

Habib Bank AG Zurich

Weinbergstrasse 59, 8006 Zürich
Switzerland



(INCORPORATED IN SWITZERLAND)
1967

Half-yearly Report
(unaudited)
as on June 30, 2014



Habib Bank AG Zurich

Half-yearly Report (unaudited) as on June 30, 2014

Our Pledge

We re-dedicate ourselves always to consider the customer first,
give full measure and to deliver more than we promise.



(Incorporated in Switzerland 1967)

Board of Directors
Verwaltungsrat

Dr. Andreas Länzlinger *
Chairman / VR Präsident

Dr. Ulrich Grete *
Vice Chairman / VR Vizepräsident

Dr. Marco Duss *

Urs Seiler *

Ursula Suter *

Ray Barnes * 1

Audit Committee
Prüfungsausschuss

Dr. Marco Duss
Chairman

Dr. Ulrich Grete

Urs Seiler

Risk & Control Committee
Risiko- und Kontrollausschuss

Ursula Suter
Chairperson

Urs Seiler

Ray Barnes 2

* Independent directors / *unabhängige Verwaltungsratsmitglieder*

1 From / *ab* 28.4.2014

2 From / *ab* 27.6.2014



Habib Bank AG Zurich – A Short Profile

Habib Bank AG Zurich was incorporated in Switzerland in 1967 and is privately owned and managed by the Habib family. The Habibs have been actively involved in banking for over 160 years. General Management of the group comprises four members: Mr. Muhammad H. Habib, President, Mr. Mohamedali R. Habib, Joint President, Shaun Wallis, Chief Operating Officer and Walter Mathis, Deputy General Manager. The Board of Directors is made up of outside persons, all of whom have extensive banking and/or legal experience.

The philosophy of the group is reflected in its motto:

Service with Security, that's Habib Banking

The concept of security is fundamental to the group's strategy and is based on a strong capital base, high liquidity, close co-operation with the various regulatory bodies and central banks in the countries in which the group operates, coupled with the stability provided by its Swiss base. From its head office – where it is subject to the consolidated supervision of the Swiss Financial Market Supervisory Authority – the bank manages equity and reserves which provide it with a capital adequacy ratio which is more than double that required by the Bank for International Settlement in Basle. Its high level of liquidity provides additional comfort to customers and regulators alike.

Habib Bank AG Zurich places a high emphasis on personal service. Over the past 46 years the group has built up a network of 253 modern offices. This network of offices (see page 8) currently covers nine countries spread over four continents, the offices being strategically placed to provide maximum assistance to the bank's international customers. Each country is managed by a professional team with long experience of both the local and international market places, and of our valued clients.

The Group provides a comprehensive range of commercial and private banking services and products designed to cover the needs of all its customers from the small saver to large international corporations. These services are backed up by leading edge technology, designed to ensure that Habib Bank AG Zurich is well placed to react swiftly to the ever increasing pace of change in the world of banking.

General Management / *Generaldirektion*

Muhammad H. Habib
President

Mohamedali R. Habib
Joint President

Shaun Wallis
Group Chief Operating Officer

Walter Mathis
Deputy General Manager

Country Management / *Landesdirektoren*

Christian Lerch (*Switzerland*)

Arif Lakhani (*U.A.E.*)

Anjum Iqbal (*U.K.*)

Mohammed Ali Hussain (*Kenya*)

Chief Executive Officers (*Subsidiaries / Tochtergesellschaften*)

Sirajuddin Aziz (*Pakistan*)

Muslim Hassan (*Canada*)

Mohammed Jafri (*Isle of Man*)

Zafar Khan (*South Africa*)

Ikram Quraishi (*Hong Kong*)

Group Internal Audit / *Interne Konzernrevision*

S. Iftikhar Ali (*Internal Audit*)

Group Support Functions / *Konzern-Supportfunktionen*

Felix Gasser (*Risk Control*)

Jamil Husain (*Human Resources*)

Dr. Pascal Mang (*Legal & Compliance*)

Alfred Merz (*Financial Control*)

Atif Mufti (*Operations*)

Syam Pillai (*Information Technology*)

Sibel Sanus (*Financial Institutions*)

Ralph Schneider (*Credit*)

Balance Sheet at 30th June 2014 (unaudited)

Bilanz per 30. Juni 2014 (ungeprüft)

in CHF

31.12.2013	Assets / Aktiven	30.06.2014
795'822'545	Liquid assets <i>Flüssige Mittel</i>	862'227'552
854'691'085	Amounts due arising from money-market papers <i>Forderungen aus Geldmarktpapieren</i>	1'092'334'814
1'857'781'349	Amounts due from banks <i>Forderungen gegenüber Banken</i>	1'794'661'607
2'579'303'603	Amounts due from customers <i>Forderungen gegenüber Kunden</i>	2'637'211'832
439'618	Securities and precious metals trading portfolio <i>Handelsbestände in Wertschriften und Edelmetallen</i>	669'116
1'459'701'826	Financial investments <i>Finanzanlagen</i>	2'127'068'431
127'017	Non-consolidated participations <i>Nicht konsolidierte Beteiligungen</i>	127'017
79'037'342	Fixed assets <i>Sachanlagen</i>	85'063'635
6'853'566	Intangible assets (Goodwill) <i>Immaterielle Werte (Goodwill)</i>	5'996'871
82'606'132	Accrued receivables and pre-paid expenses <i>Rechnungsabgrenzungen</i>	138'977'250
57'794'709	Other assets <i>Sonstige Aktiven</i>	70'641'916
7'774'158'792	Total assets <i>Total Aktiven</i>	8'814'980'041

in CHF

31.12.2013	Liabilities / Passiven	30.06.2014
28'750'579	Liabilities in respect of money market paper <i>Verpflichtungen aus Geldmarktpapieren</i>	47'607'259
233'309'703	Due to banks <i>Verpflichtungen gegenüber Banken</i>	569'382'072
987'656'948	Due to customers: savings and deposits <i>Verpflichtungen gegenüber Kunden in Spar- und Anlageform</i>	1'058'137'994
5'388'404'377	Due to customers: other <i>Übrige Verpflichtungen gegenüber Kunden</i>	5'930'868'102
64'371'420	Accrued expenses and deferred income <i>Rechnungsabgrenzungen</i>	97'440'670
53'682'166	Other liabilities <i>Sonstige Passiven</i>	76'966'805
20'581'172	Value adjustments and provisions <i>Wertberichtigungen und Rückstellungen</i>	28'720'557
502'014'560	Reserves for general banking risks <i>Reserven für allgemeine Bankrisiken</i>	507'087'181
150'000'000	Share capital <i>Aktienkapital</i>	150'000'000
202'585'097	Revenue reserves <i>Gewinnreserve</i>	209'013'781
142'802'770	Equity attributable to minorities <i>Minderheitsanteile am Eigenkapital</i>	139'755'620
7'774'158'792	Total liabilities and equity <i>Total Passiven</i>	8'814'980'041

Off-balance sheet

Ausserbilanzgeschäfte

1'141'327'916	Contingent liabilities / <i>Eventualverpflichtungen</i>	1'138'598'755
26'877'501	Irrevocable commitments / <i>Unwiderrufliche Zusagen</i>	31'317'205
-	Call liabilities / <i>Einzahlungs- und Nachschussverpflichtungen</i>	-
173'000'926	Commitment credits / <i>Verpflichtungskredite</i>	224'551'141
12'161'635	Derivative financial instruments / <i>Derivative Finanzinstrumente:</i>	16'139'066
11'746'824	- positive replacement values / <i>positive Wiederbeschaffungswerte</i>	19'924'456
2'350'164'115	- negative replacement values / <i>negative Wiederbeschaffungswerte</i>	3'758'435'318
116'557'350	- contract volume / <i>Kontraktvolumen</i>	93'532'440
	Fiduciary transactions / <i>Treuhandgeschäfte</i>	

Profit and Loss Account as on June 30, 2014

Erfolgsrechnung per 30. Juni 2014

in CHF

30.06.2013	Income and Expenditure from Ordinary Banking Business <i>Ertrag und Aufwand aus dem ordentlichen Bankgeschäft</i>	30.06.2014
	Income from interest business <i>Erfolg aus dem Zinsengeschäft</i>	
141'602'938	Interest and discount income <i>Zins- und Diskontertrag</i>	149'446'031
-	Interest and dividend income from trading portfolio <i>Zins- und Dividendenertrag aus Handelsbeständen</i>	-
37'005'636	Interest and dividend income from investment portfolio <i>Zins- und Dividendenertrag aus Finanzanlagen</i>	59'217'706
- 86'658'930	Interest expense <i>Zinsaufwand</i>	- 104'275'055
91'949'644	Sub-total, income from interest business <i>Subtotal Erfolg Zinsengeschäft</i>	104'388'682
	Commission and fee income <i>Erfolg aus dem Kommissions- und Dienstleistungsgeschäft</i>	
14'217'957	Credit commissions <i>Kommissionsertrag Kreditgeschäft</i>	15'850'486
2'666'077	Securities and investment commissions <i>Kommissionsertrag Wertschriften- und Anlagegeschäft</i>	2'896'072
19'439'493	Other commissions and fee income <i>Kommissionsertrag übriges Dienstleistungsgeschäft</i>	21'087'992
- 2'099'631	Commission expense <i>Kommissionsaufwand</i>	- 1'826'269
34'223'896	Sub-total, commission and fee income <i>Subtotal Erfolg aus dem Kommissions- und Dienstleistungsgeschäft</i>	38'008'281
10'077'621	Income from trading <i>Erfolg aus dem Handelsgeschäft</i>	9'157'193
	Other ordinary income <i>Übriger ordentlicher Erfolg</i>	
11'174'658	Profit on sale of financial investments <i>Erfolg aus Veräusserungen von Finanzanlagen</i>	7'258'642
-	Income from permanent investments <i>Beteiligungsertrag</i>	-
-	- from other non-consolidated participations <i>- aus übrigen nicht konsolidierten Beteiligungen</i>	-
2'798'213	Income from real estate <i>Liegenschaftenerfolg</i>	285'748
- 723'721	Other ordinary profit <i>Anderer ordentlicher Erfolg</i>	- 732'118
13'249'150	Sub-total, other ordinary income <i>Subtotal übriger ordentlicher Erfolg</i>	6'812'272
149'500'311	Total Income <i>Total Bruttoertrag</i>	158'366'428

in CHF

30.06.2013		30.06.2014
	Operating expenditure	
	<i>Geschäftsaufwand</i>	
- 61'871'154	Staff costs	- 60'313'377
	<i>Personalaufwand</i>	
- 25'546'758	Other operating expenses	- 27'817'429
	<i>Sachaufwand</i>	
- 87'417'912	Sub-total, operating expenditure	- 88'130'806
	<i>Subtotal Geschäftsaufwand</i>	
62'082'399	Gross profit	70'235'622
	<i>Bruttogewinn</i>	
- 5'355'140	Depreciation on fixed assets and goodwill	- 5'468'947
	<i>Abschreibungen auf dem Anlagevermögen und Goodwill</i>	
- 10'996'308	Value adjustments, provisions and losses	- 8'337'124
	<i>Wertberichtigungen, Rückstellungen und Verluste</i>	
45'730'951	Group Profit prior to extraordinary items and taxes	56'429'551
	<i>Konzerngewinn vor ausserordentlichem Erfolg und Steuern</i>	
1'147'718	Extraordinary income	230'290
	<i>Ausserordentlicher Ertrag</i>	
- 7'182'841	Extraordinary expenditure	- 3'127'063
	<i>Ausserordentlicher Aufwand</i>	
- 13'399'251	Taxes	- 16'690'880
	<i>Steuern</i>	
26'296'577	Group Profit	36'841'898
	<i>Konzerngewinn</i>	
8'233'442	thereof Group Profit attributable to minorities	10'307'329
	<i>davon Minderheitsanteile am Konzerngewinn</i>	



(Incorporated in Switzerland 1967)



Offices *Niederlassungen*

Head Office

Name: HABIB BANK AG ZURICH
Address: Weinbergstrasse 59, P.O. Box 225
8042 Zurich / Switzerland
Swift: HBZUCHZZ
Telephone: (4144) 269 45 00
Telefax: (4144) 269 45 35 / 269 45 25
Website: <http://www.habibbank.com>

Branches

Switzerland (1)
Zurich

United Kingdom (10)
London (5 Branches), Glasgow, Manchester, Leicester,
Birmingham, Southall

United Arab Emirates (8)
Dubai (5 Branches), Sharjah, Abu Dhabi (2 Branches)

Kenya (4)
Nairobi (3 Branches), Mombasa

Representative Offices

Bangladesh
Hong Kong
Pakistan

Subsidiary Companies

Isle of Man (1)
Habib European Bank Ltd.

South Africa (7)
HBZ Bank Limited

Canada (2)
Habib Canadian Bank

Pakistan (214)
Habib Metropolitan Bank Ltd.

Hong Kong (5)
HBZ Finance Limited

United Arab Emirates
HBZ Services FZ LLC

Auditors / *Revisionsstelle*

KPMG AG

() in brackets number of offices