Habib Bank AG Zurich

(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

Annual Report 2024

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Group key figures

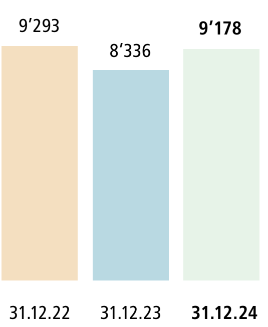
Balance sheet in CHF million	31.12.22	31.12.23	31.12.24	Changes in % to 31.12.23
Total assets	12'565	11'334	12'500	10.3%
Equity	1'203	1'257	1'523	21.2%
Advances customers	3'876	3'299	3'995	21.1%
Deposits customers	9'293	8'336	9'178	10.1%

Income statement in CHF million	2022	2023	2024	Changes in % to 2023
Total income [1]	435.9	599.5	718.2	19.8%
Operating expenses	–249.1	–255.2	–279.0	9.3%
Operating result	161.7	330.4	418.5	26.7%
Group profit	109.7	157.3	198.2	26.0%

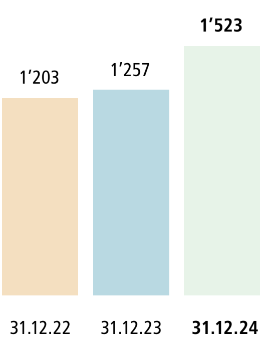
Key figures and ratios in CHF million	31.12.22	31.12.23	31.12.24	Changes in % to 31.12.23
Number of offices	536	561	587	4.6%
Number of employees	7'367	7'629	7'904	3.6%
Return on equity (ROE) [2]	9.0%	12.8%	14.3%	
Equity ratio	9.6%	11.1%	12.2%	
Cost / income ratio	57.1%	42.6%	38.8%	
Capital ratio	17.2%	19.5%	18.6%	
Liquidity coverage ratio (yearly weighted)	136.8%	127.8%	138.1%	
Leverage ratio	8.4%	9.6%	10.6%	

[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

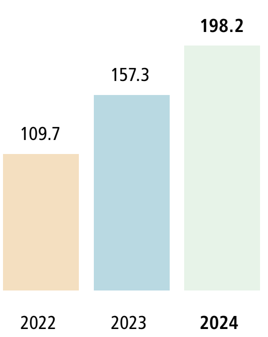
Deposits customers, in CHF million



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%".

Clockwork
Swiss Vintage Clock

Letter to shareholders

Dear fellow shareholders,

The global economy achieved stable growth throughout 2024, and inflation continued to ease towards central bank targets in most countries. As a result, we saw multiple rounds of interest rate cuts, notably in Canada, Pakistan, South Africa, Switzerland, and the United Kingdom. Even so, some challenges persisted, such as foreign exchange developments, tightening regulatory capital requirements, and volatile geopolitical situation.

Amid this environment, with the grace of God, our business proved more than resilient and we delivered once again an exceptionally strong performance in 2024. The key contributors were higher trade volumes across the Group, a significant increase in non-interest income, as well as high interest rate margins. Still, our operating result and Group profit increased by 26.7% and 26.0%, respectively.

Our Islamic banking continued to grow steadily as we celebrated the 20th anniversary of our Sirat brand. In 2024, we also proudly commemorated the 50-year jubilee of our operations in the United Arab Emirates and the United Kingdom. Moreover, building on the prior year's initiatives, we successfully launched completely redesigned websites for the Group and our local business entities. We also defined our corporate responsibility priorities against which we measure our progress in 2024 and the years ahead, and which are reported in our ESG Report 2024.

Anjum Iqbal retired as a member of General Management in October 2024 but remains as our Head of Emerging Markets and acts as Advisor to the Group CEO and is a member of the Boards of Directors of HBZ Bank Ltd. and Habib Bank Zurich Plc. At the start of 2025, Rajat Garg, Head of Developed Markets, will retire as a member of General Management. He will continue his association with us as a Non-Executive Director on the Board of Directors of Habib Bank Zurich Plc and as a Director at Habib Canadian Bank Limited.

We do not anticipate the economic and geopolitical challenges to diminish significantly in the near future. However, with the current trend toward monetary easing in many of our markets, we are reasonably confident that our business will remain on course and God willing continue to grow and prosper.

Based on the extraordinary results of the past year, the Board of Directors has proposed the following appropriations totaling CHF 166'172'350 to be made available for distribution:

– Allocation to statutory retained earnings reserves	CHF	5'250'000
– Distribution of dividend from distributable profit	CHF	60'000'000
– Profit carried forward	CHF	100'922'350

We would like to express our gratitude to all of our employees for their tireless commitment and loyalty, and our valued clients for their constant trust and support.

Dr. Andreas Länzlinger
Chairman of the Board of Directors

Muhammad H. Habib
President

Mohamedali R. Habib
Group CEO

About us

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

The Bank and Group are subject to the consolidated supervision of the Swiss Financial Market Supervisory Authority (FINMA). We have a strong capital base and our liquidity ratios are above minimum regulatory standards. We also entertain a good rapport with the relevant regulatory bodies and central banks in the countries in which it operates.

We place a strong emphasis on personalised 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 Zurich, 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 2024, our headcount totaled 7’904 employees across 587 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 AG Zurich is committed to responsible, value-oriented management and control. Habib Bank AG Zurich complies with all relevant Swiss legal and regulatory requirements in terms of corporate governance. The governance documents of Habib Bank AG Zurich constitute primary guidelines regarding corporate governance and are based on Article 716b of the Swiss Code of Obligations and the Articles of Association of Habib Bank AG Zurich.

General Management of Habib Bank AG Zurich as of 31 December 2024

Board of Directors

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

The Board of Directors shall be composed of five or more members, who are individually elected at the Annual General Meeting. It is 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 Commitee	Risk & Control Committee
Dr. Andreas Länzlinger	Chairman		Member
Urs W. Seiler	Vice-Chairman	Member	Member
Roland Müller-Ineichen	Member	Chairman	
Michael Schneebeli	Member	Member	Chairman
Ursula Suter	Member		Member
Raymond De Barro	Secretary	Secretary	Secretary

Dr. Andreas Länzlinger
Swiss, born 1959

Chairman of the Board of Directors
(since 2013)

Member of the Risk & Control Committee
(since 2018)

Professional history and education

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

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

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

Urs W. Seiler
Swiss, born 1949

Vice-Chairman of the Board of Directors (since 2015)

Member of the Audit Committee (since 2013)

Member of the Risk & Control Committee (since 2013)

Professional history and education

Urs Seiler was elected to the Board of Directors of Habib Bank AG Zurich at the 2012 Annual General Meeting and was appointed Vice-Chairman of the Board in April 2015. He became a member of the Audit Committee and member of the Risk & Control Committee in 2013.

From 2002 to 2012 Urs Seiler was a founding partner of Bugmann, Stocker, Seiler Capital Partners AG (based in Zurich), a company providing advisory services in the areas of capital markets, finance, general management consulting, real estate and corporate restructuring, including the take-over of directorships. He was Chairman of the Board of Directors of PBS Private Bank Switzerland Ltd. (he stepped down from this function in 2002). He was a member of the Board at the Republic New York Corporate (New York) and a member of the Executive Committee of the Republic Bank of New York (Switzerland) from 1998 to 1999. Prior to that, he spent 15 years at UBS AG, holding various top executive and senior management positions, including: Executive Vice President International, Chairman Emerging Markets (Europe, Africa, Middle East), and a member of the Group Management Board (he stepped down from this function in 1998). From 1970 to 1984 he worked for Credit Suisse (Zurich), serving as Vice-President in the foreign exchange division. He began his career at Bank of Nova Scotia (Toronto). His banking career has also included teaching as a lecturer at the Swiss Finance Institute in Zurich from 1986 to 1991. Urs Seiler completed his studies as a Swiss Certified Banking Expert in 1968.

Roland Müller-Ineichen
Swiss, born 1960

Chairman of the Audit Committee (since 2018)

Professional history and education

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

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

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

Michael Schneebeli
Swiss, born 1970

Member of the Audit Committee (since 2022); Chairman of the Risk & Control Committee (since April 2024)

Professional history and education

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

Ursula Suter
Swiss, born 1954

Chairwoman of the Risk & Control Committee (from 2013 to April 2024); Member of the Risk & Control Committee (since April 2024)

Professional history and education

Ursula Suter was elected to the Board of Directors of Habib Bank AG Zurich at the 2012 Annual General Meeting. She was Chairwoman of the Risk & Control Committee from its inception in 2013 until April 2024, and has been a member of the Risk & Control Committee since April 2024.

Ursula Suter spent most of her professional career with UBS. She was General Counsel of the Wealth Management & Business Banking Division from 2002 to 2009 with global responsibilities. Prior to that, she held various positions as legal counsel. She served as a judge at the Commercial Court of the Canton of Zurich for more than 30 years until 2024. In 2011, she was a founding partner of LCR Services AG, a firm providing legal, compliance and regulatory services for financial institutions. Ursula Suter completed her studies in Law at the University of Bern in 1979 and was admitted to the bar in the same year.

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 President and the Group CEO provide the Board of Directors with a business update, and each committee chairperson provides the Board of Directors with an update on current activities of his or her committee as well as important committee issues. At least once per year, the Board of Directors reviews its own performance as well as the performance of each of its committees. This review seeks to determine whether the Board of Directors and its committees are functioning effectively. The committees (listed on page 7) assist the Board of Directors in the performance of its duties.

General Management

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

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

Members of General Management

General Management consists of two members of the Habib family and four non-family members. The majority of the members of General Management have residency in Switzerland.

Name	Function
Muhammad H. Habib	President
Mohamedali R. Habib	Group CEO
Rajat Garg[1]	Member of General Management and Head of Developed Markets
Walter Mathis	Member of General Management and Head of Shared Services
Mohsin Ali Nathani	Member of General Management and Head of Asian Markets & Canada
Arif Usmani	Member of General Management and Group Chief Risk Officer

[1] until 31 December 2024

Muhammad H. Habib
Swiss, born 1959

President

Professional history and education

Muhammad H. Habib became a member of General Management at Habib Bank AG Zurich in 1992. He was appointed President & Chief Executive Officer in February 2011.

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

Mohamedali R. Habib
Canadian, born 1964

Group CEO

Professional history and education

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

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

Rajat Garg
Singaporean, born 1963

Member of General Management and
Head of Developed Markets

Professional history and education

Rajat Garg became a member of General Management of Habib Bank AG Zurich and Regional CEO for Developed Markets in April 2016. He is responsible for UK, Hong Kong and Canada.

Before joining Habib Bank AG Zurich, Rajat Garg worked for Citibank for 26 years in a number of different areas of commercial banking and wealth management across multiple geographies in Asia, Middle East and Europe. He was Head of Retail Banking & Wealth Management for the Europe, Middle East & Africa region from 2008 to 2015, with oversight for 16 countries (based in London). Prior to that, he served as Country Business Manager for Citibank Türkiye (based in Istanbul) and as Cards Business Head for Saudi American Bank (based in Riyadh). Between 2001 and 2003 he served as Regional CFO for Citibank Asia Cards, covering 12 countries (based out of Singapore). Prior to that, from 1997 to 2001, he helped start up and establish the Citibank NonResident Indian Wealth Management Business, which operated from 15 cities globally (based out of Singapore). From 1989 to 1997 he served in various positions with Citibank India, notably in Risk Management, Finance and Business Planning. He started his professional career in 1989 as a Management Associate with Citibank. Rajat Garg holds an MBA from the Indian Institute of Management Calcutta and a Bachelor of Technology in Civil Engineering from the Indian Institute of Technology Kanpur.

Walter Mathis
Swiss, born 1961

Member of General Management and
Head of Shared Services

Professional history and education

Walter Mathis became a member of General Management and Head of Shared Services in August 2013 and was a member of the Board of Directors of Habib Bank AG Zurich from 2012 until 2013.

Walter Mathis has worked in the financial industry for over 40 years and has held management positions in international financial institutions and consultancy firms. Before joining Habib Bank AG Zurich, he worked for 15 years for Synergis Consulting Ltd., a consultancy boutique for the financial industry, which he co-founded. Prior to that, he was a Member of Management and Head of Controlling at Banca del Gottardo in Lugano, where he was employed for six years. From 1988 to 1992 he worked for Peat, International Consultants Ltd. (KPMG), where he built up and headed – as Partner – the financial service consultancy in Geneva. Walter Mathis started his professional career with Credit Suisse, working for five years in various positions and locations. He was a member of the Expert Commission Financial Market Regulation and Accounting of the Swiss Bankers Association as a representative (from 1996 – 1998 and 2013 – 2015) of the Association of Foreign Banks in Switzerland. Walter Mathis holds a Bachelor of Arts (BA) in economics. In 1987 he graduated from the University of Applied Sciences of Zurich, and is a graduate of the Executive Program from the Swiss Finance Institute of Zurich.

Mohsin Ali Nathani
Canadian, born 1965

Member of General Management and
Head of Asian Markets & Canada

Professional history and education

Mohsin Ali Nathani became a member of General Management of Habib Bank AG Zurich and Head of Asian Markets & Canada in June 2024. He also serves on the Board of Directors of three subsidiaries of Habib Bank AG Zurich – Habib Metropolitan Bank Ltd. (Pakistan), Habib Canadian Bank and Habib Bank Zurich (HK) Ltd. Mohsin has over 30 years of banking experience in the Middle East, Africa, South Asia, Asia Pacific and Levant regions, where he has held various leadership positions with complex responsibilities in areas such as corporate banking, Islamic banking, credit, treasury and syndications.

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

Arif Usmani
Pakistani, born 1957

Member of General Management and
Group Chief Risk Officer

Professional history and education

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

Arif Usmani has over 40 years of working experiences across several geographies and markets inclusive of but not limited to Pakistan, Saudi Arabia, Singapore, Hong Kong, Slovakia, Middle East and Africa, in various banking disciplines. Before joining Habib Bank AG Zurich, Arif Usmani served as president and CEO of the National Bank of Pakistan (Pakistan's second largest commercial bank) from 2019 to 2022. Prior to that and as from 2017, Arif held the position of Chief Risk officer at Mashreq Bank in Dubai, UAE and Group Head of Wholesale Banking at Abu Dhabi Islamic Bank in Abu Dhabi, UAE from 2012 to 2017. Between 1981 and 2012, he worked for Citi and Citi's affiliate, the Saudi American Bank, in Saudi Arabia (later Samba Financial Group) where his last position was Chief Risk Officer and member of the Executive Committee. At Citi, he held various corporate banking and credit risk management roles and was CEO of the group's businesses in Slovakia, Pakistan and Nigeria. From Nigeria, he was also responsible for Citi's franchises in the West African region. Arif Usmani holds a BSc (Hons) degree in Theoretical Physics from Imperial College London and is Associate of the Royal College of Science.

Management of Emerging Markets

Name	Born	Citizenship	Function
Anjum Iqbal	1952	British	Head of Emerging Markets

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 Dention	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
Nazrul Huda	1953	Bangladeshi	Representative Office Manager	Bangladesh
Eren Omacan	1978	Turkish	Representative Office Manager	Türkiye
Irene Wu Ying	1973	Chinese	Representative Office Manager	China

Group Business Functions

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

Group Service and Control Functions

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

Group Internal Audit

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

Management report

Economic environment

The global economy continued to expand at a moderate pace in 2024, led by a still surprisingly resilient US economy. Meanwhile, structural headwinds kept growth below its long-term trend in most European economies, with Germany – traditionally the continent's economic engine – contracting for the second consecutive year. China also faced challenges arising from a persistently weak real estate sector and sluggish export growth, but its economy nonetheless reached the official growth target. As inflation pressures eased in most economies, many central banks started to reverse their restrictive policies in the second half of the year, ushering in a global monetary easing cycle. The Federal Reserve (Fed) and the European Central Bank cut their policy rates by one full percentage point. However, markets lowered their expectations for future rate cuts by the Fed due to strong US growth. This, combined with President Donald Trump's and Republican party's victory in the US presidential and congressional elections, resulted in a broad-based USD rally. Commodity prices were volatile throughout the year but overall moved sideways.

In line with global developments, on average, the economies of our core markets delivered a respectable performance. Pakistan, our most significant country of operation, stood out in many ways as its economy returned to growth after a moderate decline in 2023. The country's re-engagement with the International Monetary Fund (IMF) – by signing a three-year Extended Fund Facility of USD 7 billion– and its commitment to substantial economic reforms together paved the way for an improved macro-economic environment. Coupled with political stabilization, these developments strengthened Pakistan's external position with strong foreign inflows, leading to a sharp drop in its current account deficit. The Pakistani rupee firmed up against the US dollar as the government curbed grey-market activity. Easing inflationary pressures – consumer price inflation declined to the lowest level in more than six years – allowed the State Bank of Pakistan to cut interest rates by a staggering 900 basis points between June and December 2024. Activity in turn recovered in most sectors of the economy.

The United Arab Emirates (UAE) benefitted once again from its strategic location in the Middle East and robust expansion of its economy, which was propelled by the dynamic non-oil sector. The government's ongoing efforts to diversify the nation's sources of revenue succeeded in making the economy less susceptible to volatile global crude oil markets. In early 2024, the Financial Action Task Force removed the UAE from its grey list. This was particularly important for the real estate market, which is highly dependent on foreign capital inflows.

Growth slowed in Hong Kong SAR, mostly due to subdued growth in China for most of 2024 and lower inflow of visitors from mainland China that was still below pre-pandemic levels. Moreover, property prices remained under pressure amid high mortgage rates and a weak labor market.

The UK economy experienced another difficult year with only a modest improvement in growth. The Labour party's landslide election victory in July failed to deliver an expected upswing in mood and activity. At the same time, persistent price pressures gave the Bank of England room for only two interest rate cuts.

Sustained consumer spending and improved net exports allowed the Swiss economy to expand just below trend. As the Swiss franc's long-term strength contained imported inflation, the Swiss National Bank proceeded with a swift series of rate cuts to anchor price stability for the longer term. The government also made progress in its negotiations for a new institutional framework with the EU – the country's largest trading partner.

Despite early and substantial rate cuts by its central bank, Canada enjoyed only modest economic growth. On a per capita basis, growth was in fact negative given the rapid population rise in recent years.

Economic activity picked up in South Africa as load shedding by utility companies virtually ended. Business sentiment benefited from the outcome of the general elections in May, which brought about a government of national unity with brightened prospects for more comprehensive reforms. Moreover, the Reserve Bank twice lowered its policy rate as moderating price pressures kept inflation well within the target range.

While growth slowed moderately over the course of the year, the Kenyan economy continued to expand at a solid pace, supported by an easier monetary policy. Progress on fiscal consolidation was instrumental for a successful review of its latest IMF program.

Banking industry

High interest rates throughout most of 2024 allowed the banking industry to continue to benefit from some of the highest net interest margins in recent years. These high margins not only sustained overall profitability well above pre-pandemic levels but also helped strengthen capital levels above regulatory minimum requirements. As a result, much of the industry is well prepared for the implementation of the final Basel III requirements. While interest margins did start to decline late in the year amid central bank rate cuts, fair economic growth in most markets allowed for balance sheet growth and supported asset quality. In turn, the benign economic environment kept provisioning requirements low, except for certain areas such as credit card lending in the US. Unlike the prior year, funding was not a cause for concern to most banks, as system-wide risks remained well contained. Chinese banks were of the most at risk due to the ongoing deleveraging of the domestic real estate sector, however authorities did ensure that they had access to sufficient liquidity at all times. Meanwhile, the competitive environment continued to evolve, for instance, with asset managers pushing strongly into areas traditionally dominated by banks, such as corporate lending. Technology remained a major challenge, mainly for incumbent operators with their legacy platforms and operating models. Most banks maintained important spending on technology, including in artificial intelligence, to improve efficiency, keep costs under control, and comply with regulatory requirements. Moreover, such investments were aimed at meeting the ever-increasing demand from private and institutional clients for digital engagement and service delivery.

Operational performance and outlook

Income statement

The general conditions of the markets the Group is operating in remained favorable throughout most of 2024. The Group significantly increased its non-interest income through higher trade volumes and still profited from high interest rates levels while expenses were monitored closely and could be kept at budgeted levels. Once more, the Group concluded the year with exceptional financial results.

The "Gross result from interest operations" for 2024 was still driven by high interest rates with a strong balance sheet development in local currencies, however, at CHF 489.0 million it remained slightly below the prior year's result of CHF 495.5 million (-1.3%). While total interest, discount and dividend income amounting to CHF 1'134.6 million reflected an increase of about CHF 114.8 million (+11.3%) compared to the prior year's income of CHF 1'019.8 million, "Interest expense" increased by CHF 121.4 million (23.1%).

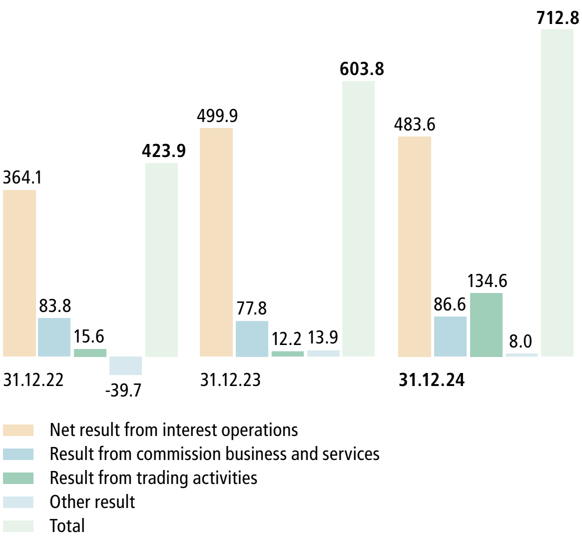
Overall, in 2024, the total "Result from commission business and services" increased by CHF 8.8 million to CHF 86.6 million. All commission businesses improved, namely "Commission income from securities trading and investment activities" increased by CHF 2.7 million (43.0%), and the "Commission income from lending activities" and "Commission income from other services" increased by CHF 4.4 million and CHF 2.1 million, respectively.

"Result from trading activities and the fair value option" increased significantly by CHF 122.4 million to CHF 134.6 million. In 2024, the Group recorded a revaluation gain of CHF 66.7 million on "Other financial instruments at fair value" (2023: CHF 17.3 million). Due to the high financial market volatility, the volume of the Group's foreign exchange transactions grew and the Group's "foreign exchange" result amounted to CHF 40.7 million (compared to CHF 31.8 million in 2023).

In 2024, total "Operating expenses" increased by CHF 23.8 million (9.3%) to CHF 279.0 million (compared to CHF 255.2 million in 2023), whereof CHF 16.0 million was the result of an increase in resources to support higher operational volumes, increased frontline and technology resources to help clients, and continued investment in the delivery on the Group's strategic priorities. Similarly, "General and administrative expenses" increased by CHF 7.8 million from CHF 92.9 million to CHF 100.7 million.

The Group reported an "Operating result" of CHF 418.5 million in 2024 (compared to CHF 330.4 million in 2023), which is a respectable year-on-year increase of 26.7%. Accordingly, tax expenses increased by 22.8% to CHF 160.9 million (compared to CHF 131.0 million in 2023).

Operating income, in CHF million



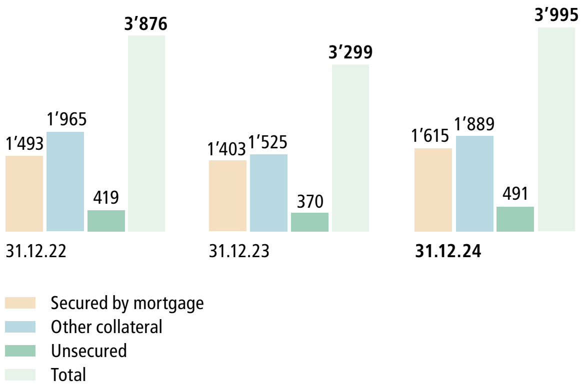
The "Cost / income ratio" was again significantly improved in 2024 as it decreased to 38.8% (compared to 42.6% in 2023). This was primarily driven by the substantially improved "Result from trading activities" combined with the only moderately higher "Operating expenses".

Balance sheet

Total assets increased by CHF 1'166.5 million (10.3%) to CHF 12'500.5 million and by 3.2% on a local currency basis. The balance of "Liquid assets" confirmed an increase of CHF 121.4 million (9.8%), for a total of CHF 1'362.6 as of 31 December 2024 (compared to CHF 1'241.3 million in 2023). "Total loans (after netting any value adjustments)" with clients increased by CHF 696.0 million compared to 2023 (more information is provided in note 2). More than 87% of the loan portfolio was secured or collateralized. "Amounts due in respect of customer deposits" increased by CHF 842.1 million (10.1%) to CHF 9'177.6 million. As of 31 December 2024, more than 90% were at sight, callable or due within one year.

Total equity increased by CHF 266.1 million (21.2%) to CHF 1'523.2 million as of 31 December 2024, after a dividend distribution of CHF 58.4 million in 2024. The return on equity was 14.3% in 2024 (compared to 12.8% in 2023). The equity stake of minority interests increased to 12.9% (compared to 11.3% in 2023).

Advances customers, in CHF million

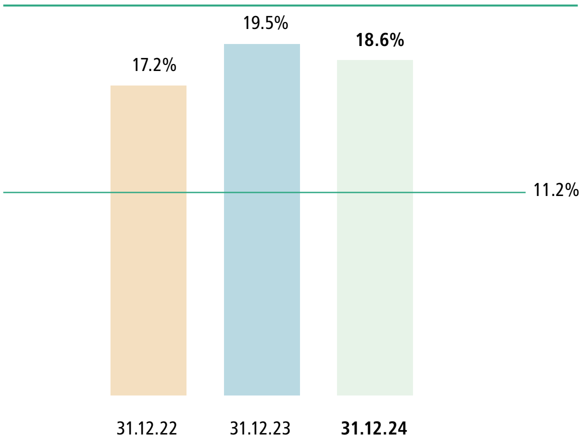


Capital and liquidity

In 2024, the Group maintained a strong capital base and an adequate liquidity ratio. The Group's "Capital ratio" was 18.6%. The Group is classed as a Category 4 Bank by FINMA and must maintain a regulatory target capital ratio of at least 11.2%. The Group's "Capital ratio" was 66.1% higher than the minimum capital requirement. Accordingly, and similar to the previous year, the Group was ranked[1] by FT The Banker among the upper range of Swiss banks. The "Liquidity coverage ratio" amounted to 138.1% at Group level, which was well above the minimum Group requirement of 100%. More information is provided in the capital adequacy and liquidity disclosure requirements at 31 December 2024 available on the Group's website (www.habibbank.com/Group/home/GroupAboutus.html).

[1] Financial Times, The Banker, July 2024

Capital ratio



Risk assessment

The Board of Directors conducted its risk assessment of all major risks of the Bank and the Group in 2024.

Operations

In 2024, as part of our ongoing digitalization program, we launched our completely redesigned website. This was followed by similar upgrades to the websites of our local business entities. At the same time, we re-launched our internal communication platform featuring a brand-new intranet concept and design, with regularly scheduled enhancements and upgrades.

As of 1 January 2024, we enhanced our operational risk framework in line with FINMA circular 2023/1 "Operational risks and resilience – banks" requirements, reinforcing our information and communication technology risk, cyber resilience, and business continuity management strategies. Additionally, we introduced new frameworks focused on critical data protection and operational resilience to meet evolving regulatory expectations.

Recognizing the dynamic nature of operational risks, we prioritized awareness and engagement across the Group, ensuring a deeper understanding of emerging risks at all levels. Operational risk management is a key focus for our Board of Directors, with regular discussions on potential threats and risk mitigation strategies to strengthen governance and preparedness.

In 2024, we implemented several key initiatives in line with the aforementioned FINMA circular:

- enhanced business continuity planning, incorporating scenario-based stress testing, periodic simulations, and extended coverage for cyber threats, third-party dependencies, and extreme weather risks, such as flooding
- investment in an operational risk management solution, enabling greater efficiency in risk identification, documentation, control assessments, and oversight of material risks
- strengthening the second line of defense, including a review of operational risk resources to ensure adequate expertise and capacity within the risk function
- ongoing staff training and awareness programs to foster a strong culture of risk ownership and resilience across the organization.

Digital transformation accelerated. Products were increasingly offered through digital platforms with user-friendly mobile banking systems. Partnership opportunities at the intersection of digital, data, technology, and client experience were increasingly leveraged to improve speed, capacity, and operating efficiency.

A new electronic employee performance management system was implemented for all local business entities (excluding Habib Metropolitan Bank Ltd.). This digital solution is designed to ensure standardization in performance management across the organization and enhance transparency and employee experience. This initiative was complemented by measures to improve the quality and governance of performance evaluations that will result in more balanced assessments, with greater emphasis on the recognition of high-performance employees.

In cooperation with an external agency, we conducted our first Group-wide employee experience survey, which achieved a 91% participation rate across all regions and functions. The survey revealed a favorable engagement score of 88%, which is above the norm for global financial services firms. The insights gathered will be used to target improvements to strengthen the Group's organizational culture, practices, and reputation.

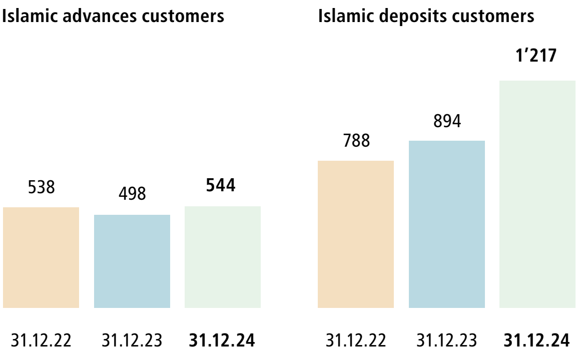
Islamic banking

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 client 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 strong Shariah governance standards. The brand continues to strive for the highest levels of excellence by offering ESG-linked banking solutions that meet our clients' evolving needs.

We aspire to remain at the forefront of the international Islamic banking sector, with consistent enhancement of internal capacity and expertise, and collaboration with industry players and peers.

Islamic deposits and advances customers, in CHF million



13.6% of total advances customers in 2024

13.3% of total deposits customers in 2024

Environmental, social and governance (ESG)

Our consolidated ESG Report 2024 was published at the same time as this Annual Report 2024, as required by the Swiss Code of Obligations and in accordance with the Global Reporting Initiative (GRI) Standards.

Our newly formed Group ESG Committee met eight times in 2024 to assess the sustainability of our business and oversee the preparation of our ESG Reports. We continued to develop standardized processes for collecting, consolidating, and reporting our Group-wide ESG data on energy consumption, GHG emissions, business travel and water consumption, and we enhanced our existing Group-wide collection of employee data. Moreover, we successfully transitioned the production of all our regulatory reports to a new technology that allows the production of machine-readable reports (iXBRL) – a standard that will become mandatory for ESG reporting as of 2026.

Our focus remained on the same material topics as in the prior year, clustered thematically into these groups:

- **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 2024, we integrated for the first time the key climate and social issues into our business priorities and report on climate matters in accordance with the recommendations issued by the Taskforce on Climate-Related Financial Disclosures. In addition, we provide more detailed information regarding our Islamic banking business, digitalization initiatives and ESG program.

Outlook

For 2025, we will implement an advanced leadership acceleration and curated learning program designed to drive organizational excellence across the Group. This program is intended to elevate executive capabilities, positioning high-potential talent for succession into critical roles. Talent acquisition infrastructure will also undergo a comprehensive change through the integration of new recruitment technologies and the establishment of a specialized talent acquisition center of excellence. This realignment will optimize role fulfillment metrics while cultivating a robust leadership pipeline aligned with long-term organizational goals. Concurrently, a governance framework for our human capital value chain, encompassing talent acquisition and integration, performance excellence systems, compensation governance, and professional development programs will be implemented to drive operational optimization, enhance cross-functional synergies, and deliver valuable outcomes that enhance the Group's market position.

In addition, various strategic initiatives are being further developed. As part of our Group Wealth Management strategy, the Group plans to unlock further growth potential through our office in the Dubai International Financial Centre (DIFC). This dynamic location offers world-class private banking services. For our international clientele, we also offer our new, unique Priority Banking services in the UAE and the UK. Our clients benefit from advantages such as personalized client management, exclusive financial products, faster processing times, and professional financing solutions. In addition, the Group also expects increased sales volume and commission income from the activities of the Group Financial Institution (GFI). Even if US tariffs increase as expected, they are likely to have only a minor impact on our sales volume, as our target markets – Bangladesh, Turkiye, and Pakistan – have only limited trade relations with the US.

Lastly, we anticipate the geopolitical and economic environment to remain volatile. In combination with declining interest spreads, this will also have an impact on the banking industry. Nonetheless, we are confident that with the aforementioned initiatives, our employees' continued dedication, and our prudent risk management we can keep up the momentum and deliver a solid result in 2025.

Zytglogge in Bern,
15th Century Astronomical Clock

Consolidated financial statements of the Group

Group financial statements

Consolidated balance sheet

in CHF 1'000	Note	31.12.24	31.12.23	+/– %
Assets				
Liquid assets		1'362'633	1'241'274	9.8%
Amounts due from banks		1'293'926	1'215'940	6.4%
Amounts due from securities financing transactions	1		219	–100.0%
Amounts due from customers	2	3'470'922	2'877'802	20.6%
Mortgage loans	2	523'945	421'125	24.4%
Trading portfolio assets	3	128'305		100.0%
Positive replacement values of derivative financial instruments	4	18'240	9'550	91.0%
Other financial instruments at fair value	3	2'217'865	2'464'306	–10.0%
Financial investments	5	2'943'008	2'663'041	10.5%
Accrued income and prepaid expenses		315'030	240'043	31.2%
Non-consolidated participations	7	77	77	0.0%
Tangible fixed assets	8	98'123	82'871	18.4%
Other assets	10	128'391	117'721	9.1%
Total assets		**12'500'465**	**11'333'968**	**10.3%**
Total subordinated claims		91'559	135'007	–32.2%
Liabilities				
Amounts due to banks		543'332	622'878	–12.8%
Liabilities from securities financing transactions	1	797'107	739'992	7.7%
Amounts due in respect of customer deposits		9'177'641	8'335'532	10.1%
Negative replacement values of derivative financial instruments	4	16'611	13'370	24.2%
Accrued expenses and deferred income		358'691	272'692	31.5%
Other liabilities	10	75'135	85'901	–12.5%
Provisions	13	8'739	6'519	34.0%
Reserves for general banking risks	13	545'986	495'431	10.2%
Bank's capital		150'000	150'000	0.0%
Retained earnings reserves		432'303	311'892	38.6%
Minority interest in equity		196'757	142'451	38.1%
Group profit		198'163	157'312	26.0%
of which minority interests in Group profit		44'029	44'698	–1.5%
Total liabilities		**12'500'465**	**11'333'968**	**10.3%**

Consolidated off-balance sheet transactions

in CHF 1'000	Note	**31.12.24**	**31.12.23**	+/– %
Off-balance sheet transactions				
Contingent liabilities	2, 20	1'716'334	1'200'075	43.0%
Irrevocable commitments	2	1'237	1'409	–12.2%
Credit commitments	2, 21	157'337	96'564	62.9%

Consolidated income statement

in CHF 1'000	Note	2024	2023	+/– %
Result from Interest operations				
Interest and discount income		498'051	477'458	4.3%
Interest and dividend income from trading portfolios		18'754	10'796	73.7%
Interest and dividend income from financial investments		617'769	531'504	16.2%
Interest expense		–645'588	–524'233	23.1%
Gross result from interest operations		**488'986**	**495'526**	**–1.3%**
Changes in value adjustments for default risks and losses from interest operations		–5'430	4'338	
Subtotal net result from interest operations		**483'556**	**499'864**	**–3.3%**
Result from commission business and services				
Commission income from securities trading and investment activities		9'109	6'368	43.0%
Commission income from lending activities		34'813	30'444	14.4%
Commission income from other services		51'834	49'745	4.2%
Commission expense		–9'138	–8'755	4.4%
Subtotal result from commission business and services		**86'618**	**77'802**	**11.3%**
Result from trading activities and the fair value option	23	**134'630**	**12'213**	**>500%**
Other result from ordinary activities				
Result from the disposal of financial investments			–2'743	–100.0%
Result from real estate		462	238	93.7%
Other ordinary income		8'824	17'275	–48.9%
Other ordinary expenses		–1'316	–855	53.9%
Subtotal other result from ordinary activities		**7'971**	**13'916**	**–42.7%**
Operating income		**712'775**	**603'794**	**18.0%**

in CHF 1'000	Note	2024	2023	+/– %
Operating expenses				
Personnel expenses	24	–178'256	–162'317	9.8%
General and administrative expenses	25	–100'707	–92'910	8.4%
Subtotal operating expenses		**–278'963**	**–255'227**	**9.3%**
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets		–13'640	–16'683	–18.2%
Changes to provisions and other value adjustments and losses		–1'631	–1'499	8.8%
Operating result		**418'541**	**330'385**	**26.7%**
Extraordinary income	26	5'323	790	>500.0%
Extraordinary expenses	26		–313	–100.0%
Change in reserve for general banking risks		–64'837	–42'578	52.3%
Taxes	28	–160'863	–130'972	22.8%
Group Profit		**198'163**	**157'312**	**26.0%**
of which minority interests in Group profit		44'029	44'698	–1.5%

Consolidated cash flow statement

in CHF 1'000	2024 Cash inflow	2024 Cash outflow	2023 Cash inflow	2023 Cash outflow
Cash flow from operating activities				
Group profit	198'163		157'312	
Change in reserves for general banking risks	64'837		42'578	
Value adjustments on participations, depreciation and amortisation on tangible fixed and intangible assets	13'640		11'793	
Provisions and other value adjustments	3'275	1'055	2'248	2'187
Changes in value adjustments for default risks and losses	42'036	34'001	52'581	91'378
Currency translation differences	61'561			108'544
Accrued income and prepaid expenses		74'987		53'177
Accrued expenses and deferred income	86'000		64'297	
Previous year's dividend		58'439		36'865
Total	**469'512**	**168'482**	**330'809**	**292'151**
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		11'432	12'417	5'601
Other tangible fixed assets		17'339	1'398	12'785
Total		**28'770**	**13'815**	**18'385**

in CHF 1'000	2024 Cash inflow	2024 Cash outflow	2023 Cash inflow	2023 Cash outflow
Cash flow from the banking operations				
Medium- to long-term business (> 1 year)				
Amounts due to banks		3'453		19'510
Liabilities from securities financing transactions		69'680		8'195
Amounts due in respect of customer deposits		11'832		117'556
Other liabilities		10'766	339	
Amounts due from banks	793	1'157	7'930	
Amounts due from customers		313'384		167'375
Mortgage loans		100'758		35'789
Trading portfolio assets		61'301		
Financial investments	17	173'139	281'852	
Other assets		10'670	26'059	
Short-term business				
Amounts due to banks		76'093		138'528
Liabilities from securities financing transactions	126'795			228'554
Amounts due in respect of customer deposits	853'942			840'348
Negative replacement values of derivative financial instruments	3'242		2'691	
Amounts due from banks		76'829	419'159	
Amounts from securities financing transactions	219		303'007	
Amounts due from customers		294'358	819'793	
Mortgage loans	5'301			3'273
Trading portfolio assets		67'004		
Positive replacement values of derivative financial instruments		8'691	2'475	
Other financial instruments at fair value	246'442			433'642
Financial investments		106'829	93'378	
Currency differences		1'706		369
Liquidity		**121'360**	**2'372**	
Liquid assets		121'360	2'372	
Total	**1'706'261**	**1'706'261**	**2'303'677**	**2'303'677**

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 1.1.2023	**150'000**	**322'488**	**464'761**	**155'629**	**109'727**	**1'202'605**
Transfer of profits to retained earnings		70'909		38'818	–109'727	
Currency translation differences		–59'505		–49'039		–108'544
Dividends and other distributions		–22'000		–14'865		–36'865
Other allocations to / (transfers from) the reserves for general banking risks			30'670	11'908		42'578
Group profit					157'312	157'312
At 31.12.2023	**150'000**	**311'892**	**495'431**	**142'451**	**157'312**	**1'257'086**

Retained earnings reserve includes currency translation differences of CHF -255.9 million, which decreased during 2023 by CHF 59.5 million.

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.

Swiss Cuckoo Clocks

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, 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.

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:

	31.12.24	31.12.23
1 USD	0.903	0.843
1 GBP	1.135	1.072
100 AED	24.588	22.970
100 PKR	0.324	0.300
100 ZAR	4.806	4.550

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

	2024	2023
1 USD	0.879	0.900
1 GBP	1.124	1.118
100 AED	23.933	24.476
100 PKR	0.316	0.325
100 ZAR	4.783	4.904

Accounting and valuation principles
The Group and the 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 client'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 client 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 and latent credit risks

Besides the specific value adjustments for non-performing credit exposures, the Group calculates expected credit losses (ECL), with the exception of Switzerland, 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. b FINMA Accounting Ordinance. Value adjustments for inherent risks of default correspond to the expected loss over a period of 12 months. 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 inherent risks are determined for all credit exposures arising from mortgage loans, due from costumers, 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 almost all countries the Group assesses the expected loss calculation based on its main asset classes, which are client 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 latent credit risk. 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.

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 client transactions resulting from contracts traded over-the-counter (OTC) 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 FINMA 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 14.

Explanations of risk management

Risk & Control Framework

The Group is exposed to a wide array of risks in pursuing its strategy and business objectives. These can 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 risk and who 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 Risk & Control Committee 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 Audit Committee 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 Audit Committee is responsible for ensuring independence and monitoring the performance of Group Internal Audit and 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) function is a member of General Management and develops and monitors the Group-wide framework for risk identification and assessment, management, monitoring and reporting within the risk tolerance for the Group's various business activities. It accomplishes this mission as an independent function ensuring that the entities engaging 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 treasury compliance, legal and technology 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 applying best practice. A Group risk assessment is thereby performed, which encompasses all risk classes and subsequently allows Management to focus on significant risk exposures;
– 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. Expected Credit Loss (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 and third-party guarantees, as deemed necessary. For each collateral type, a minimum haircut is defined in order to account for the volatility in market value 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 programs.

The Group has successfully implemented the Moody's CreditLens rating model covering its commercial lending operations in all countries, except South Africa and Canada, which are scheduled for implementation in the first half of 2025. 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 62% of the credit exposure to financial institutions is of investment grade quality and the remaining 38% consists mainly of short-term trade finance exposure in emerging markets and is monitored within a set of defined 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 2024 was negligible.

The Group has adopted an ECL concept in accordance with IFRS 9 guidelines in seven out of eight country operations. Switzerland will adopt it fully, within the context of Swiss GAAP, during 2025. Therefore, the concept of providing for latent credit risks is well established and will be further perfected during 2025. During 2024, CHF 9.1 million of latent credit risk provisions were released, reaching a total of CHF 60.3 million of ECL coverage, while the Group also holds CHF 103.7 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 not being able to cover contractual and on-demand financing needs at all times (e.g., due to the impossibility of replacing or renewing deposits, outflows of funds due to loan commitments). Liquidity risk management ensures that the Group always has sufficient liquidity to meet its payment obligations, even under stress conditions. In addition, liquidity risk tolerance defines strategies and requirements for managing liquidity risk under stress conditions. 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 Management Committee regularly monitors liquidity and market risks.

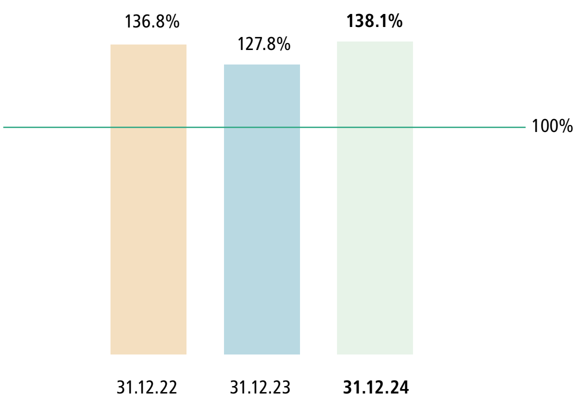
The Group applies a prudent approach to liquidity risk management. The Group grants advances and loans to clients predominantly on a short-term basis. Funding is largely obtained through deposits, which are mainly at sight or short-term. Wholesale funding is not significant and deposits are well diversified. No single client deposit accounts for more than 5% of the Group's total client 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. Furthermore, individual client groups in different countries will not act in the same way and at the same time.

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 secured 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 market prices, volatilities, correlations, and other valuation-relevant factors. The Group is mainly exposed to interest rate risk, foreign exchange risk, equity risk and – to a very limited extent – commodity risk.

The Group's market risk appetite is defined and monitored through a comprehensive system of market risk limits by the Group Asset & Liability Management Committee. 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 advances made to clients which exceed the interest periods for client deposits taken. To limit interest rate repricing risk, most client 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 client 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 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 Interest Rate Risk in the Banking Book (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 Group Asset & Liability Management Committee.

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 program with the aim to acquire and maintain highly liquid 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 Group Asset & Liability Committee.

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 risk management process robustly identifies and assesses these risks, drawing insights from its internal risk events database and external events scanning. To manage these risks effectively, the Group employs a comprehensive operational risk management framework, consisting of six key processes. These include the use of key risk indicators, executing change risk assessments, conducting risk self-assessments, detailed scenario analyses, risk event management, and issue management with action tracking. To mitigate these risks, diverse strategies are employed, adapting the business to evolving challenges and regulatory requirements.

The integration of operational resilience requirements by regulators is embedded into the Group's risk management strategy. This ensures the identification of critical services and the Group's ability to withstand and rapidly recover from disruptive events, safeguarding clients' interests, and maintaining market confidence. Central to the Group's operational resilience framework is the stringent management of third-party risks. The Group conducts extensive due diligence and monitors its third parties, assessing their risk profiles and ensuring adherence to the Group's high standards of operational security and reliability. Robust business continuity plans are in place and are regularly tested for effectiveness and relevance, including technological recovery capabilities.

Cybersecurity and ICT risk management remain central to the Group's resilience strategy. In response to the evolving landscape of cyber threats, the Group has developed a proactive, risk-based cyber risk strategy. A team of cybersecurity experts defines the Group's cyber strategy, which involves continuous monitoring and assessment of potential threats, and conducts comprehensive risk assessments for all security and technology-related applications, vulnerability and penetration testing, and information security campaigns for employees and clients. ICT risks are proactively managed through advanced security measures and ongoing employee training, ensuring the safety of the Group's digital assets and client information. The Group monitors its ICT infrastructure to ensure availability and reliability.

To protect critical data, the Group has implemented a governance framework ensuring proper classification, protection, backup resilience, and compliance with Basel, GDPR and other regulatory standards.

The Group continually strengthens its Model Risk Management framework to ensure the integrity and reliability of the various models used in different areas. By validating and reviewing these models, the Group safeguards against inaccuracies and biases, thereby enhancing its decision-making and risk assessment processes.

Furthermore, the Group actively reviews and reinforces controls to mitigate potential risks, enhancing them as necessary. Other measures include risk avoidance, risk reduction, and risk transfer strategies. Through these comprehensive measures, the Group remains committed to maintaining high standards of operational risk management, resilience and reliability.

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 compliance 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 clients will damage Habib Bank AG Zurich'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 destabilizing 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 reviews are also performed to ascertain impact on individual obligors and the specific aggregate portfolio under review. Based on such analyses, the Group implements tactical and strategic mitigating measures wherever necessary.

Events after the balance sheet date

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

Information on the consolidated balance sheet

1 Breakdown of securities financing transactions

in CHF 1'000	31.12.24	31.12.23	+/– %
Book value of receivables from cash collateral posted for securities borrowing and reverse repurchase agreements [1]		219	–100.0%
Book value of payables from cash collateral posted for securities lending and repurchase agreements [1]	797'107	739'992	7.7%
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	797'107	739'992	7.7%

[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

		Type of Collateral			
in CHF 1'000		Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting any value adjustments)					
Amounts due from customers		1'145'031	1'943'584	518'002	3'606'617
Mortgage loans		547'971	1'772	63	549'806
Residential and commercial property		453'863	910	63	454'836
Commercial and industrial premises		94'108	862		94'970
Total loans (before netting any value adjustments)	**31.12.24**	**1'693'002**	**1'945'357**	**518'065**	**4'156'424**
	31.12.23	1'458'413	1'597'431	397'381	3'453'224
Total loans (after netting any value adjustments)	**31.12.24**	**1'615'421**	**1'888'518**	**490'928**	**3'994'867**
	31.12.23	1'403'044	1'525'494	370'388	3'298'927
Off-balance sheet					
Contingent liabilities		100'456	1'289'644	326'234	1'716'334
Irrevocable commitments				1'237	1'237
Credit commitments		22'713	122'547	12'077	157'337
Total off-balance sheet	**31.12.24**	**123'169**	**1'412'190**	**339'549**	**1'874'908**
	31.12.23	96'675	943'123	258'251	1'298'048

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	**31.12.24**	**157'161**	**65'710**	**91'451**	**103'666**
	31.12.23	134'308	53'427	80'881	87'609

3 Trading portfolios and other financial instruments at fair value

in CHF 1'000	**31.12.24**	**31.12.23**	+/– %
Trading portfolio assets			
Debt securities, money market securities / transactions	128'305		100.0%
of which listed			
Total trading portfolio assets	**128'305**		**100.0%**
Other financial instruments at fair value			
Debt securities	2'217'865	2'464'306	–10.0%
Total other financial instruments at fair value	**2'217'865**	**2'464'306**	**–10.0%**
Total	**2'346'170**	**2'464'306**	**–4.8%**
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	18'240	16'611	4'251'255
Equity securities / indices			
Credit derivatives			
Total before netting agreements:			
Total at 31.12.24	**18'240**	**16'611**	**4'251'255**
of which determined using a valuation model			
Total at 31.12.23	9'550	13'370	2'566'017
of which determined using a valuation model			

in CHF 1'000		Positive replacement values (cumulative)	Negative replacement values (cumulative)
After netting agreements:			
Total	**at 31.12.24**	**18'240**	**16'611**
	at 31.12.23	9'550	13'370

Breakdown by counterparty

in CHF 1'000		Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreement)				
Total	**at 31.12.24**	**150**	**16'212**	**1'878**
	at 31.12.23	502	7'250	1'798

The Group has no hedging instruments

5 Financial investments

in CHF 1'000	Book value 31.12.24	Book value 31.12.23	Fair value 31.12.24	Fair value 31.12.23
Debt securities	**2'886'829**	**2'621'540**	**2'898'800**	**2'582'468**
of which intended to be held until maturity	2'206'274	2'054'339	2'216'996	2'014'101
of which not intended to be held until maturity (available for sale)	680'554	567'201	681'804	568'366
Equity securities	**46'575**	**32'728**	**58'713**	**36'072**
of which qualified participations				
Precious metals	**1'607**	**1'374**	**2'218**	**1'660**
Real estate	**7'997**	**7'398**	**13'944**	**12'900**
Total	**2'943'008**	**2'663'041**	**2'973'675**	**2'633'099**
of which securities eligible for repo transactions in accordance with liquidity requirements	103'419	194'934		

Counterparties by rating

in CHF 1'000		Aaa	Aa	A	Baa	Ba to B	Caa to C	Unrated
Debt securities								
Book value	**at 31.12.24**	**201'292**	**969'746**	**701'160**	**300'861**	**397'058**	**272'374**	**100'517**
	at 31.12.23	182'770	857'301	573'388	355'818	328'684	297'440	67'640

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

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

	Business activity	Company capital (in 000's)	Share of capital (in %)	Share of votes (in %)	Held directly	Held indirectly
Company name and domicile						
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	
Habib European Limited, Douglas, Isle of Man	Company in liquidation	GBP 1	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	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

				Reporting year					
in CHF 1'000	Acquisition cost	Accumulated value adjustments and changes in book value (equity method)	**Book value at 31.12.23**	Re-classifications	Additions	Disposals	Value adjustments	**Book value at 31.12.24**	**Fair value at 31.12.24**
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

				Reporting year					
in CHF 1'000	Acquistion cost	Accumulated depreciation	**Book value at 31.12.23**	Re-classifications	Additions	Disposals [1]	Depreciation	Reversals	**Book value at 31.12.24**
Bank buildings	93'992	–48'039	45'952		7'403	3'010	–2'390		53'976
Other real estate	26'667	–15'175	11'491		61	957	–45		12'465
Proprietary or separately acquired software	4'678	–3'336	1'342	–522	1'438	186	–838		1'606
Other tangible fixed assets	62'195	–38'109	24'085	522	14'606	1'165	–10'355	54	30'077
Total	**187'531**	**–104'660**	**82'871**		**23'508**	**5'318**	**–13'627**	**54**	**98'123**

[1] net of foreign currency adjustments

9 Intangible assets

				Reporting year			
in CHF 1'000	Cost value	Accumulated amortizations	**Book value at 31.12.23**	Additions	Disposals [1]	Amortisation	**Book value at 31.12.24**
Other intangible assets	125	–125					
Total	**125**	**–125**					

[1] net of foreign currency adjustments

10 Other assets and other liabilities

	Other assets		Other liabilities	
in CHF 1'000	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**
Deferred income taxes recognised as assets	38'003	34'047		
Others	90'388	83'674	75'135	85'901
Total	**128'391**	**117'721**	**75'135**	**85'901**

11 Assets pledged or assigned to secure own commitments and assets under reservation of ownership[1]

	Book value		Effective commitments	
in CHF 1'000	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**
Amounts due from banks	2'023	1'074	2'023	777
Financial investments	61	86'661	60	79'905
Total pledged / assigned assets	**2'084**	**87'735**	**2'083**	**80'682**
Assets under reservation of ownership	129	90	129	90

[1] Excluding securities financing transactions

12 Liabilities relating to own pension schemes

in CHF 1'000	**31.12.24**	**31.12.23**
Payable to employee benefit plans	109	123

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.

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

in CHF 1'000	**Balance at 31.12.23**	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 31.12.24**
Provisions for deferred taxes		56			12		364		432
Provisions for pension benefit obligations									
Provisions for latent credit risks	1'638		–5		134		499	–184	2'081
Provisions for other business risks	3'904	–641	288		293		1'483	–264	5'063
Provisions for restructuring									
Other provisions	977	–11	18		82		109	–11	1'163
Total provisions	**6'519**	**–596**	300		**520**		**2'455**	**–459**	**8'739**
Reserves for general banking risks	**495'431**			**–14'282**			**64'837**		**545'986**
Value adjustments for default and latent credit risks	**155'897**	**–13'167**	**–4'054**		**12'404**	**7'423**	**22'209**	**–16'779**	**163'932**
of which value adjustments for default risks in respect of impaired loans / receivables	87'609	–13'217	–182		7'502	7'423	21'681	–7'151	103'665
of which value adjustments for default risks in respect of financial investments									
of which value adjustments for latent credit risks	68'288	50	–3'872		4'902		528	–9'628	60'267

14 Amounts due from and due to related parties

	Amounts due from		Amounts due to	
in CHF 1'000	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**
Holders of qualified participations			116'566	76'999
Members of governing bodies	179	458	5'060	4'784
Other related parties			4'960	3'877
Total	**179**	**458**	**126'586**	**85'660**

15 Maturity structure of financial instruments

in CHF 1'000		At sight	Callable	Due: within 3 months	Due: within 3 to 12 month	Due: within 12 months to 5 years	Due: after 5 years	no maturity	Total
Assets / financial instruments									
Liquid assets		931'008		308'530	123'095				1'362'633
Amounts due from banks		345'746	19'568	709'413	214'375	4'824			1'293'926
Amounts due from securities financing transactions									
Amounts due from customers		402'793	3'239	1'436'878	657'482	848'849	121'681		3'470'922
Mortgage loans				617	6'263	54'582	462'483		523'945
Trading portfolio assets				12'480	54'524	60'785	516		128'305
Positive replacement values of derivative financial instruments		18'240							18'240
Other financial instruments at fair value		2'217'865							2'217'865
Financial investments		85'276		451'586	960'034	1'404'326	33'789	7'997	2'943'008
Total	**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**
	at 31.12.23	4'406'696	18'020	2'654'134	1'457'051	1'835'901	514'055	7'398	10'893'256
Debt capital / financial instruments									
Amounts due to banks		312'496	324	83'316	108'345	5'533	33'318		543'332
Liabilities from securities financing transactions				736'282	60'826				797'107
Amounts due in respect of customers deposits		5'654'035	360'321	1'951'195	1'121'430	88'424	2'236		9'177'641
Negative replacement values of derivative financial instruments		16'611							16'611
Total	**at 31.12.24**	**5'983'142**	**360'646**	**2'770'793**	**1'290'600**	**93'957**	**35'554**		**10'534'692**
	at 31.12.23	5'592'187	390'014	2'415'068	1'100'026	172'743	41'733		9'711'771

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

	31.12.24		31.12.23	
in CHF 1'000	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	1'520	1'361'113	184	1'241'090
Amounts due from banks	**293'687**	**1'000'239**	**305'553**	**910'387**
Amounts due from securities financing transactions				219
Amounts due from customers	19'164	3'451'758	16'308	2'861'494
Mortgage loans		523'945		421'125
Trading portfolio assets		128'305		
Positive replacement values of derivative financial instruments	3'937	14'303	409	9'141
Other financial instruments at fair value		2'217'865		2'464'306
Financial investments	464'371	2'478'637	487'137	2'175'903
Accrued income and prepaid expenses	36'826	278'204	9'975	230'068
Non-consolidated participations		77		77
Tangible fixed assets	9'319	88'804	9'198	73'673
Other assets	2'689	125'702	2'211	115'510
Total assets	**831'514**	**11'668'951**	**830'974**	**10'502'994**
Liabilities				
Amounts due to banks	897	542'435	652	622'226
Liabilities from securities financing transactions		797'107	100'000	639'992
Amounts due in respect of customer deposits	155'278	9'022'363	107'989	8'227'543
Negative replacement values of derivative financial instruments	4'792	11'819	373	12'996
Accrued expenses and deferred income	20'273	338'419	8'445	264'246
Other liabilities	2'044	73'092	1'596	84'305
Provisions	773	7'966	99	6'420
Reserves for general banking risks	176'352	369'635	227'697	267'735
Bank's capital	150'000		150'000	
Retained earnings reserves	432'302		311'891	
Minority interest in equity		196'757		142'451
Group profit	76'181	121'982	63'008	94'304
Total liabilites	**1'018'891**	**11'481'574**	**971'751**	**10'362'218**

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

	31.12.24		31.12.23	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Assets				
Europe	**2'192'108**	17.5%	**1'977'830**	**17.5%**
of which Switzerland	831'514	6.7%	830'974	7.3%
of which United Kingdom	1'142'612	9.1%	901'237	8.0%
of which Others	217'982	1.7%	245'619	2.2%
North America	**340'691**	2.7%	**389'627**	**3.4%**
Asia	**8'723'245**	69.8%	**7'982'559**	**70.4%**
of which United Arab Emirates	3'228'627	25.8%	2'852'863	25.2%
of which Pakistan	4'756'235	38.0%	4'548'401	40.1%
of which Others	738'383	5.9%	581'296	5.1%
Other countries	**1'244'422**	10.0%	**983'952**	**8.7%**
of which South Africa	474'822	3.8%	398'562	3.5%
of which Others	769'600	6.2%	585'389	5.2%
Total assets	**12'500'465**	100.0%	**11'333'968**	**100.0%**

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

	Net foreign exposure 31.12.24		Net foreign exposure 31.12.23	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Moody's rating				
Aaa	467'972	4.0%	496'716	4.8%
Aa	5'004'984	43.0%	4'252'982	40.8%
A	77'144	0.7%	41'230	0.4%
Baa	33'957	0.3%	89'958	0.9%
Ba – B	952'934	8.2%	729'043	7.0%
Caa-C	4'756'242	40.9%	4'548'414	43.7%
Unrated	342'882	2.9%	259'167	2.5%
Total	**11'636'115**	100.0%	**10'417'510**	**100.0%**

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

19 Balance sheet by currencies

in CHF 1'000	CHF	USD	GBP	AED	PKR	Other	Total
Assets							
Liquid assets	151'908	70'603	199'368	711'126	208'732	20'897	1'362'633
Amounts due from banks	6'274	716'166	198'401	111'939	23'428	237'718	1'293'926
Amounts due from customers	19'939	577'361	792'378	600'791	1'177'595	302'857	3'470'922
Mortgage loans				342'496	51'897	129'551	523'945
Trading portfolio assets					128'305		128'305
Positive replacement values of derivative financial instruments	3'937		257		12'891	1'155	18'240
Other financial instruments at fair value					2'217'865		2'217'865
Financial investments	259'022	1'079'910	179'828	721'455	280'539	422'254	2'943'008
Accrued income and prepaid expenses	26'369	2'793	35'718	38'232	203'259	8'659	315'030
Non-consolidated participations	77						77
Tangible fixed assets	9'319	84	13'238	11'264	37'391	26'827	98'123
Other assets	2'689	21'655	5'679	12'491	83'289	2'588	128'391
Total assets show in balance sheet	**479'534**	**2'468'571**	**1'424'867**	**2'549'794**	**4'425'191**	**1'152'507**	**12'500'465**
Delivery entitlements from spot exchange, forward forex and forex options transactions	29'348	938'998	85'599	75'164	881'897	114'621	2'125'628
Total assets	**508'881**	**3'407'569**	**1'510'466**	**2'624'959**	**5'307'089**	**1'267'129**	**14'626'093**

in CHF 1'000		CHF	USD	GBP	AED	PKR	Other	Total
Liabilities								
Amounts due to banks		3'902	41'321	9'907	22'104	451'670	14'429	543'332
Liabilities from securities financing transactions			8'057	56'750		732'300		797'107
Amounts due in respect of customer deposits		78'372	2'244'314	1'229'446	2'082'267	2'625'870	917'373	9'177'641
Negative replacement values of derivative financial instruments		4'792		212	2	10'622	983	16'611
Accrued expenses and deferred income		19'544	1'452	50'158	31'049	241'241	15'247	358'691
Other liabilities		2'046	12'334	7'064	30'019	21'641	2'031	75'134
Provisions		773		1	4'275	3'223	467	8'739
Reserves for general banking risks		123'327		133	342'201	56'670	23'656	545'987
Bank's capital		150'000						150'000
Retained earnings reserves		432'302						432'302
Minority interest in equity						162'120	34'637	196'757
Group profit		–14'622		12'227	93'470	87'249	19'839	198'163
Total liabilities shown in balance sheet		**800'435**	**2'307'478**	**1'365'897**	**2'605'387**	**4'392'605**	**1'028'662**	**12'500'465**
Delivery obligations from spot exchange, forward forex and forex options transactions		18'420	1'073'025	21'138	30'898	838'861	143'286	2'125'627
Total liabilities		**818'855**	**3'380'503**	**1'387'035**	**2'636'285**	**5'231'465**	**1'171'948**	**14'626'093**
Net position per currency	**at 31.12.24**	**–309'974**	**27'066**	**123'431**	**–11'327**	**75'623**	**95'181**	
	at 31.12.23	324'785	30'131	94'625	–15'157	132'899	82'286	

Information on the consolidated off-balance sheet transactions

20 Breakdown of contingent liabilities and contingent assets

in CHF 1'000	**31.12.24**	**31.12.23**	+/– %
Guarantees to secure credits and similar	614'508	516'521	19.0%
Irrevocable commitments arising from documentary letters of credit	1'101'826	683'554	61.2%
Total contigent liabilities	**1'716'334**	**1'200'075**	**43.0%**
Contingent assets arising from tax losses carried forward		3'184	–100.0%
Total contigent assets		**3'184**	**–100.0%**

21 Breakdown of credit commitments

in CHF 1'000	**31.12.24**	**31.12.23**	+/– %
Commitments arising from acceptances	157'337	96'564	62.9%
Total credit commitments	**157'337**	**96'564**	**62.9%**

22 Breakdown of fiduciary transactions

in CHF 1'000	**31.12.24**	**31.12.23**	+/– %
Fiduciary investments with third-party companies	467'003	413'203	13.0%
Total fiduciary transactions	**467'003**	**413'203**	**13.0%**

Information on the consolidated income statement

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

in CHF 1'000	2024	2023	+/– %
Result from trading activities from			
Interest rate instruments (incl. funds)	66'748	17'264	286.6%
Unrealised forex gains / (losses) on reserves held in foreign currencies	26'933	–37'253	
Foreign exchange	40'684	31'828	27.8%
Commodities / precious metals	266	373	–28.7%
Total result from trading activities	**134'630**	**12'213**	**>500%**
of which from the fair value option on assets	66'748	17'264	286.6%

24 Breakdown of personnel expenses

in CHF 1'000	2024	2023	+/– %
Salaries (meeting attendances fees, fixed compensation, salaries and benefits)	–157'653	–141'741	11.2%
Social insurance obligations	–12'270	–12'922	–5.0%
Other personnel expenses	–8'333	–7'654	8.9%
Total personnel expenses	**–178'256**	**–162'317**	**9.8%**

25 Breakdown of general and administrative expenses

in CHF 1'000	2024	2023	+/– %
Office space expenses	–23'202	–20'927	10.9%
Expenses for information technology and telecommunications	–19'177	–17'126	12.0%
Expenses for motor vehicles, machinery, furniture and other equipment, as well as operating lease expenses	–8'917	–7'822	14.0%
Fees of audit firm(s)	–2'679	–2'695	–0.6%
of which for financial and regulatory audits	–2'340	–2'343	–0.1%
of which for other services	–339	–352	–3.6%
Other operating expenses	–46'731	–44'340	5.4%
Total general and administrative expenses	**–100'707**	**–92'910**	**8.4%**

26 Breakdown of extraordinary income and expenses

in CHF 1'000	2024	2023	+/– %
Extraordinary income			
Profit on sale of fixed assets	467	551	–15.2%
Recoveries and others	4'855	239	>500%
Total extraordinary income	**5'323**	**790**	**>500%**
Extraordinary expenses			
Other		–313	–100.0%
Total extraordinary expenses		**–313**	**–100.0%**

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

	2024		2023	
in CHF 1'000	Domestic	Foreign origin	Domestic	Foreign origin
Net result from interest operations	22'162	461'393	19'681	480'183
Result from commission business and services	13'707	72'911	10'151	67'650
Result from trading activities and the fair-value option	27'852	106'779	–39'260	51'473
Other result from ordinary activities	101'720	–93'750	133'357	–119'441
Personnel expenses	–36'218	–142'038	–32'918	–129'398
General and administrative expenses	–20'947	–79'760	–19'760	–73'150
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets	–385	–13'255	–5'270	–11'413
Changes to provisions and other value adjustments and losses	–762	–870	–74	–1'424
Operating result	**107'130**	**311'410**	**65'906**	**264'479**

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

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

in CHF 1'000	2024	2023	+/– %
Current tax expenses [1]	–160'921	–138'168	16.5%
Deferred tax expenses	58	7'196	–99.2%
Total taxes	**–160'863**	**–130'972**	**22.8%**
Weighted average tax rate	35.4%	31.8%	

[1] The impact of changes in losses carried forward on income taxes (e.g. occurrence, use, reassessment, expiry) resulted in 0.4% higher income taxes 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 2024 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 2024, 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 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended 31 December 2024 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, and we have 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 that 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 the 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.

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 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, 30 April 2025

St. Peter Church, City of Zurich

Financial statements of the Parent Bank

Parent Bank financial statements

Balance sheet

in CHF 1'000	Note	31.12.24	31.12.23	+/– %
Assets				
Liquid assets		873'690	779'605	12.1%
Amounts due from banks		806'543	779'591	3.5%
Amounts due from customers	2	816'804	655'928	24.5%
Mortgage loans	2	343'189	255'068	34.5%
Positive replacement values of derivative financial instruments	3	3'937	425	>500%
Financial investments	4	2'074'019	1'861'870	11.4%
Accrued income and prepaid expenses		60'039	43'059	39.4%
Participations		353'635	335'715	5.3%
Tangible fixed assets		20'088	19'461	3.2%
Other assets	5	16'413	47'474	–65.4%
Total assets		**5'368'357**	**4'778'196**	**12.4%**
Total subordinated claims		114'259	156'447	–27.0%

Liabilities				
Amounts due to banks		90'737	110'869	–18.2%
Liabilities from securities financing transactions	1		100'000	–100.0%
Amounts due in respect of customer deposits		4'007'255	3'456'521	15.9%
Negative replacement values of derivative financial instruments	3	4'794	411	>500%
Accrued expenses and deferred income		40'207	33'448	20.2%
Other liabilities	5	30'772	22'437	37.1%
Provisions	7	5'047	3'555	42.0%
Reserves for general banking risks	7	510'258	474'491	7.5%
Bank's capital	8	150'000	150'000	0.0%
Statutory retained earnings reserves		90'200	87'350	3.3%
Voluntary retained earnings reserves		272'913	254'188	7.4%
Profit carried forward		46'077	26'852	71.6%
Profit		120'096	58'075	106.8%
Total liabilities		**5'368'357**	**4'778'196**	**12.4%**

Off-balance sheet transactions

in CHF 1'000	Note	31.12.24	31.12.23	+/– %
Off-balance sheet transactions				
Contingent liabilities	2, 13	367'967	321'578	14.4%
Irrevocable commitments	2	1'237	1'409	–12.2%
Credit commitments	2, 14	15'889	15'682	1.3%

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	31.12.24	31.12.23	+/– %
Net profit for the year	120'096	58'075	106.8%
Profit carried forward	46'077	26'852	71.6%
Distributable profit	**166'173**	**84'927**	**95.7%**
Appropriation of profit			
Allocation to statutory retained earnings reserves	–5'250	–2'850	84.2%
Distribution of dividend	–60'000	–36'000	66.7%
Profit carried forward	**100'923**	**46'077**	**119.0%**

Income statement

in CHF 1'000	Note	2024	2023	+/– %
Results from interest operations				
Interest and discount income		128'336	136'329	–5.9%
Interest and dividend income from financial investments		83'561	69'564	20.1%
Interest expense		–43'968	–32'734	34.3%
Gross results from interest operations		**167'929**	**173'159**	**–3.0%**
Changes in value adjustments for default risks and losses from interest operations		6'860	6'429	6.7%
Subtotal net results from interest operations		**174'789**	**179'588**	**–2.7%**
Results from commissions from business and services				
Commission income from securities trading and investment activities		8'803	6'211	41.7%
Commission income from lending activities		19'064	16'849	13.1%
Commission income from other services		21'054	21'020	0.2%
Commission expense		–4'028	–3'543	13.7%
Subtotal results from commissions business and services		**44'893**	**40'536**	**10.7%**
Result from trading activities and the fair value option	16	**41'976**	**–23'882**	
Other results from ordinary activities				
Results from the disposal of financial investments			–2'743	–100.0%
Income from participations		34'615	17'452	98.3%
Results from real estate		11	33	–66.5%
Other ordinary income		20'381	27'406	–25.6%
Other ordinary expenses		–1'298	–855	>–500%
Subtotal other results from ordinary activities		**53'709**	**41'293**	**30.1%**
Operating income		**315'368**	**237'534**	**32.8%**

in CHF 1'000	Note	2024	2023	+/– %
Operating expenses				
Personnel expenses	17	–85'645	–81'123	5.6%
General and administrative expenses	18	–45'845	–45'590	0.6%
Subtotal operating expenses		**–131'489**	**–126'713**	**3.8%**
Value adjustments on participations, depreciation and amortisation on tangible fixed assets and intangible assets		–2'613	–7'569	–65.5%
Changes to provisions and other value adjustments and losses		–1'642	–1'254	31.0%
Operating results		**179'624**	**101'999**	**76.1%**
Extraordinary income	19	4'931	280	>500%
Change in reserve for general banking risks		–35'687	–18'275	95.3%
Taxes	20	–28'771	–25'929	11.0%
Profit		**120'096**	**58'075**	**106.8%**

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 1.1.2023	**150'000**	**85'900**	**454'540**	**273'452**	**36'906**	**1'000'798**
Transfer of profits to retained earnings		1'450			–1'450	
Currency translation differences			1'676	–5'869		–4'193
Dividends and other distributions				13'456	–35'456	–22'000
Other allocations to / (transfers from) the reserves for general banking risks			18'275			18'275
Other allocations to / (transfers from) other reserves						
Profit					58'075	58'075
At 31.12.2023	**150'000**	**87'350**	**474'491**	**281'039**	**58'075**	**1'050'955**

	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**

Vintage Clock, City of Geneva

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 management 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	**31.12.24**	**31.12.23**	+/– %
Book value of payables from cash collateral posted for securities lending and repurchase agreements [1]		100'000	–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		100'000	–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: Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting any value adjustments)					
Amounts due from customers		91'670	381'106	386'235	859'011
Mortgage loans		368'713			368'713
Residential and commercial property		368'713			368'713
Commercial and industrial premises					
Total loans (before netting any value adjustments)	**31.12.24**	**460'383**	**381'106**	**386'235**	**1'227'724**
	31.12.23	351'776	331'390	303'869	987'036
Total loans (after netting any value adjustments)	**31.12.24**	**428'052**	**369'979**	**361'962**	**1'159'993**
	31.12.23	313'331	317'399	280'266	910'996
Off-balance sheet					
Contingent liabilities		5'952	96'990	265'025	367'967
Irrevocable commitments				1'237	1'237
Credit commitments		795	4'224	10'870	15'889
Total off-balance sheet	**31.12.24**	**6'747**	**101'214**	**277'132**	**385'094**
	31.12.23	14'452	99'362	224'855	338'669

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	**31.12.24**	**38'910**	**17'608**	**21'302**	**31'871**
	31.12.23	36'595	7'814	28'780	34'090

3 Presentation of derivative financial instruments

in CHF 1'000	Trading Instruments: Positive replacement values	Trading Instruments: Negative replacement values	Trading Instruments: Contract volume
Foreign exchange / Precious metals			
Forward contracts	3'937	4'794	447'003
Total before netting agreements			
Total at 31.12.24	**3'937**	**4'794**	**447'003**
of which determined by using a valuation model			
Total at 31.12.23	425	411	243'236
of which determined by using a valuation model			

in CHF 1'000		Positive replacement value (accumulated)	Negative replacement value (accumulated)
After netting agreements:			
Total	**31.12.24**	**3'937**	**4'794**
	31.12.23	425	411

Breakdown by counterparty

in CHF 1'000		Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)				
Total	**31.12.24**		**3'937**	
	31.12.23		425	

The Parent Bank has no hedging instruments

4 Financial investments

in CHF 1'000	Book value 31.12.24	Book value 31.12.23	Fair value 31.12.24	Fair value 31.12.23
Debt securities	**2'026'005**	**1'827'926**	**2'022'616**	**1'811'209**
of which intended to be held until maturity	1'345'450	1'260'724	1'340'812	1'242'843
of which not intended to be held until maturity (available for sale)	680'554	567'201	681'804	568'366
Equity securities	**46'408**	**32'570**	**58'545**	**35'914**
Precious metals	**1'607**	**1'374**	**2'218**	**1'660**
Total	**2'074'019**	**1'861'870**	**2'083'379**	**1'848'783**
of which securities eligible for repo transactions in accordance with liquidity requirements	103'419	194'934		

Counterparties by rating

in CHF 1'000		Aaa	Aa	A	Baa	Ba to B	Unrated
Debt securities							
Book value	**at 31.12.24**	**123'411**	**888'686**	**563'619**	**237'766**	**170'802**	**89'735**
	at 31.12.23	89'333	796'720	498'865	322'675	98'363	55'916

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 31.12.24	Other assets 31.12.23	Other liabilities 31.12.24	Other liabilities 31.12.23
Deferred income taxes recognised as assets	11'852	12'273		
Others	4'561	35'202	30'772	22'437
Total	**16'413**	**47'474**	**30'772**	**22'437**

6 Assets pledged or assigned to secure own commitments and assets under reservation of ownership[1]

in CHF 1'000	Book value 31.12.24	Book value 31.12.23	Effective commitments 31.12.24	Effective commitments 31.12.23
Amounts due from banks	1'693	777	1'693	777
Total pledged / assigned assets	**1'693**	**777**	**1'693**	**777**
Assets under reservation of ownership	129	90	129	90

[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 31.12.23**	Use in conformity with designated purpose	Re-classifications	Currency differences	Past-due interest, recoveries	New creations charged to income	Releases to income	**Balance at 31.12.24**
Provisions for latent credit risks	797		–5	70		480	5	1'347
Provisions for other business risks	2'759	–419		204		1'262	–105	3'701
Total provisions	**3'555**	**–419**	**–5**	**274**		**1'742**	**–100**	**5'047**
Reserves for general banking risks	**474'491**		**80**			**35'687**		**510'258**
Value adjustments for default and latent credit risks	**76'899**	**–10'396**	**–122**	**5'996**	**3'870**	**2'743**	**–9'603**	**69'387**
of which value adjustments for default risks in respect of impaired loans / receivables	34'090	–10'396	–43	2'993	3'870	2'743	–1'387	31'869
of which value adjustments for default risks in respect of financial investments								
of which value adjustments for latent credit risks	42'810		–79	3'003			–8'216	37'518

8 Presentation of the Bank's capital

	31.12.24			31.12.23		
in CHF 1'000	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

	31.12.24		31.12.23	
in CHF 1'000	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	**31.12.24**	**31.12.23**	+/– %
Reserves for general banking risks	510'258	474'491	7.5%
Bank's capital	150'000	150'000	0.0%
Statutory retained earnings reserve	90'200	87'350	3.3%
Voluntary retained earnings reserve	272'913	254'188	7.4%
Profit carried forward	46'077	26'852	71.6%
Profit	120'096	58'075	106.8%
Total equity	**1'189'545**	**1'050'955**	**13.2%**

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 31.12.24	Amounts due from 31.12.23	Amounts due to 31.12.24	Amounts due to 31.12.23
Holders of qualified participations			116'565	76'999
Group companies	45'499	43'974	40'134	33'199
Members of governing bodies	179	458	1'872	1'905
Other related parties			4'663	3'681
Total	**45'678**	**44'432**	**163'234**	**115'784**

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

	Net foreign exposure 31.12.24		Net foreign exposure 31.12.23	
	in CHF 1'000	Shares as %	in CHF 1'000	Shares as %
Moody's Rating				
Aaa	247'652	5.3%	229'272	5.6%
Aa	3'630'867	78.0%	3'236'061	79.4%
A	44'131	0.9%	34'079	0.8%
Baa	26'611	0.6%	50'577	1.2%
Ba-B	447'446	9.6%	302'924	7.4%
Caa-C	191'597	4.1%	166'287	4.1%
Unrated	68'587	1.5%	58'741	1.4%
Total	**4'656'890**	100.0%	**4'077'941**	**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	31.12.24	31.12.23	+/– %
Guarantees to secure credits and similar	99'842	85'334	17.0%
Irrevocable commitments arising from documentary letters of credit	268'125	236'244	13.5%
Total contingent liabilities	**367'967**	**321'578**	**14.4%**

14 Breakdown of credit commitments

in CHF 1'000	31.12.24	31.12.23	+/– %
Commitments arising from acceptances	15'889	15'682	1.3%
Total credit commitments	**15'889**	**15'682**	**1.3%**

15 Breakdown of fiduciary transactions

in CHF 1'000	31.12.24	31.12.23	+/– %
Fiduciary investments with third-party companies	467'003	413'203	13.0%
Fiduciary investments with Group companies and affiliated companies	83'437	71'524	16.7%
Total fiduciary transactions	**550'440**	**484'728**	**13.6%**

Information on the income statement

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

in CHF 1'000	2024	2023	+/– %
Result from trading activities from:			
Interest rate instruments (incl. funds)	266	373	–28.7%
Unrealised forex gains/ (losses) on reserves held in foreign currencies	26'933	–37'253	
Foreign exchange	14'777	12'998	13.7%
Total result from trading activities	**41'976**	**–23'882**	
of which from the fair value option on assets	266	373	–28.7%

17 Breakdown of personnel expenses

in CHF 1'000	2024	2023	+/– %
Salaries and additional allowances	–73'152	–68'105	7.4%
Social insurance obligations	–7'823	–8'896	–12.1%
Other personnel expenses	–4'669	–4'122	13.3%
Total personnel expenses	**–85'645**	**–81'123**	**5.6%**

18 Breakdown of general and administrative expenses

in CHF 1'000	2024	2023	+/– %
Office space expenses	–7'421	–7'124	4.2%
Expenses for information technology and telecommunications	–7'796	–7'092	9.9%
Expenses for motor vehicles, machinery, furniture and other equipment, as well as operating lease expenses	–468	–430	8.8%
Fees of audit firm(s)	–1'495	–1'475	1.4%
of which for financial and regulatory audits	–1'424	–1'451	–1.9%
of which for other services	–71	–24	199.6%
Other operating expenses	–28'665	–29'468	–2.7%
Total general and administrative expenses	**–45'845**	**–45'590**	**0.6%**

19 Breakdown of extraordinary income and expenses

in CHF 1'000	2024	2023	+/– %
Extraordinary income			
Profit on sale of fixed assets	108	75	42.9%
Recoveries and others	4'823	205	>500%
Total extraordinary income	**4'931**	**280**	**>500%**

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

in CHF 1'000	2024	2023	+/– %
Current tax expenses [1]	–26'672	–23'341	14.3%
Deferred tax expenses	–2'099	–2'589	–18.9%
Total taxes	**–28'771**	**–25'929**	**11.0%**
Weighted average tax rate	22.0%	21.9%	

[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 2024, the income statement, and the statement of changes in equity for the year then ended 31 December 2024, 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 2024, and its results of operations and its cash flows for the year then ended 31 December 2024 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, together with the requirements of the Swiss audit profession, and we have 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 that 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

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.

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 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	André Schuler
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, 30 April 2025

Bernina Pass, Swiss Alps Mountains

Adresses

Head Office and operation

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