

Habib Bank Zurich (Hong Kong) Limited

Statement of profit or loss and other comprehensive income for the year ended 31 December 2017

(Expressed in Hong Kong dollars)

| | Note | 2017 | 2016 |
|---|------|-------------------|-------------------|
| Interest income | 2(a) | 70,269,302 | 65,825,095 |
| Interest expense | 2(b) | (17,956,020) | (23,257,959) |
| Net interest income | | 52,313,282 | 42,567,136 |
| Fee and commission income | 3 | 26,021,564 | 27,279,603 |
| Fee and commission expense | | (759,428) | (597,853) |
| Net fee and commission income | | 25,262,136 | 26,681,750 |
| Other net income | 4 | 21,189,398 | 22,093,474 |
| Operating income | | 98,764,816 | 91,342,360 |
| Operating expenses | 5 | (68,100,319) | (69,105,049) |
| | | 30,664,497 | 22,237,311 |
| Impairment losses on trade bills and advances to customers | 7 | (4,080,000) | (7,700,000) |
| Profit before taxation | | 26,584,497 | 14,537,311 |
| Income tax | 8(a) | (4,724,145) | (576,172) |
| Profit for the year | | 21,860,352 | 13,961,139 |
| Other comprehensive income | 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 | | 356,935 | (588,822) |
| Total comprehensive income for the year | | 22,217,287 | 13,372,317 |

The notes on pages 21 to 69 form part of these financial statements.

Statement of financial position at 31 December 2017

(Expressed in Hong Kong dollars)

| | Note | 2017 | 2016 |
|-------------------------------------|-------|----------------------|----------------------|
| Assets | | | |
| Cash and balances with banks | 10 | 185,970,076 | 194,860,355 |
| Placements with banks | 11 | 213,077,876 | 519,856,554 |
| Investments | 12 | 385,365,719 | 411,471,463 |
| Trade bills | 13(a) | 581,805,310 | 490,283,080 |
| Advances to customers | 14(a) | 674,696,705 | 487,141,670 |
| Tax paid in advance | 20(a) | - | 1,091,593 |
| Deferred tax assets | 20(b) | 4,093,455 | 4,171,456 |
| Fixed assets | 15 | 106,150,137 | 108,689,971 |
| Other assets | 16 | 84,667,701 | 33,615,479 |
| Total assets | | 2,235,826,979 | 2,251,181,621 |
| Liabilities | | | |
| Deposits and balances from banks | 17 | 29,689,647 | 5,252,100 |
| Deposits from customers | 18 | 1,237,349,610 | 1,390,423,359 |
| Current taxation | 20(a) | 1,252,333 | - |
| Other liabilities | 19 | 412,802,749 | 310,990,809 |
| Total liabilities | | 1,681,094,339 | 1,706,666,268 |
| Equity | | | |
| Share capital | 23 | 300,000,000 | 300,000,000 |
| Reserves | | 254,732,640 | 244,515,353 |
| Total equity | | 554,732,640 | 544,515,353 |
| Total equity and liabilities | | 2,235,826,979 | 2,251,181,621 |

The notes on pages 21 to 69 form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 15 March 2018

Sachil Dagur
Chief Executive
& Executive Director

Mohamedali R. Habib
Chairman