



Rating Action

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PACRA PLACES RATINGS OF ARIF HABIB INVESTMENTS LIMITED AND MCB ASSET MANAGEMENT COMPANY LIMITED ON RATING WATCH

The Pakistan Credit Rating Agency (PACRA) has placed asset manager ratings of Arif Habib Investments Limited (AHI) and MCB Asset Management Company Limited (MCB AMC), along with the entity ratings of AHI on rating watch, subsequent to discussions between the two entities for a possible merger. The process is at an early stage with formal approvals from companies' boards/shareholders yet to be sought. The approval from the regulatory authorities would be sought afterwards.

Company	Current Rating
Arif Habib Investments	AM2 (AM Two) Asset Manager Rating (Outlook:Positive)
MCB Asset Management Company	AM2- (AM Two Minus) Asset Manager Rating
Arif Habib Investments	A/A1 Entity Rating (Single A)/(Single A One) Long Term/Short Term

The ratings will remain on rating watch until the finalization of proposed merger. On completion of the merger, the rating of the surviving entity would be updated after reviewing the impact of merger and strategy. On the other hand, if the merger does not materialize, the rating watch would be removed, as and when the process is called off.

About Arif Habib Investments: Incorporated in August 2000 and listed on the Karachi Stock Exchange, AHI is among the leading asset management companies in Pakistan. Arif Habib Securities Limited – the holding company for Arif Habib Group – holds majority stake (62%) in the company. The company is currently managing ten open-end and three closed-end funds, with assets under management of PKR 17.0bln (end-Feb10)

About MCB Asset Management Company: Commencing operations in Feb06, MCB AMC is a wholly owned subsidiary of MCB Bank Limited (MCB). The company is currently managing four open-end funds, with assets under management of PKR 14.2bln (end-Feb10).

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