

**Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2016**

(Expressed in Hong Kong dollars)

	Note	2016	2015
Interest income	2(a)	65,825,095	70,990,245
Interest expense	2(b)	(23,257,959)	(22,684,338)
<b>Net interest income</b>		<b>42,567,136</b>	<b>48,305,907</b>
Fee and commission income	3	27,279,603	28,107,898
Fee and commission expense		(597,853)	(525,271)
<b>Net fee and commission income</b>		<b>26,681,750</b>	<b>27,582,627</b>
Other net income	4	22,093,474	21,253,657
<b>Operating income</b>		<b>91,342,360</b>	<b>97,142,191</b>
Operating expenses	5	(69,105,049)	(68,802,941)
		<b>22,237,311</b>	<b>28,339,250</b>
Impairment losses on trade bills and advances to customers	7	(7,700,000)	(7,603,000)
<b>Profit before taxation</b>		<b>14,537,311</b>	<b>20,736,250</b>
Income tax	8(a)	(576,172)	(4,718,252)
<b>Profit for the year</b>		<b>13,961,139</b>	<b>16,017,998</b>
<b>Other comprehensive income</b>	9		
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets - net movement in the available-for-sale financial assets revaluation reserve		(588,822)	(881,626)
<b>Total comprehensive income for the year</b>		<b>13,372,317</b>	<b>15,136,372</b>

The notes on pages 20 to 67 form part of these financial statements.

# Habib Bank Zurich (Hong Kong) Limited

## Statement of financial position at 31 December 2016

(Expressed in Hong Kong dollars)

	Note	2016	2015
<b>Assets</b>			
Cash and balances with banks	10	194,860,355	165,228,116
Placements with banks	11	519,856,554	453,850,877
Investments	12	411,471,463	323,157,387
Trade bills	13(a)	490,283,080	580,358,779
Advances to customers	14(a)	487,141,670	535,293,274
Tax paid in advance	20(a)	1,091,593	3,614,799
Deferred tax assets	20(b)	4,171,456	1,234,151
Fixed assets	15	108,689,971	112,916,625
Other assets	16	33,615,479	91,696,784
<b>Total assets</b>		<b>2,251,181,621</b>	<b>2,267,350,792</b>
<b>Liabilities</b>			
Deposits and balances from banks	17	5,252,100	4,161,518
Deposits from customers	18	1,390,423,359	1,434,046,960
Other liabilities	19	310,990,809	285,999,278
<b>Total liabilities</b>		<b>1,706,666,268</b>	<b>1,724,207,756</b>
<b>Equity</b>			
Share capital	23	300,000,000	300,000,000
Reserves		244,515,353	243,143,036
<b>Total equity</b>		<b>544,515,353</b>	<b>543,143,036</b>
<b>Total equity and liabilities</b>		<b>2,251,181,621</b>	<b>2,267,350,792</b>

The notes on pages 20 to 67 form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 23 March 2017

Ikram Quraishi  
Chief Executive  
& Executive Director

Mohamedali R. Habib  
Chairman