA in 2005. NAFA currently manages 8 fixed income and equity open end funds. Following the acquisition of PICIC by NIB in December 2007, NIB also acquired 100% ownership of PICIC Asset Management Company (PICIC AMC). Consequently, since 2007, NIB acquired interests in two asset management companies. Under the relevant Non-Banking Finance Companies (NBFC) Laws, a Group cannot hold more than one asset management services license. Therefore, in order to comply with the NBFC Laws and the directives of the SECP, the Board of Directors of NIB has decided to divest its interests in NAFA.

The divestment of its stake in NAFA will allow NIB to continue its focus on the asset management business through its 100% owned subsidiary, PICIC AMC. PICIC AMC through its 3 Funds (PICIC Growth Fund, PICIC Investment Fund and PICIC Energy Fund) with combined Assets Under Management (AUMs) of Rs 12.2 billion as of December 2009, is the largest private sector fund manager of equity funds in Pakistan. The increase in AUMs in 2009 has been accompanied by a qualitative improvement in the equity portfolio through a restructuring focused on high growth liquid stocks with dividend generating potential. Consequently the PICIC AMC Funds distributed cash dividends of Rs 759 million during the calendar year 2009. Going forward PICIC AMC's focus will be to add to its product range through launching a series of open end funds in fixed income, equity, Islamic and hybrid asset classes.

NIB attaches significant importance to its asset management business through the retention of PICIC AMC and is confident that PICIC AMC will maintain its leadership position in the asset management business in Pakistan.

A handwritten signature in black ink, appearing to read "Yameen Kerai", written over a set of three parallel lines.

Yameen Kerai
Company Secretary