

## Notice of Annual General Meeting

### Statement of Material Facts Under Section 160 (1) (b) of the Companies Ordinance, 1984

#### 1. In respect of Agenda item 5

HBL Asset Management Ltd, a wholly owned subsidiary of Habib Bank Ltd. was incorporated on 17th February, 2006 and was licensed for investment advisory and asset management services on 3rd April, 2006. The Asset Management Company has funds under management of Rs. 8.57 billion as on 31st December, 2007 and has launched a number of funds which are providing competitive returns i.e. HBL Income Fund, HBL Stock Fund and HBL Multi Asset Fund. The Asset Management Company will add to these in the future in various product categories. Based on independent analyst reports the HBL Stock Fund was among the top 3 performing funds in its category during the month of January. The HBL Multi Asset Fund, recently launched was adjudged the second best performing fund in its category for the same period. Through the Asset Management Company, the Bank has an opportunity to invest in different product classes and is able to offer its customers diversified avenues of investment also.

The Shareholders of Habib Bank Ltd. are requested for approval to invest upto Rs. 1.50 billion categorized as seed capital in the various funds of HBL Asset Management Ltd. as per the following Resolution with or without modification as required under Section 208 of the Companies Ordinance, 1984 i.e.

"RESOLVED that in addition to the amount of Rs. 750 million (seven hundred and fifty million) already invested, Habib Bank Limited be and is hereby authorised to invest as seed capital upto Rs. 1.50 billion (Rupees one billion five hundred million) in various funds managed by HBL Asset Management Ltd. in such amounts and as per such terms as approved by the Board of Directors of Habib Bank Ltd. from time to time".

#### 2. In respect of Agenda item 6

In order to avoid unnecessary cost and to provide timely and immediate information to the Bank's local and international Shareholders, the approval of the Shareholders is requested to place the Bank's Quarterly Accounts on the Bank's website 'www.hbl.com' rather than sending these by post. In this respect the Shareholders are requested to pass the following resolution:

"RESOLVED that the Bank be and is hereby authorised to place its Quarterly Accounts on the Bank's website rather than sending the same to the Shareholders by post after complying with the requirements of SECP's Circular No 19 dated April 14, 2004"

#### 3. In respect of Agenda item 7

Pursuant to Regulation G-1 of the Prudential Regulations, Banks may pay a reasonable and appropriate remuneration for attending Board or Committee Meetings to its non executive Directors. In this connection, the Bank had a survey conducted by a third party Auditor of remuneration being paid to non-executive directors by comparable institutions locally. The recommendation proposed to be implemented is Director's Fee of Rs 200,000 per Board Meeting attended and Rs 100,000 per Committee Meeting attended. The Bank would also bear the non executive Director's expenses for attending each Board and Committee Meeting or any travel undertaken in connection with Bank work or in lieu of this would pay per diem as per the Bank's policy. Shareholders are therefore requested to pass the following resolution:

"RESOLVED that Directors Fee of Rs 200,000 per Board Meeting attended and Rs 100,000 per Committee Meeting attended be and is hereby authorised for payment to the non executive directors of the Bank for attending Meetings of the Bank as aforesaid"