

*Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2018*

*(Expressed in Hong Kong dollars)*

	Note	2018	2017
Interest income calculated using the effective interest method	2(a)	84,254,514	70,269,302
Interest expense	2(b)	(22,446,432)	(17,956,020)
<b>Net interest income</b>		<b>61,808,082</b>	<b>52,313,282</b>
Fee and commission income	3	27,424,138	26,021,564
Fee and commission expense		(892,853)	(759,428)
<b>Net fee and commission income</b>		<b>26,531,285</b>	<b>25,262,136</b>
Other net income	4	20,966,364	21,189,398
<b>Operating income</b>		<b>109,305,731</b>	<b>98,764,816</b>
Operating expenses	5	(79,301,453)	(68,100,319)
		\$30,004,278	\$30,664,497
Net charge of impairment allowances	7	(7,117,610)	(4,080,000)
<b>Profit before taxation</b>		<b>22,886,668</b>	<b>26,584,497</b>
Income tax	8(a)	(3,961,657)	(4,724,145)
<b>Profit for the year</b>		<b>18,925,011</b>	<b>21,860,352</b>
<b>Other comprehensive income</b>			
Item that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income (FVOCI) - net movement in the fair value reserve	9	887,716	
Available-for-sale financial assets - net movement in the available-for-sale financial assets revaluation reserve			356,935
<b>Total comprehensive income for the year</b>		<b>19,812,727</b>	<b>22,217,287</b>

The notes on pages 20 to 100 form part of these financial statements.

# Habib Bank Zurich (Hong Kong) Limited

## Statement of financial position at 31 December 2018

(Expressed in Hong Kong dollars)

	Note	2018	2017
<b>Assets</b>			
Cash and balances with banks	10	207,080,565	185,970,076
Placements with banks	11	9,859,244	213,077,876
Investments	12	460,542,344	385,365,719
Trade bills	13(a)	594,596,815	581,805,310
Advances to customers	14(a)	766,025,122	674,696,705
Tax paid in advance	20(a)	2,114,221	-
Deferred tax assets	20(b)	3,133,341	4,093,455
Fixed assets	15	102,712,891	106,150,137
Other assets	16	22,400,472	84,667,701
<b>Total assets</b>		<b>2,168,465,015</b>	<b>2,235,826,979</b>
<b>Liabilities</b>			
Deposits and balances from banks	17	6,195,755	29,689,647
Deposits from customers	18	1,328,134,836	1,237,349,610
Current taxation	20(a)	-	1,252,333
Other liabilities	19	280,317,378	412,802,749
<b>Total liabilities</b>		<b>1,614,647,969</b>	<b>1,681,094,339</b>
<b>Equity</b>			
Share capital	23	300,000,000	300,000,000
Reserves		253,817,046	254,732,640
<b>Total equity</b>		<b>553,817,046</b>	<b>554,732,640</b>
<b>Total equity and liabilities</b>		<b>2,168,465,015</b>	<b>2,235,826,979</b>

The notes on pages 20 to 100 form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 21 March 2019

Sachil Dagur  
Chief Executive  
& Executive Director

Mohamedali R. Habib  
Chairman