Arif Habib Corp

January 20, 2011

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The Managing Director,
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Sub: **PROPOSED MERGER OF ARIF HABIB INVESTMENTS LIMITED WITH MCB ASSET MANAGEMENT COMPANY LIMITED**

Dear Sir,

This is to inform you that we, the sponsors of Arif Habib Investments Limited (AHI-AMC), and MCB Bank, sponsors of MCB Asset Management Company Limited (MCB-AMC) have signed the Shareholders' agreement on January 19, 2011 for the proposed merger between the two entities. We believe that the combined force of MCB and Arif Habib Group will strengthen the asset management business considerably and will be in the greater interest of the investing public.

Following has been agreed subject to all regulatory approvals and compliances:

- Arif Habib Investments Limited, being a listed company, shall be the surviving entity. Whereas, subject to availability of name and requisite regulatory approvals being given, the Company shall be re-named as "MCB-Arif Habib Savings and Investments Limited" or such other name as may be agreed by both the parties.

- Based on the agreed swap ratio, the shareholders of MCB-AMC shall be issued 1.2 shares in lieu of each share of MCB-AMC held by them. Thus the paid up capital of the merged entity shall double to 72,000,000 shares of Rs. 10 each, i.e., Rs. 720,000,000 (Seven Hundred and twenty million). Of these shares, 36,000,000 shares will be held by MCB Bank and a similar number by the current shareholders of AHI-AMC.

- Both the sponsors shall have an equal representation on the Board of the merged entity.

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