Habib Bank AG Zurich

(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

Interim Report 2026

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

This consolidated regulatory disclosure report 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.

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Consolidated interim financial statements of the Group

Group key figures

Balance sheet in CHF million	30.06.25	31.12.25	30.06.26	Changes in % to 31.12.25
Total assets	11'659	12'431	13'177	6.0%
Equity	1'404	1'486	1'493	0.5%
Advances customers	3'797	3'998	4'160	4.0%
Deposits customers	8'708	9'264	9'801	5.8%

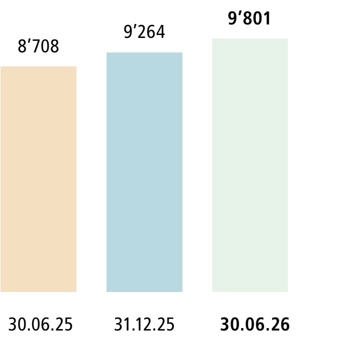
Income statement in CHF million	1st half 2025	2nd half 2025	1st half 2026	Changes in % to 1st half 2025
Total income [1]	267.0	315.6	249.4	–6.6%
Operating expenses	–149.5	–148.1	–149.5	0.0%
Operating result	105.0	149.3	92.3	–12.1%
Group profit	84.3	72.0	63.6	–24.5%

Key figures and ratios in CHF million	30.06.25	31.12.25	30.06.26	Changes in % to 31.12.25
Number of offices	597	599	612	2.2%
Number of employees	8'163	8'254	8'226	–0.3%
Return on equity (ROE) [2]	5.9%	10.4%	8.7%	
Equity ratio	12.0%	12.0%	11.3%	
Cost / income ratio	56.0%	51.1%	60.0%	
Capital ratio	18.1%	17.3%	16.0%	
Liquidity coverage ratio (half-yearly / yearly weighted)	134.5%	142.2%	151.3%	
Leverage ratio	10.5%	10.5%	9.9%	

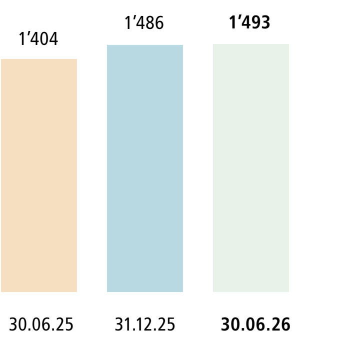
[1] Including "Gross result from interest operations", "Result from commission business and services", "Result from trading activities and the fair value option" and "Other result from ordinary activities".

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

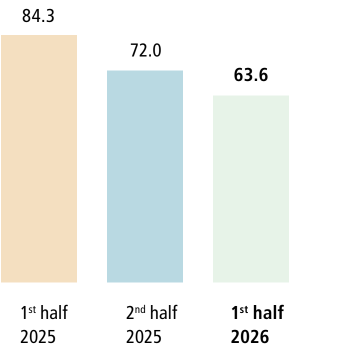
Deposits customers, in CHF million



Equity, in CHF million



Group profit, in CHF million



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

Letter to shareholders

Dear fellow shareholders,

The first half of 2026 was challenging as it was marked by ongoing geopolitical tensions, economic uncertainty, and volatility in financial markets. The conflict in the Middle East, and the resulting disruptions to trade routes through the Strait of Hormuz, led to higher energy prices, renewed inflationary pressure, and concerns about global economic growth. These developments reinforced the importance of prudent risk management and long-term strategic planning.

Against this backdrop, and by the grace of God, Habib Bank AG Zurich remained resilient and well positioned. Our disciplined approach to risk management enabled us to navigate market uncertainty while supporting our clients and delivering value to stakeholders. We will continue to monitor developments closely and adjust our positioning as conditions evolve.

The current environment highlights the importance of diversification, selectivity, and keeping a global perspective. While inflation remains a concern, we are equally mindful of the potential impact of higher energy costs and tighter financial conditions on economic growth. Our focus remains on preserving capital, identifying high-quality opportunities, and maintaining a balanced approach to investment and risk.

A significant milestone during the period was the launch of Sirat, our Group Islamic Banking brand, by Habib Canadian Bank. This initiative reflects our commitment to providing inclusive, ethical, and purpose-driven banking solutions while expanding our reach to serve the changing needs of our clients and communities.

Across the Group, we purposely underpin our business by spreading revenue streams, enhancing fee-based services, and investing in digital innovation. Improvements to our technology platforms, cybersecurity capabilities, and operational processes have increased efficiency and enhanced the client experience across our international network.

Governance, leadership development, and regulatory compliance remain central to our strategy. We have further strengthened our risk management frameworks and kept embedding a culture of accountability, resilience, and proactive risk identification throughout the organization.

While geopolitical uncertainties are likely to persist in the foreseeable future, there are signs of gradual stabilization in several markets where we operate. Supported by our strong balance sheet, diversified business model, loyal client base, and experienced management team, we remain cautiously optimistic about the future and confident in our ability to achieve sustainable long-term growth.

On behalf of the Board and Management, we thank our employees for their dedication and professionalism, and our clients and shareholders for their continued trust and support. Their confidence and loyalty inspire us to remain focused on building a resilient, responsible, and successful future for our Bank.

Dr. Andreas Länzlinger
Chairman of the Board of Directors

Muhammad H. Habib
Member of the Board of Directors

Mohamedali R. Habib
Group CEO

Corporate Governance

Corporate governance principles

Habib Bank 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 of 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 30 June 2026

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	

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, Switzerland
- 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 SWA Swiss Auditors AG, Switzerland

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 Leman in Geneva, Switzerland, and earned his degree in Business Administration from Babson College in Wellesley, Massachusetts, USA.

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

Andrea Rieger
Swiss, born 1966

Member of 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, Ireland
- Chair of the Board of Directors of Swiss Mobiliar Services AG, Switzerland
- Member of the Board of Directors of Swiss Mobiliar Asset Management AG, Switzerland

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, Switzerland
- Member of the Board of Directors of G7NESIS Asset Management AG, Switzerland
- Managing Director at MS Governance & Risk Advisory GmbH, Switzerland

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 5) 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

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 of 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	United Arab Emirates
Daniel Hollenstein	1968	Swiss	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
Dawood Khan	1976	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
Shahzad Ahmed	1976	Pakistani	Head of Group Credit
Sheeza Ahmed	1988	Pakistani	Head of Group Marketing & Communications
Rizwan Arain	1969	Pakistani	Head of Group Information Security
Nadeem Baig	1972	British	Group Chief Human Resources Officer
Kamran Bashir	1983	British	Head of Group Credit Enterprise Risk
Adeel Munir Butt	1981	Pakistani	Group Sustainability Officer
Umair Chaudhary	1968	British	CEO HBZ Services
Dario Gigante	1979	Swiss	Head of Group Market & Liquidity
Faraz Kohari	1965	American	Co-Head of Group Information Technology
Haldun Kuru	1976	Swiss	Head of Group Financial Control
Dr. Pascal Mang	1964	Swiss	Head of Group Legal & Compliance
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
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

Following the US-led attack on Iran, the world economy suffered the most significant energy price and supply shocks since the 1970s. The conflict threatened to derail global expansion, but flexible global oil markets and reduced reliance on crude and natural gas from the Middle East cushioned the impact. Subsequent negotiations allowed traffic through the Strait of Hormuz to resume at least partially, leaving the one-time price shock as the most visible consequence of the war. In turn, many central banks became more cautious. The ECB raised its policy rates, while the US Federal Reserve, now under the new chair Kevin Warsh, abandoned its easing bias. As a result, the USD firmed up against most currencies, while long-term rates stabilized, reflecting the renewed focus on price stability. Commodity prices, especially for crude oil, soared early in the conflict but soon returned to prewar levels, once tensions and supply disruptions eased.

The war in the Middle East had an immediate impact on Pakistan's economy, given the country's strong relianceon energy supplies as well as funding from the region. The ensuing jump in consumer prices compelled the State Bank to increase its policy rate to anchor inflation expectations. As tensions eventually eased and the external accounts proved resilient, inflation started to roll over and activity stabilized. Importantly, the country acted as an early mediator in the conflict, which strengthened its position with two core allies, the US and Saudi Arabia. The IMF program remained on track as the government confirmed its commitment to fiscal discipline. The reputation of the United Arab Emirates as a safe haven in the region was tested early in the war and economic activity was impacted accordingly. The pipeline to the Gulf of Oman and similar road connections, however, proved crucial and allowed the economy to recover once a ceasefire was put into place. Hong Kong's economy reached the fastest growth in nearly five years, supported by AI-related exports. Activity in the UK accelerated modestly at the start of the year but remained overall sluggish amid a tight labor market and poor productivity growth. The Bank of England left its policy unchanged, citing tight overall financial conditions. The end of the Starmer premiership rekindled uncertainty going into the second half of the year. The Swiss economy expanded at a moderate pace and the Swiss National Bank left its policy unchanged amid contained inflation pressures and a strong CHF. Canada entered a mild recession early in the year and the Bank of Canada remained on hold in support of the economy. Higher energy prices led the Reserve Bank of South Africa to lift its policy rate. Growth, however, remained tepid despite a moderate acceleration from late last year. Growth of the Kenyan economy accelerated well above expectations at the start of the year, despite headwinds from higher oil prices, which exert pressure again on the country's weak external accounts.

Banking industry

Considering disruptions caused by the war in the Middle East, the banking industry remained remarkably resilient. Operational performance remained strong, supported by robust demand in core business areas. Market volatility benefited trading and wealth management activities. Global trade and trade-related transactions also maintained positive momentum despite a sharp drop in the GCC region. Nevertheless, results indicated growing pressure on net interest margins in some regions as yields on assets fell at a faster pace than funding costs. The long-standing industry trend toward fee-based revenue and reduced balance sheet risks continued. Regulatory fragmentation prompted banks in various jurisdictions to pursue different balance sheets strategies. In Europe, significant risk transfers (SRT) became increasingly popular as a means to improve capital ratios. Meanwhile in the US, regulators announced plans to lower capital requirements. Cost management remained a key industry focus with increasing but uneven adoption of AI-supported operational and client-facing solutions. However, most incumbent institutions continue to face considerable sunk costs from their legacy core banking systems, which may delay much-needed infrastructure modernization as they respond to the challenge posed by technology-driven neobanks.

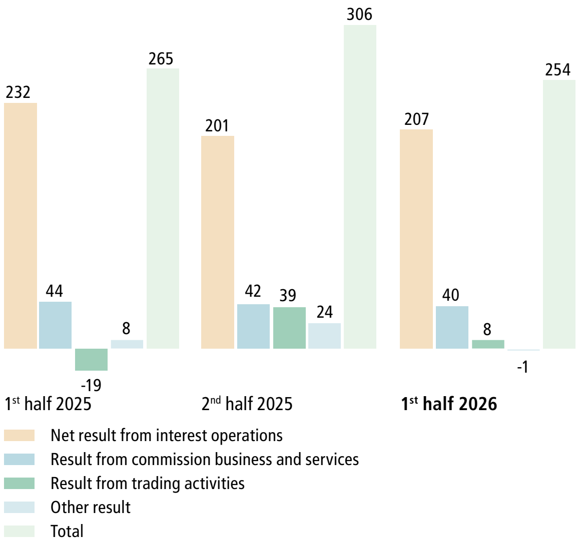
Operational performance and outlook

Income statement

Throughout the first half of 2026, the Group's financial performance was significantly affected by the depreciation of several key currencies, most notably the USD, amid heightened geopolitical and macroeconomic uncertainty. These currency movements had a material adverse effect on the Group's consolidated half-year results. However, excluding foreign exchange effects, the Group delivered a strong underlying operational performance, with improvements across several key performance indicators.

The economic environment remained challenging, characterized by persistent global uncertainty, inflationary pressures, elevated interest rates, and slower economic growth. Against this backdrop, the CHF remained particularly strong against most major currencies, creating additional headwinds for the Group. Nevertheless, the Group achieved robust financial results, demonstrating the resilience of its business model and the strength of its underlying operations.

Operating income, in CHF million



Balance sheet

As of 30 June 2026, the Group's total balance sheet increased by CHF 746.1 million (6.0%), compared with 31 December 2025.

"Liquid assets" decreased by CHF 245.8 million (17.5%) to CHF 1'159.9 million as of the reporting date, primarily reflecting the shift from liquid assets into financial investments.

"Amounts due from banks" decreased by CHF 162.7 million (12.0%) to CHF 1'191.9 million as of the reporting date, mainly driven by a reduction in risk exposures towards banks.

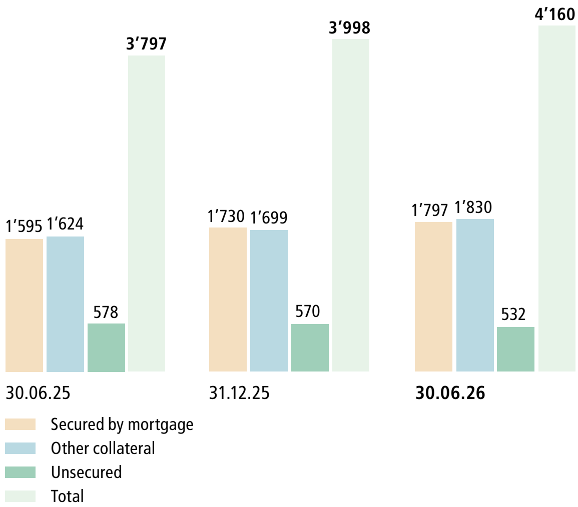
"Total loans to clients (after netting any value adjustments)" increased by CHF 161.5 million to CHF 4'159.7 million as of the reporting date, compared with year-end 2025. More than 85% of the loan portfolio was secured or collateralized, underscoring the prudent risk profile of the Group's lending activities.

"Amounts due in respect of customer deposits" increased by CHF 537.6 million (5.8%) to CHF 9'801.5 million. As of 30 June 2026, more than 90% of customer deposits were at sight, callable, or due within one year.

Financial investments and other financial instruments at fair value increased by CHF 850.8 million (17.7%) to CHF 5'657.8 million compared with year-end 2025.

Total equity increased by CHF 6.7 million to CHF 1'492.8 million as of 30 June 2026, after a dividend distribution of CHF 61.9 million in 2026. Return on equity decreased to 8.7% in the first half of 2026, compared with 10.6% in 2025, primarily driven by lower annualized Group profit in 2026.

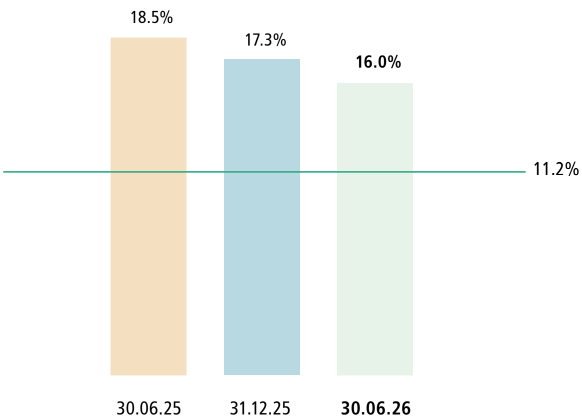
Advances customers, in CHF million



Capital and liquidity

In the first half of 2026, the Group maintained a solid capital base and a comfortable liquidity position. As of 30 June 2026, the Group's "Capital ratio" stood at 16.0%. As a FINMA Category 4 bank, the Group is required to maintain a regulatory target capital ratio of at least 11.2%. The Group's "Capital ratio" was therefore 42.9% above the minimum capital requirement.

Capital ratio



Operations

Performance management remains embedded across the Group, with a focus on reinforcing meaningful performance discussions, supporting employee development, and ensuring continued alignment between individual objectives and the Bank's strategic priorities.

Mandatory training programs remain an integral component of the Group's learning framework, ensuring all new and existing employees complete essential regulatory, compliance and corporate training modules, while reinforcing a culture of accountability, governance, and continuous professional development.

Greater emphasis is being placed on enhancing the review and use of people metrics to provide deeper workforce insights, with an aim to facilitate informed decision-making and support the effective management of the Bank's human capital.

In parallel, the execution of structured succession plans for leadership roles will continue as planned, further strengthening leadership effectiveness.

Outlook

In the second half of 2026, the Group will continue to invest in strengthening leadership capability and talent development. A pilot AI curriculum will be launched to help staff enhance their skills while supporting responsible AI adoption. The "Together We Lead" theme – launched as part of the Group's strategy in January 2026 – will be supported by defined management behaviors aligned with the Group's core values to preserve and enhance its client-centric culture.

In the UAE, the Bank will further advance its Emiratization agenda through initiatives to attract, develop, and retain UAE national talent. A dedicated Training Academy for UAE nationals is being considered to provide structured development opportunities, strengthen capabilities, accelerate career progression, and support the future leadership pipeline.

The Group will also continue to strengthen its talent pipeline through more rigorous succession plan execution for senior leadership roles. The Group-wide Employee Engagement Survey, planned for the fourth quarter of 2026, will provide insights to shape initiatives that will enhance engagement, culture, and the employee experience.

Consolidated interim financial statements of the Group

Balance sheet (consolidated) (unaudited)

in CHF 1'000	30.06.26	31.12.25	+/– %
Assets			
Liquid assets	1'159'918	1'405'712	–17.5%
Amounts due from banks	1'191'920	1'354'645	–12.0%
Amounts due from securities financing transactions		28'693	–100.0%
Amounts due from customers	3'568'294	3'456'258	3.2%
Mortgage loans	591'380	541'956	9.1%
Trading portfolio assets	200'390	89'162	124.7%
Positive replacement values of derivative financial instruments	24'785	18'610	33.2%
Other financial instruments at fair value	2'451'623	1'980'800	23.8%
Financial investments	3'206'146	2'826'133	13.4%
Accrued income and prepaid expenses	473'621	404'114	17.2%
Non-consolidated participations	77	77	0.0%
Tangible fixed assets	93'928	92'510	1.5%
Other assets	215'216	232'501	–7.4%
Total assets	**13'177'299**	**12'431'170**	**6.0%**
Total subordinated claims	7'048	31'152	–77.4%
Liabilities			
Amounts due to banks	549'753	503'921	9.1%
Liabilities from securities financing transactions	750'808	640'698	17.2%
Amounts due in respect of customer deposits	9'801'483	9'263'868	5.8%
Negative replacement values of derivative financial instruments	28'089	22'416	25.3%
Accrued expenses and deferred income	471'313	441'746	6.7%
Other liabilities	67'751	57'536	17.8%
Provisions	15'329	14'912	2.8%
Reserves for general banking risks	525'108	523'862	0.2%
Bank's capital	150'000	150'000	0.0%
Retained earnings reserves	532'367	463'438	14.9%
Minority interest in equity	221'726	192'492	15.2%
Group profit	63'573	156'281	–59.3%
of which minority interests in Group profit	14'662	37'497	–60.9%
Total liabilities	**13'177'299**	**12'431'170**	**6.0%**

Income statement (consolidated) (unaudited)

in CHF 1'000	First half 2026	First half 2025	+/– %
Result from Interest operations			
Interest and discount income	180'265	211'773	–14.9%
Interest and dividend income from trading portfolios	5'789	11'057	–47.6%
Interest and dividend income from financial investments	209'662	213'639	–1.9%
Interest expense	–193'428	–202'603	–4.5%
Gross result from interest operations	**202'288**	**233'866**	–13.5%
Changes in value adjustments for default risks and losses from interest operations	4'719	–2'141	
Subtotal net result from interest operations	**207'007**	**231'726**	**–10.7%**
Result from commission business and services			
Commission income from securities trading and investment activities	5'935	4'404	34.8%
Commission income from lending activities	15'669	17'482	–10.4%
Commission income from other services	23'764	27'250	–12.8%
Commission expense	–5'135	–4'715	8.9%
Subtotal result from commission business and services	**40'233**	**44'421**	**–9.4%**
Result from trading activities and the fair value option	**8'038**	**–19'290**	
Other result from ordinary activities			
Result from the disposal of financial investments	375	26	>500%
Result from real estate	54	91	–40.3%
Other ordinary income		7'914	–100.0%
Other ordinary expenses	–1'565		100.0%
Subtotal other result from ordinary activities	**–1'135**	**8'031**	
Operating income	**254'142**	**264'888**	**–4.1%**

in CHF 1'000	First half 2026	First half 2025	+/– %
Operating expenses			
Personnel expenses	–91'910	–93'127	–1.3%
General and administrative expenses	–57'626	–56'361	2.2%
Subtotal operating expenses	**–149'537**	**–149'487**	**0.0%**
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets	–7'137	–7'017	1.7%
Changes to provisions and other value adjustments and losses	–5'151	–3'361	**53.3%**
Operating result	**92'317**	**105'023**	**–12.1%**
Extraordinary income	468	1'348	–65.3%
Change in reserve for general banking risks	–1'245	39'059	
Taxes	–27'968	–61'175	–54.3%
Group Profit	**63'573**	**84'255**	**–24.5%**
of which minority interests in Group profit	14'662	19'441	–24.6%

Notes to the consolidated financial statements

Accounting and valuation principles

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

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

Scope of consolidation
The Group accounts include the interim financial statements of Habib Bank AG Zurich, Zurich and its subsidiaries in which the Bank has a participation of more than 50 percent of the voting capital or which it controls in another way. Refer to note 6 of the Annual Report 2025 for a list of consolidated subsidiaries.

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

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

Foreign currency translation
The Group's functional and presentation currency is the 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 CHF at exchange rates prevailing on the Group reporting date. The corresponding income statements are translated at the average rates of the respective year. Foreign exchange differences arising from the translation of the financial statements of subsidiaries are recorded within equity, whereas those from the translation of financial statements of branches are recorded in the income statement as "Result from trading activities and the fair value option ".

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

	30.06.26	31.12.2025
1 USD	0.810	0.793
1 GBP	1.071	1.067
100 AED	22.043	21.590
100 PKR	0.291	0.283
100 ZAR	4.918	4.772

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

	30.06.26	2025
1 USD	0.789	0.835
1 GBP	1.059	1.098
100 AED	21.464	22.722
100 PKR	0.282	0.296
100 ZAR	4.797	4.670

Explanations of risk management

Within the scope of its operative activity, the Group is subject to financial risks such as market, credit, liquidity and refinancing risks, as well as operational risks. For more detailed risk information, we refer to the risk management information in the Annual Report 2025.

Events after the balance sheet date

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

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**		Habib Canadian Bank 6450 Kitimat Road Mississauga, Ontario, L5N 2B8 Canada
	Telephone:	+1 (905) 276 5300
	Email:	info@habibcanadian.com
HBZ Bank Ltd. **South Africa**		HBZ Bank Ltd. South Africa 1 Ncondo Pl, Umhlanga Arch Umhlanga Ridge Durban, 4320 / South Africa
	Telephone:	+27 (31) 270 2600
	Email:	sazone@hbzbank.co.za
Habib Metropolitan Bank Ltd. **Pakistan**		Habib Metropolitan Bank Ltd. HABIBMETRO Head office I.I. Chundrigar Road Karachi-74200 / Pakistan
	Telephone:	+92 (21) 111 1 HABIB (42242)
	Email:	info@habibmetro.com
Habib Bank Zurich (Hong Kong) Ltd. **Hong Kong SAR**		Habib Bank Zurich (Hong Kong) Ltd. 1701-05, 17 / F, Wing On House 71, Des Voeux Road Central Hong Kong SAR
	Telephone:	+852 2906 1818
	Email:	customerservice@hbzhongkong.com
Habib Bank Zurich Plc **United Kingdom**		Habib Bank Zurich Plc Habib House 42 Moorgate London EC2R 6JJ / United Kingdom
	Telephone:	+44 (207) 452 0200
	Email:	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
612	Offices

Interim Report 2026

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Management Digital Data AG
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Habib Bank AG Zurich

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