



HABIB BANK  
حیب بینک

The Managing Director  
Karachi Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road,  
Karachi

December 18, 2015

Dear Sir,

**Material Information: Press Release**

Please find a copy of the Press Release which is being sent to the press today.

Yours faithfully,

Nausheen Ahmad  
Company Secretary

cc:

The Managing Director, Lahore Stock Exchange (Guarantee) Limited, 19, Khayaban-e-Aiwan-e-Iqbal Road, Lahore

The Managing Director - Islamabad Stock Exchange, ISE Towers, 55-B, Jinnah Avenue, Islamabad

The Commissioner Enforcement & Monitoring Division, Securities & Exchange Commission of Pakistan, NIC Building Jinnah Avenue, Islamabad



HABIB BANK  
حیب بینک

### HBL NY Branch: Regulatory Orders

HBL operates a branch in New York, which is licensed by the New York State Department of Financial Services (NYSDFS) and which is subject to oversight and supervision by the Federal Reserve Bank of New York (FRBNY). The NY Branch of HBL had been operating under a “Written Agreement” with the NYSDFS and the FRBNY since 2006. During a recent examination, the US Regulators found deficiencies in the risk management and BSA/AML compliance program at HBL New York branch and, subsequently, escalated the enforcement actions from the “Written Agreement” to a “Consent Order” in the case of NYSDFS and a “Cease and Desist Order” in the case of FRBNY. These Orders impose certain additional requirements to remediate on the branch and provide mechanisms for enforcement if the remediation is not met.

HBL New York branch will continue to maintain its US license, and will continue to provide its branch services as usual. The Orders limit the branch’s growth of its US dollar clearing business, but the branch is allowed to continue to conduct its current dollar clearing business. It cannot accept new foreign correspondent accounts or new customer accounts in New York for US dollar clearing. It cannot increase its US Dollar clearing business both in terms of daily number of transactions or the aggregate amount without prior permission of the US Regulators.

HBL takes its regulatory responsibilities very seriously and has been taking actions in advance of even entering these Orders to enhance its compliance program, including engaging outside compliance consultants to review its current program. We believe that these measures will put us in a position to move quickly on the requirements in the Orders.

HBL is the largest bank in Pakistan with a history spanning 75 years. It has presence in 28 countries worldwide through branches, subsidiaries and affiliates, including in all major financial centers. It prides itself on having an ethos of strong corporate governance at all levels and is committed to meeting regulatory guidelines in all jurisdictions in which it operates.

*Naureen Qureshi*