

WHEREAS, Habib Bank is subject to the jurisdiction of the Federal Deposit Insurance Corporation ("FDIC") pursuant to section 8 of the FDI Act;

WHEREAS, the Board of Governors issues this Order pursuant to section 16(c) of the IBA (12 U.S.C. § 3110(c)), section 8 of the BHC Act (12 U.S.C. § 1847), and section 8(i) of the FDI Act (12 U.S.C. § 1818(i)) in settlement of certain proceedings relating to Habib Bank's alleged violations of the BHC Act as a result of its failure to file complete and accurate F.R. Y-7 reports with the Federal Reserve for the years 1990 through 1993;

WHEREAS, the FDIC issues this Order pursuant to sections 5(a) and (b) of the FDI Act (12 U.S.C. §§ 1815(a) and (b)), section 303.1 of the FDIC's Rules and Regulations (12 C.F.R. § 303.1), and section 8(i) of the FDI Act in settlement of certain proceedings relating to Habib Bank's alleged violations of the FDI Act and the FDIC's Rules and Regulations as a result of its failure to file a complete and accurate application for federal deposit insurance;

WHEREAS, on 20th February, 1998, the board of directors of Habib Bank adopted a resolution (1) authorizing and directing Hyder M. Habib to enter into this Order on Habib Bank's behalf; (2) authorizing and directing Usman Ghani to enter into this Order on behalf of the Branch; and (3) consenting to compliance with each and every

provision of this Order by Habib Bank and the Branch and their respective institution-affiliated parties, as such term is defined in sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(4)); and (4) waiving, on behalf of Habib Bank and the Branch, any and all rights that they might have pursuant to 12 U.S.C. §§ 1818, 1847, and 3110 and 12 C.F.R. Parts 263 and 308 or otherwise (a) to the issuance of a notice of assessment of a civil money penalty, (b) to a hearing for the purpose of taking evidence on any matter implied or set forth in this Order, (c) to obtain judicial review of this Order or any provision thereof, and (d) to challenge or contest in any manner the basis, issuance, validity, terms, effectiveness, collectibility or enforceability of this Order or any provision thereof.

NOW, THEREFORE, solely for the purpose of this proceeding and before the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without admitting or denying any violations of law and regulations for which a civil money penalty may be assessed by the Board of Governors and the FDIC in connection with this proceeding:

IT IS HEREBY ORDERED, pursuant to section 16(c) of the IBA, section 8 of the BHC Act, and section 8(i) of the FDI Act, that:

1. Habib Bank and the Branch are jointly assessed and shall pay as hereinafter provided a civil money penalty in the

amount of \$15,000 to the Board of Governors and the FDIC.

2. The payment required by this Order shall be remitted in full, at the time of Habib Bank's and the Branch's execution of this Order, payable to the "Board of Governors of the Federal Reserve System" and forwarded to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, who shall make remittance of the same to the Treasury of the United States as required by statute.

3. The provisions of this Order shall be binding upon Habib Bank, the Branch, and their successors and assigns.

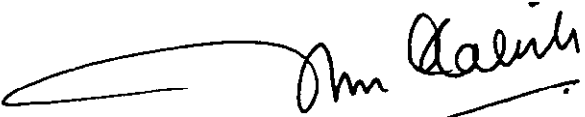
4. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, the FDIC, or any other agency or department of the U.S. government or any state government from taking any other action affecting Habib Bank or the Branch or any of their subsidiaries, affiliates or institution-affiliated parties, which they would otherwise be entitled to take in the absence of this Order; provided, however, that neither the Board of Governors nor the FDIC shall take any further action against Habib Bank or the Branch or any of their subsidiaries, affiliates, or institution-affiliated parties based on any information currently known to the Board of Governors or the FDIC.


5. Nothing in this Order is intended to prevent Habib Bank or the Branch from complying with applicable foreign law or with valid, binding, and lawful contractual obligations.

By order of the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation, effective this 25th day of March, 1998.

Habib Bank AG Zurich

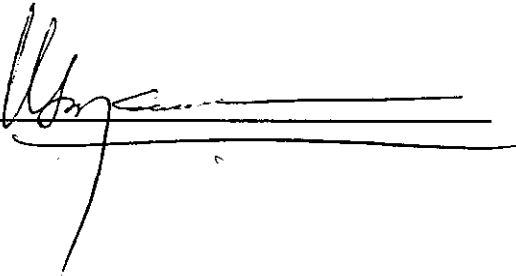
Board of Governors of
the
Federal Reserve System

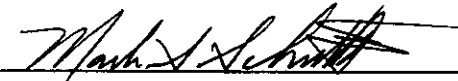

By _____
Hyder M. Habib
President

By  for W.W.W.
William W. Wiles
Secretary of the Board

Habib Bank AG Zurich,
Los Angeles Branch

Federal Deposit Insurance
Corporation

By  _____

By 
Mark S. Schmidt
Associate Director
Division of Supervision