



(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

Annual Report 2025

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Group key figures

Balance sheet

in CHF million	31.12.23	31.12.24	31.12.25	Changes in % to 31.12.24
Total assets	11'334	12'500	12'431	-0.6%
Equity	1'257	1'523	1'486	-2.4%
Advances customers	3'299	3'995	3'998	0.1%
Deposits customers	8'336	9'178	9'264	0.9%

Income statement

in CHF million	2023	2024	2025	Changes in % to 2024
Total income ¹	599.5	718.2	582.6	-18.9%
Operating expenses	-255.2	-279.0	-297.6	6.7%
Operating result	330.4	418.5	254.3	-39.2%
Group profit	157.3	198.2	156.3	-21.1%

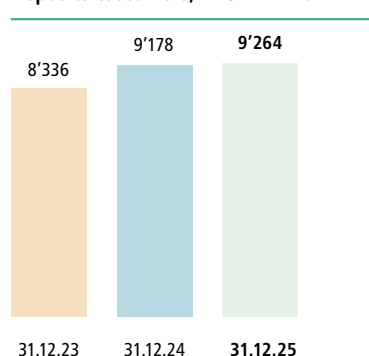
Key figures and ratios

in CHF million	31.12.23	31.12.24	31.12.25	Changes in % to 31.12.24
Number of offices	561	587	599	2.0%
Number of employees	7'629	7'904	8'254	4.4%
Return on equity (ROE) ²	12.8%	14.3%	10.4%	
Equity ratio	11.1%	12.2%	12.0%	
Cost / income ratio	42.6%	38.8%	51.1%	
Capital ratio	19.5%	18.6%	17.3%	
Liquidity coverage ratio (yearly weighted)	127.8%	138.1%	142.2%	
Leverage ratio	9.6%	10.6%	10.5%	

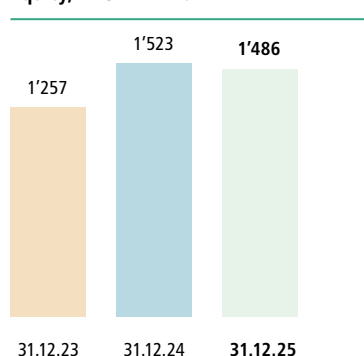
¹ Including "Gross result from interest operations", "Result from commission business and services", "Result from trading activities and the fair value option" and "Other result from ordinary activities"

² Group profit as percentage of equity of average at year end

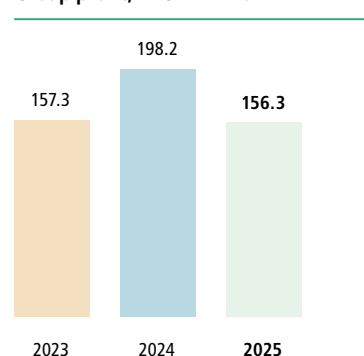
Deposits customers, in CHF million



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%“.



Münsterbrücke, Zurich

Letter to shareholders

Dear fellow shareholders,

The global financial environment in 2025 was characterized by steady growth, a more balanced inflation outlook, and a gradual turn toward monetary easing in several markets. Despite persistent geopolitical and regulatory headwinds, the Group continued to demonstrate execution and operational discipline while advancing its strategic priorities.

Throughout the year, we were privileged—by the grace of God—to receive several notable recognitions and to contribute meaningfully to our communities. The Group was acknowledged for its leadership in Islamic banking, wealth management, supply chain finance, and diversity. The Banker (July 2025) also advanced our global ranking to 674 from 706. Together, these distinctions reflect the strength of our franchise and the dedication of our workforce. In parallel, employee initiatives across our network elevated our culture of philanthropy and reinforced our role as a responsible global institution.

In the fourth quarter, we experienced a data-breach incident that tested our cyber-resilience and reaffirmed the critical importance of strong governance and coordinated teamwork. We emerged stronger, improving the already existing, robust risk management and the effectiveness of information security controls backed by the collective resolve of our organization.

Looking ahead, the Group Strategic Plan 2026–2030 charts our next phase of growth. Key priorities include expanding our Wealth Management and SIRAT Islamic banking businesses, leveraging our Swiss balance sheet, and developing a centralized Group Treasury function. We will also enhance Group Operations excellence through an AML Centre of Excellence and focus on product management to drive efficiency and governance. Deposit mobilization will remain central to sustaining our growth momentum.

Based on the strong results of the past year, the Board of Directors has proposed the following appropriations totaling CHF 192'035'101 to be made available for distribution:

– Allocation to statutory retained earnings reserves	CHF	4'250'000
– Distribution of dividend from distributable profit	CHF	50'000'000
– Profit carried forward	CHF	137'785'101

We extend our sincere gratitude to our customers for their trust, to our valued shareholders for their continued confidence and to our employees for their dedication. Together, we look forward to another year of progress and growth.

Dr. Andreas Länzlinger
Chairman of the Board of Directors

Muhammad H. Habib
Member of the Board of Directors

Mohamedali R. Habib
Group CEO

About us

Habib Bank AG Zurich (the “Habib Bank”) was incorporated in Switzerland in 1967 and is privately owned. The Habib family has been actively involved in banking for over 80 years. Muhammad H. Habib is a member of the Board of Directors and Mohamedali R. Habib, Group CEO, is a member of General Management. Other members of the family are currently working their way up through the management ranks.

Habib Bank and its group of companies (the “Group”) are subject to the consolidated supervision of the Swiss Financial Market Supervisory Authority (FINMA). We have a strong capital base and our capital as well as our liquidity ratios are above minimum regulatory standards. We also maintain a good rapport with the relevant regulatory bodies and central banks in the countries in which we operate.

We place a strong emphasis on personalized service. This is deeply rooted in our core values of trust, integrity, commitment, respect, responsibility, and teamwork as well as in our vision and mission statement.

With a head office and an operation in Switzerland, we have branch operations in Kenya and the United Arab Emirates, and subsidiaries in Canada, Hong Kong, Pakistan, South Africa, and the United Kingdom. Our operations are supported by our own service companies. Moreover, we have representative offices in Bangladesh, China, Hong Kong SAR, Pakistan, and Türkiye.

As at 31 December 2025, our headcount totaled 8'254 employees across 599 offices, providing customized services to our valued clients. We engage in commercial banking, retail banking, trade finance, wealth management and Islamic banking.

Vision

To be the most respected financial institution based on trust, service and commitment.

Mission

To be the Bank of Choice for family enterprises across generations.

Corporate Governance

Corporate governance principles

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



General Management of Habib Bank AG Zurich as of 31 December 2025

Board of Directors

The Board of Directors has ultimate oversight over Habib Bank 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 is composed of at least five 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 (AC)	Risk & Control Committee (RC)	Independence
Dr. Andreas Länzlinger	Chairman		Member	independent
Roland Müller-Ineichen	Vice-Chairman	Chairman		independent
Muhammad H. Habib	Member			
Andrea Rieger	Member	Member	Member	independent
Michael Schneebeli	Member	Member	Chairman	independent
Raymond De Barro	Secretary	Secretary	Secretary	

Changes to the Board of Directors

During the reporting period, several changes occurred in the composition of the Board of Directors.

At the Annual General Meeting held on 30 April 2025, Mr. Urs W. Seiler, Vice Chairman of the Board of Directors, and Mrs. Ursula Suter, member of the Board of Directors, stepped down from their respective roles. Both had been elected to the Board of Directors at the 2012 Annual General Meeting and made significant contributions to the Bank over many years of dedicated service.

Mrs. Ursula Suter served as Chairwoman of the Risk & Control Committee from its inception in 2013 until April 2024 and played a key role in strengthening the Bank's governance and control framework. Mr. Urs W. Seiler became a member of both the Audit Committee and the Risk & Control Committee in 2013 and was subsequently appointed Vice Chairman of the Board of Directors in April 2015. Through their longstanding commitment, experience and sound judgment, both contributed significantly to the Bank's strategic development and effective oversight. The Board of Directors and shareholders expressed their sincere appreciation and gratitude for their dedication, professionalism and long-standing service.

At the same meeting, Mr. Muhammad H. Habib and Mrs. Andrea Rieger were elected as new members of the Board of Directors for a term of office until the Annual General

Meeting in 2027, pending regulatory approval. Mrs. Andrea Rieger assumed her function as of 1 May 2025. Mr. Muhammad H. Habib was elected to the Board of Directors of Habib Bank AG Zurich, effective 24 June 2025. Subsequently, Mrs. Andrea Rieger was nominated as a member of both the Audit Committee and the Risk & Control Committee.

Following the resignation of Mr. Urs W. Seiler, Mr. Roland Müller-Ineichen was appointed Vice Chairman of the Board of Directors.



Dr. Andreas Länzlinger

Swiss, born 1959

Chairman of the Board of Directors
(since 2013)

Member of the RCC
(since 2018)

Professional history and education

Andreas Länzlinger was elected to Habib Bank's Board of Directors at the 2008 Annual General Meeting. He has been Chairman of the Board of Directors since 2013. He became a member of the RCC in 2018.

Prior to and since joining the Board of Directors, 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:

- Senior Counsel 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 AC (since 2018)

Professional history and education

Roland Müller-Ineichen was elected to Habib Bank's Board of Directors 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 board director of multiple Swiss and foreign companies and has developed and 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 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 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 of over four decades of experience. He began his career in 1981 in Dubai, United Arab Emirates 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 the United Arab Emirates, Africa, United Kingdom, North America, and Switzerland. Under his leadership, Habib 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 Habib Bank. Muhammad H. Habib completed his studies at the College de Lemans 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 the AC
(since April 2025)

Member of the RCC
(since April 2025)

Professional history and education

Andrea Rieger was elected to Habib Bank's Board of Directors in 2025 and is a member of the AC and the RCC. 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 Companjon Services DAC.

Previously, Andrea Rieger held senior roles at UBS AG, including Managing Director and Chief Operating Officer of Global Financial Intermediaries. She was also the founding partner and chair of the board of directors 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 Companjon Services DAC, Dublin
- Chair of the Board of Directors of Swiss Mobiliar Services AG, Bern



Michael Schneebeli
Swiss, born 1970

Member of the AC (since 2022)

Chairman of the RCC (since 2024)

Professional history and education

Michael Schneebeli was elected to Habib Bank's Board of Directors at the 2021 Annual General Meeting. He became a member of the AC in 2022 and was appointed Chairman of the RCC in 2024.

Since 2019 Michael Schneebeli 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, Switzerland. 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 Schneebeli 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 provides 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 7) assist the Board of Directors in the performance of its duties.

General Management

Habib Bank 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 it comprises of 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 are resident in Switzerland.

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

Changes to General Management

At the level of General Management, Mr. Walter Mathis, member of General Management and Head of Shared Services, retired as of 30 April 2025.

Over the course of his tenure, he was instrumental in designing and implementing a robust and tailored governance and organisational framework for the Group, thereby making a significant contribution to the Bank's operational resilience and structural maturity.

He was succeeded by Mr. Ertugrul Tuefekçi, who assumed the role within General Management.



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 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. In 2004 was appointed as Executive Director and served until 2011. Thereafter, he continued as non-executive director. He was appointed as a Director and Chairman of the Board of Directors of Habib Bank Zurich (Hong Kong) Ltd. in November 2006, a subsidiary of Habib Bank in Hong Kong SAR. In 2016, he was elected as Chairman of the Board of Directors of Habib Metropolitan Bank Ltd., a subsidiary of Habib Bank in Pakistan. Between 2012 and 2016 he served as a member of the Board of Directors of HBZ Bank Ltd., a subsidiary of Habib Bank in South Africa. Before joining Habib Bank, 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, 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
Head of Asian Markets, Canada & South Africa

Professional history and education

Mohsin Ali Nathani became the Head of Asian Markets, Canada & South Africa in August 2023 and member of General Management of Habib Bank 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 Group Marketing & Communication operational units. He also serves on the Board of Directors of four subsidiaries of Habib Bank: Habib Metropolitan Bank Ltd. (Pakistan), Habib Canadian Bank (Canada), Habib Bank Zurich (Hong Kong) 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 President & CEO of Habib Metropolitan Bank Ltd. Prior to that, he served as CEO of Standard Chartered, in Pakistan and later in the United Arab Emirates, where he was approved by the then Financial Services Authority (United Kingdom) for "Significant Influence Function". Between 2007 and 2010, he was the Commercial Banking Director (Emerging Markets) at Barclays (United Arab Emirates), and subsequently, the Country Head & Managing Director at Barclays (Pakistan). Between 2000 and 2007, he 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, he 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
Head of Shared Services

Professional history and education

Ertugrul Tüfekçi has been a member of General Management of Habib Bank since February 2025 and has served as Head of Shared Services since May 2025. In this role, he 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, 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 recognized as 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, Switzerland and is a Swiss Certified Public Accountant.



Arif Usmani

Pakistani, born 1957

Member of General Management
Group Chief Risk Officer

Professional history and education

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

Arif Usmani has over 40 years of working experience 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, he served as president and CEO of the National Bank of Pakistan (Pakistan's second-largest commercial bank) from 2019 to 2022. Prior to that, from 2017 he held the position of Chief Risk Officer at Mashreq Bank in Dubai, United Arab Emirates and Group Head of Wholesale Banking at Abu Dhabi Islamic Bank in Abu Dhabi, United Arab Emirates (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, United Kingdom 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
Haroon Ahmad	1975	Pakistani	Group Chief Strategy Officer
Sheeza Ahmed	1988	Pakistani	Head of Group Marketing & Communication
Rizwan Arain	1969	Pakistani	Head of Group Information Security
Nadeem Baig	1972	British	Group Chief Human Resources Officer
Adeel Munir Butt	1981	Pakistani	Group Sustainability Officer
Umair Chaudhary	1968	British	CEO HBZ Services
Laurens de Nooyer	1982	Dutch	Head of Group Credit
Dario Gigante	1979	Swiss	Head of Group Market & Liquidity
Nauman Khan	1977	Pakistani	Head of Group Credit Enterprise Risk
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
Ali Zaidi	1970	Pakistani / British	Head of Group Internal Audit

Management report

Economic environment

The global economy was confronted with multiple economic and geopolitical shocks in 2025, yet continued to demonstrate remarkable resilience. Consequently, global growth remained broadly steady, sustaining a solid pace of expansion comparable to that of the previous year.

The principal source of volatility arose from the wide-ranging tariffs introduced by the new US administration in early April. Although these measures were swiftly suspended pending negotiations, the effective average US tariff rate temporarily increased sevenfold. Additional policy announcements further weakened business and consumer sentiment.

Several countervailing forces supported global activity. Oil prices declined amid subdued demand and increased OPEC+ production. The US dollar (USD) depreciated, reflecting concerns regarding long-term US stability, while numerous economies adopted more accommodative monetary stances. As the anticipated tariff-related inflationary pressures failed to materialize, the US Federal Reserve resumed its easing cycle in September, implementing three additional rate cuts. The USD subsequently stabilized from mid-year onward as trade tensions moderated.

Commodity markets delivered a mixed performance, characterized by lower energy prices and pronounced gains in precious metals.

The economic performance of our core markets reflected the global backdrop.

Pakistan, which continued to represent our most important market by a considerable margin, exemplified the broader resilience observed in 2025. Despite a brief military exchange with India and severe seasonal floods, the economy sustained its positive growth trajectory. With price pressures easing and inflation returning to the State Bank of Pakistan's (SBP) target range, the SBP was able to reduce interest rates to their lowest level in nearly four years. Effective policy management by the government mitigated much of the impact of the US tariff measures. The repercussions were further limited by the fact that many competitors in the key textile sector faced substantially higher tariff rates. Pakistan's external accounts – long its most persistent vulnerability – improved markedly, enabling the country to record its first current account surplus in fourteen years. The ongoing constructive engagement with the IMF and key bilateral partners, particularly China and Gulf Cooperation Coun-

cil member states, played an essential role in sustaining external financing. Reflecting this improved macroeconomic stability, rating agencies upgraded the country's sovereign credit rating. Meanwhile, the SBP succeeded in maintaining currency stability for a second consecutive year.

The United Arab Emirates continued to benefit from its steadily declining dependence on the oil sector. The economy recorded another year of robust growth and likely exceeded its 2024 performance, despite the sharp fall in global crude oil prices. The real estate sector experienced a surge in activity, while broader non-oil sectors also expanded strongly, supported by government initiatives aimed at positioning the country as a regional hub for emerging industries, including artificial intelligence and related technologies.

In 2025, Hong Kong SAR's real GDP finally surpassed its 2019 level, supported by resilient export performance and a rebound in household consumption. The financial services sector also made a significant contribution, buoyed by strong private banking inflows and a series of sizeable IPOs. The sharp depreciation of the USD earlier in the year prompted sustained interventions by the Hong Kong Monetary Authority to maintain the currency peg.

The United Kingdom experienced another year of subdued growth as the economy continued to grapple with structural headwinds and strained public finances. Persistently elevated inflation delayed – but ultimately did not prevent – the Bank of England from lowering its base rate four times over the course of the year.

Switzerland was adversely affected by exceptionally high US reciprocal tariffs. However, exemptions for pharmaceutical products, a key export category, and successful negotiations helped reduce the effective tariff burden, limiting the impact on overall economic performance. The strength of the CHF and the return of low inflation led the Swiss National Bank to reduce its policy rate back to zero.

Canada narrowly avoided a technical recession mid-year, hit by the trade tensions with its southern neighbor. The Bank of Canada reduced its policy rate four times during the year to support the economy, concluding its easing cycle in December at a level deemed sufficient to anchor inflation expectations.

South Africa recorded a third consecutive year of economic expansion, albeit at a modest pace. Lower domes-

tic interest rates, reduced oil prices, and improved business sentiment supported activity across most sectors. The government maintained a prudent fiscal posture and implemented several important supply-side reforms. Reflecting confidence in the country's shift toward a more stable price environment, the South African Reserve Bank introduced a new three-percent inflation target.

Economic activity in Kenya remained robust, with growth likely reaching levels comparable to the previous year. Lower oil prices eased pressure on external accounts, while declining inflation provided the Central Bank of Kenya with scope for additional rate reductions.

Banking industry

The global banking industry recorded another year of robust revenue and income growth in 2025. Although gradually declining interest rates exerted pressure on net interest margins, strong volume growth and disciplined cost management helped preserve good profitability. Institutions generally reported solid business flows across most major segments, with buoyant capital-market conditions supporting private-banking, asset-management, and investment-banking activities.

Despite uncertainty stemming from the new US tariff regime, trade-finance volumes proved resilient. The moderation in US–China trade flows was largely offset by increased activity in other regions. The macroeconomic environment – more volatile overall, yet still broadly supportive – helped contain the rise in non-performing loans, even as late payment and delinquency rates increased in certain markets and business segments.

Several consecutive years of strong performance left most banks well capitalized, and the stress tests conducted in 2025 revealed no systemic vulnerabilities in major jurisdictions. Favorable capital-market conditions ensured continued access to funding at competitive terms. Meanwhile, deregulation efforts in the United States revived expectations that regulatory pressures may have peaked, although substantial differences in supervisory requirements persisted, particularly for institutions operating in markets committed to fully implementing the Basel III framework.

The industry's evolving competitive landscape continued to place significant pressure on established banks to maintain high levels of investment, especially in technology. This included substantial commitments to artificial intelligence (AI) and AI-enabled services. Private lending, which recorded another year of exceptional expansion, further challenged the traditional bank-led credit model. At the same time, decentralized finance solutions built on blockchain technology gained traction as credible alternatives to conventional payment and settlement systems.

Operational performance and outlook

Income statement

The global economy was confronted with multiple economic and geopolitical shocks in 2025, yet continued to display notable resilience. Against this backdrop, the Group's income was adversely affected by pronounced volatility in foreign exchange markets, in particular the depreciation of the USD. While non-interest income recorded a modest increase, this was not sufficient to fully offset the decline in interest-related business. Operating expenses were closely monitored and remained broadly in line with budgeted levels.

The "Gross result from interest operations" for 2025 was shaped by a still-elevated, but gradually normalizing, interest rate environment and amounted to CHF 444.3 million, remaining below the prior year's level of CHF 489.0 million (–9.1%). Total interest, discount and dividend income of CHF 835.1 million reflected a decrease of CHF 299.4 million (–26.4%) compared with the prior year's income of CHF 1,134.6 million, while "Interest expense" decreased by CHF 254.8 million (–39.5%).

Overall, in 2025, the "Result from commission business and services" increased slightly by CHF 0.2 million to CHF 86.9 million. "Commission income from securities trading and investment activities" rose by CHF 0.8 million (8.3%), "Commission income from lending activities" declined by CHF 0.9 million (–2.5%), while "Commission income from other services" increased by CHF 0.7 million to CHF 52.5 million.

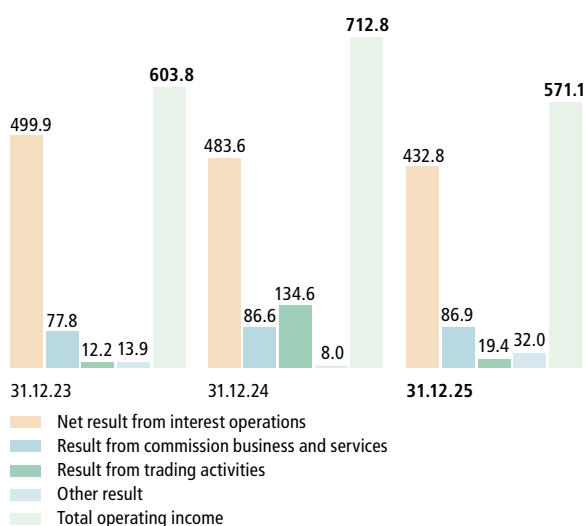
"Result from trading activities and the fair value option" decreased markedly by CHF 115.3 million to CHF 19.4 million. In 2025, the Group recognized a revaluation gain of CHF 22.0 million on "Other financial instruments at fair value" (2024: CHF 66.7 million). In light of continued financial market volatility, the volume of the Group's foreign exchange transactions remained high and the Group's foreign exchange result amounted to CHF 43.8 million, compared with CHF 40.7 million in 2024.

In 2025, total "Operating expenses" increased by CHF 18.6 million (5.5%) to CHF 297.6 million, compared with CHF 279.0 million in 2024. "Personnel expenses" remained broadly in line with the previous year, rising only slightly by CHF 4.4 million (2.5%) to CHF 182.7 million (2024: CHF 178.3 million). "General and admin-

istrative expenses" increased by CHF 14.2 million from CHF 100.7 million to CHF 114.9 million, mainly reflecting higher spending on information technology, telecommunications and other cost categories to support the Group's ambitious strategic objectives and, above all, to further enhance customer service.

The Group reported an "Operating result" of CHF 254.3 million in 2025 (2024: CHF 418.5 million), representing a year-on-year decrease of 39.2%. In line with this development, tax expenses declined by 25.4% to CHF 120.0 million, compared with CHF 160.9 million in 2024.

Operating income, in CHF million



Balance sheet

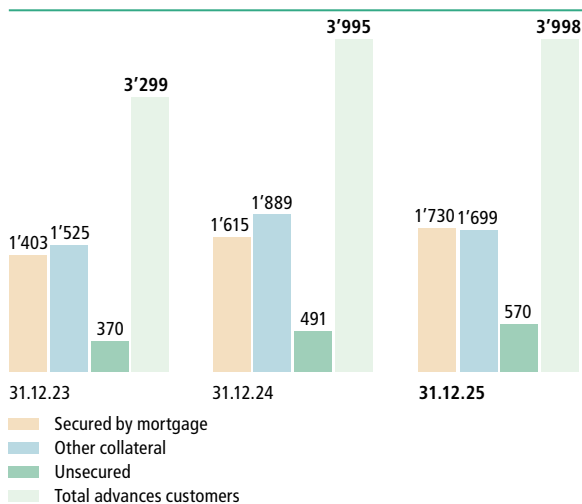
Total assets decreased by CHF 69.3 million (–0.6%) to CHF 12,431.2 million; on a local-currency basis, however, total assets increased by 10.1%. The balance of "Liquid assets" was above the level of 2024, increasing by CHF 43.1 million (3.2%) to CHF 1,405.7 million as of 31 December 2025, compared with CHF 1,362.6 million in 2024.

"Total loans to clients (after netting any value adjustments)" remained broadly stable year-on-year, amounting to CHF 3,998.2 million in 2025 versus CHF 3,994.9 million in 2024. Adjusted for foreign exchange effects, customer advances increased by 11.3% (further details are provided in note 2). More than 85% of the loan portfolio was secured or collateralized, underlining the prudent risk profile of the Group's lending activities.

“Amounts due in respect of customer deposits” increased by CHF 86.2 million (0.9%) to CHF 9,263.9 million. As of 31 December 2025, more than 90% of customer deposits were at sight, callable or due within one year.

Total equity decreased by CHF 37.1 million to CHF 1,486.1 million as of 31 December 2025, after a dividend distribution of CHF 79.3 million in 2025. The return on equity was 10.4% in 2025, compared with 14.3% in 2024. The equity stake of minority interests remained almost unchanged at 13.0% (2024: 12.9%).

Advances customers, in CHF million



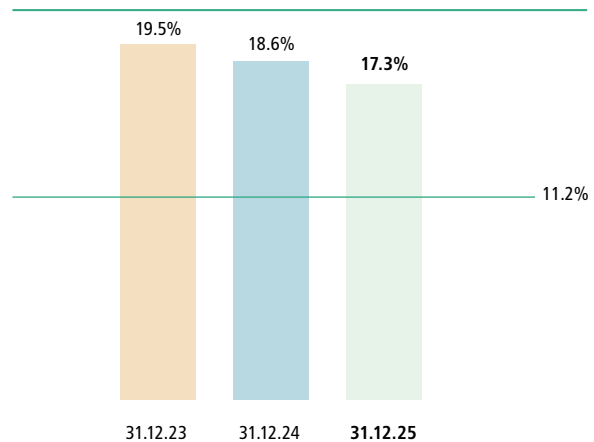
Capital and liquidity

In 2025, the Group continued to maintain a solid capital base and a comfortable liquidity position. The Group’s “Capital ratio” stood at 17.3%. The Group is classified as a Category 4 Bank by FINMA and is required to maintain a regulatory target capital ratio of at least 11.2%. The Group’s “Capital ratio” was thus 54.5% above the minimum capital requirement.

Consistent with previous years, the Group was ranked¹ by The Banker among the upper range of Swiss banks. The yearly weighted “Liquidity coverage ratio” amounted to 142.2% at Group level and was therefore well above the minimum requirement of 100% for the Group. Additional information is provided in the capital adequacy and liquidity disclosure as at 31 December 2025, available on the Group’s website (www.habib-bank.com/Group/home/GroupAboutus.html).

¹ Financial Times, The Banker, July 2025

Capital ratio



Risk assessment

The Board of Directors conducted its risk assessment of all major risks of Habib Bank and the Group in 2025.

Operations

In 2025, Habib Bank advanced its operational capabilities across the Group through targeted investments in technology platforms, shared services, and process standardization. A major milestone was the successful migration from the Google environment to the Microsoft ecosystem, providing a unified productivity platform that enhances collaboration, operational efficiency, and information-security capabilities across jurisdictions.

Operational processes were further standardized through the expansion of the Quality Assurance Centre of Excellence, which conducted cross-country quality reviews of account-opening documentation, KYC processes, and trade-based money-laundering controls. In parallel, the Group advanced its shared services operating model by launching parallel processing for Canada’s trade and account-opening activities through its service entity, HBZ Services.

During the year, the Group inaugurated a new Group Treasury dealing room in Zurich, enhancing the infrastructure supporting liquidity and treasury operations. Additionally, the HBZ+ digital platform in the United Arab Emirates was upgraded to enable real-time execution of bond and sukuk transactions.

The Group commenced the implementation of an enterprise risk-management platform that will initially

focus on key operational risk processes. This was complemented by the introduction of a centralized repository for Group governance documents on SharePoint, streamlining policy development and enabling consistent cross-team collaboration. In parallel, the Group continued to strengthen its operational continuity capabilities through scenario-based simulations and cross-functional crisis exercises, reinforcing Habib Bank's ability to maintain critical services during technology disruptions or cyber incidents.

Habib Bank also maintains robust operational discipline through compliance with internationally recognized standards, including successful completion of ISO 27001 surveillance activities, PCI DSS v4.0.1 certification, and ISO 9001 quality-assurance certification for Group Operations & Systems. Collectively, these initiatives support our goal of delivering efficient, secure, and scalable operational services while maintaining consistent standards across our international network.

Throughout the year, the Group advanced several strategic human capital initiatives aimed at strengthening organizational capability, governance, and employee experience. Significant progress was made toward selecting a Group-wide Human Resources Information System (HRIS), expected to improve workforce data visibility, streamline Human Resources processes, and support more informed decision making.

A comprehensive talent framework was also designed to introduce structured talent assessments, strengthen succession planning, and reinforce leadership behaviors aligned with Habib Bank's values. Learning and development initiatives were enhanced through tailored programs for specialized business segments and planned upgrades to the Group learning platform to promote continuous, flexible development.

The Group also continued to advance its diversity agenda, with the representation of women reaching 26.5% of the overall workforce.

Islamic banking

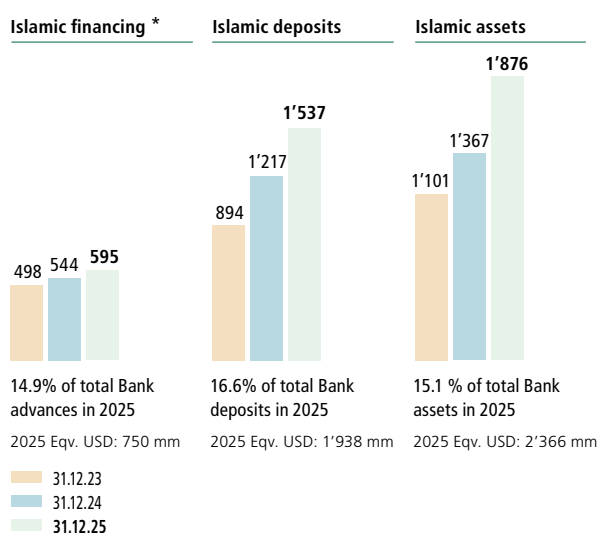
Islamic banking remains a strategic focus area for the Group, as we continue to leverage its expertise and network to offer innovative Shariah-compliant financial solutions that deepen existing customer relationships and cultivate new ones. Our Islamic banking brand,

SIRAT, provides values-aligned banking solutions across five core markets: Pakistan, the United Arab Emirates, South Africa, the United Kingdom, and Switzerland.

Over the past two decades, SIRAT has obtained numerous global accolades and recognitions, underscoring its commitment to upholding Shariah governance standards. The brand continues to strive for the highest levels of excellence by offering banking solutions that meet our customers' evolving needs.

We aspire to be at the forefront of the global Islamic banking sector, with continuous enhancement of internal capacity and expertise, and collaboration with industry peers.

Islamic deposits and advances customers, in CHF million



* These figures are included under total advances customers.

Environmental, social and governance (ESG)

Our consolidated ESG Report 2025 is published concurrently with this Annual Report 2025, as required by the Swiss Code of Obligations and in alignment with the Global Reporting Initiative (GRI) Standards.

The Group ESG Committee met eight times in 2025 to assess the sustainability of our business and oversee the preparation of our ESG Reports. Throughout the year, we continued to strengthen standardized processes for collecting, consolidating, and reporting Group-wide ESG data on energy consumption, GHG emissions, business travel, and water usage. We also expanded our reporting

framework to include the calculation of material use and waste and recycling across all entities.

Our focus remained on the same material topics as in the prior year, grouped into the following thematic clusters:

- Governance and business practices: governance, compliance and ethics; anti-corruption; client privacy; digitization and innovation; operational resilience and continuity; and procurement practices and supplier environment
- Products, services and financial investments: ESG investment advice, Islamic banking, community impact of credit activities, and Group financial investments
- People and planet: talent management: compensation and performance management; diversity, equal opportunity and inclusion; and climate change and decarbonization

In the ESG Report 2025, we introduced several important enhancements that strengthen the quality, transparency, and strategic relevance of our sustainability reporting. We incorporated the United Nations Sustainable Development Goals (SDGs) to demonstrate clearer alignment between our sustainability initiatives and globally recognized priorities. The layout and overall design of the report has been improved to provide a more accessible, user-friendly, and visually engaging experience for readers. We also enhanced our climate-related risk assessment by integrating an additional scenario, enabling a more comprehensive and forward-looking evaluation of potential impacts. From an investment perspective, we increased the share of green bonds in our financial investment portfolio, marking a key activity for 2025 and reinforcing our commitment to sustainable finance. Furthermore, we achieved our 2026 milestone one year ahead of schedule by reducing our Scope 1 and 2 GHG emissions – based on market-based calculations – thereby underscoring our dedication to measurable decarbonization progress.

Outlook

In 2026, the Group will focus on its future-ready talent pipeline, supported by strengthened leadership assessments, structured succession planning, and capability-development initiatives across key markets. Emiratisation in the United Arab Emirates and workforce-diversity priorities will remain embedded in workforce planning, complemented by efforts to promote cross-border talent mobility and the exchange of expertise across the Group. Greater emphasis will also be placed on performance-management excellence, including clearer objec-

tive-setting, effective scorecard cascades, and structured performance dialogues to reinforce accountability and drive results.

In parallel, the Group will advance its culture and capability agenda through targeted learning programs, enhanced digital learning access, and an employee engagement survey planned for Q4 2026. Further areas of focus include the evolution of the reward strategy, optimization of organizational design, workforce-efficiency initiatives, and continued investment in Human Resources infrastructure and strengthened business partnering capabilities to support long-term organizational capabilities.

The geopolitical and economic environment is expected to remain volatile in 2026, driven in particular by the ongoing conflict in Iran and its broader regional implications. Global markets are likely to experience continued uncertainty, affecting energy prices, supply chains, and investor sentiment. Despite these external pressures, we anticipate stable operational performance supported by our disciplined governance framework. Our prudent and proactive risk management approach positions us well to navigate heightened volatility and maintain resilience. As a result, we remain confident in our ability to deliver sustainable performance amid challenging conditions.



Lansdowne Bridge, Pakistan

Consolidated financial statements of the Group

Group financial statements

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Consolidated balance sheet

in CHF 1'000	Note	31.12.25	31.12.24	+/- %
Assets				
Liquid assets		1'405'712	1'362'633	3.2%
Amounts due from banks		1'354'645	1'293'926	4.7%
Amounts due from securities financing transactions	1	28'693		
Amounts due from customers	2	3'456'258	3'470'922	-0.4%
Mortgage loans	2	541'956	523'945	3.4%
Trading portfolio assets	3	89'162	128'305	-30.5%
Positive replacement values of derivative financial instruments	4	18'610	18'240	2.0%
Other financial instruments at fair value	3	1'980'800	2'217'865	-10.7%
Financial investments	5	2'826'133	2'943'008	-4.0%
Accrued income and prepaid expenses		404'114	315'030	28.3%
Non-consolidated participations	7	77	77	0.0%
Tangible fixed assets	8	92'510	98'123	-5.7%
Other assets	9	232'501	128'391	81.1%
Total assets		12'431'170	12'500'465	-0.6%
Total subordinated claims		31'152	91'559	-66.0%
Liabilities				
Amounts due to banks		503'921	543'332	-7.3%
Liabilities from securities financing transactions	1	640'698	797'107	-19.6%
Amounts due in respect of customer deposits		9'263'868	9'177'641	0.9%
Negative replacement values of derivative financial instruments	4	22'416	16'611	34.9%
Accrued expenses and deferred income		441'746	358'691	23.2%
Other liabilities	9	57'536	75'135	-23.4%
Provisions	12	14'912	8'739	70.6%
Reserves for general banking risks	12	523'862	545'986	-4.1%
Bank's capital		150'000	150'000	0.0%
Retained earnings reserves		463'438	432'303	7.2%
Minority interest in equity		192'492	196'757	-2.2%
Group profit		156'281	198'163	-21.1%
of which minority interests in Group profit		37'497	44'029	-14.8%
Total liabilities		12'431'170	12'500'465	-0.6%

Consolidated off-balance sheet transactions

in CHF 1'000	Note	31.12.25	31.12.24	+/- %
Off-balance sheet transactions				
Contingent liabilities	2, 19	1'581'685	1'716'334	-7.8%
Irrevocable commitments	2	1'248	1'237	0.9%
Credit commitments	2, 20	136'260	157'337	-13.4%

Consolidated income statement

in CHF 1'000	Note	2025	2024	+/- %
Result from interest operations				
Interest and discount income		401'756	498'051	-19.3%
Interest and dividend income from trading portfolios		16'510	18'754	-12.0%
Interest and dividend income from financial investments		416'871	617'769	-32.5%
Interest expense		-390'809	-645'588	-39.5%
Gross result from interest operations		444'327	488'986	-9.1%
Changes in value adjustments for default risks and losses from interest operations		-11'502	-5'430	111.8%
Subtotal net result from interest operations		432'824	483'556	-10.5%
Result from commission business and services				
Commission income from securities trading and investment activities		9'867	9'109	8.3%
Commission income from lending activities		33'932	34'813	-2.5%
Commission income from other services		52'487	51'834	1.3%
Commission expense		-9'435	-9'138	3.2%
Subtotal result from commission business and services		86'851	86'618	0.3%
Result from trading activities and the fair value option	22	19'359	134'630	>-500%
Other result from ordinary activities				
Result from the disposal of financial investments		20'217		100.0%
Result from real estate		170	462	-63.2%
Other ordinary income		11'655	8'824	32.1%
Other ordinary expenses			-1'316	-100.0%
Subtotal other result from ordinary activities		32'042	7'971	302.0%
Operating income		571'077	712'775	-19.9%

in CHF 1'000	Note	2025	2024	+/- %
Operating expenses				
Personnel expenses	23	-182'695	-178'256	2.5%
General and administrative expenses	24	-114'863	-100'707	14.1%
Subtotal operating expenses		-297'558	-278'963	6.7%
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets		-13'994	-13'640	2.6%
Changes to provisions and other value adjustments and losses		-5'216	-1'631	219.7%
Operating result		254'310	418'541	-39.2%
Extraordinary income	25	2'149	5'323	-59.6%
Change in reserve for general banking risks		19'747	-64'837	
Taxes	27	-119'925	-160'863	-25.4%
Group Profit		156'281	198'163	-21.1%
of which minority interests in Group profit		37'497	44'029	-14.8%

Consolidated cash flow statement

in CHF 1'000	2025		2024	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from operating activities				
Group profit	156'281		198'163	
Change in reserves for general banking risks		19'747	64'837	
Value adjustments on participations, depreciation and amortisation on tangible fixed and intangible assets	13'994		13'640	
Provisions and other value adjustments	7'986	1'814	3'275	1'055
Changes in value adjustments for default risks and losses	24'513	42'080	42'036	34'001
Currency translation differences		94'362	61'561	
Accrued income and prepaid expenses		89'084		74'987
Accrued expenses and deferred income	83'055		86'000	
Previous year's dividend		79'307		58'439
Total	285'829	326'394	469'512	168'482
Cash flow from shareholder's equity transactions				
Share capital				
Recognised in Reserves				
Total				
Cash flow from transactions in respect of non-consolidated, tangible fixed assets and intangible assets				
Real estate	6'793	5'345		11'432
Other tangible fixed assets	1'749	13'123		17'339
Total	8'543	18'467		28'770

in CHF 1'000	2025		2024	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from the banking operations				
Medium- to long-term business (> 1 year)				
Amounts due to banks		11'386		3'453
Liabilities from securities financing transactions				69'680
Amounts due in respect of customer deposits		4'707		11'832
Other liabilities		17'599		10'766
Amounts due from banks	7'559		793	1'157
Amounts due from customers	21'954			313'384
Mortgage loans		12'692		100'758
Trading portfolio assets	33'555			61'301
Financial investments	117'313		17	173'139
Other assets		104'110		10'670
Short-term business				
Amounts due to banks		28'025		76'093
Liabilities from securities financing transactions		156'409	126'795	
Amounts due in respect of customer deposits	90'933		853'942	
Negative replacement values of derivative financial instruments	5'805		3'242	
Amounts due from banks		65'543		76'829
Amounts from securities financing transactions		28'693	219	
Amounts due from customers	3'406			294'358
Mortgage loans	4'617		5'301	
Trading portfolio assets	5'588			67'004
Positive replacement values of derivative financial instruments		369		8'691
Other financial instruments at fair value	237'065		246'442	
Financial investments		107		106'829
Currency differences		4'588		1'706
Liquidity		43'078		121'360
Liquid assets		43'078		121'360
Total	822'167	822'167	1'706'261	1'706'261

Consolidated statement of changes in equity

in CHF 1'000	Bank's capital	Retained earnings reserves	Reserves for general banking risks	Minority interests in equity	Group profit	Total
At 1.1.2024	150'000	311'892	495'431	142'451	157'312	1'257'086
Transfer of profits to retained earnings		112'614		44'698	-157'312	
Currency translation differences		43'797		17'764		61'561
Dividends and other distributions		-36'000		-22'439		-58'439
Other allocations to / (transfers from) the reserves for general banking risks			50'555	14'282		64'837
Group profit					198'163	198'163
At 31.12.2024	150'000	432'303	545'986	196'757	198'163	1'523'208

Retained earnings reserve includes currency translation differences of CHF -212.1 million, which increased during 2024 by CHF 43.8 million.

At 1.1.2025	150'000	432'303	545'986	196'757	198'163	1'523'208
Transfer of profits to retained earnings		154'134		44'029	-198'163	
Currency translation differences		-62'999		-31'363		-94'362
Dividends and other distributions		-60'000		-19'307		-79'307
Other allocations to / (transfers from) the reserves for general banking risks			-22'124	2'377		-19'747
Group profit					156'281	156'281
At 31.12.2025	150'000	463'438	523'862	192'492	156'281	1'486'073

Retained earnings reserve includes currency translation differences of CHF - 275.1 million, which decreased during 2025 by CHF 63.0 million.



Nairobi Railway Bridge, Kenya

Notes to the consolidated financial statements

Accounting and valuation principles

General

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Swiss Code of Obligations, the Federal Act on Banks and Savings Banks, its Ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – Banks". The Group's consolidated financial statements have been prepared in accordance with the true and fair view principle. The Group's accounting policies follow the accounting and valuation principles defined in the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – Banks".

Consolidation principles

Scope of consolidation

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

Method of consolidation

The Group uses the purchase method to perform capital consolidation. The interests in equity and profit or loss attributable to minority shareholders are disclosed separately. Intra-Group assets and liabilities and 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 (CHF).

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:

	31.12.25	31.12.24
1 USD	0.793	0.903
1 GBP	1.067	1.135
100 AED	21.590	24.588
100 PKR	0.283	0.324
100 ZAR	4.772	4.806

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

	2025	2024
1 USD	0.835	0.879
1 GBP	1.098	1.124
100 AED	22.722	23.933
100 PKR	0.296	0.316
100 ZAR	4.670	4.783

Accounting and valuation principles

The Group and Habib Bank apply the same accounting and valuation principles. The financial statements of all Group companies used for consolidation comply with the accounting and valuation principles outlined below.

Recording of transactions

Transactions are recorded and measured on the day they occur (transaction date). Prior to the value date, forward foreign exchange and precious metal transactions are carried as off-balance sheet business. Receivables and payables are disclosed according to the customer's domicile or residential address.

Liquid assets

Liquid assets consist of cash in hand, postal cheque balances, giro and sight deposits at the Swiss National Bank and foreign central banks. These items, including interest due but not paid, are recognized at the nominal value.

Amounts due from and due to banks

Amounts due from and due to banks, including interest due but not paid, are recognized at the nominal value. Appropriate allowances are created for default risks on existing positions and directly deducted from assets.

Amounts due from and liabilities from securities financing transactions

The Group buys and sells securities under agreements to resell or repurchase substantially identical securities. Such agreements do not normally constitute economic sales and are therefore treated as financing transactions. Securities sold subject to such agreements continue to be recognized in the balance sheet. The proceeds from the sale of these securities are treated as liabilities. Securities purchased under agreements to resell are recognized as loans collateralized by securities, or as cash deposits against which the Group's securities are pledged.

Amounts due from customers, mortgage loans and amounts due in respect of customer deposits

These items, including interest due but not paid, are recognized at the nominal value. All customer loans are assessed individually for default risks and, where necessary, value adjustments made in accordance with Group policy. These value adjustments take into account the value of any collateral (at liquidation values) and the financial standing of the borrower. They are offset against the corresponding assets.

Several Islamic banking branches across the Group maintain "Assets held under Ijarah" agreements. Acquired assets under this agreement are stated at cost less any accumulated depreciation and impairments.

Value adjustments for default credit risks and expected loss

Besides the specific value adjustments for non-performing credit exposures, the Group calculates expected credit losses (ECL) and creates respective provisions. Principles are applied in accordance with the local regulations of the operating countries.

Value adjustments on non-impaired credit exposures are determined individually or on a portfolio basis according to Art. 25 para. 1 let. a FINMA Accounting Ordinance. Value adjustments for expected loss correspond

to the expected loss over the period of the lifetime of the underlying product. The calculation method takes into consideration the probability of default of the counterparty based on internal and external default history, the loss given default based on expert judgement, the value of collateral provided and the estimated exposure at default. Furthermore, based on the macroeconomic outlook a forward-looking element is built into these models. Although these models are based on the same concept according to IFRS 9 guidance, they are tailored to each of the operating countries with the respective relevant parameters. Probability of default and loss-given default are average values measured through the cycle without point-in-time adjustments.

Value adjustments and provisions for expected loss are determined for all credit exposures arising from mortgage loans, due from customers, due from banks and held to maturity financial investments. Off-balance sheet exposures comprise contingent liabilities and irrevocable commitments such as unused credit facilities. Such off-balance sheet exposures are converted into cash exposures using regulatory credit conversion factors.

Non-performing credit exposure is recognized when an obligor is unlikely to pay its credit obligations to the Group in full and without any possibility of recourse by the Group (e.g. when realizing collateral) or if the obligor is 90 days or more past due on any material credit obligation. The assessment of whether a credit exposure is non-performing is made at counterparty level (entailing all exposures of the respective entity), with the exception of Pakistan, where local regulations allow for provisions at facility level. Staging criteria are defined in the Group's Directives and according to the exposure category.

Credit receivables, whose interest and commissions are more than 90 days overdue are considered to be at risk. Interest at risk and interest which is impaired are not recognized as income but deducted from the respective asset, together with the value adjustment against the capital amount.

The Group has set out the methods, procedures and responsibilities for the valuation of collateral for loans in specific directives and procedures. The valuation of mortgage collateral is based on recognized valuation methods performed by certified external valuers including discounted cash flows and local comparables.

In all countries the Group assesses the expected loss calculation based on its main asset classes, which are customer advances, exposure to financial institutions and

bond investments. Bigger countries may have sub-classes such as retail and / or property lending exposure. A model for the probability of default, the loss given default and the respective forward-looking macro-economic element is designed for each of these asset classes, which together with the exposure assessment will lead to the respective expected credit loss calculation and value adjustment for expected loss. Furthermore, the Group has defined credit exposure staging criteria whereby Stage 1 is considered normal, Stage 2 is heightened credit risk / watch accounts and Stage 3 is impaired credit exposure. The models define the calculations for expected credit loss for each stage. In the case of Stage 3, every borrower is also individually examined for any potential shortfalls in value adjustments beyond the model calculation.

In 2025, Switzerland, as the final country within the Group, implemented the ECL methodology, resulting in the recognition of additional value adjustments amounting to CHF 1.3 million.

Trading portfolio assets and liabilities

These items consist mainly of debt instruments. They are valued at fair value as of the balance sheet date. Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent parties. This corresponds to the price set on a price-efficient and liquid market or determined based on a valuation model. Where, as an exception, fair value is indeterminate, it is measured and recognized at the lower of cost or market value.

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are valued at fair value. In general, replacement values of derivative financial instruments from customer transactions resulting from contracts traded over-the-counter as well as exchange-traded contracts are accounted for. Replacement values from trading activities are accounted for under "Positive replacement values of derivative financial instruments" on the assets side or the "Negative replacement values of derivative financial instruments" item on the liabilities side. Valuation gains are recognized through income in the item "Results from trading activities and the fair value option".

Other financial instruments at fair value

"Other financial instruments at fair value", which are traded on an active market, which meet the conditions for an assessment at fair value according to Art. 15 FIN-MA Accounting Ordinance and which are not intended

to be held until maturity are valued according to this principle.

Financial investments

"Financial investments" consist mainly of debt instruments. The majority of these are acquired with the intention of being held until maturity and are hence carried at cost adjusted for the amortization of premiums and discounts using the accrual method.

The remaining investments in this position are valued at the lower of cost or market value principle. This position also includes some equity interests and real estate which has been acquired from the lending business for resale; these are valued at the lower of cost or market value.

Derivative financial instruments

Derivative financial instruments consist entirely of trading instruments which are reported at fair value. The realized and non-realized gains and losses from these transactions are reported under "Result from trading activities and the fair value option".

The Group had no significant open derivative transactions on its own account as of the balance sheet date. Positive and negative replacement values of open derivative financial instruments are shown in the balance sheet as a separate line item. The respective contract volumes are shown in note 4.

Non-consolidated participations

Long-term holdings in associated companies, none of which exceed 10%, are valued at cost less any economically necessary depreciation.

Tangible fixed assets

"Tangible fixed assets" used for more than one accounting period and which exceed the thresholds defined by the Group are capitalized. In this case, they are depreciated on a straight-line basis over the period of their estimated useful lifetime. Estimated life times have been set as follows:

Bank buildings and other real estate	25–50 years
Proprietary or separately acquired software	3–5 years
Other tangible fixed assets	3–10 years

No depreciation is charged on land except where value adjustments have been made to allow for a reduction in market value. The "Tangible fixed assets" are reassessed whenever circumstances suggest that their value may have fallen below their book value.

Intangible assets

Other intangible assets include management rights used for more than one accounting period and which exceed the thresholds defined by the Group are capitalized, and is written off over five years on a straight-line basis.

Provisions

The Group records "Provisions" to cover specific risks that are based on a past event that represent a probable obligation and for which the amount can be reliably estimated.

Default risks in connection with off-balance sheet transactions in the positions "Contingent liabilities" and "Irrevocable commitments" that are not considered impaired are accounted for through provisions for latent credit risks.

Reserves for general banking risks

These taxed reserves are held in line with the Group's prudent policies as precautionary reserves to hedge against latent risks in the Group's operating activities.

The reserves for general banking risks are subject to tax. They form part of the "Common equity Tier 1 capital" of the Group.

Off-balance sheet transactions

"Contingent liabilities" relate mainly to irrevocable commitments originating from letters of credit and guarantees. These are generally fully secured. Necessary provisions are recorded on balance sheet under "Provisions". Contingent liabilities, together with irrevocable commitments and credit commitments, are recorded at their nominal value.

Fiduciary transactions are converted into Swiss francs at the rates prevailing on the balance sheet date and are shown at nominal value.

Taxes and deferred taxes

The income statement item "Taxes" comprises current and deferred income taxes as well as capital tax.

Income taxes are based on the tax laws of each jurisdiction and are expensed in the period in which the related profits are made. Deferred taxes arising from temporary differences between the stated values of assets and liabilities in the consolidated financial statements and their corresponding tax values are recognized as deferred tax assets or deferred tax liabilities. Deferred tax assets are capitalized if it is likely that there will be enough taxable profit to offset these differences in the future.

Pension fund commitments

In Switzerland, the occupational benefit plans are covered by Allianz Suisse Insurance Company. All employees are insured in accordance with the law, the foundation document and the regulations of the benefit plan. In the other countries, pension liabilities are covered by insurance companies or are posted directly to the balance sheet. The employer contribution is included under "Personnel expenses".

Amounts due from/to related parties

Receivables and payables from governing bodies include credit lines to members of the Board of Directors and members of General Management. These transactions have been executed in accordance with the current internal regulations on employee loans, advances and deposits.

Receivables and payables from related parties are included in note 13.

Explanations of risk management

Risk & Control Framework

The Group is exposed to a wide array of risks as it pursues its strategy to achieve its business objectives. These risks may impact its financial, business, regulatory and reputational status. Hence, the risk management function is an integral part of the Group business model and is intended to protect its franchise, reputation and capital.

The Group's Risk & Control Framework is the cornerstone of its risk management and control policies. It provides the basis for identifying, assessing and effectively managing risks within the Group. Furthermore, the Risk & Control Framework assigns the overall responsibility for a particular risk class, defines who manages each risk type and performs independent risk control.

Risk governance

The Board of Directors is responsible for the strategic direction, supervision, and risk control of the Group, and for defining its overall risk tolerance by means of a risk appetite statement and overall limits. The Board of Directors is supported by:

- the RCC in fulfilling its oversight responsibilities by providing guidance regarding risk governance and the Group's risk profile, including the regular review of major risk exposures and overall risk limits;
- The AC in fulfilling its oversight responsibilities by monitoring the General Management's approach with respect to financial reporting, and the design

and effectiveness of internal controls regarding financial accounting and reporting. Additionally, the AC is responsible for ensuring independence and monitoring the performance of Group Internal Audit as well as the external auditors.

On an operational level, the Group operates with the three lines of defense model i.e., the first line of defense covering business and revenue generation, the second line of defense providing independent risk management and risk control oversight, and the third line of defense providing assurance reviews as internal audit. All these functions are independent of one another and have distinct reporting lines to the General Management and the Board of Directors.

Furthermore, a clear distinction is made between “risk owners”, “risk managers” and “risk controllers”:

- risk owners keep oversight and bear the overall responsibility for the management of specific risk classes or risk types;
- risk managers focus on monitoring and proactive management of risk. They initiate risk management measures and can recommend changes in the risk profile of businesses and activities;
- risk controllers independently monitor and assess risk as well as highlight deviations from target risk parameters and non-compliance with policies.

The Group Chief Risk Officer (GCRO) is a member of General Management and develops and monitors the Group-wide framework for risk identification, assessment, management, monitoring and reporting within the risk tolerance for the Group’s various business activities. The GCRO accomplishes this mission as an independent function ensuring that the entities engaged in business activities are aware of the prevailing and potential risks. The GCRO directly oversees credit, market, liquidity and operational risks and is a member of other risk committees covering compliance, legal, technology and information security risk.

Risk management principles

The following general principles are applied to maintain an appropriate balance between risk and return:

- Safeguard the financial strength of the Group by monitoring risk exposures and avoiding potential risk concentrations at individual exposure levels, at specific portfolio levels and at an aggregate Group-wide level across all risk classes;
- Protect the Group’s reputation through a sound risk culture characterized by a holistic and integrated view

of risk, performance, and reward, and through full compliance with the Group’s standards and principles;

- Systematically identify, classify, and measure risks using best practices. A Group Risk Assessment exercise is formally performed annually, which encompasses all risk classes and subsequently allows management to focus on agreed significant risk types
- Ensure management accountability, whereby Business Line Management owns all risks assumed and is responsible for the active management of all risk exposures to ensure that risk and return are balanced;
- Set up independent risk control functions or units, which monitor the effectiveness of risk management and oversee risk-taking activities;
- Disclose risks to the Board of Directors, regulators, and other stakeholders in a comprehensive and transparent manner.

Internal controls

Internal controls are processes and instruments employed to monitor and control operational and other business risks. In order to continuously enhance the Group’s internal control system and the effectiveness of controls, the results of current control processes are reviewed and the outcome of the Group’s operational risk management processes is considered. The organizational units responsible for internal controls work closely with other organizational units within the Group.

Credit risk

Credit risk is the probability of a financial loss resulting from an obligor’s failure to service its obligations to the Group in line with contractually agreed terms. ECL is a function of the probability of default, the loss in the event of a default, and the exposure at default.

Within credit risk, the Group distinguishes the following risk types: client credit risk, issuer credit risk, counterparty credit risk, country risk (including cross-border / transfer risk), settlement risk and credit concentration risk.

The Group Credit Management Committee (GCMC) is responsible for credit risks in general and for individual credit decisions that exceed the approval authority of the respective Country Credit Management Committees. The Group manages its credit risk in a conservative manner premised on a rigorous process of evaluating target industries followed by an analysis of the creditworthiness of obligors, after which appropriate credit limits are set for each obligor and economic group. Where possible, risk is mitigated via collateral, third-party guarantees, and other measures as deemed necessary. For each col-

lateral type, a minimum haircut is defined in order to account for the volatility in market value and the expected liquidation period according to the nature and liquidity of the collateral.

The Group's credit risk appetite is defined and monitored through a comprehensive system of credit limits which are approved within policies, guidelines, and credit programs.

During 2025, the Group successfully implemented the Moody's CreditLens rating model covering its commercial lending operations in all countries. This model is used to derive an Obligor Risk Rating (ORR) based on both quantitative and qualitative factors. Credit limits are approved on the basis of ORRs and the amount of proposed exposure with consideration of additional special risks with elevated approval requirements if such risks are deemed relevant. Personal credits are usually only granted on a fully collateralized basis. Collateral coverage is monitored on a regular basis and according to the prevailing market conditions.

An adequate and clear segregation of duties is established among the various organizational units involved in the acquisition of credit business, the analysis and approval of a credit request, and the subsequent administration of the exposure.

Bank counterparties, issuers and sovereigns are analyzed according to their financial performance and their external rating. Approximately 69% of the credit exposure to financial institutions is of investment grade quality. The remaining 31% consists mainly of short-term trade finance exposure in emerging markets and is monitored within a set of defined counterparty and country limits.

With regard to non-performing loans, the Group is in a comfortable position. After considering collateral at market value and specific value adjustments for default risks, the net unsecured and unprovided position as at the end of December 2025 was negligible.

The Group has adopted an ECL concept in accordance with IFRS 9 guidelines in all country operations. Therefore, the concept of providing for expected loss is well established. During 2025, CHF 8.8 million of provisions for expected loss were released, reaching a total of CHF 44.4 million of ECL coverage, while the Group also holds CHF 102.0 million of specific provisions for actual non-performing loans.

Cross-border country risks are monitored regularly and mainly represent short-term trade finance exposure with – where possible – credit support from multinational development banks.

Liquidity risk

Liquidity risk is the risk of the Group in any of its jurisdictions, not being able to cover short-term financing needs at all times (e.g. due to the impossibility of replacing or renewing deposits, unexpected outflows of funds due to loan drawdowns, unforeseen delays in collecting on maturing assets etc.). Liquidity risk management ensures that the Group always has sufficient liquidity to meet all its payment obligations, even under stressed market conditions. In addition, liquidity risk tolerance defines strategies and requirements for managing liquidity risk under extreme situations. This essentially includes measures to reduce risk, maintaining a liquidity buffer by using highly liquid assets, and an emergency plan to deal with any liquidity shortfalls. The Group Asset & Liability Committee (GALC) is the highest management body responsible for comprehensive monitoring of liquidity and market risks across all entities of the Group.

The Group applies a prudent approach to liquidity risk management. Its advances and loans to customers are primarily of a short-term nature. Funding is primarily obtained through individual, commercial and corporate deposits, which while contractually being mainly sight or short-term, are behaviorally stable. Wholesale funding from professional counterparties is not significant and the overall mix of liabilities is considered well diversified. No single customer deposit accounts for more than 5% of the Group's total customer deposits. Excess liquidity is held as bank placements or financial investments. The latter primarily consist of bond portfolios of sovereign issuers or other high-quality issuers.

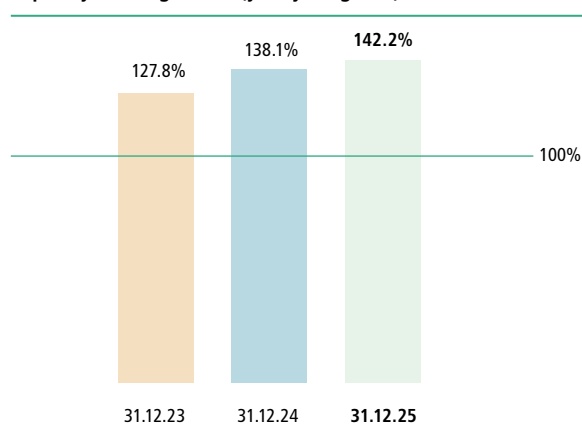
The contractual maturities of the Group's financial assets exceed the contractual maturities of the financial liabilities. However, when determining maturity gaps, the stickiness of deposits or economic maturities are considered, which significantly reduces the contractual gaps.

In general, the Group is exposed to potentially larger deposit outflows and sudden adverse market developments. Therefore, related scenarios have been analyzed as part of the liquidity stress tests performed throughout the Group. The stress test results showed that the liquid assets available could absorb projected outflows.

The diversification of refinancing sources and repo market access ensure that cash and cash equivalents are se-

cured and readily available when required. In addition, liquidity coverage ratio and net stable funding ratio targets have been defined for all local business entities. Funding and liquidity management are also performed on a decentralized basis. The short-term liquidity disposition and liquidity situation of individual countries are monitored by the respective country treasury functions. In addition, liquidity reserves are held both at the Group and at the country level, and contingency funding plans are in place for the Group as well as all branches and subsidiaries.

Liquidity Coverage Ratio (yearly weighted)



Market risk

Market risk is the risk of potential losses that may result from changes in the valuation of the Group's assets due to changes in various market parameters. The Group is mainly exposed to interest rate risk, foreign exchange risk, equity risk and – to a very limited extent – commodity risk as well as associated volatility and correlations.

The Group's market risk appetite is defined and monitored through a comprehensive system of market risk limits by the GALC. Furthermore, the Group regularly performs scenarios and stress tests for interest rate, foreign exchange and equity risks based on prevailing risk exposures.

The Group is exposed to interest rate risk due to interest periods set for loans made to customers which exceed the interest periods for customer deposits taken. To limit interest rate repricing risk, most customer advances are granted on a three- or six-month base rate plus a credit spread. In addition, branches and subsidiaries hold excess liquidity in bank placements or long-term financial investments. However, the interest rate risk related to long-term fixed-income instruments held in the financial investment portfolio is largely offset by the stable portion of customer deposits.

Behavioral deposit analyses are performed for all branches and subsidiaries, showing that a significant portion of deposits remain with the Group, even when interest rates move. The Group's Interest Rate Risk in the Banking Book (IRRBB) is the current and prospective risk to the Group's capital and earnings that may arise from adverse movements in interest rates with an impact on balance sheet positions. The IRRBB approach considers both the value and the earnings perspective. For IRRBB, the Economic Value of Equity (EVE) sensitivity limits have been defined by the Board of Directors. EVE sensitivity limits are in place for all countries and limit adherence is monitored by the GALC.

Foreign exchange risk may arise from exposure to foreign exchange rate fluctuations against the reference currency. For foreign exchange transaction risks, the Group pursues a risk-averse approach and aims to keep the potential foreign exchange losses to a minimum. The Group does not engage in proprietary foreign exchange trading. For foreign exchange translation risks, such as profits earned in the Group's foreign branches, capital and reserves held at the branches are subject to exchange rate risk. These risks are monitored at the Head Office, and projected profits are hedged as deemed appropriate. The Group analyses and projects the foreign exchange translation exposure which arises from its investments in foreign subsidiaries. The exchange rate movements on the net asset exposure of the subsidiaries give rise to revaluation gains and losses, which are included in consolidated equity.

The Group maintains a relatively limited equity investment portfolio with the aim to acquire and maintain high quality equities with stable business models in industry-leading positions and regular dividend flows. The Board of Directors approves the Group's risk limits for equities and adherence is monitored by the GALC.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events. These risks are inherent in all of the Group's business activities and may arise in any business line. The Group's approach to operational risk is governed by the Group's Risk & Control Framework and overseen at executive level through the Group Risk Control Committee (GRCC), with reporting and escalation to the Board of Directors and its RCC. The GRCC meets at least four times per year, or more frequently as required, and oversees the implementation and effectiveness of the Group's Operational Risk Management Framework, including the monitoring of residual risk exposures across

key operational risk sub-categories. The Board of Directors is supported through regular reporting, including the quarterly Group Risk Highlights Reports, and updates to the RCC at least annually as required.

Operational risks are identified and assessed through a structured risk management framework, drawing insights from the Group's internal risk events database, external event monitoring, and defined risk assessment processes. Operational risk events are recorded and reported in line with Basel operational risk event categories. For internal risk management purposes, the Group applies an enhanced operational risk taxonomy with defined sub-categories, supporting more granular identification, monitoring, trend analysis and reporting of operational risk exposures. To further strengthen risk identification and monitoring, the Group performs annual risk assessments for third-party risk, critical data risk and information security risk, including cybersecurity, complementing ongoing risk and control activities.

The Group manages operational risks through a comprehensive framework comprising key risk indicators, change risk assessments, risk self-assessments, scenario analyses, risk event management, and issue management with action tracking. This framework operates within an annually reviewed risk appetite statement and associated tolerance limits, which are presented to and approved by the Board of Directors. The Risk Appetite Framework includes defined strategies for monitoring, and managing key operational risk drivers, including information security, third party dependencies, business continuity, critical data and operational resilience in line with applicable regulatory expectations including those of FINMA.

Operational resilience considerations are embedded within the Group's operational risk management approach to support the identification of critical services and the ability to withstand and recover from disruptive events. This includes the management of critical data required to support the continuity of key services, third-party risk management practices supported by due diligence and ongoing monitoring, and business continuity arrangements that are regularly tested for effectiveness and relevance, including technological recovery capabilities.

Information security risk, including cybersecurity, is management as a core component of operational risk. The Group applies a risk-based approach to Information security, supported by defined governance, ongoing threat monitoring, security risk assessments, vulnerability and

penetration testing, and awareness initiatives for employees and customers. Information communication technology (ICT) risks are managed in support of business operations and information security objectives, with a continued focus on strengthening controls, monitoring capabilities and resilience.

The Group also maintains a Model Risk Management Framework to ensure the integrity and reliability of models used across the business.

The control environment is subject to regular review and enhancement, supported by risk avoidance, risk reduction, and risk transfer strategies including insurance where appropriate. The Operational Risk Framework continues to evolve to reflect regulatory developments, emerging risks and changes in the operating environment, reinforcing the Group's commitment to effective operational risk management and, resilience.

Legal and compliance risk

Legal risk is the risk that the Group may conduct activities or carry out transactions in which it is inadequately covered or is left exposed to potential litigation. Failure to meet legal requirements may result in unenforceable contracts, litigation, fines, penalties or claims for damages or other adverse consequences.

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation the Group may incur as a result of its failure to comply with laws, regulations, rules, related self-regulatory organizational standards and codes of conduct applicable to its banking activities.

Compliance risks relate to corporate governance matters and can arise in particular from risks related to money laundering, sanctions and financing terrorism. Other key compliance themes are bribery and corruption, client due diligence, client classification with regard to suitability and appropriateness of products, insider dealing and market abuse, conflicts of interest as well as regulatory reporting and notifications.

Measures aimed at minimizing legal and compliance risks include raising employee awareness of legal and regulatory issues through training and internal directives, and controls to ensure adherence to the legal and regulatory requirements within which the Group operates.

In line with the legal and regulatory environment of the industry, the Group has consistently invested in personnel and technical resources to ensure adequate compli-

ance coverage. A comprehensive framework of policies and regular specialized training sessions ensure that employees receive appropriate ongoing education and training in this area.

Reputational risk

Reputational risk is the risk that illegal, unethical or inappropriate behavior by representatives of the Group, employees or customers will damage the Group's reputation, potentially leading to a loss of business, or incurring fines or penalties.

The Group has established a Code of Conduct and promotes transparency and ethical behavior.

Systemic risk

Systemic risk can be defined as a risk of disruption in financial services that is caused by an impairment of all or parts of the financial system and may have serious negative consequences for the real economy.

The Group regularly analyses factors that could have a destabilising impact on the financial system. These include adverse macro- economic developments, continued financial market uncertainty, political uncertainty, increased exposure to cyber-attacks, and the growing scope and complexity of regulations. Specific event-related rapid portfolio analyses are also performed to ascertain impact on the obligor's and the Group's loan portfolios. Based on such analyses, the Group implements mitigating measures wherever possible.

requirements, strengthening of liquidity monitoring to address potential market volatility or funding disruptions and implementation of business continuity measures.

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

Events after the balance sheet date

Recent regional military escalations have triggered a high-risk conflict environment across the Gulf region. The situation remains fluid and may evolve rapidly. These developments have introduced additional uncertainties in the operating environment of the Group. For the financial statements for the year ended 31 December 2025, management has assessed the developments and concluded that the potential financial reporting effects of the conflict represent non-adjusting events after the reporting period, as the escalations occurred subsequent to the reporting date and do not provide evidence of conditions existing as at 31 December 2025. Habib Bank continues to closely monitor the evolving situation and has implemented a range of contingency and risk-management measures, including: enhanced monitoring of credit exposures to customers affected by regional geopolitical tensions, increased surveillance of cross-border payment flows to ensure compliance with regulatory

Information on the consolidated balance sheet

1 Breakdown of securities financing transactions

in CHF 1'000	31.12.25	31.12.24	+/- %
Book value of receivables from cash collateral posted for securities borrowing and reverse repurchase agreements ¹	28'693		100.0%
Book value of payables from cash collateral posted for securities lending and repurchase agreements ¹	640'698	797'107	-19.6%
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	640'698	797'107	-19.6%

¹ Before taking into consideration any netting agreements

2 Overview of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans / receivables

in CHF 1'000		Type of Collateral			Total	
		Secured by mortgage	Other collateral	Unsecured		
Loans (before netting any value adjustments)						
	Amounts due from customers	1'243'978	1'742'877	594'401	3'581'257	
	Mortgage loans	537'767	20'085	30	557'881	
	Residential and commercial property	465'937	1'803	30	467'769	
	Commercial and industrial premises	71'830	18'282		90'112	
	Total loans (before netting any value adjustments)	31.12.25	1'781'745	1'762'962	594'431	4'139'138
		31.12.24	1'693'002	1'945'357	518'065	4'156'424
	Total loans (after netting any value adjustments)	31.12.25	1'729'856	1'698'704	569'655	3'998'214
		31.12.24	1'615'421	1'888'518	490'928	3'994'867
Off-balance sheet						
	Contingent liabilities		93'846	1'098'094	389'745	1'581'685
	Irrevocable commitments				1'248	1'248
	Credit commitments		27'591	98'925	9'744	136'260
	Total off-balance sheet	31.12.25	121'437	1'197'018	400'738	1'719'193
		31.12.24	123'169	1'412'190	339'549	1'874'908

in CHF 1'000		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Specific value adjustments
Impaired loans / receivables					
Total impaired loans / receivables	31.12.25	150'785	67'131	83'654	101'980
	31.12.24	157'161	65'710	91'451	103'666

3 Trading portfolios and other financial instruments at fair value

in CHF 1'000	31.12.25	31.12.24	+/- %
Trading portfolio assets			
Debt securities, money market securities / transactions	89'162	128'305	-30.5%
of which listed			
Total trading portfolio assets	89'162	128'305	-30.5%
Other financial instruments at fair value			
Debt securities	1'980'800	2'217'865	-10.7%
Total other financial instruments at fair value	1'980'800	2'217'865	-10.7%
Total	2'069'962	2'346'170	-11.8%
of which determined using a valuation model			
of which securities eligible for repo transactions in accordance with liquidity requirements			

The Group has no trading portfolio liabilities

4 Presentation of derivative financial instruments (assets and liabilities)

in CHF 1'000	Trading Instruments		
	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments			
Foreign exchange / precious metals			
Forward contracts	18'610	22'416	4'681'505
Equity securities / indices			
Credit derivatives			
Total before netting agreements:			
Total at 31.12.25	18'610	22'416	4'681'505
of which determined using a valuation model			
Total at 31.12.24	18'240	16'611	4'251'255
of which determined using a valuation model			
in CHF 1'000		Positive replacement values (cumulative)	Negative replacement values (cumulative)
After netting agreements:			
Total	at 31.12.25	18'610	22'416
	at 31.12.24	18'240	16'611

Breakdown by counterparty

in CHF 1'000		Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreement)				
Total	at 31.12.25	118	15'639	2'852
	at 31.12.24	150	16'212	1'878

The Group has no hedging instruments

5 Financial investments

in CHF 1'000	Book value		Fair value	
	31.12.25	31.12.24	31.12.25	31.12.24
Debt securities	2'785'201	2'886'829	2'810'057	2'898'800
of which intended to be held until maturity	2'187'436	2'206'274	2'205'321	2'216'996
of which not intended to be held until maturity (available for sale)	597'765	680'554	604'736	681'804
Equity securities	27'119	46'575	28'097	58'713
of which qualified participations				
Precious metals	2'023	1'607	3'197	2'218
Real estate	11'790	7'997	13'521	13'944
Total	2'826'133	2'943'008	2'854'872	2'973'675
of which securities eligible for repo transactions in accordance with liquidity requirements	136'540	103'419		

Counterparties by rating

in CHF 1'000		Aaa	Aa	A	Baa	Ba to B	Caa to C	Unrated
Debt securities								
Book value	at 31.12.25	122'945	893'439	566'239	281'019	453'488	362'649	146'352
	at 31.12.24	201'292	969'746	701'160	300'861	397'058	272'374	100'517

Rating category is based on the sovereign foreign currency long-term rating system from Moody's.

6 Disclosure of consolidated companies in which Habib Bank holds a permanent direct or indirect significant participation

Company name and domicile	Business activity	Company capital (in 000's)	Share of capital (in %)	Share of votes (in %)	Held directly	Held indirectly
Habib Canadian Bank, Toronto, Canada	Bank	CAD 40'000	100.0%	100.0%	x	
HBZ Bank Ltd., Durban, South Africa	Bank	ZAR 50'000	100.0%	100.0%	x	
HBZ Services FZ-LLC, Dubai, United Arab Emirates	Service Centre	AED 10'000	100.0%	100.0%		x
Habib Metropolitan Bank Ltd., Karachi, Pakistan	Bank	PKR 10'478'315	51.0%	51.0%	x	
Habib Bank Zurich (Hong Kong) Ltd., Hong Kong	Restricted Banking Licence	HKD 300'000	51.0%	51.0%	x	
Habib Bank Zurich Plc, London, United Kingdom	Bank	GBP 80'000	100.0%	100.0%	x	
HBZ Services AG, Zug, Switzerland	Service Centre	CHF 500	100.0%	100.0%	x	
Habib Metropolitan Financial Services Ltd., Karachi, Pakistan	Broker	PKR 300'000	51.0%	51.0%		x
Habib Metropolitan Modaraba Management Company (Private) Ltd., Karachi, Pakistan	Modaraba Managment	PKR 350'000	51.0%	51.0%		x
Habib Metro Exchange Services Ltd., Karachi, Pakistan	Exchange Company	PKR 1'000'000	51.0%	51.0%		x
First Habib Modaraba, Karachi, Pakistan ¹	Leasing, Musharaka and Murabaha financing	PKR 1'108'305	8.0%	8.0%		x
HBZ Services (Private) Ltd., Pakistan	Service Centre	PKR 100	100.0%	100.0%		x
HBZ Services (Asia) Limited, Hong Kong SAR	Service Centre	HKD 1	100.0%	100.0%		x

¹ Controlled via Habib Metropolitan Modaraba Management Company (Private) Ltd.

7 Presentation of non-consolidated participations

in CHF 1'000	Acquisition cost	Accumulated value adjustments and changes in book value (equity method)	Book value at 31.12.24	Reporting year					
				Re- classifications	Additions	Disposals	Value adjustments	Book value at 31.12.25	Fair value at 31.12.25
Other non-consolidated participation without market value									
S.W.I.F.T. SCRL, Belgium	77		77					77	
Total	77		77					77	

8 Presentation of tangible fixed assets

in CHF 1'000	Acquisition cost	Accumulated depreciation	Book value at 31.12.24	Reporting year				Book value at 31.12.25
				Re-classifications	Additions	Disposals ¹	Depreciation	
Bank buildings	92'304	-38'328	53'976		4'687	-5'198	-2'292	51'173
Other real estate	14'076	-1'612	12'465		658	-1'596	-43	11'484
Proprietary or separately acquired software	3'401	-1'795	1'606		964	-171	-934	1'465
Other tangible fixed assets	61'365	-31'289	30'077		12'158	-1'578	-12'268	28'389
Total	171'147	-73'024	98'123		18'467	-8'543	-15'536	92'510

¹ net of foreign currency adjustments

9 Other assets and other liabilities

in CHF 1'000	Other assets		Other liabilities	
	31.12.25	31.12.24	31.12.25	31.12.24
Deferred income taxes recognised as assets	29'530	38'003		
Others	202'971	90'388	57'536	75'135
Total	232'501	128'391	57'536	75'135

10 Assets pledged or assigned to secure own commitments and assets under reservation of ownership¹

in CHF 1'000	Book value		Effective commitments	
	31.12.25	31.12.24	31.12.25	31.12.24
Amounts due from banks	3'048	2'023	3'048	2'023
Financial investments	54'224	61	54'944	60
Total pledged / assigned assets	57'271	2'084	57'992	2'083
Assets under reservation of ownership	111	129	111	129

¹ Excluding securities financing transactions

11 Liabilities relating to own pension schemes

in CHF 1'000	31.12.25	31.12.24
Payable to employee benefit plans	112	109

Commitments to own pension and welfare plans

The Group does not maintain its own pension funds. The occupational benefit plans in the countries are covered by insurance companies. All employees are insured in accordance with the law, the foundation document and the regulations of the benefit plan.

In accordance with the contractual and legal conditions of the benefit plans in the countries there can be neither economic liabilities that exceed the contributions set by the regulations of the benefit plan, nor economic benefits for the Group. In addition, during both the reporting year and during the previous year, there were no non-committed plans, nor was there an employer-paid contribution reserve, such that the expenses shown in the income statement equal the actual expenses for pension and welfare plans for the reporting period.

12 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

in CHF 1'000	Balance at 31.12.24	Use in conformity with designated purpose	Re- classifications	Other allocations to the reserves for general banking risks	Currency differences	Past-due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.25
Provisions for deferred taxes	432				-92		1'969	-346	1'964
Provisions for pension benefit obligations									
Provisions for expected loss			2'081		-372		2'290		3'999
Provisions for latent credit risks	2'081		-2'081						
Provisions for other business risks	5'063	130	465		-592		2'567	-237	7'395
Provisions for restructuring									
Other provisions	1'163	-29			-175		596		1'555
Total provisions	8'739	100	465		-1'231		7'421	-582	14'912
Reserves for general banking risks	545'986			-2'377				-19'747	523'862
Value adjustments for default credit risks and expected loss	163'932	-10'692	-673		-20'245	2'541	21'971	-10'469	146'366
of which value adjustments for default risks in respect of impaired loans / receivables	103'665	-10'342	-673		-13'488	2'541	18'908	1'369	101'980
of which value adjustments for default risks in respect of financial investments									
of which value adjustments for expected loss			59'917		-6'758		3'063	-11'838	44'385
of which value adjustments for latent credit risks	60'267	-350	-59'917						

13 Amounts due from and due to related parties

in CHF 1'000	Amounts due from		Amounts due to	
	31.12.25	31.12.24	31.12.25	31.12.24
Holders of qualified participations			134'484	116'566
Members of governing bodies	14	179	13'339	5'060
Other related parties			5'274	4'960
Total	14	179	153'097	126'586

14 Maturity structure of financial instruments

in CHF 1'000	Due							Total	
	At sight	Callable	within 3 months	within 3 to 12 month	within 12 months to 5 years	after 5 years	no maturity		
Assets / financial instruments									
Liquid assets	974'645		280'470	150'597				1'405'712	
Amounts due from banks	459'407	27'618	613'830	253'790				1'354'645	
Amounts due from securities financing transactions	28'693							28'693	
Amounts due from customers	370'139	35'425	1'526'751	564'670	847'665	111'607		3'456'258	
Mortgage loans			431	1'831	31'828	507'866		541'956	
Trading portfolio assets			19'062	42'355	12'570	15'176		89'162	
Positive replacement values of derivative financial instruments	18'610							18'610	
Other financial instruments at fair value	1'980'800							1'980'800	
Financial investments	323'944		430'173	742'886	1'260'824	56'516	11'790	2'826'133	
Total	at 31.12.25	4'156'237	63'043	2'870'717	1'756'128	2'152'886	691'166	11'790	11'701'968
	at 31.12.24	4'000'928	22'807	2'919'504	2'015'773	2'373'366	618'469	7'997	11'958'844
Debt capital / financial instruments									
Amounts due to banks	339'562		84'676	52'219	5'418	22'047		503'921	
Liabilities from securities financing transactions			618'610	22'089				640'698	
Amounts due in respect of customers deposits	5'798'961	338'692	1'950'550	1'089'712	84'402	1'551		9'263'868	
Negative replacement values of derivative financial instruments	22'416							22'416	
Total	at 31.12.25	6'160'939	338'692	2'653'835	1'164'019	89'820	23'598		10'430'903
	at 31.12.24	5'983'142	360'646	2'770'793	1'290'600	93'957	35'554		10'534'692

15 Assets and liabilities by domestic and foreign origin in accordance with domicile principle

in CHF 1'000	31.12.25		31.12.24	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	26'793	1'378'919	1'520	1'361'113
Amounts due from banks	226'847	1'127'798	293'687	1'000'239
Amounts due from securities financing transactions		28'693		
Amounts due from customers	49'522	3'406'736	19'164	3'451'758
Mortgage loans		541'956		523'945
Trading portfolio assets		89'162		128'305
Positive replacement values of derivative financial instruments	7'168	11'442	3'937	14'303
Other financial instruments at fair value		1'980'800		2'217'865
Financial investments	487'398	2'338'735	464'371	2'478'637
Accrued income and prepaid expenses	23'020	381'094	36'826	278'204
Non-consolidated participations		77		77
Tangible fixed assets	13'395	79'114	9'319	88'804
Other assets	6'568	225'933	2'689	125'702
Total assets	840'710	11'590'460	831'514	11'668'951
Liabilities				
Amounts due to banks	4'104	499'817	897	542'435
Liabilities from securities financing transactions	50'000	590'698		797'107
Amounts due in respect of customer deposits	194'547	9'069'321	155'278	9'022'363
Negative replacement values of derivative financial instruments	7'935	14'481	4'792	11'819
Accrued expenses and deferred income	27'291	414'455	20'273	338'419
Other liabilities	23'251	34'285	2'044	73'092
Provisions	1'589	13'322	773	7'966
Reserves for general banking risks	195'747	328'115	176'352	369'635
Bank's capital	150'000		150'000	
Retained earnings reserves	463'438		432'302	
Minority interest in equity		192'492		196'757
Group profit	120'344	35'938	76'181	121'982
Total liabilities	1'238'245	11'192'925	1'018'891	11'481'574

16 Breakdown of total assets by country or group of countries (domicile principle)

	31.12.25		31.12.24	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Assets				
Europe	2'342'399	18.8%	2'192'108	17.5%
of which Switzerland	840'710	6.8%	831'514	6.7%
of which United Kingdom	1'150'759	9.3%	1'142'612	9.1%
of which Others	350'930	2.8%	217'982	1.7%
North America	361'731	2.9%	340'691	2.7%
Asia	8'277'851	66.6%	8'723'245	69.8%
of which United Arab Emirates	3'011'036	24.2%	3'228'627	25.8%
of which Pakistan	4'579'354	36.8%	4'756'235	38.0%
of which Others	687'461	5.5%	738'383	5.9%
Other countries	1'449'189	11.7%	1'244'422	10.0%
of which South Africa	505'333	4.1%	474'822	3.8%
of which Others	943'856	7.6%	769'600	6.2%
Total assets	12'431'170	100.0%	12'500'465	100.0%

17 Breakdown of total assets by credit rating of country groups (risk domicile view)

	Net foreign exposure 31.12.25		Net foreign exposure 31.12.24	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Moody's rating				
Aaa	458'264	4.0%	467'972	4.0%
Aa	4'803'481	41.6%	5'004'984	43.0%
A	60'473	0.5%	77'144	0.7%
Baa	49'700	0.4%	33'957	0.3%
Ba – B	1'096'082	9.5%	952'934	8.2%
Caa-C	4'579'362	39.7%	4'756'242	40.9%
Unrated	499'655	4.3%	342'882	2.9%
Total	11'547'017	100.0%	11'636'115	100.0%

Rating category is based on the sovereign foreign currency long-term rating system from Moody's.

18 Balance sheet by currencies

in CHF 1'000	CHF	USD	GBP	AED	PKR	Other	Total
Assets							
Liquid assets	215'265	70'986	256'022	665'384	175'589	22'466	1'405'712
Amounts due from banks	1'545	742'319	132'711	130'111	142'628	205'331	1'354'645
Amounts due from securities financing transactions		393			28'300		28'693
Amounts due from customers	70'099	518'085	877'671	561'988	1'132'610	295'803	3'456'258
Mortgage loans				373'638	46'673	121'645	541'956
Trading portfolio assets					89'162		89'162
Positive replacement values of derivative financial instruments	7'168		791		8'907	1'743	18'610
Other financial instruments at fair value					1'980'800		1'980'800
Financial investments	278'437	1'052'907	114'159	533'199	374'710	472'722	2'826'133
Accrued income and prepaid expenses	21'393	3'682	45'133	22'422	303'842	7'642	404'114
Non-consolidated participations	77						77
Tangible fixed assets	13'395	69	11'715	9'688	35'200	22'443	92'510
Other assets	6'568	30'435	2'729	8'948	181'312	2'509	232'501
Total assets show in balance sheet	613'947	2'418'876	1'440'932	2'305'378	4'499'733	1'152'304	12'431'170
Delivery entitlements from spot exchange, forward forex and forex options transactions	37'390	1'127'826	187'156	85'967	725'798	176'617	2'340'754
Total assets	651'337	3'546'702	1'628'087	2'391'345	5'225'531	1'328'921	14'771'923

in CHF 1'000	CHF	USD	GBP	AED	PKR	Other	Total
Liabilities							
Amounts due to banks	2'078	103'346	2'876	18'228	368'351	9'043	503'921
Liabilities from securities financing transactions	50'000	45'738	27'742		517'218		640'698
Amounts due in respect of customer deposits	97'977	2'197'140	1'326'832	1'931'324	2'753'748	956'847	9'263'868
Negative replacement values of derivative financial instruments	7'935		175	27	12'533	1'747	22'416
Accrued expenses and deferred income	25'545	2'191	62'464	30'605	307'483	13'459	441'746
Other liabilities	4'140	14'712	1'555	16'199	15'961	4'968	57'536
Provisions	1'589		1'915	4'973	6'352	82	14'912
Reserves for general banking risks	199'204			304'212	2'444	18'002	523'862
Bank's capital	150'000						150'000
Retained earnings reserves	463'438						463'438
Minority interest in equity					161'344	31'148	192'492
Group profit	3'202		11'038	65'429	57'358	19'256	156'281
Total liabilities shown in balance sheet	1'005'108	2'363'126	1'434'596	2'370'996	4'202'792	1'054'552	12'431'170
Delivery obligations from spot exchange, forward forex and forex options transactions	4'035	1'125'178	77'733	40'524	918'403	174'880	2'340'753
Total liabilities	1'009'143	3'488'304	1'512'329	2'411'519	5'121'195	1'229'432	14'771'923
Net position per currency	at 31.12.25	-357'806	58'398	115'759	-20'174	104'336	99'488
	at 31.12.24	-309'974	27'066	123'431	-11'327	75'623	95'181

Information on the consolidated off-balance sheet transactions

19 Breakdown of contingent liabilities and contingent assets

in CHF 1'000	31.12.25	31.12.24	+/- %
Guarantees to secure credits and similar	585'901	614'508	-4.7%
Irrevocable commitments arising from documentary letters of credit	995'784	1'101'826	-9.6%
Total contingent liabilities	1'581'685	1'716'334	-7.8%

20 Breakdown of credit commitments

in CHF 1'000	31.12.25	31.12.24	+/- %
Commitments arising from acceptances	136'260	157'337	-13.4%
Total credit commitments	136'260	157'337	-13.4%

21 Breakdown of fiduciary transactions

in CHF 1'000	31.12.25	31.12.24	+/- %
Fiduciary investments with third-party companies	493'270	467'003	5.6%
Total fiduciary transactions	493'270	467'003	5.6%

Information on the consolidated income statement

22 Breakdown of the result from trading activities and the fair value option

in CHF 1'000	2025	2024	+/- %
Result from trading activities from			
Interest rate instruments (incl. funds)	22'044	66'748	-67.0%
Unrealised forex gains / (losses) on reserves held in foreign currencies	-46'515	26'933	
Foreign exchange	43'819	40'684	7.7%
Commodities / precious metals	11	266	-95.8%
Total result from trading activities	19'359	134'630	-85.6%
of which from the fair value option on assets	22'044	66'748	-67.0%

23 Breakdown of personnel expenses

in CHF 1'000	2025	2024	+/- %
Salaries (meeting attendances fees, fixed compensation, salaries and benefits)	-160'565	-157'653	1.8%
Social insurance obligations	-13'098	-12'270	6.7%
Other personnel expenses	-9'033	-8'333	8.4%
Total personnel expenses	-182'695	-178'256	2.5%

24 Breakdown of general and administrative expenses

in CHF 1'000	2025	2024	+/- %
Office space expenses	-21'568	-23'202	-7.0%
Expenses for information technology and telecommunications	-22'449	-19'177	17.1%
Expenses for motor vehicles, machinery, furniture and other equipment, as well as operating lease expenses	-10'468	-8'917	17.4%
Fees of audit firm(s)	-2'950	-2'679	10.1%
of which for financial and regulatory audits	-2'391	-2'340	2.2%
of which for other services	-559	-339	64.8%
Other operating expenses	-57'428	-46'731	22.9%
Total general and administrative expenses	-114'863	-100'707	14.1%

25 Breakdown of extraordinary income and expenses

in CHF 1'000	2025	2024	+/- %
Extraordinary income			
Release of provisions no longer required	1'213		100.0%
Profit on sale of fixed assets	882	467	88.8%
Recoveries and others	54	4'855	-98.9%
Total extraordinary income	2'149	5'323	-59.6%

26 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

in CHF 1'000	2025		2024	
	Domestic	Foreign origin	Domestic	Foreign origin
Net result from interest operations	18'456	414'369	22'162	461'393
Result from commission business and services	14'750	72'102	13'707	72'911
Result from trading activities and the fair-value option	-45'732	65'092	27'852	106'779
Other result from ordinary activities	172'102	-140'060	101'720	-93'750
Personnel expenses	-33'979	-148'715	-36'218	-142'038
General and administrative expenses	-30'421	-84'441	-20'947	-79'760
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets	-486	-13'508	-385	-13'255
Changes to provisions and other value adjustments and losses	-776	-4'439	-762	-870
Operating result	93'912	160'398	107'130	311'410

Income and expenses Switzerland: includes Zurich Branch, Zurich Head Office & DIFC

27 Presentation of current taxes, deferred taxes and disclosure of the tax rate

in CHF 1'000	2025	2024	+/- %
Current tax expenses ¹	-115'474	-160'921	-28.2%
Deferred tax expenses	-4'451	58	
Total taxes	-119'925	-160'863	-25.4%
Weighted average tax rate	32.3%	35.4%	

¹ The changes in losses carried forward on income taxes (e.g. occurrence, use, reassessment, expiry) resulted in a marginal impact of 0.8% for the period



Report of the statutory auditor

To the General Meeting of Habib Bank AG Zurich
Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Habib Bank AG Zurich and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended 31 December 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and its consolidated results of operations and its consolidated cash flows for the year then ended 31 December 2025 in accordance with the accounting rules for banks, securities firms, financial groups and conglomerates and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with the accounting rules for banks, securities firms, financial groups and conglomerates and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

André Schuler
Licensed Audit Expert

Zurich, 29 April 2026



Shaikh Zayed Bridge, UAE

Financial statements of the Parent Bank

Parent Bank financial statements

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Balance sheet

in CHF 1'000	Note	31.12.25	31.12.24	+/- %
Assets				
Liquid assets		889'792	873'690	1.8%
Amounts due from banks		654'204	806'543	-18.9%
Amounts due from securities financing transactions		227		100.0%
Amounts due from customers	2	873'284	816'804	6.9%
Mortgage loans	2	374'210	343'189	9.0%
Positive replacement values of derivative financial instruments	3	7'168	3'937	82.0%
Financial investments	4	1'831'966	2'074'019	-11.7%
Accrued income and prepaid expenses		34'441	60'039	-42.6%
Participations		353'338	353'635	-0.1%
Tangible fixed assets		21'198	20'088	5.5%
Other assets	5	33'769	16'413	105.7%
Total assets		5'073'597	5'368'357	-5.5%
Total subordinated claims		52'492	114'259	-54.1%
Liabilities				
Amounts due to banks		88'984	90'737	-1.9%
Liabilities from securities financing transactions	1	57'927		100.0%
Amounts due in respect of customer deposits		3'668'399	4'007'255	-8.5%
Negative replacement values of derivative financial instruments	3	7'962	4'794	66.1%
Accrued expenses and deferred income		46'984	40'207	16.9%
Other liabilities	5	21'521	30'772	-30.1%
Provisions	7	6'562	5'047	30.0%
Reserves for general banking risks	7	485'644	510'258	-4.8%
Bank's capital	8	150'000	150'000	0.0%
Statutory retained earnings reserves		95'450	90'200	5.8%
Voluntary retained earnings reserves		252'130	272'913	-7.6%
Profit carried forward		100'923	46'077	119.0%
Profit		91'112	120'096	-24.1%
Total liabilities		5'073'597	5'368'357	-5.5%

Off-balance sheet transactions

in CHF 1'000	Note	31.12.25	31.12.24	+/- %
Off-balance sheet transactions				
Contingent liabilities	2, 13	416'540	367'967	13.2%
Irrevocable commitments	2	1'248	1'237	0.9%
Credit commitments	2, 14	14'284	15'889	-10.1%

Appropriation of profit / coverage of losses / other distributions

The Board of Directors will submit the following proposal to the General Meeting of Shareholders in respect of the distribution of profit.

in CHF 1'000		31.12.25	31.12.24	+/- %
Net profit for the year		91'112	120'096	-24.1%
Profit carried forward		100'923	46'077	119.0%
Distributable profit		192'035	166'173	15.6%
Appropriation of profit				
Allocation to statutory retained earnings reserves		-4'250	-5'250	-19.0%
Distribution of dividend		-50'000	-60'000	-16.7%
Profit carried forward		137'785	100'923	36.5%

Income statement

in CHF 1'000	Note	2025	2024	+/- %
Results from interest operations				
Interest and discount income		108'758	128'336	-15.3%
Interest and dividend income from financial investments		86'977	83'561	4.1%
Interest expense		-42'205	-43'968	-4.0%
Gross results from interest operations		153'530	167'929	-8.6%
Changes in value adjustments for default risks and losses from interest operations		-8'067	6'860	
Subtotal net results from interest operations		145'463	174'789	-16.8%
Results from commissions from business and services				
Commission income from securities trading and investment activities		9'457	8'803	7.4%
Commission income from lending activities		18'418	19'064	-3.4%
Commission income from other services		21'141	21'054	0.4%
Commission expense		-3'970	-4'028	-1.4%
Subtotal results from commissions business and services		45'047	44'893	0.3%
Result from trading activities and the fair value option	16	-31'129	41'976	
Other results from ordinary activities				
Results from the disposal of financial investments		19'660		100.0%
Income from participations		32'575	34'615	-5.9%
Results from real estate		33	11	201.1%
Other ordinary income		26'127	20'381	28.2%
Other ordinary expenses			-1'298	-100.0%
Subtotal other results from ordinary activities		78'396	53'709	46.0%
Operating income		237'777	315'368	-24.6%

in CHF 1'000	Note	2025	2024	+/- %
Operating expenses				
Personnel expenses	17	-84'373	-85'645	-1.5%
General and administrative expenses	18	-58'686	-45'845	28.0%
Subtotal operating expenses		-143'059	-131'489	8.8%
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets		-2'094	-2'613	-19.8%
Changes to provisions and other value adjustments and losses		-1'830	-1'642	11.4%
Operating results		90'794	179'624	-49.5%
Extraordinary income	19	1'842	4'931	-62.6%
Change in reserve for general banking risks		24'598	-35'687	
Taxes	20	-26'123	-28'771	-9.2%
Profit		91'112	120'096	-24.1%

Statement of changes in equity

	Bank's Capital	Statutory retained earnings reserves	Reserves for general banking risk	Voluntary retained earnings and profit carried forward	Profit	Total
At 1.1.2024	150'000	87'350	474'491	281'039	58'075	1'050'955
Transfer of profits to retained earnings		2'850			-2'850	
Currency translation differences			80	18'726		18'806
Dividends and other distributions				19'225	-55'225	-36'000
Other allocations to / (transfers from) the reserves for general banking risks			35'687			35'687
Other allocations to / (transfers from) other reserves						
Profit					120'096	120'096
At 31.12.2024	150'000	90'200	510'258	318'990	120'096	1'189'544
At 1.1.2025	150'000	90'200	510'258	318'990	120'096	1'189'544
Transfer of profits to retained earnings		5'250			-5'250	
Currency translation differences			-16	-20'784		-20'800
Dividends and other distributions				54'846	-114'846	-60'000
Other allocations to / (transfers from) the reserves for general banking risks			-24'598			-24'598
Other allocations to / (transfers from) other reserves						
Profit					91'112	91'112
At 31.12.2025	150'000	95'450	485'644	353'052	91'112	1'175'258



Tsing Ma Bridge, Hong Kong

Notes to the Parent Bank financial statements

Under Art. 36 of the Swiss Ordinance on Banks and Savings Banks, institutions that publish consolidated financial statements are exempt from disclosing certain information in the Parent Bank financial statements. The information relating to the portrait, the accounting and valuation principles, the explanations of risk manage-

ment as well as the events after the balance sheet date disclosed in the consolidated financial statement apply to the financial statements of the Parent Bank.

The accounting and valuation principles of the parent bank are generally based on those from the Group.

Information on the balance sheet

1 Breakdown of securities financing transactions

in CHF 1'000	31.12.25	31.12.24	+/- %
Book value of payables from cash collateral posted for securities lending and repurchase agreements ¹	57'927		100.0%
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	57'927		100.0%

¹ Before taking into consideration any netting agreements

2 Overview of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans / receivables

in CHF 1'000		Type of Collateral			Total
		Secured by mortgage	Other collateral	Unsecured	
Loans (before netting any value adjustments)					
	Amounts due from customers	84'978	359'683	467'016	911'677
	Mortgage loans	389'531			389'531
	Residential and commercial property	389'531			389'531
	Commercial and industrial premises				
	Total loans (before netting any value adjustments)	31.12.25 474'510	359'683	467'016	1'301'208
		31.12.24 460'383	381'106	386'235	1'227'724
Total loans (after netting any value adjustments)					
	Total loans (after netting any value adjustments)	31.12.25 456'692	344'625	446'178	1'247'494
		31.12.24 428'052	369'979	361'962	1'159'993
Off-balance sheet					
	Contingent liabilities	6'249	84'524	325'768	416'540
	Irrevocable commitments			1'248	1'248
	Credit commitments	-20	5'010	9'294	14'284
	Total off-balance sheet	31.12.25 6'229	89'534	336'309	432'072
		31.12.24 6'747	101'214	277'132	385'094
Impaired loans / receivables					
	Total impaired loans / receivables	31.12.25 31'098	6'201	24'896	30'837
		31.12.24 38'910	17'608	21'302	31'871

3 Presentation of derivative financial instruments

in CHF 1'000	Trading Instruments		
	Positive replacement values	Negative replacement values	Contract volume
Foreign exchange / Precious metals			
Forward contracts	7'168	7'962	741'230
Total before netting agreements			
Total at 31.12.25	7'168	7'962	741'230
of which determined by using a valuation model			
Total at 31.12.24	3'937	4'794	447'003
of which determined by using a valuation model			
in CHF 1'000		Positive replacement value (accumulated)	Negative replacement value (accumulated)
After netting agreements:			
Total	31.12.25	7'168	7'962
	31.12.24	3'937	4'794

Breakdown by counterparty

in CHF 1'000		Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)				
Total	31.12.25		7'168	
	31.12.24		3'937	

The Parent Bank has no hedging instruments

4 Financial investments

in CHF 1'000	Book value		Fair value	
	31.12.25	31.12.24	31.12.25	31.12.24
Debt securities	1'803'095	2'026'005	1'813'657	2'022'616
of which intended to be held until maturity	1'205'329	1'345'450	1'208'921	1'340'812
of which not intended to be held until maturity (available for sale)	597'765	680'554	604'736	681'804
Equity securities	26'849	46'408	27'827	58'545
Precious metals	2'023	1'607	3'197	2'218
Total	1'831'966	2'074'019	1'844'681	2'083'379
of which securities eligible for repo transactions in accordance with liquidity requirements	136'540	103'419		

Counterparties by rating

in CHF 1'000		Aaa	Aa	A	Baa	Ba to B	Unrated
Debt securities							
Book value	at 31.12.25	67'502	809'512	431'977	221'408	167'294	134'272
	at 31.12.24	123'411	888'686	563'619	237'766	170'802	89'735

Rating category is based on the sovereign foreign currency long-term rating system from Moody's.

5 Other assets and other liabilities

in CHF 1'000	Other assets		Other liabilities	
	31.12.25	31.12.24	31.12.25	31.12.24
Deferred income taxes recognised as assets	8'892	11'852		
Others	24'877	4'561	21'521	30'772
Total	33'769	16'413	21'521	30'772

6 Assets pledged or assigned to secure own commitments and assets under reservation of ownership¹

in CHF 1'000	Book value		Effective commitments	
	31.12.25	31.12.24	31.12.25	31.12.24
Amounts due from banks	2'969	1'693	2'969	1'693
Total pledged / assigned assets	2'969	1'693	2'969	1'693
Assets under reservation of ownership	111	129	111	129

¹ Excluding securities financing transactions

7 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year

in CHF 1'000	Balance at 31.12.24	Use in conformity with designated purpose	Re-classifications	Currency differences	Past-due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.25
Provisions for expected loss			1'339	-195		620		1'764
Provisions for latent credit risks	1'347		-1'347					
Provisions for other business risks	3'701	267		-379		1'446	-237	4'799
Total provisions	5'047	267	-8	-574		2'066	-237	6'562
Reserves for general banking risks	510'258			-17			-24'598	485'644
Value adjustments for default credit risks and expected loss	69'387	-11'015		-8'788	847	1'575	6'492	58'499
of which value adjustments for default risks in respect of impaired loans / receivables	31'869	-10'843		-4'553	847	227	13'289	30'837
of which value adjustments for default risks in respect of financial investments								
of which value adjustments for expected loss			37'346	-4'235		1'348	-6'797	27'661
of which value adjustments for latent credit risks	37'518	-172	-37'346					

8 Presentation of the Bank's capital

in CHF 1'000	31.12.25			31.12.24		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Bank's capital						
Bank's capital	150'000	1'500'000	150'000	150'000	1'500'000	150'000
of which paid up						
Total Bank's capital	150'000	1'500'000	150'000	150'000	1'500'000	150'000

9 Disclosure of holders of significant participations

in CHF 1'000	31.12.25		31.12.24	
	Nominal	% of equity	Nominal	% of equity
Holders of significant participations and groups of holders of participations with pooled voting rights				
Gefan Finanz AG, Zug	150'000	100.0%	150'000	100.0%

Beneficial holdings:

Gefan Finanz AG is 100% owned by a trust structure, which represents in equal shares the four branches of the Mohamedali Habib Family. No individual has a beneficial interest of 10% or more in the shares of Habib Bank AG, Zurich.

10 Disclosure of own shares and composition of equity capital

in CHF 1'000	31.12.25	31.12.24	+/- %
Reserves for general banking risks	485'644	510'258	-4.8%
Bank's capital	150'000	150'000	0.0%
Statutory retained earnings reserve	95'450	90'200	5.8%
Voluntary retained earnings reserve	252'130	272'913	-7.6%
Profit carried forward	100'923	46'077	119.0%
Profit	91'112	120'096	-24.1%
Total equity	1'175'259	1'189'545	-1.2%

The Parent Bank does not hold any of its own shares.

The statutory retained earnings reserve cannot be distributed.

11 Amounts due from / to related parties

in CHF 1'000	Amounts due from		Amounts due to	
	31.12.25	31.12.24	31.12.25	31.12.24
Holders of qualified participations			134'483	116'565
Group companies	32'483	45'499	18'218	40'134
Members of governing bodies	14	179	10'174	1'872
Other related parties			4'847	4'663
Total	32'497	45'678	167'722	163'234

12 Breakdown of total assets by credit rating of regions (risk domicile principle)

Moody's Rating	Net foreign exposure 31.12.25		Net foreign exposure 31.12.24	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Aaa	206'978	4.7%	247'652	5.3%
Aa	3'344'193	76.6%	3'630'867	78.0%
A	57'081	1.3%	44'131	0.9%
Baa	26'759	0.6%	26'611	0.6%
Ba-B	483'228	11.1%	447'446	9.6%
Caa-C	198'896	4.6%	191'597	4.1%
Unrated	46'417	1.1%	68'587	1.5%
Total	4'363'552	100.0%	4'656'890	100.0%

Rating category is based on the sovereign foreign currency long-term rating system from Moody's

Information on the off-balance sheet transactions

13 Breakdown of contingent liabilities and contingent assets

in CHF 1'000	31.12.25	31.12.24	+/- %
Guarantees to secure credits and similar	95'569	99'842	-4.3%
Irrevocable commitments arising from documentary letters of credit	320'972	268'125	19.7%
Total contingent liabilities	416'540	367'967	13.2%

14 Breakdown of credit commitments

in CHF 1'000	31.12.25	31.12.24	+/- %
Commitments arising from acceptances	14'284	15'889	-10.1%
Total credit commitments	14'284	15'889	-10.1%

15 Breakdown of fiduciary transactions

in CHF 1'000	31.12.25	31.12.24	+/- %
Fiduciary investments with third-party companies	493'270	467'003	5.6%
Fiduciary investments with Group companies and affiliated companies	177'595	83'437	112.8%
Total fiduciary transactions	670'865	550'440	21.9%

Information on the income statement

16 Breakdown of the result from trading activities and the fair value option

in CHF 1'000	2025	2024	+/- %
Result from trading activities from:			
Interest rate instruments (incl. funds)	11	266	-95.8%
Unrealised forex gains/ (losses) on reserves held in foreign currencies	-46'515	26'933	
Foreign exchange	15'375	14'777	4.0%
Total result from trading activities	-31'129	41'976	
of which from the fair value option on assets	11	266	-95.8%

17 Breakdown of personnel expenses

in CHF 1'000	2025	2024	+/- %
Salaries and additional allowances	-71'324	-73'152	-2.5%
Social insurance obligations	-8'395	-7'823	7.3%
Other personnel expenses	-4'654	-4'669	-0.3%
Total personnel expenses	-84'373	-85'645	-1.5%

18 Breakdown of general and administrative expenses

in CHF 1'000	2025	2024	+/- %
Office space expenses	-6'702	-7'421	-9.7%
Expenses for information technology and telecommunications	-8'315	-7'796	6.7%
Expenses for motor vehicles, machinery, furniture and other equipment, as well as operating lease expenses	-405	-468	-13.4%
Fees of audit firm(s)	-1'539	-1'495	3.0%
of which for financial and regulatory audits	-1'483	-1'424	4.1%
of which for other services	-56	-71	-20.4%
Other operating expenses	-41'725	-28'665	45.6%
Total general and administrative expenses	-58'686	-45'845	28.0%

19 Breakdown of extraordinary income and expenses

in CHF 1'000	2025	2024	+/- %
Extraordinary income			
Profit on sale of fixed assets	579	108	438.2%
Recoveries and others	1'263	4'823	-73.8%
Total extraordinary income	1'842	4'931	-62.7%

20 Presentation of current taxes, deferred taxes and disclosure of the tax rate

in CHF 1'000	2025	2024	+/- %
Current tax expenses ¹	-25'671	-26'672	-3.8%
Deferred tax expenses	-452	-2'099	-78.5%
Total taxes	-26'123	-28'771	-9.2%
Weighted average tax rate	23.0%	22.0%	

¹ There is no impact of changes in losses carried forward on income taxes (e.g. occurrence, use, reassessment, expiry) for the period



Report of the statutory auditor

To the General Meeting of Habib Bank AG Zurich
Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Habib Bank AG Zurich (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement, the statement of changes in equity for the year then ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its results of operations for the year then ended 31 December 2025 in accordance with the accounting rules for banks, securities firms, financial groups and conglomerates and comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements, which give a true and fair view in accordance with the accounting rules for banks, securities firms, financial groups and conglomerates, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

André Schuler
Licensed Audit Expert

Zurich, 29 April 2026

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Tower Bridge, UK

Addresses

Head Office and operation

Habib Bank AG Zurich
Weinbergstrasse 59
8006 Zurich / Switzerland
Telephone: +41 (44) 269 45 00
Email: infoch@habibbank.com

Branches

United Arab Emirates

Habib Bank AG Zurich
367-1013 Umm Al Sheif
Sheikh Zayed Road
P.O. Box 3306
Dubai / United Arab Emirates
Telephone: +971 (4) 419 5555
Email: csd@habibbank.com

Habib Bank AG Zurich DIFC Branch
Emirates Financial Towers – North Tower
Floor 20/ Office 2001
POBOX 506677
Dubai International Financial Centre
Dubai / United Arab Emirates
Telephone: +971 (4) 5492800
Email: hbz.difc@habibbank.com

Kenya

Habib Bank AG Zurich
Habib House
Koinange Street
P.O. Box 30584, 00100 GPO
Nairobi / Kenya
Telephone: +254 (20) 334 1312 / 334 1177 / 334 0835
+254 (720) 208259
Email: info.ke@habibbank.com

Banking subsidiaries

Habib Canadian Bank
Canada

Telephone:
Email:

Habib Canadian Bank
6450 Kitimat Road
Mississauga, Ontario, L5N 2B8
Canada
+1 (905) 276 5300
info@habibcanadian.com

HBZ Bank Ltd.
South Africa

Telephone:
Email:

HBZ Bank Ltd.
South Africa 1 Ncondo Pl, Umhlanga Arch
Umhlanga Ridge
Durban, 4320 / South Africa
+27 (31) 270 2600
sazone@hbzbank.co.za

Habib Metropolitan Bank Ltd.
Pakistan

Telephone:
Email:

Habib Metropolitan Bank Ltd.
HABIBMETRO Head office
I.I. Chundrigar Road
Karachi-74200 / Pakistan
+92 (21) 111 1 HABIB (42242)
info@habibmetro.com

Habib Bank Zurich (Hong Kong) Ltd.
Hong Kong SAR

Telephone:
Email:

Habib Bank Zurich (Hong Kong) Ltd.
1701-05, 17 / F, Wing On House
71, Des Voeux Road Central
Hong Kong SAR
+852 2906 1818
customerservice@hbzhongkong.com

Habib Bank Zurich Plc
United Kingdom

Telephone:
Email:

Habib Bank Zurich Plc
Habib House
42 Moorgate
London EC2R 6JJ / United Kingdom
+44 (207) 452 0200
contactuk@habibbank.com

Representative offices

Bangladesh

Habib Bank AG Zurich
BDBL Bhaban
12 Kawran Bazar C/A
Dhaka 1215 / Bangladesh
Telephone: +880 (2) 550 13463
Email: bd.rep@habibbank.com

Hong Kong SAR

Habib Bank AG Zurich
1701-05, 17 / F, Wing On House
71 Des Voeux Road Central
Hong Kong SAR
Telephone: +852 (2) 906 1818
Email: mainoffice@hbzhongkong.com

Pakistan

Habib Bank AG Zurich
HBZ Plaza, 4th Floor
I.I. Chundrigar Road
Karachi-74200 / Pakistan
Telephone: +92 (21) 322 74879
Email: hbzrep.pk@habibbank.com

China

Habib Bank AG Zurich
Unit 2303B, Jin Mao Tower
88 Century Boulevard / Pudong New District
Shanghai 200120, China
Telephone: +86 (21) 6890 2193
Email: shro@habibbank.com

Türkiye

Habib Bank AG Zurich
Esentepe Mahallesi Büyükdere Cad.
Ferko Signature Tower No:175 Kat: B2 D: 18
Şişli 34394 Istanbul – Türkiye
Telephone: +90 (21) 2 919 30 22
Email: hbzturkey@habibbank.com

Habib Bank AG Zurich



4 Continents

11 Countries

599 Offices

Annual Report 2025



Basel IV Annual Disclosure 2025



ESG Report 2025



Layout and production
Management Digital Data AG
Zurich

 Print product with financial
climate contribution
ClimatePartner.com/11020-2603-1005



(Incorporated in Switzerland 1967)