



(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

Interim Report 2025

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Group key figures

Balance sheet

in CHF million	30.06.24	31.12.24	30.06.25	Changes in % to 31.12.24
Total assets	12'151	12'500	11'659	–6.7%
Equity	1'370	1'523	1'404	–7.8%
Advances customers	3'691	3'995	3'797	–5.0%
Deposits customers	9'317	9'178	8'708	–5.1%

Income statement

in CHF million	1 st half 2024	2 nd half 2024	1 st half 2025	Changes in % to 1 st half 2024
Total income ¹	341.9	376.3	267.0	–21.9%
Operating expenses	–134.5	–144.5	–149.5	11.1%
Operating result	199.2	219.3	105.0	–47.3%
Group profit	101.5	96.6	84.3	–17.0%

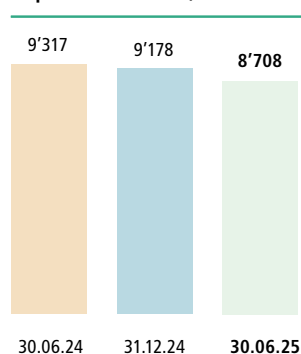
Key figures and ratios

in CHF million	30.06.24	31.12.24	30.06.25	Changes in % to 31.12.24
Number of offices	581	587	597	1.7%
Number of employees	7'636	7'904	8'163	3.3%
Return on equity (ROE) ²	15.5%	14.3%	5.9%	
Equity ratio	11.3%	12.2%	12.0%	
Cost / income ratio	39.3%	38.8%	56.0%	
Capital ratio	18.5%	18.6%	18.1%	
Liquidity coverage ratio (half-yearly / yearly weighted)	129.3%	138.1%	134.5%	
Leverage ratio	9.2%	10.6%	10.5%	

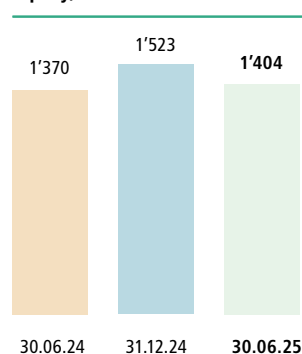
¹ Including "Gross result from interest operations", "Result from commission business and services", "Result from trading activities and the fair value option" and "Other result from ordinary activities".

² Group profit as percentage of equity of average at period end.

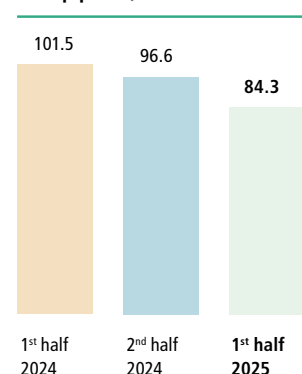
Deposits customers, in CHF million



Equity, in CHF million



Group profit, in CHF million



Purely for ease of reading, the masculine form used in this document is intended to refer to both genders.

This consolidated financial reporting is published in English only.

Due to rounding, the numbers presented in this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Mathematical rules of "%-change" in the tables in this report: deviations greater than +/-500.0% will be shown as ">500%" or ">–500%".

Letter to shareholders

Dear fellow shareholders,

The first half of 2025 was marked by considerable geopolitical and macroeconomic volatility. Global trade uncertainties arising from trading tariffs as well as ongoing conflicts in the Middle East, have collectively fueled recession risks and created a challenging operating environment for financial institutions worldwide.

Despite these headwinds, and by the grace of God, Habib Bank AG Zurich has remained resilient and focused on long-term growth. Our commitment to prudent management, strategic expansion, and digital transformation has enabled us to navigate these complexities while continuing to serve our clients with excellence.

The global trend of monetary easing, while supportive of economic activity, has led to a compression of net interest margins across many of our markets. This has placed pressure on our interest income and overall profitability. Nevertheless, our diversified income streams, particularly from non-interest sources, have helped mitigate these effects. We continue to focus on operational efficiency and client-centric innovation to sustain our performance.

As part of our ongoing succession planning, we welcomed Andrea Rieger and Muhammad H. Habib to the Board of Directors, adding fresh perspectives to and expanding the proficiency of our governance. At the same time, we bid farewell to Urs Seiler and Ursula Suter, whose contributions over the years have been invaluable.

Walter Mathis retired at the end of April after 12 years of dedicated service as Member of General Management and Head of Shared Services. We very much appreciated his leadership, expertise, and his firm commitment to the highest standards of efficiency and growth. He has been succeeded by Ertugrul Tüfekçi who brings a wealth of experience and a clear vision for operational excellence.

The demand for resilient and agile banking services continues to grow. In response, we have accelerated our digital transformation initiatives. Moreover, we have implemented FINMA's Operational Risk Circular, reinforcing our risk management framework, and ensuring compliance with evolving regulatory requirements. These initiatives reflect our focus on innovation, security, and sustainability in our operations.

The aforementioned economic and geopolitical challenges are unlikely to subside in the near term. Nevertheless, we do remain cautiously optimistic and we are confident that we will continue to prosper thanks to our strategic focus, robust governance, and unwavering diligence.

We extend our heartfelt gratitude to our employees for their tireless dedication and to our esteemed clients for their enduring trust and support.

Dr. Andreas Länzlinger
Chairman of the Board of Directors

Muhammad H. Habib
Member of the Board of Directors

Mohamedali R. Habib
Group CEO

Corporate Governance

Corporate governance principles

Habib Bank AG Zurich is committed to responsible, value-oriented management and control. Habib Bank AG Zurich complies with all relevant Swiss legal and regulatory requirements in terms of corporate governance. The governance documents of Habib Bank AG Zurich constitute primary guidelines regarding corporate governance and are based on Article 716b of the Swiss Code of Obligations and the Articles of Association of Habib Bank AG Zurich.



General Management of Habib Bank AG Zurich as of 30 June 2025

Board of Directors

The Board of Directors has ultimate oversight over Habib Bank AG Zurich and its subsidiaries. Under the leadership of its Chairman, it decides on the strategy of the Group based on the recommendations of General Management. It is responsible for the overall direction, management, control and financial reporting of the Group as well as for supervising compliance with applicable laws, rules and regulations.

The Board of Directors shall be composed of five or more members, who are individually elected at the Annual General Meeting. It is predominantly made up of non-executive and independent directors, all of whom have extensive experience in their respective fields of competence.

Members of the Board of Directors

Name	Board of Directors	Audit Committee	Risk & Control Committee	Independence
Dr. Andreas Länzlinger	Chairman		Member	independent
Roland Müller-Ineichen	Vice-Chairman	Chairman		independent
Muhammad H. Habib ¹	Member			
Andrea Rieger ¹	Member	Member	Member	independent
Michael Schneeбели	Member	Member	Chairman	independent
Raymond De Barro	Secretary	Secretary	Secretary	

¹ (Pending FINMA Approval)



Dr. Andreas Länzlinger

Swiss, born 1959

Chairman of the Board of Directors
(since 2013)

Member of the Risk & Control Committee
(since 2018)

Professional history and education

Andreas Länzlinger was elected to the Board of Directors of Habib Bank AG Zurich at the 2008 Annual General Meeting. He has been Chairman of the Board of Directors since 2013. He became a member of the Risk & Control Committee in 2018.

Prior to and since joining the Board of Directors of Habib Bank AG Zurich, Andreas Länzlinger has regularly represented and advised a number of Swiss banks in civil, criminal and regulatory matters, including in matters relating to FINMA supervision. He has conducted internal investigations, some under the indirect supervision of FINMA, at various Swiss financial institutions. His experience includes representing clients before foreign authorities (mainly in regulatory or criminal matters, with a focus on US authorities including the DOJ, SEC, Fed and FDIC). He has advised corporate clients in matters of compliance and corporate governance and holds various teaching engagements in this field. Andreas Länzlinger completed his studies in Law from the University of Zurich in 1983 and was admitted to the Zurich Bar in 1986. He received his Doctorate in Law (Dr. iur.) from the University of Zurich in 1992.

Mandates:

- Partner at Bär & Karrer AG
- Board of Administrators of The Posen Foundation, a Swiss charitable Institution supporting education, science and cultural endeavors on a global basis
- Board of Administrators of The Cartago Foundation, a Swiss charitable institution supporting education, science and cultural endeavors in South America



Roland Müller-Ineichen

Swiss, born 1960

Vice-Chairman of the Board of Directors
(since April 2025)

Chairman of the Audit Committee
(since 2018)

Professional history and education

Roland Müller-Ineichen was elected to the Board of Directors of Habib Bank AG Zurich at the 2018 Annual General Meeting and was appointed as Chairman of the Audit Committee. In April 2025, Roland Müller-Ineichen was elected Vice-Chairman of the Board of Directors.

Since 2009, Roland Müller-Ineichen has served as an independent director on the board of directors of multiple Swiss and foreign companies and has developed and further enhanced his thorough understanding of corporate governance and the strategic and operating challenges of today's banking industry. Prior to that, he worked for 12 years as lead partner in charge of financial and regulatory audits of national and international banks, securities dealers and fund management companies in the audit department of KPMG in Zurich. He joined KPMG Fides Peat in 1995 as Senior Manager and became a partner of KPMG Switzerland in 1998 and of KPMG Europe in 2006. Before joining KPMG, he progressed through various senior audit and executive management roles at Swiss-based financial institutions. His experience in the financial and banking services industry provides the Board of Directors with valuable strategic, financial and banking business insights and comprehensive corporate governance and accounting expertise. Roland Müller-Ineichen is recognized as an audit expert by the Swiss Audit Oversight Authority (FAOA) and is a qualified financial expert. Roland Müller-Ineichen is a Swiss Certified Public Accountant and has been a member of EXPERTsuisse since 1990.

Mandates:

- Member of the Board of Directors of Altisource, Luxembourg/USA
- Member of the Board of Directors of ONE Swiss Bank, Geneva
- Member of the Board of Directors of SWA Swiss Auditors AG, Pfäffikon SZ



Muhammad H. Habib

Swiss, born 1959

President (2011-2025)

Member of the Board of Directors
(since April 2025)

Professional history and education

Muhammad H. Habib became a member of General Management of Habib Bank AG Zurich in 1992. He was appointed President and Chief Executive Officer in February 2011. Muhammad H. Habib was elected to the Board of Directors at the 2025 Annual General Meeting.

Muhammad H. Habib's career in banking comprises close to four decades of experience. He began his career in 1981 in Dubai, where he went through extensive training in order to gain the expertise, nuanced understanding, and enhanced knowledge of managing a bank and navigating the financial industry. This was an enriching journey spanning 11 years. In 1992, he joined the General Management team. His responsibilities encompassed UAE, Africa, UK, North America, and Switzerland. Under his leadership, the Bank has expanded into several new territories, including South Africa (1995) and Canada (2001). In 1996, he was promoted to the position of Joint President, and subsequently became the President of the Bank. Muhammad H. Habib completed his studies at the College de Leman in Geneva, Switzerland, and earned his degree in Business Administration from Babson College in Wellesley, Massachusetts (USA).

Mandates:

- Vice-Chairman of the Board of Directors of Gefan Finanz AG, Switzerland
- Member of the Board of Directors of Indus Motor Company Ltd, Pakistan
- Member of the Board of Directors of Habib Insurance Company Ltd, Pakistan



Andrea Rieger

Swiss, born 1966

Member of Audit Committee
(since April 2025)

Member of the Risk & Control Committee
(since April 2025)

Professional history and education

Andrea Rieger was elected to the Board of Directors of Habib Bank AG Zurich in 2025 and is a member of the Audit Committee and the Risk & Control Committee. She is a seasoned executive and professional board member with over 30 years of leadership experience in banking, insurance, and asset management, with expertise in legal, compliance, and governance. Since 2020, she has served as the Head of Legal & Compliance at Mobiliar Group, where she is a member of the extended Executive Committee and oversees all legal and compliance functions. She is also a member of the Board of Directors of Trianon AG, a FINMA-regulated asset manager.

Previously, Andrea Rieger held senior roles at UBS AG, including Managing Director and COO of Global Financial Intermediaries. She was also the founding partner and Chair of the Board of LCR Services AG, offering regulatory and compliance advisory services, and served as Company Secretary at Aduno Holding AG (now Viseca Group SA), where she supervised board governance and internal investigations. She holds an LL.M. in International Finance Law from the University of Zurich and a law degree from the University of Berne. She was admitted to the Bar in the Canton of Berne and has completed the INSEAD International Directors Programme.

Mandates:

- Member of the Board of Directors of Trianon AG, Nyon
- Chair of the Board of Directors of Swiss Mobiliar Services AG, Bern



Michael Schneebeili

Swiss, born 1970

Member of the Audit Committee (since 2022)

Chairman of the Risk & Control Committee
(since 2024)

Professional history and education

Michael Schneebeili was elected to the Board of Directors of Habib Bank AG Zurich at the 2021 Annual General Meeting. He became a member of the Audit Committee in 2022 and was appointed Chairman of the Risk & Control Committee in 2024.

Since 2019 Michael Schneebeili has been a partner of a renowned consulting firm in Switzerland, focusing on consulting in banking with particular strength and expertise on anti-money laundering, compliance, risk management, internal control frameworks and corporate governance. His advisory spectrum also includes new financial technologies (blockchain) and digital means of payment (cryptocurrencies). Prior to that, he worked for 10 years as lead auditor for various national and international banks, securities dealers and fund management companies in the audit department of KPMG in Zurich. He joined KPMG in 2007 as Director and became a partner of KPMG Switzerland in 2009. Before joining KPMG, he progressed through various senior audit and executive management roles at Swiss-based financial institutions and another big-six consulting firm. His experience in the financial and banking services industry provides the Board of Directors with valuable strategic, compliance, risk and digital banking business insights and comprehensive corporate governance and accounting expertise. Michael Schneebeili is a Swiss Certified Public Accountant and has been a member of EXPERTsuisse since 2001.

Mandates:

- Vice-Chairman of the Board of Directors and Chairman of the Audit and Risk Committee of Citibank (Switzerland) AG, Zurich
- Member of the Board of Directors and Partner of gw&p AG Financial Services Advisory
- Member of the Board of Directors of gw&p AG Compliance Services
- Chairman of the Board of Directors of gw&p AG Financial Services Advisory, Frankfurt

Elections and terms of office

In accordance with the Articles of Association, all members of the Board of Directors are elected individually at the Annual General Meeting. The members of the Board of Directors are elected for a period of three years (the period from one ordinary Annual General Meeting to the next is considered to be one year). The members of the Board of Directors may be re-elected. The Board of Directors constitutes itself. It elects from among its members the Chairperson and one or several Vice-Chairpersons. The term of office for the Chairperson and Vice-Chairpersons coincides with the term of office as member of the Board of Directors. The Board of Directors appoints the members of the Board of Directors committees, their respective chairpersons and the Group Company Secretary. At least one third of the members of the Board of Directors must meet the independence criteria.

Organizational principles and structure

According to the Articles of Association and the Organisational Regulations, the Board of Directors meets as often as business requires, but at least four times per year. At every Board of Directors meeting the Group CEO provide the Board of Directors with a business update, and each committee chairperson provides the Board of Directors with an update on current activities of his or her committee as well as important committee issues. At least once per year, the Board of Directors reviews its own performance as well as the performance of each of its committees. This review seeks to determine whether the Board of Directors and its committees are functioning effectively. The committees (listed on page 5) assist the Board of Directors in the performance of its duties.

General Management

Habib Bank AG Zurich operates under a dual board structure, as mandated by Swiss banking law, which stipulates that no members of the Board of Directors may be members of General Management. The Board of Directors delegates the management of the business to General Management and General Management comprises at least three members appointed by the Board of Directors.

Under the leadership of the Group CEO, General Management is entrusted with management and planning of the activities of the Group with respect to organization, business development and expansion. General Management is responsible for the direction of day-to-day operations of the Group and bears overall responsibility for decisions and instructions issued in this regard.

Members of General Management

General Management consists of one member of the Habib family and three non-family members. The majority of the members of General Management have residency in Switzerland.

Name	Function
Mohamedali R. Habib	Group CEO
Mohsin Ali Nathani	Member of General Management and Head of Asian Markets & Canada
Ertugrul Tüfekçi	Member of General Management and Head of Shared Services
Arif Usmani	Member of General Management and Group Chief Risk Officer



Mohamedali R. Habib

Canadian, born 1964

Group CEO

Professional history and education

Mohamedali R. Habib became a member of General Management serving as Joint President of Habib Bank AG Zurich and Divisional Head responsible for the entire banking business in Asia in 2011 and was appointed Group Chief Executive Officer in 2016.

Mohamedali R. Habib has served at Metropolitan Bank since 1999 and in 2004, was appointed as the Executive Director and served till 2011. Thereafter he continued as non-executive director. Mohamedali R. Habib was appointed as a Director and Chairman of the Board of Habib Bank AG Hong Kong in November 2006. In 2016 he was elected as Chairman of the Board of Directors of Habib Metropolitan Bank Limited, a subsidiary of Habib Bank AG Zurich. Between 2012 and 2016 he has also served as a member of the Board of Directors of HBZ Bank Limited, another subsidiary of Habib Bank AG Zurich based in South Africa. Before joining Habib Bank AG Zurich, in 1996, he worked in the corporate sector for 10 years in various executive roles as well as certain Board of Directors level positions. Mohamedali R. Habib graduated in Business Management – Finance from Clark University, Massachusetts (USA) in 1987. He holds a post-graduate diploma in General Management from Stanford – National University of Singapore and is qualified as a Certified Director from the Pakistan Institute of Corporate Governance, Pakistan.



Mohsin Ali Nathani

Canadian, born 1965

Member of General Management and
Head of Asian Markets & Canada

Professional history and education

Mohsin Ali Nathani became the Head of Asian Markets & Canada in August 2023 and a member of General Management of Habib Bank AG Zurich in June 2024. In this role, he is responsible for the Group's operations in Canada, Hong Kong, South Africa and Pakistan. Mohsin also supervises the Group's Multi Jurisdiction Clients, in addition to the Group Islamic Banking and Marketing & Communications functions. He also serves on the Board of Directors of four subsidiaries of Habib Bank AG Zurich – Habib Metropolitan Bank Ltd. (Pakistan), Habib Canadian Bank, Habib Bank Zurich (HK) Ltd and HBZ Bank Ltd South Africa. Mohsin has over 30 years of banking experience in the Middle East, Africa, South Asia, Asia Pacific and Levant regions, where he has held various leadership positions with complex responsibilities in areas such as corporate banking, Islamic banking, credit, treasury and syndications.

From 2018 to 2023, Mohsin was the President & CEO at Habib Metropolitan Bank Ltd. Prior to this, he served at Standard Chartered as CEO in Pakistan, and later in the UAE where he was approved by the UK Financial Services Authority for "Significant Influence Function". Between 2007 and 2010, he was the Commercial Banking Director (Emerging Markets) at Barclays UAE, and subsequently, the Country Head & Managing Director at Barclays Pakistan. Between 2000 and 2007, Mohsin was engaged by Citigroup Hong Kong as Co-Head of Asia Debt Markets and later by Citigroup Dubai as Regional Head of Corporate Banking (Middle East, Pakistan & Levant) and CEO Global Islamic Banking. From 1993 to 2000, Mohsin held various senior roles at ABN AMRO in Singapore and Pakistan. Mohsin Ali Nathani holds a Master in Business Administration from the Institute of Business Administration (IBA) Karachi.



Ertugrul Tüfekçi

Swiss, born 1974

Member of General Management and
Head of Shared Services

Professional history and education

Ertugrul Tüfekçi has been a member of General Management of Habib Bank AG Zurich since February 2025 and serves as the Head of Shared Services since May 2025. In this role, Ertugrul provides strategic leadership across several functions, including Group Legal & Compliance, Group Financial Control, and Group Governance & Communication.

Ertugrul Tüfekçi has over two decades of experience in risk-based planning, regulatory advisory and financial auditing. Before joining Habib Bank AG Zurich, he was a Partner at KPMG AG in the Financial Services division, where he led the Cross-Border Banking Services and played a key role as a leading banking auditor and a regulatory compliance advisor. In this capacity, he advised and audited national and international banks on regulatory frameworks, licensing processes, and governance structures. He was also accredited as an audit expert, leading bank auditor and fintech auditor by the Federal Audit Oversight Authority (FAOA) and recognised for the same by FINMA. Earlier in his career, he served as the Chief Financial Officer of Swiss pb AG, where he was responsible for overseeing financial operations, regulatory reporting, internal control frameworks, and back-office functions. Prior to that, he served in a key role at PricewaterhouseCoopers (PwC) in Audit and Business Advisory Services, focusing on banking and financial institutions. Ertugrul Tüfekçi holds a Master of Business Administration from the University of Zurich and is a Swiss Certified Public Accountant.



Arif Usmani

Pakistani, born 1957

Member of General Management and
Group Chief Risk Officer

Professional history and education

Arif Usmani joined Habib Bank AG Zurich in November 2022 and became a member of General Management of Habib Bank AG Zurich in August 2023 as Group Chief Risk Officer responsible for the risk management organization and the risk management framework for all risk classes across the Group.

Arif Usmani has over 40 years of working experiences in various banking disciplines across several regions and markets, including Pakistan, Saudi Arabia, Singapore, Hong Kong, Slovakia, Middle East and Africa,. Before joining Habib Bank AG Zurich, Arif Usmani served as president and CEO of the National Bank of Pakistan (Pakistan's second-largest commercial bank) from 2019 to 2022. Prior to that and as from 2017, Arif held the position of Chief Risk officer at Mashreq Bank in Dubai, UAE and Group Head of Wholesale Banking at Abu Dhabi Islamic Bank in Abu Dhabi, UAE from 2012 to 2017. Between 1981 and 2012, he worked for Citi and Citi's affiliate, the Saudi American Bank, in Saudi Arabia (later Samba Financial Group) where his last position was Chief Risk Officer and member of the Executive Committee. At Citi, he held various corporate banking and credit risk management roles and was CEO of the group's businesses in Slovakia, Pakistan and Nigeria. From Nigeria, he was also responsible for Citi's franchises in the West African region. Arif Usmani holds a BSc (Hons) degree in Theoretical Physics from Imperial College London and is Associate of the Royal College of Science.

Management of the Branch Network

Name	Born	Citizenship	Function	Country
Jamal Alvi	1962	British	Country Manager	United Arab Emirates
Asim Basharullah	1971	Pakistani	Country Manager	Kenya
Tim Denton	1962	British	Head of DIFC Branch	DIFC / United Arab Emirates
Sheheryar Rasul	1969	Singaporean	Country Manager	Switzerland

Management of the Subsidiaries

Name	Born	Citizenship	Function	Country
Ashley Cameron	1961	South African	Chief Executive Officer	South Africa
Sachil Dagur	1969	Indian	Chief Executive Officer	Hong Kong SAR
Muslim Hassan	1955	Canadian	Chief Executive Officer	Canada
Satyajeet Roy	1967	British	Chief Executive Officer	United Kingdom
Khurram Shahzad Khan	1962	Pakistani	Chief Executive Officer	Pakistan

Management of the Representative Offices

Name	Born	Citizenship	Function	Country
Masud Abid	1961	Chinese	Representative Office Manager	Hong Kong SAR
Syed Hassan Nasim Ahmed	1968	Pakistani	Representative Office Manager	Pakistan
Abdul Monem	1964	Bangladeshi	Representative Office Manager	Bangladesh
Eren Omacan	1978	Turkish	Representative Office Manager	Türkiye
Irene Wu Ying	1973	Chinese	Representative Office Manager	China

Group Business Functions

Name	Born	Citizenship	Function
Adnan Fasih	1967	Pakistani	Head of Group Islamic Banking
Sheheryar Rasul	1969	Singaporean	CEO Group Wealth Management
Syed Ali Sultan	1966	Canadian	CEO Group Financial Institutions

Group Service and Control Functions

Name	Born	Citizenship	Function
Halima Ahmad	1971	Pakistani	Head of Group Risk Portfolio Governance
Sheeza Ahmed	1988	Pakistani	Head of Group Marketing & Communication
Rizwan Arain	1969	Pakistani	Head of Group Information & Technology Risk
Nadeem Baig	1972	British	Group Chief Human Resources Officer
Umair Chaudhary	1968	British	Group Chief Operating Officer
Laurens de Nooyer	1982	Dutch	Head of Group Credit
Dario Gigante	1979	Swiss	Head of Group Market & Liquidity
Faraz Kohari	1965	American	Co-Head of Group Information Technology
Dr. Pascal Mang	1964	Swiss	Head of Group Legal & Compliance
Alfred Merz	1962	Swiss	Head of Group Financial Control
Atif Mufti	1973	Pakistani	Head of Group Operations & Systems
Uzma Murshed	1970	Pakistani	Head of Group Operational Risk
Syam Pillai	1962	Indian	Co-Head of Group Information Technology
Jonathan Seal	1972	British	Head of Group Governance & Communication
Dr. David Wartenweiler	1965	Swiss	Head of Group Portfolio Management & Research

Group Internal Audit

Name	Born	Citizenship	Function
Haroon Ahmad	1975	Pakistani	Head of Group Internal Audit

Management report

Economic environment

The global economy experienced a volatile first half of the year characterized by a number of disruptive events. For one, on 2 April, US President Trump announced sweeping tariffs, ending the country's multi-decade commitment to free trade. Geopolitical tensions also remained high, boiling over into two hot wars, which were fortunately contained quite soon. In this challenging environment, growth proved remarkably resilient in most regions and world trade continued to expand. The most striking market development was the sharp decline of the US dollar as investors lost confidence in the US as the guardian of the global financial system. While the US Federal Reserve kept its policy rate unchanged, many other central banks lowered theirs as inflation pressures eased off. Commodity prices trended higher with the notable exception of crude oil, which fell following an increase of OPEC+ supply.

Pakistan's economic situation continued to stabilize and – with a fast-declining inflation – the State Bank was able to lower its policy rate by another 200 basis points during the first six months of the year. The country successfully passed the first review of the current International Monetary Fund (IMF) program and thanks to continued multi- and bilateral funding was able to increase its foreign reserves nearing three months' worth of imports. While the fiscal situation improved, the external accounts remained a stress point for the economy. The armed dispute with India over Kashmir was thankfully brought to an end within days, limiting the economic fall-out. The United Arab Emirates proved its role as a safe haven during the latest conflict in the Middle East. Activity remained solid as all sectors of the increasingly diversified economy contributed to robust growth. While Hong Kong's economy also performed well, the fast depreciation of the US dollar forced the authorities to intervene heavily driving local interest rates to their lowest level since 2022. The UK economy delivered only sluggish growth and continued disinflation and a softer labor market allowed the Bank of England to lower the base rate further. The trade deal with the US left the country with an effective tariff rate of close to 10%, higher than before. While the economy continued to expand at a decent clip, the Swiss National Bank cut its policy rate down to zero in response to the sharp appreciation of the Swiss franc. Canada remained mired in subpar growth and trade tensions with the US emerged as another headwind. Despite high uncertainty, the Bank of Canada maintained its easing bias. In South Africa, the economy barely grew at the beginning of the year. Nevertheless, the rate-cutting cycle of the Reserve Bank approached its end as structural factors remained a key impediment to higher growth. Annual growth of the

Kenyan economy missed forecasts in the first quarter as tourism and manufacturing activity slowed. Meanwhile, lower inflation created room for the central bank to lower its policy further. The country reengaged with the IMF to secure a new program after abandoning the previous one.

Banking industry

The global banking industry continued to enjoy a robust operational environment. Demand for services in most fields of activity remained robust while relatively low funding costs limited the negative impact on net interest margins stemming from the generally lower global interest rates. US trade policy created uncertainty for international exchange of goods. At the same time, domestic drivers remained strong in most economies. Financial market volatility led to an upturn in client activity, creating earnings opportunities for banks with large trading operations as well as wealth managers. Banks with large wealth franchises in emerging markets continued to benefit from strong growth in this segment. The industry focused on cost management in anticipation of narrowing net interest margins but continued to invest heavily in technology to upgrade platforms and access new business opportunities. The Trump administration announced lower capital requirements for US banks, which will generate new competitive pressures on non-US banks committed to the Basel III regime.

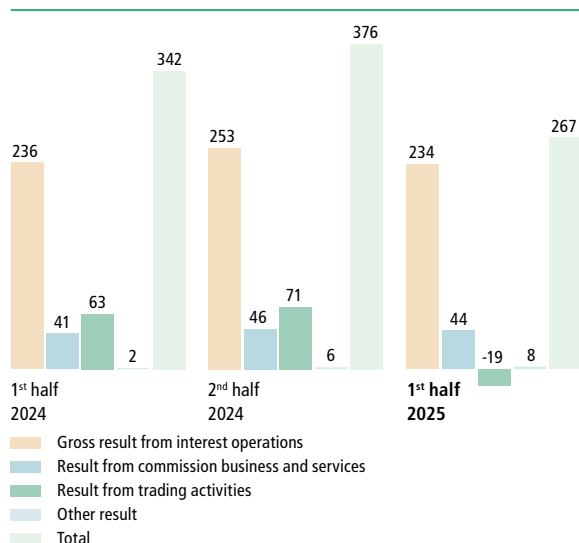
Operational performance and outlook

Income statement

In the first half of 2025, the Group's financial results were impacted notably by a significant depreciation of key currencies, particularly the US dollar, amid heightened geopolitical and macroeconomic volatility. This currency weakness had a distinct adverse effect on the Group's consolidated half-year results. Excluding the effects of currency fluctuations, the Group's operational performance remained robust, with several key performance indicators showing improvement relative to the prior-year period.

The Group's profit decreased to CHF 84.3 million in the first half of 2025, compared to CHF 101.5 million in the same period last year. This represents a decline of CHF 17.2 million, or 17.0%, primarily attributable to the depreciation of the US dollar against the Swiss franc.

Operating income, in CHF million



The gross result from interest operations stood at CHF 233.9 million, and was broadly stable compared to CHF 235.9 million in the prior-year period, reflecting a marginal decline by 0.8%. Changes in value adjustments for default risks and losses related to interest operations remained minimal, consistent with prior years, underscoring the high credit quality of the Group's asset portfolio. These adjustments amounted to CHF 2.1 million in the reporting period, compared to CHF 1.4 million in the first half of 2024.

The overall result from commission business and services increased by CHF 3.4 million (8.2%) to CHF 44.4 million compared to the first half of 2024. While commissions from securities trading and investment activities experienced a slight decline of 1.6%, commission income from lending activities increased by 5.3%, and commissions from other services rose by 10.2%.

The result from trading activities and the fair value option recorded a loss of CHF 19.3 million. This was primarily driven by a revaluation loss of CHF 25.9 million on reserves held in foreign currencies due to unfavorable foreign currency movements (contrasted with a revaluation gain of CHF 47.2 million in the first half of 2024). Positive contributions of CHF 6.6 million from financial investments measured at fair value partially offset this loss, although they were lower than the CHF 16.0 million gain recorded in the prior-year period. Other ordinary income, comprising revaluation gains on financial investments valued below cost or market principles, increased to CHF 7.9 million from CHF 1.6 million in the prior-year period.

Total operating expenses rose by CHF 15.0 million (11.1%) to CHF 149.5 million. Personnel expenses increased by CHF 7.5 million (8.8%), primarily reflecting salary adjustments. General and administrative expenses increased by CHF 7.4 million (15.2%), driven mainly by larger investments in IT, digitalization, and compliance with growing regulatory demands, as well as the Group's ongoing expansion and operational efficiency initiatives.

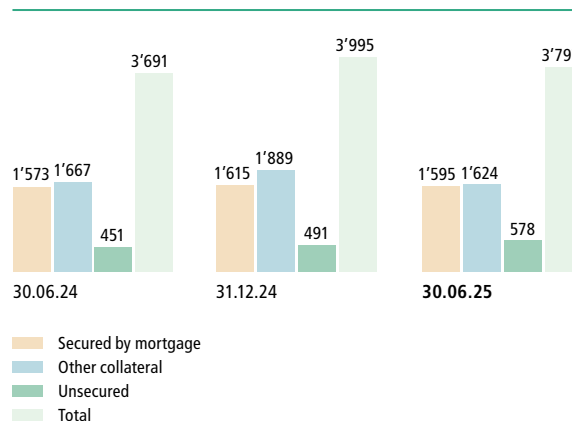
Consequently, the operating result declined significantly by CHF 94.2 million (47.3%), to CHF 105.0 million year on year.

During the first half of 2025, the Group released reserves amounting to CHF 39.1 million under "Changes in reserves for general banking risks", compared to the reserve creation of CHF 39.7 million recorded in the first half of 2024.

Balance sheet

As of 30 June 2025, the Group's total balance sheet decreased by CHF 841.0 million (6.7%), compared to 31 December 2024, driven exclusively by adverse foreign currency fluctuations. Excluding the effects of currency translation, the balance sheet total increased by CHF 514.5 million (4.1%).

Advances customers, in CHF million



Liquid assets declined by CHF 106.7 million (7.8%) to CHF 1'256.0 million as of the reporting date, predominantly reflecting the impact of currency movements.

Total loans, net of value adjustments, decreased by CHF 197.8 million to CHF 3'797.0 million compared to year-end 2024. This reduction was attributable to foreign exchange translation effects. Adjusted for cur-

rency movements, total loans increased by CHF 230.3 million (5.8%).

Excluding currency translation effects, the combined total of other financial instruments at fair value and financial investments grew by 4.8%. The reported decline of CHF 339.4 million (6.6%) to CHF 4'821.5 million was solely due to foreign exchange impacts. Local government bonds accounted for over 60% of the total investment portfolio.

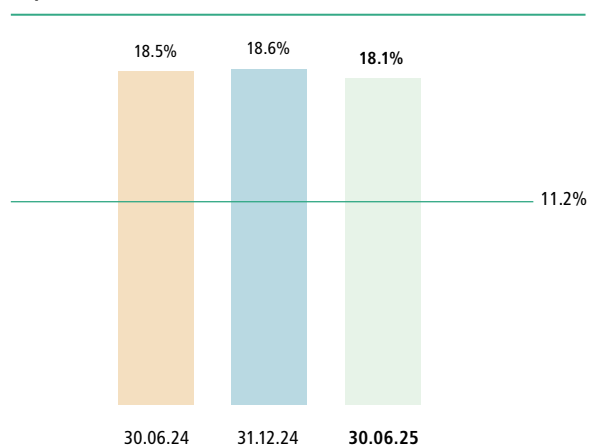
Amounts due in respect of customer deposits fell by CHF 469.2 million (5.1%) during the first half of 2025. Net of currency effects, customer deposits increased by 5.8%.

Total equity stood at CHF 1'404.4 million as of 30 June 2025, down from CHF 1'523.2 million at year-end 2024. Excluding currency translation impacts, equity reflected a slight increase of 0.6%.

Capital and liquidity

The Group is considered as a Category 4 Bank by the Swiss Financial Market Supervisory Authority (FINMA) and must maintain a regulatory target capital ratio of at least 11.2%. As of 30 June 2025, the Group reported a strong capital base and an adequate liquidity ratio. The "Capital ratio" of the Group was 18.1% and thus well above the required minimum threshold.

Capital ratio



Outlook

The Group anticipates continued growth in interest-generating business, supported by a strong capital base and disciplined risk management. Favorable economic conditions in key markets are expected to drive loan demand and revenue momentum in the second half of 2025. Ongoing investments in digital transformation and efficiency will further strengthen the Group's competitive position notwithstanding evolving global challenges.

Consolidated interim financial statements of the Group (unaudited)

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Consolidated balance sheet

in CHF 1'000	30.06.25	31.12.24	+/- %
Assets			
Liquid assets	1'255'935	1'362'633	-7.8%
Amounts due from banks	1'044'454	1'293'926	-19.3%
Amounts due from securities financing transactions	15'352		
Amounts due from customers	3'303'285	3'470'922	-4.8%
Mortgage loans	493'753	523'945	-5.8%
Trading portfolio assets	129'131	128'305	0.6%
Positive replacement values of derivative financial instruments	16'329	18'240	-10.5%
Other financial instruments at fair value	2'001'027	2'217'865	-9.8%
Financial investments	2'820'475	2'943'008	-4.2%
Accrued income and prepaid expenses	351'789	315'030	11.7%
Non-consolidated participations	77	77	0.0%
Tangible fixed assets	87'947	98'123	-10.4%
Other assets	139'895	128'391	9.0%
Total assets	11'659'450	12'500'465	-6.7%
Total subordinated claims	71'186	91'559	-22.3%
Liabilities			
Amounts due to banks	581'058	543'332	6.9%
Liabilities from securities financing transactions	526'904	797'107	-33.9%
Amounts due in respect of customer deposits	8'708'478	9'177'641	-5.1%
Negative replacement values of derivative financial instruments	12'780	16'611	-23.1%
Accrued expenses and deferred income	361'626	358'691	0.8%
Other liabilities	54'326	75'135	-27.7%
Provisions	9'916	8'739	13.5%
Reserves for general banking risks	506'640	545'986	-7.2%
Bank's capital	150'000	150'000	0.0%
Retained earnings reserves	467'599	432'303	8.2%
Minority interest in equity	195'869	196'757	-0.5%
Group profit	84'255	198'163	-57.5%
of which minority interests in Group profit	19'441	44'029	-55.8%
Total liabilities	11'659'450	12'500'465	-6.7%

Consolidated income statement

in CHF 1'000	First half 2025	First half 2024	+/- %
Result from Interest operations			
Interest and discount income	211'773	254'052	-16.6%
Interest and dividend income from trading portfolios	11'057	4'682	136.1%
Interest and dividend income from financial investments	213'639	318'796	-33.0%
Interest expense	-202'603	-341'666	-40.7%
Gross result from interest operations	233'866	235'866	-0.8%
Changes in value adjustments for default risks and losses from interest operations	-2'141	-1'373	55.9%
Subtotal net result from interest operations	231'726	234'492	-1.2%
Result from commission business and services			
Commission income from securities trading and investment activities	4'404	4'477	-1.6%
Commission income from lending activities	17'482	16'610	5.3%
Commission income from other services	27'250	24'737	10.2%
Commission expense	-4'715	-4'787	-1.5%
Subtotal result from commission business and services	44'421	41'037	8.2%
Result from trading activities and the fair value option	-19'290	63'284	
Other result from ordinary activities			
Result from the disposal of financial investments	26		
Result from real estate	91	113	-19.6%
Other ordinary income	7'914	1'609	391.7%
Subtotal other result from ordinary activities	8'031	1'723	366.2%
Operating income	264'888	340'536	-22.2%

in CHF 1'000	First half 2025	First half 2024	+/- %
Operating expenses			
Personnel expenses	-93'127	-85'584	8.8%
General and administrative expenses	-56'361	-48'920	15.2%
Subtotal operating expenses	-149'487	-134'504	11.1%
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets	-7'017	-6'645	5.6%
Changes to provisions and other value adjustments and losses	-3'361	-183	>500%
Operating result	105'023	199'205	-47.3%
Extraordinary income	1'348	3'398	-60.3%
Change in reserve for general banking risks	39'059	-39'726	
Taxes	-61'175	-61'329	-0.3%
Group Profit	84'255	101'548	-17.0%
of which minority interests in Group profit	19'441	20'240	-3.9%

Notes to the consolidated financial statements

Accounting and valuation principles

General

The Habib Bank AG Zurich Group's interim financial statements have been drawn up in accordance with the accounting rules incorporated into the Swiss Banking Act and its accompanying ordinance, together with FIN-MA Circular 2020/01 "Accounting – Banks".

These accounts, which are based on the following consolidation and accounting policies, give a true and fair view of the Group's assets, of its financial position and of the results of its operations.

Scope of consolidation

The Group accounts include the interim financial statements of Habib Bank AG Zurich, Zurich and its subsidiaries in which the Bank has a participation of more than 50 percent of the voting capital or which it controls in another way. Refer to note 6 of the Annual Report 2024 for a list of consolidated subsidiaries.

Method of consolidation

The Group's capital consolidation follows the purchase method. The interest in equity and profit or loss attributable to minority shareholders are disclosed separately. Intra-Group assets and liabilities as well as expenses and income from intra-Group transactions are eliminated.

Consolidation period

The consolidation period for all Group companies is the calendar year. The closing date for the consolidated financial statements is 31 December.

Foreign currency translation

The Group's functional and presentation currency is the Swiss franc.

In the financial statements of individual Group companies and branches, income and expenditure in foreign currencies are translated at the exchange rate prevailing on the transaction date. Amounts due from and due to third parties in foreign currencies are translated at the year-end rate. Gains and losses arising from currency translations into the local currencies are charged to the income statement as "Result from trading activities and the fair value option".

For consolidation purposes, the balance sheets of the financial statements of branches and subsidiaries based

outside Switzerland are translated into Swiss francs at exchange rates prevailing on the Group reporting date. The corresponding income statements are translated at the average rates of the respective year. Foreign exchange differences arising from the translation of the financial statements of subsidiaries are recorded within equity, whereas those from the translation of financial statements of branches are recorded in the income statement as "Result from trading activities and the fair value option".

The following exchange rates of the major currencies were used for the balance sheet:

	30.06.25	31.12.2024
1 USD	0.800	0.903
1 GBP	1.097	1.135
100 AED	21.720	24.588
100 PKR	0.280	0.324
100 ZAR	4.500	4.806

The following exchange rates of the major currencies were used for the income statement:

	30.06.25	2024
1 USD	0.863	0.879
1 GBP	1.122	1.124
100 AED	23.481	23.933
100 PKR	0.307	0.316
100 ZAR	4.705	4.783

Explanations of risk management

Within the scope of its operative activity, the Group is subject to financial risks such as market, credit, liquidity and refinancing risks, as well as operational risks. Refer to the risk management information in the Annual Report 2024 for more detailed risk information.

Events after the balance sheet date

No events that would adversely affect the financial statements included in this report occurred after the balance sheet date.

Locations of Group entities

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Habib Bank AG Zurich



4 Continents

11 Countries

597 Offices

Interim Report 2025



Layout and production
Management Digital Data AG
Zurich



(Incorporated in Switzerland 1967)