

## **Press Release**

### **HBL to withdraw from New York**

HBL has been operating a small branch in New York since 1978, which mainly offers US Dollar clearing services.

In 2015, the New York branch was subject to a Consent Order and a Cease and Desist Order by the New York State Department of Financial Services (“DFS”) and the Federal Reserve Bank of New York respectively. HBL had notified the Pakistan Stock Exchange of this in December 2015.

Despite HBL’s sincere and extensive remediation measures over the last two years, DFS is still not appreciating or recognizing the significant progress that HBL has made at its New York branch and HBL has received a notice of departmental hearing by DFS, in terms of which DFS seeks to propose a civil monetary penalty of up to an outrageous amount of USD 629,625,000. The actual penalty has not yet been imposed and only a maximum amount of potential penalty has been proposed. HBL shall vigorously contest this in the scheduled administrative hearing and the courts of law in the United States, as being unjustified, capricious, unreasonable, not supported by facts or law and as being time barred.

HBL has further voluntarily decided to close its business in New York in an orderly manner and DFS has allowed HBL to submit a voluntary application for orderly winding down of its New York business. Steps to formalize this will commence shortly.

There will be no material impact on HBL’s business outside of the United States and HBL will continue to service the requirements of its domestic and international customers including for their US Dollar business.