Annual Report 2024

Zürcher Kantonalbank

Zürcher Kantonalbank is the second-largest universal bank and the largest cantonal bank in Switzerland. We have successfully positioned ourselves as a universal bank with a regional base as well as a domestic and international network. With a market penetration of 50 percent, we are the number one for retail and corporate clients in the Greater Zurich Area. We fulfil our increased economic responsibility throughout Switzerland and are a strong partner for large companies as well as private and institutional investors. We are one of the safest banks in the world – as confirmed by top marks from leading rating agencies. Zürcher Kantonalbank is an autonomous public-law institution of the Canton of Zurich and benefits from a state guarantee. Through our public service mandate, we are committed to the well-being of society and the environment – and have been for over 150 years. We uphold our values: responsible, inspiring and passionate. Our vision is "Close to you".

Key figures (group)

		2024	2023	Change in %
› Key figures	in %			
Return on equity (RoE)		**8.0**	9.3	
Cost income ratio (CIR)[1]		**55.0**	51.8	
Common equity tier 1 ratio (CET1) (going-concern)[2]		**16.8**	17.4	
Risk-based capital ratio (going-concern)[2]		**17.9**	18.7	
Risk-based capital ratio (gone-concern)[2]		**7.8**	8.0	
Risk-based TLAC ratio[2/3]		**25.7**	26.8	
Leverage ratio (going-concern)[2]		**6.8**	6.6	
Leverage ratio (gone-concern)[2]		**3.0**	2.8	
TLAC Leverage Ratio[2/3]		**9.8**	9.4	
Liquidity coverage ratio (LCR)[4]		**142**	147	
Net stable funding ratio (NSFR)		**116**	117	
› Income statement	in CHF million			
Operating income		**3,088**	3,194	–3.3
Operating result		**1,277**	1,469	–13.1
Changes in reserves for general banking risks		**–**	–225	–100.0
Consolidated profit before taxes		**1,289**	1,246	3.4
Consolidated profit		**1,120**	1,238[5]	–9.5
› Balance sheet	in CHF million			
Total assets		**202,594**	201,259	0.7
Mortgage loans		**106,600**	100,874	5.7
Amounts due in respect of customer deposits		**106,980**	101,452	5.4
Equity		**14,862**	14,268	4.2
› Participation of the canton and municipalities	in CHF million			
Dividend to cover actual costs to canton		**21**	18	17.4
Dividend for the canton		**184**	340	–45.8
Dividend for municipalities		**170**	170	0.0
OECD minimum tax to the canton		**156**	–	–
Compensation for state guarantee		**31**	30	3.6
Total participation canton and municipalities		**562**	558	0.7
› Additional payments	in CHF million			
Payments from public service mandate		**140**	161[6]	–13.2
› Further information	in CHF million			
Total customers' assets (managed assets and assets with custody services)		**520,811**	450,789	15.5
Total managed assets[7]		**457,276**	395,786	15.5
– of which, net new money inflow/outflow (NNM)[7]		**29,817**	27,419	8.7
Headcount after adjustment for part-time employees, as at the reporting date	number	**5,779**	5,539	4.3
Branches[8]	number	**53**	53	0.0

1 Calculation: Cost/income ratio (excl. changes in default-related value adjustments and losses from interest operations).
2 In accordance with the provisions for systemically important banks.
3 TLAC = Total Loss Absorbing Capacity
4 Simple average of the closing values on the business days during the quarter under review.
5 Tax expenses, taking into account the OECD minimum taxation already introduced in 2023, would have amounted to CHF 196 million, consequently would have reduced the consolidated profit to CHF 1,050 million.
6 Includes CHF 25 million for the establishment of the ZKB Philanthropy Foundation.
7 In the 2024 reporting year, Zürcher Kantonalbank clarified the criteria for distinguishing between assets under management and assets with custody services. The disclosure was refined accordingly and the comparative figures adjusted. As at 31 December 2023, this led to a reclassification from assets under management to assets with custody services in the amount of CHF 55,003 million and to a reduction in net new money by CHF 9,354 million to CHF 27,419 million.
8 Of which 51 branches (previous year: 51) of Zürcher Kantonalbank in Zurich as well as 2 branches (previous year: 2) of the subsidiary Zürcher Kantonalbank Österreich AG in Salzburg and Vienna.

Group structure

Parent company and significant group companies

Zürcher Kantonalbank (parent company)

6,291 *

Swisscanto Holding Ltd.

- Swisscanto Fund Management Company Ltd. — **105 ***
- Swisscanto Asset Management International SA — **16 ***

Zürcher Kantonalbank Finance (Guernsey) Ltd. — **4 ***

Zürcher Kantonalbank Österreich AG — **116 ***

ZKB Securities (UK) Ltd. — **7 ***

Complementa AG — **60 ***

Representative offices:
São Paulo, Beijing, Mumbai, Singapore
(each 2 *)
Are managed as part of the parent company.

*** Number of employees**

Disclosures on companies in which the bank holds a permanent direct or indirect significant participation can be found in the annual report, Note 7 to the consolidated financial statements.

Zürcher Kantonalbank

Close to you.

We are more than just a bank.

We do more for everyone.

We're the bank of the people of Zurich. Since our foundation we have been committed to our public service mandate, which today consists of the service, support and sustainability sub-mandates. Our purpose is to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development. This gives us a special connection with the people of Zurich, the canton's economy and the environment. The public service mandate is our unique selling point – and we are proud of it.

Excerpt from the Cantonal Banking Act on Zürcher Kantonalbank

§ 2 Purpose

1 The bank's purpose is to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development.

2 It satisfies investment and financing needs through a business policy geared towards continuity. In doing so, it pays particular attention to the concerns of small and medium-sized enterprises, employees, agriculture and public authorities. It promotes home ownership, affordable housing and net-zero greenhouse gas emissions.

› Service mandate

We supply the population and the economy with the services of a universal bank.

We provide our clients with access to our financial services across all channels in both the physical and digital worlds. We have the densest branch network in the Canton of Zurich and cover the basic needs of our clients at low cost. We are characterised by the high quality of our financial services. Stability and security are central pillars of Zürcher Kantonalbank. We offer services primarily in the areas of payment transactions, saving, investing, financing and advice. This advice covers topics such as retirement planning, financial planning and succession planning. When rendering these services, we pay particular attention to the concerns of small and medium-sized enterprises, employees, agriculture and public authorities. We also promote home ownership and affordable housing.

› Support mandate

We contribute to the economic strength and quality of life in the Canton of Zurich.

In line with our public service mandate, we support the Canton of Zurich in fulfilling its economic and social tasks. We are one of the largest providers of vocational training and are a major employer in the canton. We are one of the largest promoters of start-ups in Switzerland. We support the innovation and educational institutes in the Canton of Zurich. Our contribution to strengthening the canton's competitiveness is an important pillar of our public service mandate. With our sponsorship commitments and awards, we contribute to the quality of life in the Canton of Zurich, to the protection of our natural resources and to the preservation of social cohesion. It only goes to follow that we advocate for nature and the environment, as well as for mobility, cultural diversity, equal opportunity, access to financial knowledge, education, innovation and entrepreneurship.

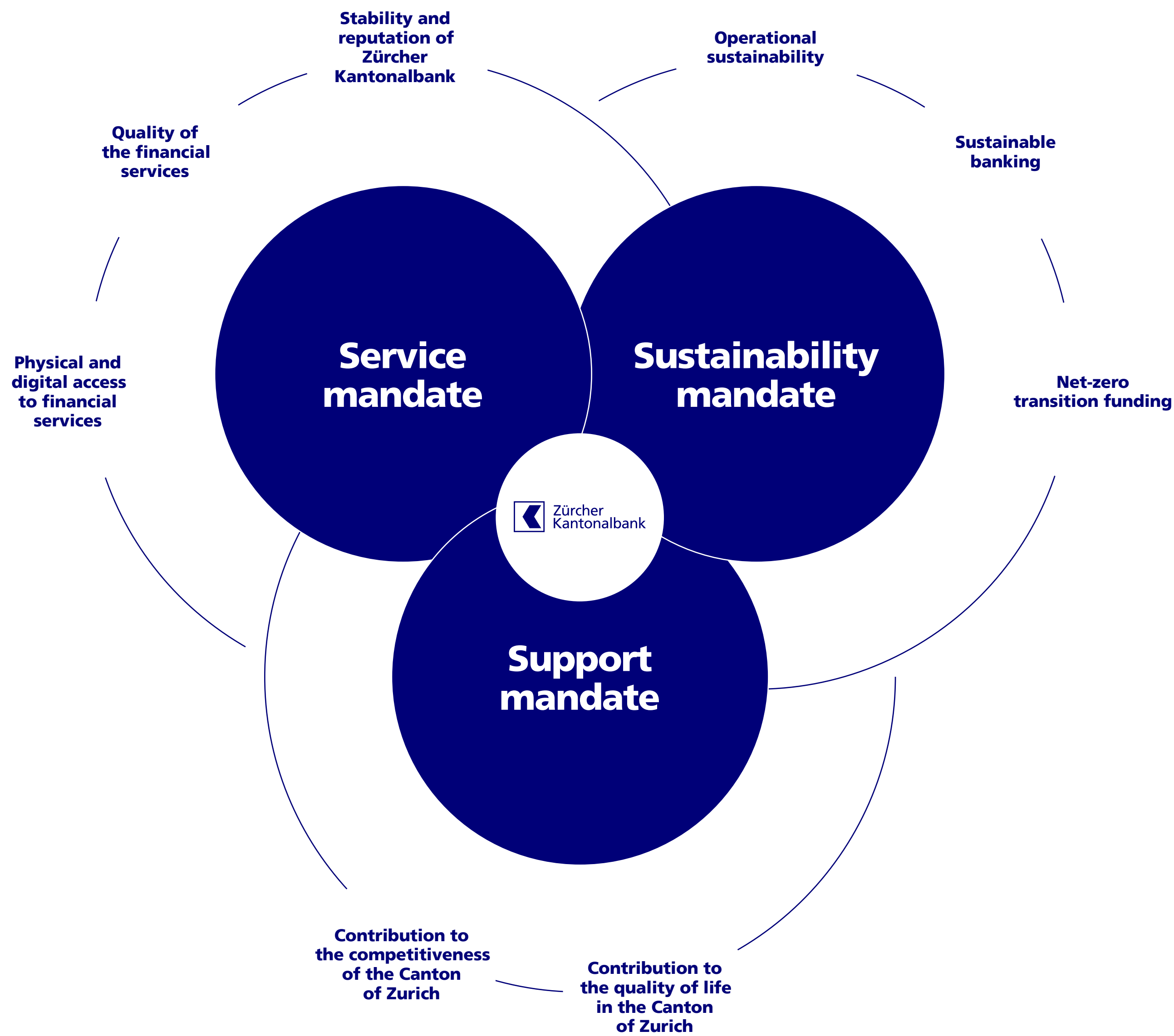
› Sustainability mandate

We pursue a business policy geared towards sustainability and continuity.

Sustainability is an integral component of our business model. Under our group strategy, we aim to reconcile successful economic activity with responsibility for the environment and society in a lasting manner. When fulfilling our public service mandate, we, as a universal bank, observe the principles of sustainability and the recognised rules of risk management. We promote the achievement of greenhouse gas neutrality. We are guided by the Sustainable Development Goals (SDGs) of the United Nations, the Paris Climate Agreement and the goal to achieve greenhouse gas neutrality by 2050. In terms of operational sustainability, we focus on employee satisfaction, diversity, equity & inclusion and being a role model in our own operations. In sustainable banking business we introduced, for example, the ZKB sustainability standard in the investment business. Our net-zero transition support includes our contribution to achieving greenhouse gas neutrality, such as advisory services for SMEs.

→ Areas of impact of our public service mandate: p. 6–7

Areas of impact of our public service mandate



› What we are committed to	› What we do
Physical and digital access to financial services	– Densest branch network in the Canton of Zurich and physical cash supply – High client satisfaction with our digital offerings
Quality of financial services	– Free everyday banking in the branches and online
Stability and reputation of Zürcher Kantonalbank	– One of the safest universal banks in the world – Continuity in dividend policy
Contribution to the competitiveness of the Canton of Zurich	– One of the most important employers and training centres in the Canton of Zurich – Promotion of the innovation and educational landscape in the Canton of Zurich – One of the largest start-up financiers in Switzerland – Promotion of financial literacy for children, young people and families
Contribution to the quality of life in the Canton of Zurich	– Over 400 sponsorship commitments in business, society and the environment – ZKB Philanthropy Foundation – Corporate volunteering programme and support for our employees taking part in public offices, trade associations and expert activities
Operational sustainability	– High level of employee commitment – Verified equal pay – Diversity, equity & inclusion goals and internal networks – Net-zero target in the bank's operations by 2030
Sustainable banking	– ZKB sustainability standard in the investment business
Net-zero transition funding	– Implementation of our net-zero commitments (Net-Zero Banking Alliance and Net Zero Asset Managers Initiative)

For over 150 years

Zürcher Kantonalbank opened its counters for the first time on 15 February 1870 at Paradeplatz. This was preceded by fierce political controversy, in which the population and the Cantonal Parliament finally prevailed against the government and enshrined the establishment of a cantonal bank in the new Zurich constitution. It was a victory for common sense, as the economic need was clearly recognised: small and medium-sized enterprises as well as the broad mass of the Zurich population were inadequately supplied with banking services. Tradespeople and farmers in particular found it difficult to obtain affordable loans. The establishment of a cantonal bank was able to close this service gap.

Since it started business, Zürcher Kantonalbank has always remained true to its claim of being the bank for everyone in Zurich. In a partnership-based relationship, the Canton of Zurich and its bank have strengthened each other's development. This connection has contributed to Zurich's development from a canton characterised by small-scale industry and agriculture to one of the most economically successful regions in the world with prosperity for the entire population. Zürcher Kantonalbank has now been a part of Zurich's success story for over 150 years. It is passionately committed to the well-being of its clients and provides important impetus throughout the canton in terms of both business and sponsorship. It has a proven corporate strategy, a vibrant culture, as well as structures and processes that are capable of change. Our corporate culture is based on values that are also associated with the Canton of Zurich, such as consistency, reliability, predictability, performance orientation and a long-term approach, which we demand in our mission statement and which are practised by all employees.

→ zkb.ch/geschichte (available only in German)

1869

A peaceful revolution
The founding of Zürcher Kantonalbank was a consequence of the new cantonal constitution of 1869. The bank was to offer affordable loans to agricultural and commercial businesses and to meet the savings and investment needs of broad segments of the population.

1870–1914

Storm and stress
Zürcher Kantonalbank opened its first counter on 15 February 1870. After initial challenges, the bank quickly recovered and built up a strong presence.

1914–1945

Solid as a rock
Despite setbacks caused by war and crises between 1914 and 1945, Zürcher Kantonalbank remained a reliable pillar of the canton's economy. It also survived the Great Depression of the early 1930s relatively unscathed thanks to its focus on the domestic market.

1945–1990

Impressive growth
After the Second World War, Zürcher Kantonalbank experienced a golden age in the wake of the Western European economic upswing, growing from around 700 to over 4,000 employees and increasing its total assets from CHF 1.6 billion to CHF 44.4 billion.

1990–today

Stability through diversification
After the real estate crisis of the 1990s, Zürcher Kantonalbank reorganised itself strategically by strengthening its commission, services and trading business. The diversification strategy proved to be a stabilising factor and pillar for both the bank and the canton.

Contents

About this report

This annual report comprises the management report, the corporate governance report, the compensation report and the financial statements of the Zürcher Kantonalbank group and its parent company.

→ The digital version of this annual report is available at zkb.ch/annualreport.

Zürcher Kantonalbank

Annual — Report 2024

Letter on the 2024 Financial Year

Urs Baumann, CEO, and Dr Jörg Müller-Ganz, Chairman (f. l.)

→ Detailed biographies can be found in the corporate governance section: p. 80 ff

Dear residents of Zurich
Dear clients, Dear staff

In a challenging environment, Zürcher Kantonalbank in 2024 was once again able to generate very pleasing annual results.

The geopolitical situation remains tense, which is why the economic environment remains challenging. Wars are taking place on our doorstep, trouble spots are smouldering, disruptive political conditions are on the rise and we are also facing unresolved challenges in various areas of domestic politics. The order situation at some industrial companies is subdued. A solid foundation looks different.

The Swiss banking centre is facing major changes too. The stricter regulation of all banks following the merger of the two big banks is likely to change the framework conditions for all market participants. We advocate regulation with a sense of proportion that does justice to the competitive and resilient Swiss financial centre while also assuming social and economic responsibility. Our financial centre with its more than 200 banks is diversified, strong and stable. It is an important pillar for our country and our economy. Regulation should therefore be based on simple principles and be proportionate to the complexity, size and risk profile of the various banks.

Strategy for responsible growth to continue unchanged

Zürcher Kantonalbank's position within the banking centre has also become stronger as a result of recent developments. For many client needs, we are the only Swiss alternative to the big bank. Last year we fulfilled this growing importance and responsibility as a partner with a full range of services for private individuals and companies of all sizes.

Our tried and tested strategy remains unchanged. We aim to expand our leadership position in the Greater Zurich Area, strengthen our national position and utilise international opportunities.

We are traditionally very strong in our core segments for private individuals and SMEs in the Greater Zurich Area and have a market penetration of 50 percent. Our product range is very competitive. With ZKB Banking, we have been offering free everyday banking for everyone for a year now. We also have other extras for people under the age of 30. Our product range is fully comprehensive in line with changing client requirements: on the one hand with the densest network of 51 branches, which we are modernising extensively, and on the other hand through our popular digital channels.

We expanded our specialised segments last year. Private Banking, Asset Management and Corporate Banking are on course for growth because we sharpened our positioning in these areas, launched new products and intensified our sales activities.

The universal bank model continues to prove its worth. In 2024 we generated a consolidated profit before taxes totalling CHF 1.289 billion. The lower net interest income compared to 2023, which we expected, was offset by a strong investment business, with income diversification paying off once again. Taking into account the OECD minimum tax, the canton will receive a dividend of CHF 361 million (2023: CHF 358 million). In addition, there is the compensation for the state guarantee of CHF 31 million (2023: CHF 30 million). The distribution to the municipalities amounts to CHF 170 million (2023: CHF 170 million). Overall, the canton and municipalities will participate in the profit of Zürcher Kantonalbank with CHF 562 million (2023: CHF 558 million) – over the last ten years with over CHF 4 billion. We are also allocating CHF 740 million of our profit to equity, thereby strengthening our stability. With a total loss-absorbing capacity on our risk-based capital ratio of 25.7 percent, we clearly exceed the regulatory requirements. Zürcher Kantonalbank remains excellently capitalised.

"Our tried and tested strategy remains unchanged: we aim to expand our leadership position in the Greater Zurich Area, strengthen our national position and utilise international opportunities."

Urs Baumann
Chief Executive Officer

"In order to fulfil our public service mandate, we are pursuing with our universal banking model a business policy geared towards continuity, stability and diversification."

Dr Jörg Müller-Ganz
Chairman

The good annual results are based on a high level of client satisfaction. The client satisfaction survey we conducted in the reporting year once again showed that client loyalty and service quality are consistently rated highly in all segments.

We also enhanced our internal operations in the year under review. We have modified our compensation model for all managers and employees and further strengthened our corporate culture through a common understanding of leadership. We sharpened our business model by divesting our subsidiary ZKB Österreich and acquiring Complementa AG. The age-related succession within the Executive Board was continued with the election of Hjalmar Schröder as Chief Risk Officer to succeed Roger Müller. The Cantonal Parliament elected Dr York-Peter Meyer and Kristine Schulze as successors to Henrich Kisker and Walter Schoch, who resigned.

Public service mandate and financial security guide our actions

We will continue to drive the further development of our bank in the future. Two factors determine the framework for our business activities.

First, we strive for maximum financial security for our bank. ZKB is rated triple-A by the three leading rating agencies, taking into account the state guarantee, and aa- without the state guarantee, making it one of the safest banks in the world. Our bank is excellently capitalised. Another aspect of the bank's security is that we grow responsibly – in harmony with the canton and on the basis of our proven risk policy.

Second, the framework for our actions is provided by the statutory public service mandate, for which we invested CHF 140 million in the reporting year. Our business model is based on this and, with our unique selling point of contributing to solving economic, social and sustainability tasks in the Canton of Zurich, obliges us to be more than just a bank. In order to fulfil our public service mandate, we pursue with our universal banking model a business policy geared towards continuity, stability and diversification. In addition to ZKB Banking and the modernisation of our locations, other aspects of our bank's activities that show how we are fulfilling our public service mandate include corporate volunteering, the ZKB Philanthropy Foundation, sustainability consulting for SMEs, ZKB environmental leasing and our climate targets. We are proud of this.

We aim to continue to grow responsibly in the future and to diversify our income base in the interests of the security and stability of our bank. This benefits everyone in Zurich. That means providing banking services to the people of Zurich, contributing to solving social problems and allowing the canton and its municipalities to share in our profits. Just like we've done for over 155 years!

We thank you for your trust.

Dr Jörg Müller-Ganz
Chairman

Urs Baumann
CEO

2024 in brief

Consolidated profit before taxes

1.29 bn CHF

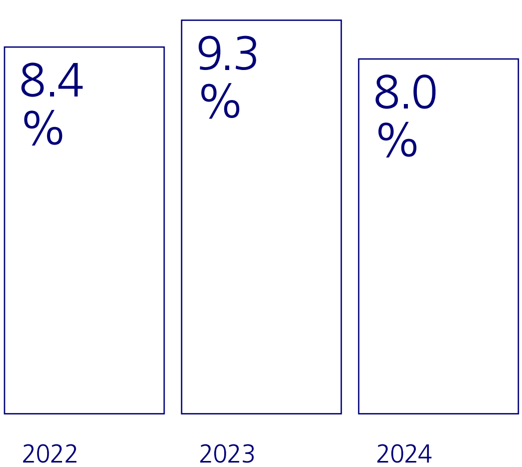
The consolidated profit before taxes is CHF 1.29 billion (previous year: CHF 1.25 billion).

Participation

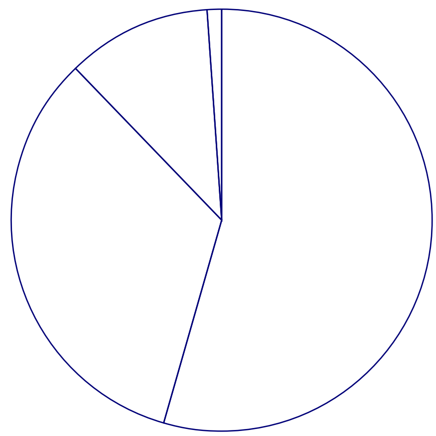
562 mn CHF

The Canton of Zurich and its municipalities will participate in the result of Zürcher Kantonalbank for the 2024 financial year in the amount of CHF 562 million.

Return on equity (RoE)



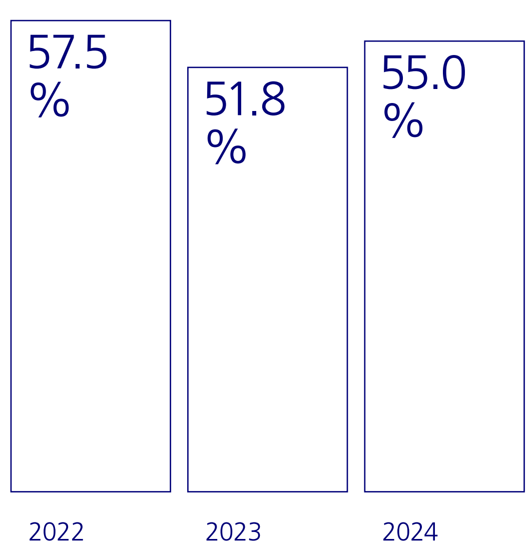
Diversified income



Operating income of CHF 3,088 million comprises the result from interest operations of CHF 1,680 million (54 %), the result from commission business and services totalling CHF 1,024 million (33 %), the result from trading activities at CHF 353 million (11 %) and the other result of CHF 32 million (1 %).

Cost/income ratio (CIR)

Target: 58–64 %



→ Business development: p. 57 ff.,
Financial Report: p. 104 ff.

Risk-based capital ratio

	2023	2024
Total loss-absorbing capacity (TLAC)	26.8 %	25.7 %
gone-concern	8.0 %	7.8 %
going-concern	18.7 %	17.9 %

Group rating

AAA

Aaa

Equity

14.9 bn CHF

Equity totalled CHF 14.9 billion as at the end of the year (previous year: CHF 14.3 billion).

Leverage ratio

	2023	2024
Total loss-absorbing capacity (TLAC)	9.4 %	9.8 %
gone-concern	2.8 %	3.0 %
going-concern	6.6 %	6.8 %

Liquidity coverage ratio (LCR)

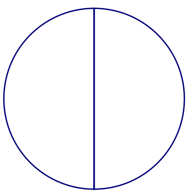
2022	2023	2024
146 %	147 %	142 %

Net stable funding ratio (NSFR)

2022	2023	2024
124 %	117 %	116 %

Leader in the Greater Zurich Area

Market penetration



50 %

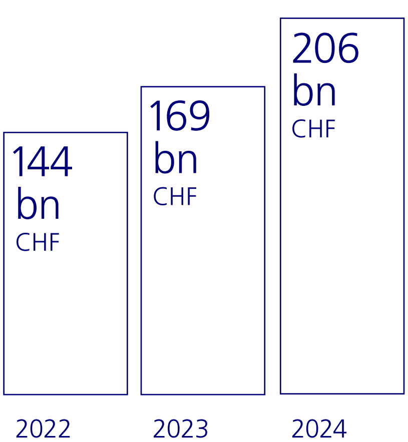
Nearly half of the people of Zurich and of the companies domiciled in the Canton of Zurich are clients of Zürcher Kantonalbank.

Client assets

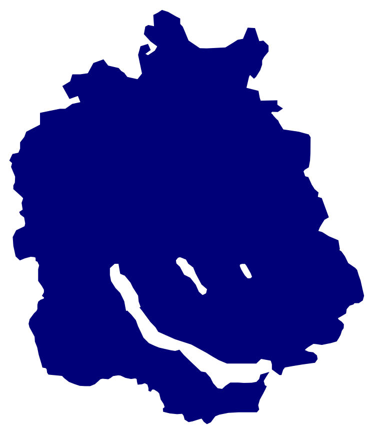
521 bn CHF

Client assets totalled CHF 521 billion as at the end of the year (previous year: CHF 451 billion). The net new money inflow amounted to CHF 29.8 billion in 2024.

Fund volume



Densest network of branches and ATMs



51 Branches

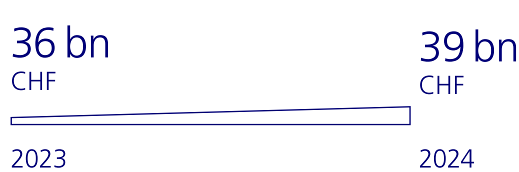
We operate 51 branches and around 260 ATMs in the Canton of Zurich.

Mortgage loans

107 bn CHF

We are the market leader in real estate financing in the Canton of Zurich (mortgage loans in the previous year: CHF 101 billion)

Credit exposure to companies



Attractive employer

No. of employees

6,607

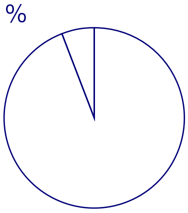
6,607 people work in over 5,779 full-time positions. With 430 apprenticeships, we are one of the largest providers of vocational training in the Canton of Zurich.

Satisfied employees

The commitment index of the latest employee satisfaction survey is a high 77 out of 100 points.

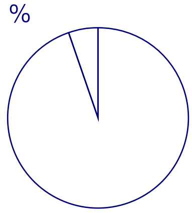
Low fluctuation rate

6.1
%



2023

5.5
%



2024

Anchored in the Canton of Zurich

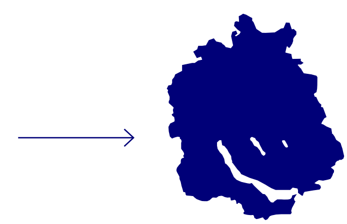
Public service mandate

154 Years

We have been the bank of the people of Zurich for more than 150 years.

Distribution

4 bn CHF



Over the past ten years, the Canton of Zurich and its municipalities have participated in our profit with an amount exceeding CHF 4 billion.

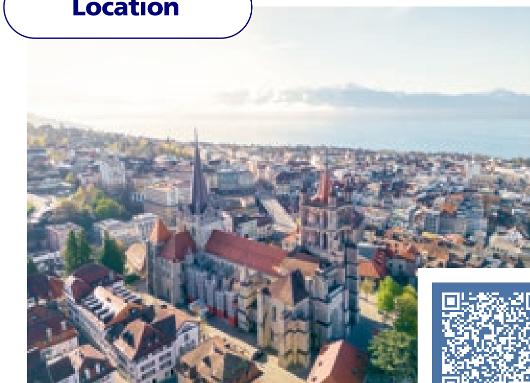
Expenses

140 mn CHF

In 2024 we spent CHF 140 million for the public service mandate.

Milestones

Location



Opening of a location in Lausanne

We have bolstered our business with pension funds and institutional clients in French-speaking Switzerland. To this end, we opened a local sales office in Lausanne.

Sustainability

Sustainability for SMEs

We have a new sustainability-related advisory service for small and medium-sized enterprises (SMEs). With Eco-Check, a company analysis, we show SMEs potential for improvement in terms of resource usage, energy consumption and climate-related matters, and offer further advice and products.

Capital adequacy requirements fulfilled

In the reporting year we placed another bail-in bond totalling CHF 300 million. The total of five bail-in bonds which we have issued mean that we already fully meet the gone-concern requirements that will apply from 2026. Furthermore, the final requirement for our contingency plan has been fulfilled, which is why FINMA confirmed on 26 March 2024 that it deems the contingency plan implementable.

Location

Opening of first branch based on a new concept

As part of the modernisation of all our branches, we opened the Kloten and Wollishofen locations according to a new concept.

QR codes available only in German

Offer

Free everyday banking
At the beginning of the reporting year, we eliminated the annual fees for private accounts in CHF and debit cards.

Offer for trading and custody of cryptocurrencies
Since this reporting year we have been offering our clients trading and custody services for the cryptocurrencies Bitcoin and Ethereum.

Divestment of ZKB Österreich
The sale of our subsidiary Zürcher Kantonalbank Österreich AG was agreed with Liechtensteinische Landesbank (LLB).

New vested benefits foundation
We have expanded our offering for vested benefits assets by launching a second vested benefits foundation.

Acquisition of Complementa AG
We acquired Complementa AG in order to enhance our expertise in custody services.

New members elected to the Board of Directors
The Cantonal Parliament held elections to replace Walter Schoch and Henrich Kisker, two members of the Board of Directors who resigned due to age. York-Peter Meyer and Kristine Schulze followed them.

Investment strategy

Launch of thematic funds
Zürcher Kantonalbank's Asset Management division expanded its range of sustainable investment strategies to include the topics of circular economy, healthy longevity and digital economy.

Outlook

The environment for the banking industry will remain challenging in 2025. As a universal bank, however, we still expect to be able to present gratifying results thanks to our strategy and diversified business model. When conducting our business activities, we aim for a balanced combination of economically, socially and environmentally sustainable development. We aspire to further expand our market position in the Greater Zurich Area as the number one for private individuals and SMEs.

Subdued economic growth with significant regional differences

We anticipate global economic growth will remain subdued for the foreseeable future, but we do not expect a recession.

In 2025 we foresee a gradual, sustained economic recovery in Europe and the emerging markets outside China. Growth in China remains lower than in the past, but still higher than in the EU. Geopolitical tensions, potential trade conflicts and high government debt will lead to more volatile price trends. In particular, the potentially inflationary policy of the new US administration could result in fewer interest rate cuts and rising interest rates again.

For Switzerland we expect robust GDP growth. Inflation will likely remain stable in most other countries, giving central banks room for manoeuvre for further interest rate cuts.

Challenging environment

We anticipate competition in the Swiss banking centre will intensify further as a result of the merger of the two big banks and the increased market activities of foreign banks. The aim must be to collaborate with the political community to maintain the good framework for Switzerland as a financial centre. Equally important is that people's trust in the financial centre be strengthened while also highlighting the important role played by banks, particularly that of domestic banks, with respect to society and the economy.

Continuing the strategy

Zürcher Kantonalbank is adhering to its strategy. We have a business policy focused on continuity that prioritises the universal bank strategy, the bank's high level of security and stability, as well as its proximity to clients. We are also driving income diversification forward, in particular through a balanced product portfolio and a broad range of services in the investment and pension business. In the individual clients and SME core segments, we are striving to expand on our standing as a top-ranked bank. All internal activities are focused on increasing quality and efficiency. Great importance is attached to the Zürcher Kantonalbank brand. We want to be perceived as the most highly appreciated bank across Switzerland, both in the physical and digital worlds.

Sustainability as an integral component of our business model

Sustainability is an integral component of our business model. We incorporate the criteria of ecological, social and economic sustainability into everything we do and are guided by the United Nations Sustainable Development Goals and the Paris Agreement. We support our corporate and retail clients with banking services on the path to net zero by 2050. With our Net-Zero Banking Alliance commitment, we have undertaken to establish interim targets for 2030 and every five years thereafter until 2050. We make our contribution to social responsibility through our strong and, in particular, locally rooted social commitment, and by ensuring comprehensive access to financial services, especially for the target groups defined by the Cantonal Banking Act on Zürcher Kantonalbank.

Bank of the People of Zurich

Zürcher Kantonalbank has a clear statutory public service mandate from the Canton of Zurich: to continuously provide investment and financial services to the public and business, to contribute towards efforts to address the economic, social and environmental issues of the canton and thus to support a sustainable development. This makes us more than just a bank and has made us unique for over 150 years.

Public service mandate

Zürcher Kantonalbank was founded in 1870 as the bank of both the people and companies of Zurich. It is an independent public-law institution under the cantonal law of Zurich. We have a public service mandate from the Canton of Zurich. What this covers is specified in the Cantonal Banking Act on Zürcher Kantonalbank and in the Guidelines for the Fulfilment of the Public Service Mandate issued by the Board of Directors and approved by the Cantonal Parliament (zkb.ch/corporate-governance). Our business activities and public service mandate therefore benefit the canton, the municipalities, companies and the population. In 2024, expenses for items not purely profit-oriented or cost-covering amounted to CHF 140 million (2023: CHF 161 million).

Endowment capital and state guarantee

The endowment capital of CHF 2.425 billion forms the corporate capital of Zürcher Kantonalbank and is provided by the Canton of Zurich at market-based interest rates. The canton also provides the bank with a state guarantee. In doing so, it is liable for all the bank's (non-subordinate) liabilities should the bank's resources prove inadequate. This is a security measure that has never had to be drawn upon. In exchange for the provision of the state guarantee, we pay annual compensation to the canton, the amount of which is calculated in accordance with an actuarial model that is approved by the Cantonal Parliament. In 2024, the compensation for the state guarantee totalled CHF 31.2 million (2023: CHF 30.1 million).

Participation of the canton and municipalities in the result of Zürcher Kantonalbank

Zürcher Kantonalbank fulfils its public service mandate in several ways, including through a business strategy geared to long-term continuity. This strategy is based on market-oriented principles and intended to achieve an adequate level of profitability.

Zürcher Kantonalbank will distribute a dividend of CHF 375 million for 2024 (2023: CHF 528 million). This includes the dividend to cover the actual costs of the endowment capital in the amount of CHF 21 million (2023: CHF 18 million). In addition, the canton participates in the profit of Zürcher Kantonalbank through the compensation for the state guarantee totalling CHF 31 million (2023: CHF 30 million) and the total OECD minimum tax of CHF 156 million (2023: CHF 0). The municipalities participate in Zürcher Kantonalbank's profit with a dividend in the amount of CHF 170 million (2023: CHF 170 million). Overall, the canton and municipalities will participate in the result of Zürcher Kantonalbank with CHF 562 million (2023: CHF 558 million).

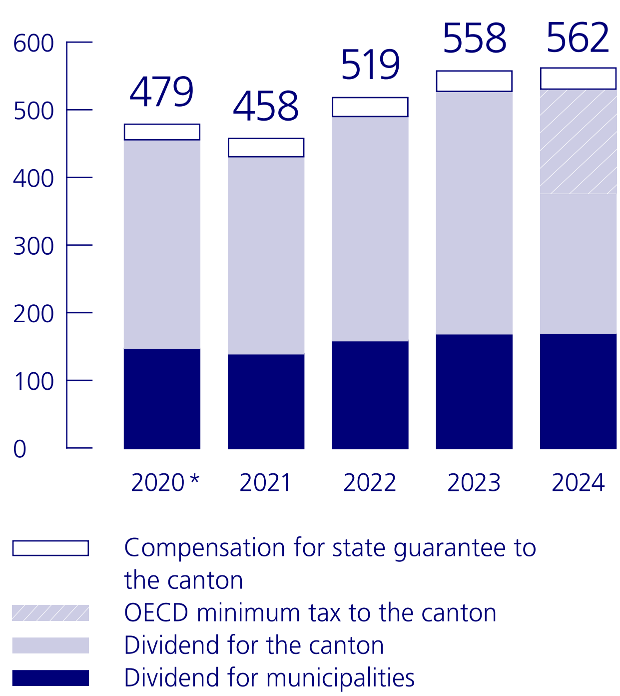
Sponsorship commitments for an attractive canton

400

Expenses for the public service mandate

140 mn CHF

Participation of the canton and municipalities CHF million



* incl. special coronavirus dividend for the canton (CHF 67 million) and municipalities (CHF 33 million)

Developments from the public service mandate

Free everyday banking launched

Zürcher Kantonalbank eliminated the annual fees for private accounts in CHF and debit cards for retail clients as of 1 January 2024 (for more information on ZKB Banking, see p. 39).

Advisory service on sustainability for SMEs launched

After a test phase at the end of 2023, in 2024 we launched our advisory service for SMEs on climate-related matters, energy consumption and resource efficiency. The service combines engineering and financing expertise, provides clients with an analysis and improvement measures as well as an estimate of investment costs and customised financing solutions and products – such as the ZKB environmental loan or the newly launched ZKB environmental leasing.

New ZKB environmental leasing supports sustainable investments

We launched ZKB environmental leasing for our corporate clients at the beginning of 2024 together with the new advisory service on sustainability for SMEs. In this way we support climate-friendly objects and projects. Zürcher Kantonalbank contributes 1 percent to the procurement costs for sustainable investments financed via environmental leasing. This contribution supports clients in two ways. First, green leasing can be used to finance objects with sustainable drive systems. Second, environmental leasing can also be used to implement sustainable pioneering projects based on sustainability advice from Reffnet, our partner for the advisory service. In the 2024 financial year, financing totalling CHF 25 million was concluded with ZKB environmental leasing.

Joint education initiative of all cantonal banks launched

On the initiative of Zürcher Kantonalbank, the Swiss cantonal banks jointly launched in the reporting year an investment solution that distributes an annual donation to Education Cannot Wait, the United Nations initiative for education in emergency situations. The fund was launched by Zürcher Kantonalbank with Swisscanto Asset Management International SA as the fund management company. The cantonal banks support the new product with start-up capital totalling CHF 10 million. As a result, around 1,600 children in 48 crisis regions can enjoy a school education.

ZKB Philanthropy Foundation established

In line with our support mandate, at the end of 2023 we decided to establish the ZKB Philanthropy Foundation. This was established in spring 2024 and funded with a contribution of CHF 25 million as foundation capital. The foundation, which commenced operations in the reporting year, initially comprises five funding areas with an impact on the Canton of Zurich: health and sport, nature and ecology, social affairs, art and culture, as well as education, science and research.

As an umbrella foundation, the foundation offers clients the opportunity to realise their own philanthropic projects – with significantly less effort than setting up their own foundation. In addition, existing foundations that would like to hand over their administrative work can be integrated under the umbrella of the foundation.

Certificate of energy efficiency for residential buildings piloted

In order to promote the advisory service for our clients on sustainability in real estate, we piloted in the reporting year the new product "Certificate of energy efficiency for residential buildings" at the Affoltern am Albis branch.

The certificate was developed by the bank's Real Estate Research department and provides sustainability-relevant characteristics for each residential property in the Canton of Zurich, such as carbon emissions, carbon savings through refurbishment, heating replacement options and solar potential. Selected clients were presented with such a certificate for their own home, which gave us a quick and uncomplicated overview of the sustainability of their property and the possibilities for optimisation.

The feedback from clients was consistently positive. They appreciated both the sensitisation to the topic and the solutions offered.

Katharinen Tower supported as main sponsor

A temporary installation rose up in 2024 next to the Fraumünster Tower in the city of Zurich: the Katharinen Tower. It commemorates Katharina von Zimmern, the last abbess of the Fraumünster monastery. She handed over her abbey to the Zurich Council in 1524.

Throughout the centuries, women have always occupied a prominent place in history and helped to shape it.

Zürcher Kantonalbank supported the Katharinen Tower as the main sponsor in order to create visibility for the historical figure Katharina von Zimmern and another 500 women who have helped to shape Zurich to this day.

Corporate volunteering programme launched

ZKB introduced a corporate volunteering programme in the year under review. Employees can spend up to two days volunteering for the benefit of society in the focus areas of the environment, social affairs, sport and education.

ZKB Sustainability Standard in the investment business

For our investment business we defined the ZKB Sustainability Standard, which covers both the Investment Solutions and Asset Management divisions. We apply this standard in our active investment solutions (active investment solutions refer to asset management mandates and investment funds, with the exception of indexed, individualised and third-party managed investment solutions and investment funds in the area of alternative investments). It also applies to investment recommendations made by Zürcher Kantonalbank as part of the standardised, sustainable investment advisory mandates of the Investment Solutions division, where clients make the investment decisions themselves.

Climate targets set for the balance-sheet-relevant financing business

We are guided in the financing business primarily by the objectives of the federal government regarding Agenda 2030 and the achievement of greenhouse gas neutrality by 2050. As part of the Net-Zero Banking Alliance (NZBA), our bank is aiming for net-zero greenhouse gas emissions by 2050 and has undertaken to apply science-based sector-specific climate targets in the financing business that are based on the 1.5°C climate target. As part of this commitment, in 2023 Zürcher Kantonalbank defined the first quantitative climate target for the residential mortgage business. In 2024, a further quantitative climate target was set for the office-related mortgage business. In our sustainability policy we have also defined climate targets in the form of conditions and exclusion criteria for the climate-intensive sectors of coal, oil and gas, energy production and cement.

Removal portfolio for the complete neutralisation of residual operational emissions

The goal of our operational environmental programme is to reach net zero by 2030. Our own emissions are to be reduced to less than 1,800 tonnes by 2030. To achieve net zero in its operations, the bank takes additional emission reduction measures and also neutralises the residual emissions it creates by means of negative emission technology certificates (NET). Our partners for the removal of all operationally generated residual emissions are Neustark AG, Climeworks AG and Bioenergie Frauenfeld AG.

New commitments as main sponsor

As part of our support mandate, we entered into two new commitments as the main sponsor in the reporting year. We are now supporting the Musikkollegium Winterthur and thus making a further contribution to Winterthur as a diverse city of culture. We are also the new main sponsor of Stadtzürcher Seeüberquerung (Zurich Lake Crossing), which is our contribution to promoting health.

We were also able to support some highlights of existing partnerships, including the Cantonal Brass Band Festival organised by the Zurich Brass Band Association and the North-East Swiss Wrestling Festival organised by the Zurich Wrestling Association. We also supported the 2024 Paracycling and Cycling World Championships in Zurich and the Trachtentrail event in the city of Zurich as part of the 2024 Federal Costume Festival.

Group Mission Statement and Strategy

Our vision is "Close to you". Our mission statement describes our identity and serves as a compass for our conduct: We support, advise and offer solutions. Always, everywhere. Throughout your life. Our strategy shows us which path we need to follow in order to fulfil our public service mandate, both now and in the future: We are a universal bank and a leader in our home market. Throughout Switzerland we are a strong partner for large companies as well as private and institutional investors. We provide services in selected countries outside Switzerland.

Group mission statement

Our vision

Close to you
We support, advise and offer solutions.
Always, everywhere. Throughout your life.
– No. 1 in the Greater Zurich Area
– Nationally strong
– Internationally successful

Our goals

Powerful Swiss universal bank
– Happy clients
– Committed staff
– High financial security
– Sustainable success

Our values

Inspiring
– Motivate, think ahead, show courage
Responsible
– Be reliable, create value, be present
Passionate
– Be involved, enthuse, persevere

Our roots

Bank of the people of Zurich
– For the population and the economy
– Continuity in business policy
– Economic, ecological and social engagement

Group mission statement

Zürcher Kantonalbank is characterised by continuity and stability. To ensure that we can continue to keep our promise of being "close to you" in future, we keep pace with economic, social and technological developments and align the organisation accordingly.

The group mission statement serves as a compass for our conduct and the future development of Zürcher Kantonalbank and its subsidiaries.

The more fast-paced the environment, the more important it is that long-term visions, goals and values guide our actions. Our Board of Directors has reformulated what this means in today's world in our mission statement.

The key element of this is the way we view ourselves. We're the bank of both the people and companies of Zurich. We engage in economic, environmental and social activities to fulfil our public service mandate.

Stakeholder groups

We want to enthuse our clients. In order to maintain our successful positioning in a rapidly changing world, we continuously strive to improve our understanding of proximity: We want to advise our clients not only as financial experts, but also expand their own financial expertise, provide them with lifelong support and offer them solutions to challenges they might not even be aware of.

As an institution under public law, we have a special responsibility to the Canton of Zurich. Because of this, we conduct our business activities with a focus on maximum financial security and reliability at all times.

This is only possible through the efforts of committed employees who identify with our vision, goals and values. That is why we provide them with comprehensive, long-term support to enable them not only to contribute actively to the development of the organisation, but also to successfully develop individual plans for enhancing their own qualifications and skills.

Our partners and suppliers are also pivotal to our actions. We attach great importance to cultivating a fair and cooperative business relationship with them, not only by focusing on economic aspects, but also by paying attention to ecological and social standards as well as the regional value chain.

We communicate with clients, employees and the public collaboratively, transparently and in good time.

Our values

Our values – responsible, inspiring and passionate – shape and reflect our culture and the conduct of the staff.

We conduct ourselves responsibly in every situation and with respect to all stakeholder groups. We are a reliable partner, make a positive impact and are at hand when needed. At the same time, our decision-making is always focused on creating sustainable added value – for both society and the environment.

Those who take initiative and inspire do not wait to see what others do. We think ahead, anticipate trends, show courage and assume a pioneering role, and in doing so inspire others and provide positive food for thought. We internalise our value of "inspiring" within our culture and thus become the bank that sets the pace beyond the Zurich area.

Our actions always revolve around people. Our passion for what we do is palpable – regardless of whether these contacts take place in person or online. Our collaborative commitment and perseverance spark enthusiasm in every encounter and in every aspect of our work.

Group strategy

Strategic principles

We are a universal bank and a leader in our home market, the Greater Zurich Area. Throughout Switzerland we are a strong partner for large companies as well as private and institutional investors. We operate internationally in the interests of our Swiss clients.

Globalisation, digitalisation, regulation of the financial sector and demographic change are challenges that we address by providing contemporary and forward-looking solutions for our clients. Our group strategy tells us which path we must take as Zürcher Kantonalbank. It defines our current and future business activities and priorities.

We firmly believe that the only way for us to fulfil our broad statutory public service mandate – which we passionately embrace – is by being a universal bank. This puts us in a position to offer the full range of banking services from one source and generate added value for clients in the process. We actively address key sustainability-related issues, lead the way with sustainable offerings and guide clients on their journey towards a more sustainable future.

Our entire value chain is focused on providing banking services to private individuals and companies in the Greater Zurich Area. The strong presence in our home canton and cross-divisional collaboration under the umbrella of the universal bank give us a competitive edge that we use to offer benefits to clients.

We pursue a diversification strategy: We generate income in several different business areas. Doing so enables us to minimise risks and increase stability, which in turn benefits our clients. We pursue a policy of broad income diversification and intend to expand on this even further, in part by aiming for qualitative growth in the investment and asset management business. We are also pursuing limited geographical diversification in order to slightly reduce our risk exposure to the narrow core market of Zurich.

The group strategy is geared towards client segments, producers and functions, and we define a sub-strategy for each of these areas.

Client segments

In the core individual client segments, we aim to retain our status as the leading financial services provider for the people of Zurich. We are there for our clients. When faced with life events such as entering the workforce, starting a family, the purchase of residential property, the founding of a company or inheritances, we are the reliable partner at their side. We understand what moves them and which challenges they face. Our experts offer the right solutions for those events and create added value.

In the core SME segments, our goal is to further expand our position as the clear number one for commercial, business and corporate clients in the Greater Zurich Area. We aspire to be the indispensable financial partner of choice for the 5,000 largest corporate groups in Switzerland.

The specialised segments include large corporations, pension funds, financial institutions, key clients, external asset managers and international private clients. We make targeted investments in these specialised segments in order to achieve qualitative growth.

Producers

Producers is the term we apply to the Asset Management, Trading, Capital Markets & Research divisions, as well as to the custody business. These are divisions that not only offer products directly on the market and maintain client relationships, but also perform an internal service function for the bank's various distribution channels (i.e. for product distribution via the client advisors, via our digital channels, etc.). We make ongoing, targeted investments to strengthen our producers and ensure that they are capable of delivering high-quality services that underpin their long-term ability to compete on the market.

Functions

Functions include all internal activities that provide targeted services to support and monitor the client segments and producers. These include Risk Management, Legal & Compliance, Communications, Marketing, IT, Segment, Product & Channel Management, People & Culture (Human Resources) and Finance. They are all committed to boosting the efficiency of the universal bank even further and delivering on the promise of being the bank "close to you".

Our priorities:

Our vision is to be "close to you". Our goal is that we want to be perceived as the most highly appreciated bank, both in the physical and digital worlds. Six priorities serve as our guiding principles:

– We want to further develop our successful growth and diversification strategy.
– We want to increase our effectiveness and efficiency.
– We want to use digitalisation to create a top client experience.
– We want to further expand our leading position in the area of sustainability.
– We want to further strengthen our strong brand.
– Our culture is our success factor. We want to develop it further in a targeted manner.

Our strategy house

Group mission statement

Group strategy

Client segments

Core segments – individual clients	Core SME segments	Specialised segments
– Retail clients – High-net-worth individuals – Private Banking	– Commercial clients – Business clients – Corporate clients	– Large corporations – Pension funds – Financial institutions – Key clients – External asset managers – International private clients

Producers

Asset management	Trading, capital markets & research	Custody

Functions

– Segment, product & channel management	– Investment solutions – Fund management – Financing centre – IT – Operations – Real estate	– Marketing – Communications – People & Culture (HR) – Finance – Risk – Legal & compliance

Reports on:
→ Client segments: p. 38 ff.
→ Core segments – individual clients: p. 38 ff.
→ Core SME segments: p. 41 ff.
→ Specialised segments: p. 43 ff.
→ Producers: p. 47 ff.

Business Environment and Risk Assessment

The year under review was characterised by geopolitical uncertainties, weakening inflation and interest rate cuts by the central banks. The financial centre remains a pillar of the Swiss economy, but the conditions are challenging. Numerous regulatory requirements are in the works. The risk profile of Zürcher Kantonalbank has not changed significantly compared to the previous year and remains robust as at the end of the 2024 financial year.

Overall economy

US economy more dynamic than euro zone and China – Swiss economy robust

In 2024, the global economy proved to be more dynamic and resilient than expected. In the US in particular, economic growth was surprisingly high thanks to continued strong private consumption. The divergence between the US and Europe has thus become even more pronounced. Despite a recovery towards the end of the year, private consumption in the euro zone was still well below the pre-pandemic trend. Although the economy grew slightly in the year under review, this development was primarily driven by Southern Europe, while the German economy has been stagnating for some time.

After a strong start to the year, growth in China has slowed significantly. Structural problems such as the ongoing real estate crisis, the provinces' high levels of debt and the demographic trend had an increasingly negative impact on economic growth.

The Swiss economy proved robust over the course of the year. This is due not only to the high level of immigration, but also to diversification in high-tech industries. These sectors have sales markets that are less price-sensitive, which means any potential strengthening of the Swiss franc will have less of an impact on demand.

Central banks lower key interest rates due to decline in inflation

Inflation receded across a broad front in 2024. The major economic upheavals caused by the pandemic and the war in Ukraine are largely a thing of the past. The decline in inflation and the stabilisation of inflation expectations, however, were also bolstered by the decisive action taken by the central banks. Over the course of the year, inflation rates in many major economies approached the target value of 2 percent again. This allowed most major central banks to lower their key interest rates again.

The Swiss National Bank (SNB) gave the go-ahead back in March and subsequently lowered the key interest rate at every assessment to 0.5 percent by the end of 2024. Several interest rate cuts also took place in 2024 in the US, the euro zone, the UK and Canada. In contrast, the Japanese central bank ended its almost eight-year experiment with negative interest rates and raised its key interest rate to 0.4 percent.

Positive market developments

The equity markets benefited from the constructive macroeconomic environment and the prospect of lower interest rates. In addition, investors' fantasies continued to be fuelled by the ongoing boom in the field of artificial intelligence. The major technology companies therefore remained the driving force behind the equity markets. It was only later in the year that defensive sectors, such as consumer staples and energy suppliers, were able to recover somewhat.

The US equity market received additional support from the re-election of Donald Trump, from whom investors expect a business-friendly course with lower taxes and deregulation in the financial and energy sectors. As a result, the US equity market rose by more than 20 percent for the second year in a row. Yields on government bonds rose for the most part since the beginning of the year, reflecting the improved economic outlook and lower expectations of interest rate cuts.

In Switzerland, on the other hand, yields declined significantly due to the SNB's scaled-back key interest rate, lower inflation and the continuing high demand for government bonds from institutional investors. At the end of the year, the yield on 10-year Swiss government bonds fell below 0.2 percent. The price of gold was on an upward trajectory and repeatedly reached new record highs amid robust demand.

Switzerland as a banking centre

The Swiss financial centre makes an important contribution to the Swiss economy. Some 240 banks account for almost 5 percent of the domestic value chain. Switzerland is still the world's number one for cross-border private banking.

Structural changes on Switzerland's domestic market

Margins remain under pressure in many business areas, especially as the Swiss market is highly competitive. After interest operations generated high revenues for many banks in 2023 in the wake of the rapid interest rate shift by the Swiss National Bank, this normalised in the year under review as a result of the SNB's interest rate cuts.

The merger of the two big banks in 2023 revealed the first structural changes for the Swiss financial centre in the reporting year and will result in further major changes in the coming years.

The general conditions in banking operations remain challenging. Banks have to contend with increasingly extensive national and international regulatory requirements, find the right solutions to accommodate changing client behaviour and make good use of the opportunities opened up by digitalisation. Cost management remains one of the key strategic objectives at many banks.

Swiss banks optimistic despite uncertainties

The SNB lowered the key CHF interest rate in several steps, from 1.75 to 0.5 percent, during the year under review. As a result, margins came under pressure again, and interest operations saw declines. So far, there have not been any major defaults in the Swiss lending business. In contrast, banks' income from the commission business increased, while trading business was down in many places.

Many growth initiatives

Some areas of activity in the advisory business hold obvious potential for banks. Investment, pension and tax matters have become more complex, for example. Concerns about inflation and uncertainties are prompting a greater focus on sustainable asset protection. Against that backdrop, there is a growing need for comprehensive financial advice; banks can meet that need by offering both advisory services and corresponding products.

Digitalisation solutions

Digitalisation is leading to new fintech companies trying to gain a foothold in the market. It is also opening up numerous opportunities for established banks – in some cases through collaborative partnerships with innovative fintech start-ups. These collaborative partnerships are seen by most financial services providers in Switzerland as a key to success if they want to offer new client experiences and solid quality at reasonable costs. Most of the institutions active in retail banking are still working on digitalisation solutions. Ultimately, however, the digital channels are more useful for maintaining the loyalty of existing clients than for acquiring new ones.

Regulation

The regulatory focus was mainly on reviewing banking legislation following the merger of the big banks, as well as on the major trends of data management and digitalisation as well as sustainability and sustainable finance. Bank-related initiatives are monitored by Zürcher Kantonalbank and proactively supported by its representatives, either directly or in trade associations.

Continued development of supervisory law

In 2024, FINMA, the SNB and the Financial Stability Board (FSB) published their reports on the merger of the two big banks. In addition, FINMA approved the merger of the big banks without conditions in June 2024 based on the Competition Commission's report. The Federal Council also published its too-big-to-fail report in June, in which it analyses possible measures. The report of the Parliamentary Investigation Committee was published towards the end of 2024. Parliament has therefore postponed until 2025 all proposals in connection with the merger (including the 60 or so initiatives already pending in Parliament) and the Federal Council's proposal to introduce a public liquidity backstop. In that way all proposals can be discussed in their entirety.

FINMA opened various consultations, including on the FINMA Insolvency Ordinance and a new circular on consolidated supervision. The transfer of the supervisory principles on auditing into an ordinance, including a complete revision of Circular 2025/1 "Auditing", has already taken place and entered into force on 1 January 2025, as has the new Circular 2025/2 on "Rules of conduct under FinSA/FinSO".

The contingency and stabilisation plans of Zürcher Kantonalbank as a systemically important bank were reviewed by FINMA in March 2024 and deemed implementable.

In the area of financial market law, the revision of the Financial Market Infrastructure Act (FinMIA) has begun, with a focus on financial market infrastructures, derivatives trading, market abuse, criminal provisions and financial analysis.

Data and digitalisation becoming increasingly important

As further headway is made with respect to digitalisation, the importance of data increases too. This development goes hand in hand with a growing number of statutory regulations and requirements.

In 2024, the EU qualified the revised Data Protection Act and its ordinances as equivalent. The Swiss-US Data Privacy Framework (DPF), which enables compliant data exchange in accordance with the Federal Act on Data Protection (FADP), came into force in line with the regulation between the EU and the US. Following the finalisation of the revised Cyber Security Act, which now stipulates a reporting obligation in the event of critical cyber attacks, the Federal Council launched the consultation on the new Cyber Security Ordinance.

The law on the creation of a legally recognised digital identity (e-ID), which is central to digital business models, passed through the parliamentary process quickly and largely uncontested at the second attempt. In December 2024, both councils approved the Federal Act on the e-ID together with credits. This legislation, which is important for digital business models, is scheduled to come into force in 2026.

Important regulations have come into force in the EU which, depending on the business model, also directly or indirectly affect providers in Switzerland. These include the EU Data Act, which aims to ensure fair access to and fair use of data. The EU Digital Services Act establishes the framework for digital platforms and search engines to improve data protection, combat illegal content, etc. The EU AI Act also came into force in mid-2024. In response, the Federal Council is expected to present an analysis of possible Swiss regulations on the topic at the beginning of 2025. FINMA has therefore refrained from issuing its own regulation, but published at the end of 2024 a supervisory communication on the application of governance and risk management also in relation to artificial intelligence. The EU has also begun to comprehensively regulate cryptocurrencies. Switzerland was quicker in this regard and has already implemented this through the distributed ledger technology (DLT) legislation, with selective adjustments to Swiss law.

Sustainability and sustainable finance

Following the consultation process, the Federal Council will bring the Climate Protection Ordinance into force on 1 January 2025, with obligations for businesses to draw up transition plans and to continuously adapt to climate change and take protective measures.

In mid-2024, the Federal Council endorsed self-regulation within the financial sector to combat greenwashing and is temporarily refraining from legislating on this topic. It will, however, continue to actively monitor regulatory developments in the EU.

In mid-2024, the Federal Council opened the consultation on broadening sustainability reporting in accordance with the Swiss Code of Obligations (CO). By lowering the thresholds, more companies are to be subject to this reporting requirement. Only in the case of banks should all institutions be subject to this obligation, regardless of their size and degree of influence on sustainability. The banks are calling for equal treatment in this regard.

In mid-2024, the Federal Council opened the consultation on the CO_2 Ordinance to further reduce greenhouse gas emissions. As part of the ongoing CO_2 legislation, an amendment was also made to the Federal Act on Unfair Competition (UCA) in 2024. It is now also considered unfair to make false or misleading statements in terms of quality, quantity or in relation to production processes.

After FINMA had adopted many of the financial sector's proposals for clarification and simplification in two consultations, it will bring the new Circular 2026/1 "Nature-related financial risks" into force on 1 January 2026.

The new directive on due diligence in the area of sustainability (CS3D, Corporate Sustainability Due Diligence Directive) has been adopted in the EU. This goes further in some areas, but is less far-reaching in others (e.g. with regard to child labour) than the Swiss CO rules. The EU supervisory authorities are also proposing that the category "transition" be added to the designation of sustainable investment solutions. The EU is thus adopting the UK's approach defined in its policy statement Sustainable Disclosure Requirements and Investment Labels (SDR), which also allows for "improvers". This broadens the permissible investment universe.

Other relevant regulatory topics at federal level

In mid-May 2024, the Federal Council launched the dispatch on further strengthening the fight against money laundering. In particular, the new Transparency Act (TLEA) aims to create a central register of beneficial owners. In addition, advisors will now also be subject to the Anti-Money Laundering Act (AMLA), but only for transactions that are considered to be particularly critical from an AMLA perspective, such as company formations and restructurings as well as property purchases.

In the area of taxation, Switzerland and the US have signed a new agreement on the mutual exchange of financial data. Based on this, the previously unilateral exchange of data in favour of the US is now reciprocal for the first time.

Developments at cantonal level

Following the adoption of the OECD/G20 proposal to tax large, internationally active companies at a minimum rate of 15 percent in the federal referendum on 18 June 2023, the regulation came into force on 1 January 2024. The OECD minimum tax also affects Zürcher Kantonalbank, which will be subject to tax based on the new criteria. For state-owned organisations, income from the supplementary tax accrues to the owners. The bank and Cantonal Parliament amended the Zürcher Kantonalbank Act to ensure that the previous distribution of profit from Zürcher Kantonalbank remains the same. The respective tax amount paid to the canton is to be taken into account when determining the amount of the distribution. The Cantonal Parliament adopted the amendment to the Zürcher Kantonalbank Act in the reporting year; the amendment enters into force on 1 January 2025.

In the year under review, the Cantonal Parliament rejected a parliamentary initiative that provided for the Cantonal Parliament to now approve the profit distribution in a separate vote at the request of the Board of Directors.

The amended Zürcher Kantonalbank Act entered into force on 1 January 2024 and its purpose article now enshrines sustainable development and greenhouse gas neutrality.

Risk assessment

The Board of Directors' risk management tasks

Risk management is practised at every level within the bank. The Board of Directors is responsible for managing overall risks: It approves the principles for risk management and compliance, the Code of Conduct, the framework for group-wide risk management and the risk policy requirements at group level. The Board of Directors is responsible for assuring a suitable risk and control environment within the group and arranges for an effective internal control system (ICS). It also approves transactions involving major financial exposure.

Ongoing risk monitoring

Zürcher Kantonalbank fosters a risk culture that is geared towards responsible behaviour. This includes the ongoing monitoring of risks in all dimensions. The risk organisation provides the Board of Directors and the Executive Board with comprehensive reports on a quarterly basis on the development and profile of credit, market and liquidity risks, as well as compliance risks and reputational risks.

Credit risks

The corporate loan portfolio shows pleasing growth. Among other things, opportunities arose for Zürcher Kantonalbank from the reorientation of various companies following the merger of the big banks. The portfolio remains stable in terms of default risks. While the export-oriented sectors suffered from subdued international demand, domestic and consumer-oriented sectors benefited from robust private consumption. The regular assessment of all major unsecured balance sheet exposures has not revealed any extraordinary risks. Uncertainties nevertheless remain due to several factors, including the ongoing geopolitical tensions, the change of governments in Europe and the threat of trade barriers from the US.

The mortgage portfolio of Zürcher Kantonalbank grew by 5.7 percent in 2024, outperforming the overall market. Growth in owner-occupied housing was 2.1 percent. Credit risk management ensures that the portfolio growth in mortgage lending maintains a balanced risk profile.

Zurich real estate market

The accentuated decline in interest rates has hardly had any impact to date on price trends in the market for owner-occupied homes. Despite the tailwind from interest rates, price growth for owner-occupied homes in Zurich has slowed slightly from 3.7 percent in 2023 to this year's increase of 3.3 percent. In particular, prices moved sideways for the "land" region of the ZWEX Index, i.e. in more rural and therefore more affordable regions of the Canton of Zurich. The reason for the limited price movement is probably the existing excess supply. Following the rise in interest rates that began in 2022 with the end of the pandemic and the outbreak of the war in Ukraine, prospective homeowners became more cautious. The sales process was particularly difficult in the new-build segment. Longer selling times and a larger selection of properties for sale were the result. As financing conditions became more favourable, buyers' appetite to live in their own four walls increased again in 2024. Ultimately, buying your own home can reduce housing costs again compared to renting a similar property. After a historic low in the number of transactions, market activity picked up again in the second half of the year. However, the reduction in the number of homes available for sale will continue for some time and will keep the price trend in check. That means the market for owner-occupied homes is in a stable condition.

Market and liquidity risks

The risk profile in trading was largely characterised by credit risks in bond trading. The value at risk (VaR) at the end of the year was lower than in the previous year.

The bank managed the risks of its balance sheet structure against the backdrop of falling interest rates and, as a consequence thereof, changes in client behaviour when choosing mortgage products. With the SNB's interest rate cuts, client preference shifted in the second half of the year in favour of fixed-rate mortgages, including those with longer terms.

The good liquidity situation of Zürcher Kantonalbank is reflected in the solid liquidity risk ratios. Since 1 January 2024, additional liquidity requirements with a stress horizon of 90 days (previously only 30 days) have applied to systemically important banks. All regulatory liquidity requirements, including the net stable funding ratio (NSFR), were comfortably met at all times.

Operational and compliance risks

The bank's risk profile for operational risks has not changed fundamentally. Process and cyber risks continue to be the two areas with the most significant residual risks, which means that managing those risks continues to be a high priority. The dynamics of business activity and increasing regulation are constantly raising the requirements for expert knowledge and models for an appropriate control environment. Internal planning and budgeting ensure that the necessary resources are allocated accordingly.

The risk profile in the area of compliance risks has remained stable. The implementation of the continually evolving regulatory and statutory framework, particularly regarding investor protection, data protection and the fight against money laundering, continued to require the deployment of substantial resources in 2024. A further focus was placed on developments in sustainability topics in order to meet the increasing legal requirements. In the year under review, for example, special efforts were necessary to update anti-money laundering systems and manage legal and compliance risks connected to sanctions imposed in response to geopolitical conflicts. Climate protection has long been a central issue for Zürcher Kantonalbank. The bank has underscored this commitment by joining the Net-Zero Banking Alliance. Climate-related financial risks, however, do not represent a top risk for the bank. This can be explained by the nature of the business activities and the strong focus on the Zurich economic area.

Further information on risk management and the risk profile is available in the Risk Report (Note I in the Financial Report).

Banking Services for the Population and Companies

In a challenging market environment, we delivered a strong performance in all business areas thanks to the systematic alignment of our organisation with clients' needs. Continuous further development of both our physical and digital sales channels ensures that our clients enjoy an excellent client experience.

Client proximity

We offer an outstanding client experience and often provide our clients with lifelong support.

We ensure physical proximity to our clients every single day, whether it be during personal advisory consultations or during interactions at our locations. To that end we maintained 51 branches in the Canton of Zurich as at the end of 2024. With our branches, ATMs and other locations, we operate the densest network in the Canton of Zurich. We also operate national and international sales offices or representative offices at selected locations to support institutional clients and export-orientated Swiss companies (see locations on p. 215).

We create additional proximity with a variety of cutting edge digital self-service options. We are constantly developing services that are provided via mobile channels in particular, as they are becoming increasingly important. As a result, clients can carry out their banking activities regardless of the time or location via the ZKB eBanking and ZKB Mobile Banking services.

We are of the opinion that security, user-friendliness and service quality are of the utmost importance, which is why we continuously review and optimise our processes.

In view of changing client needs in terms of being able to conduct everyday banking transactions anywhere and at any time as well as the simultaneous upgrading of digital channels, we invest substantially in our eBanking, Mobile Banking and cashless payment solutions. We are constantly adapting the digital services and functionalities we offer for banking transactions to meet our clients' needs and adding new, cutting-edge functions.

Client satisfaction survey: Our client loyalty remains consistently high

Our clients give us feedback on the performance of Zürcher Kantonalbank as part of the client satisfaction survey conducted every two years. Conducted with the help of external institutions, the survey focuses on client loyalty and satisfaction with respect to various aspects of the client relationship.

In 2024, we received the opinions of over 7,000 clients. The results show that client loyalty remains consistently high in all three areas – Private Banking, Corporate Clients and Direct Banking – compared with the 2022 survey. The index, which expresses client loyalty, stands at 77 index points out of a possible 100 points in Private Banking, 80 index points in Corporate Clients and 78 index points in Direct Banking. We also recorded very high scores in terms of perceived service quality.

Modernisation of all branches in the Canton of Zurich

Zürcher Kantonalbank also relies on its local presence in the long term. All of the branches are to be remodelled in line with a new location concept and will boast a more modern, standardised client and brand experience across all channels.

The branches will focus on personal advice and providing support for important life or corporate events. As more and more day-to-day transactions are being taken care of digitally, branch employees provide clients with assistance for self-service channels on site and help them venture into the digital world.

In the year under review, the Kloten and Wollishofen branches were reopened with a new concept. Planning for the modernisation of further locations was also initiated.

Another increase in cashless transactions

2024 saw a continuation of the trend towards cashless payments. In the reporting year, we recorded a 6 percent decrease in cash transactions. By contrast, cashless transactions (ZKB Visa debit card, credit card or TWINT) increased by 14 percent. In payment transactions, there was a further shift from physical payment orders (Quickpay) to electronic payments (eBanking, Mobile Banking, eBill, LSV).

ZKB Mobile Banking is the most frequently used channel among private individuals

With 8 million logins per month, Mobile Banking is the primary channel for retail clients to access everyday banking services. Use of our ZKB Mobile Banking channel is growing strongly and has surpassed that of eBanking. The number of clients who use only Mobile Banking (mobile-only users) is also growing strongly.

Our aim is to offer all everyday banking transactions in Mobile Banking.

Our mobile applications ZKB Mobile Banking, ZKB Twint, ZKB Access and frankly are rated as very good. In a nationwide comparison with apps from other financial services providers, we are the leader, according to a study by the Lucerne University of Applied Sciences.

Open banking driven forward

On the topic of open banking, Zürcher Kantonalbank supports further developments for various client segments.

Thanks to the Swiss Bankers Association's (SBA) "Retail Multibanking" industry project, private individuals should be able to manage several banking relationships via a single platform or app and thus obtain an up-to-date financial overview of all their banking relationships.

Corporate clients and trustees can use additional software interfaces via the SIX bLink platform to connect their corporate account at Zürcher Kantonalbank online in order to directly reconcile their accounts receivable and accounts payable and obtain a cash management overview in real time.

For asset managers, involvement in the "OpenWealth Association" has been intensified so that they can continuously improve and automate their advisory services, including direct stock exchange trading with Zürcher Kantonalbank.

Further development of digitalisation and innovation

Every business unit within Zürcher Kantonalbank is working on new solutions. We foster a corporate culture that supports not only ongoing but also transformative innovation at every level.

We develop products, services and business models for every client segment in the bank based on our bank's strategy. Throughout the bank, we ensure that important market developments and future trends are incorporated into the different strategies of the business areas at an early stage. We use a variety of future scenarios to work on expansions, updates and transformations from the client's perspective. The close exchange with specialised companies, academic research partners as well as innovative start-ups ensures that the latest market developments are incorporated into future solutions. Promising ideas are broken down into concrete steps, and various offers are tested with clients directly. As a result, several innovations contributed to the bank's success in the past financial year.

Zürcher Kantonalbank develops and operates our bank's applications and systems in the centre of Zurich – something we are proud of. Because it keeps us close to our users, which lets us run our IT both efficiently and effectively.

Building on stable, simple and secure services, we are focusing on important forward-looking investments for the next few years, including the cloud and information management, the implementation of our cyber security roadmap and support for our business portfolios. We use automation and standardisation as ways to increase our impact on behalf of the bank, and we use systematic performance management to steer our developments based on facts.

Our employees are our greatest asset in this regard. That is why we make long-term investments in our IT engineering culture as well as in the skills, competencies and specialist careers of our employees.

New digital platform for external asset managers as well as professional and institutional clients

With the launch of "ZKB eWealth" and new interfaces for data exchange with third-party systems, Zürcher Kantonalbank in the reporting year further expanded and comprehensively modernised its digital offering for external asset managers as well as professional and institutional clients. They can use it to obtain an overview of their clients' portfolios, account, custody account and money market holdings, retrieve receipts,

Modernisation of all locations by 2030

ZKB Mobile Banking

8 million logins per month

High client loyalty

according to the 2024 client satisfaction survey

enter individual and collective stock exchange orders, foreign exchange transactions, instructions for corporate actions and account transfers. The interface also enables the exchange of position and transaction data with other banks and third-party system providers as well as the real-time receipt of stock exchange orders. With this contemporary offering, we are meeting a major need of our professional clients and positioning ourselves as a central provider in the market.

Guarantee and import letter of credit orders now in eBanking

Zürcher Kantonalbank provides its corporate clients with new functionalities in eBanking that enable the electronic and secure commissioning of orders for guarantees and import letters of credit. As an alternative to placing orders in writing using traditional forms, the digital channel offers significant advantages: a constantly updated overview of all orders, the option of copying old orders and using them as a basis for new ones, as well as efficient and secure transmission of orders to Zürcher Kantonalbank. The functionalities will be gradually expanded so that in the future, in addition to other foreign trade products such as export letters of credit or documentary collections, it will also be possible to enter change orders, exchange draft texts for guarantees, notify commission settlements or use additional reporting functions.

Digital assets: Trading and custody of cryptocurrencies

With the launch of the Digital Asset Solution, Zürcher Kantonalbank is offering its clients trading and secure custody of cryptocurrencies. We are thus setting another milestone in connection with digital assets. The new processes and services are seamlessly integrated into the existing client channels ZKB eBanking, ZKB Mobile Banking and ZKB eWealth (for institutional investors) and thus offer a familiar, simple and secure client experience. The offer is characterised in particular by the fact that Zürcher Kantonalbank assumes the critical function of securely storing the private keys. This means that clients do not need their own wallet and therefore do not have to worry about storing their own private keys. We also enable trading around the clock and at weekends right from the start.

Core segments – individual clients

As a financial partner in touch with the realities of life, we support and advise our clients during major life events. When it comes to important financial events and decisions, such as entering the workforce, starting a family, buying residential property, retirement and inheritances, our client advisors are personally available as competent partners. They stand at the ready to develop, in a timely manner, comprehensive solutions for investments, financing and taxes, as well as for retirement and succession planning. Additional specialists may also be consulted, depending on the complexity of the matter. We provide comprehensive solutions to meet individual requirements and are at our clients' side at every stage of their lives to ensure they can make the right financial decisions for the long term.

Our direct bank provides advice and support for our clients' day-to-day banking transactions while simultaneously serving as the central processing centre for Zürcher Kantonalbank. Our wide range of services includes the execution of our daily business activities, business openings and closings, maintenance of master data, availability and deputisation management as well as services related to complex needs in connection with estates and guardianships. This also includes our phone-based customer services, which recorded around 880,000 incoming calls in 2024 (2023: around 930,000).

At the end of 2024, we had active relationships with around 770,000 individual clients in our core individual client segments (2023: around 740,000).

Launch of ZKB Banking attracts new clients

Zürcher Kantonalbank eliminated the annual fees for private accounts in CHF and for debit cards for retail clients as of 1 January 2024.

Existing clients began to reap the benefits of this automatically starting on 1 January 2024. Since then, the possibility of opening new accounts digitally has enabled new clients from all over Switzerland to use the new ZKB Banking service. In the reporting year, we recorded around 31,000 additional active individual clients, which we attribute in part to this offering.

ZKB Banking combines the advantages of a free, purely digital neobank with the security and added value of a traditional bank that offers high service quality and personalised advice for everyday banking transactions via digital channels – and also has a presence in the Canton of Zurich through its 51 branches. Clients have access to products and services from one of the safest universal banks in the world – with personalised advice and service from specialised experts by phone, video or on site at the branches in the Canton of Zurich.

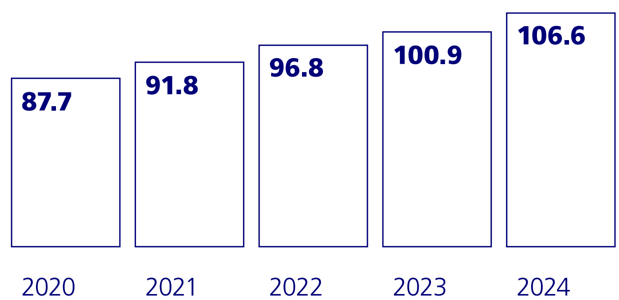
Market penetration

50 %

in the Canton of Zurich for private individuals

Mortgage loans

107 billion CHF



Pension assets

11 billion CHF

Pension assets in the ZKB foundations for pillar 3a and vested benefits

Zürcher Kantonalbank's goal is for clients to be able to carry out all their day-to-day transactions through a hybrid offering – meaning either digitally or physically – by 2025. ZKB Banking is an important milestone on this path.

More bank for young adults: New offer for U30 clients

With the launch of ZKB Banking Young, Zürcher Kantonalbank in the reporting year strengthened the attractiveness of banking products and access to additional services for young people and young adults. Existing and new clients can benefit until their 30th birthday: In addition to free accounts and debit cards, which are already included in the basic ZKB Banking offer, ZKB Banking Young also includes a free credit card. Moreover, all clients aged 14 to 30 now benefit from the ZKB Nachtschwärmer ticket (free public transport in Zurich on Friday and Saturday evening from 7 p.m.) and the ZKB Visa Debit STUcard.

Investments: Growth in the number of mandates and positive performance in wealth management

→ Responsible investing in the Sustainability Report 2024: 33 ff. 53 ff. 65 f.

If you have liquid funds that you do not need, it makes sense to invest them on the financial markets. It is important to invest savings in line with a suitable investment strategy, particularly from the point of view of long-term asset protection or asset growth.

We help our clients define their investment strategy based on their financial situation, their risk appetite, their sustainability preferences, their investment horizon and their investment objective. Together we determine the most suitable investment solution for their individual needs – ZKB Discretionary Mandate or ZKB Portfolio Consulting. This gives clients access to the expertise of the Chief Investment Officer (CIO) and the numerous investment experts at Investment Solutions.

In ZKB Discretionary Mandate, clients delegate the investment decision to us. We ensure that the assets are always invested in line with the agreed investment strategy. The risk appetite of our clients is always at the centre of every investment decision.

In ZKB Portfolio Consulting, we help our clients make investment decisions by providing them with personalised investment proposals tailored to their investment strategy. Furthermore, we continuously monitor the portfolio and inform them immediately if the portfolio's risk deviates from the range defined in the risk / return profile.

We recorded further growth in the number of wealth management mandates, while the number of advisory mandates stagnated. The volume of invested mandates developed positively in both wealth management and investment advice (including performance).

The interest rate hikes of recent years had an impact in 2024. Inflation declined in both the US and Europe. However, as the economy remained robust, the central banks lowered interest rates less than originally expected. Stable profit margins and impetus from the technology sector led to rising equity markets. Bonds also posted price gains thanks to the interest rate cuts.

The performance of all investment strategies used by ZKB Discretionary Mandate was positive as at the end of the year under review. In a peer comparison of the ARC Private Client Index provided by ARC Research, which we have been tracking since the beginning of 2018, we are still clearly outperforming our competitors.

Growth and product expansion for pension savings

Private pension savings in pillar 3a and vested benefits foundations were also expanded in 2024.

The offering was expanded with a second vested benefits foundation. This closes a gap in the value chain and enables us to provide our clients with even more comprehensive support throughout their entire wealth management process and more effective retirement planning. This means that the vested benefit assets can be divided once when a person leaves a pension fund and transferred to two different vested benefit foundations. The two divided credit balances can therefore be drawn later in different years and allow greater financial flexibility.

Pension assets in ZKB's pillar 3a and vested benefits foundations have reached a milestone, exceeding the CHF 10 billion mark in total assets for the first time (2024: CHF 11 billion). Part of this is contributed by frankly, the digital pension solution from Zürcher Kantonalbank, which has assets of CHF 3.8 billion (2023: CHF 2.5 billion) and over 120,000 clients (2023: 95,000).

Retirement planning offering expanded to include estate planning

In the year under review, we further developed our estate planning advisory service. Our new services are aimed at clients who want to develop the right solution for their estate planning with our inheritance specialists. In addition to providing advice, we also draw up documents such as wills, inheritance contracts or marriage contracts and assist with their implementation. This completes our range of services from the free ZKB inheritance check to comprehensive support in inheritance matters.

Strongly positioned in the mortgage business

Zürcher Kantonalbank is the market leader for real estate financing in the Canton of Zurich. Competition in the market environment remained intense. We continue to attach great importance to the quality of our loans and embrace a credit policy that is geared towards continuity.

Our mortgage loans increased by CHF 5.7 billion to CHF 106.6 billion in the year under review. This corresponds to an increase of 5.7 percent, whereas the market as a whole (only banks, excluding mortgage investment companies and insurers) grew by 2.6 percent. At the end of the year under review, ZKB rollover mortgages based on SARON accounted for 21 percent of the mortgage portfolio (2023: 23 percent). The share of fixed-rate mortgages (including ZKB starter mortgages and ZKB environmental loans) in the total mortgage portfolio was 78 percent at the end of the year.

→ Our implementation in the financing business in the Sustainability Report 2024: 49 ff., 64 f.

Home ownership guaranteed in the third phase of life

Many people approaching retirement worry about their mortgage solution because their post-retirement income usually declines. Since Zürcher Kantonalbank stands by its clients for life, conveying a sense of security and appreciation is a priority of the customer services provided at Zürcher Kantonalbank. Accordingly, Zürcher Kantonalbank not only continues to maintain the mortgages in its clients' third phase of life, but also increases them if necessary – even if a client's income decreases. Clients who have always met their mortgage obligations and whose mortgage does not exceed two-thirds of the value of their property will also receive this promise in writing.

Core SME segments

Our employees assist companies through every phase of the business life cycle and provide them with the support they need to overcome the financial challenges they face – from the company's foundation to succession planning.

Our direct bank advises commercial clients on all aspects of day-to-day business and stands by this client segment on matters related to payment transactions, financing, investments and retirement planning.

As a universal bank, we offer companies the full range of services – even in around 100 countries through our correspondent banks if needed. Our specialised corporate client advisors act as personal contacts for our business and corporate clients for all financial matters, dealing with their specific and complex needs.

As set out in the bank's statutory public service mandate, we place a great deal of emphasis on our commitment to small and medium-sized enterprises (SMEs). Thanks to our consistent lending policy, we make a significant contribution to the functioning of the economy by supplying credit to SMEs in the Canton of Zurich as well as to medium-sized and large companies throughout Switzerland.

The bank for SMEs

At the end of 2024, our clients included around 75,000 active legal entities, of which 60,000 were companies (mostly SMEs) and around 15,000 were other legal entities such as associations and foundations (2023: around 72,000 legal entities, of which 58,000 were companies and 14,000 were other legal entities). In the Canton of Zurich, we achieve a market penetration of over 50 percent among companies.

Our credit exposure to companies increased to CHF 38.9 billion in the year under review, an 8.4 percent increase year over year (2023: CHF 35.9 billion).

We see growth opportunities in expanding our business with existing clients or through new client acquisition. Occupational pensions also play a very important role, both from a company perspective and for the individual entrepreneur.

→ Our implementation in the financing business in the Sustainability Report 2024: 49 ff., 64 f.

Coronavirus loans continue to be repaid

Covid-19 emergency loans in the year under review amounted to CHF 153 million. Of this amount, CHF 144 million were Covid-19 loans and CHF 4 million were Covid-19 plus loans from the federal programme. After peaking at CHF 1 billion in 2020, CHF 597 million has meanwhile been fully repaid and active limits have been reduced by a further CHF 253 million as at the end of 2024. Loans from the cantonal programme came to a total of CHF 2 million. The loans that Zürcher Kantonalbank granted at its own risk have been almost completely repaid.

ZH SME: Support with recruitment of specialists

With its ZH SME Initiative, the bank makes a contribution towards the ongoing and sustainable success of SMEs. To that end, it has commissioned the Zurich University of Applied Sciences (ZHAW) to conduct an annual study on SMEs.

Zürcher Kantonalbank publishes the findings, collaborates with experts to take a more detailed look at one of the SME-relevant topics and develops some potential solutions.

Topic of the year in 2024 went again to the shortage of trained specialists at SMEs. In two ZH SME practical seminars, Zürcher Kantonalbank conducted seven one-day sessions covering concrete solutions for employer's promises, brand identity, recruitment and relationship management. Companies that completed both

Market penetration

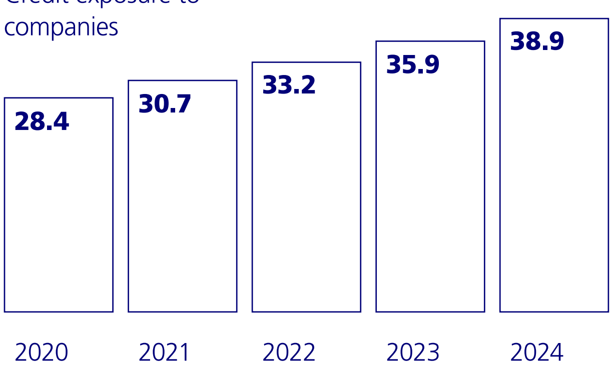
50 %

in the Canton of Zurich for companies

Credit exposure

39 billion CHF

Credit exposure to companies



Start-up promotion

CHF 19.7 million for 52 start-ups and scale-ups

More than CHF 250 million for around 300 start-ups and scale-ups since 2005

seminars were given the opportunity to receive an "SME ZHustupf" – financial support for a self-chosen measure to increase employer attractiveness. This offer was taken up by 14 companies, with a total value of over CHF 50,000. ZH SME also brought together givers and seekers of advice – free of charge – under the title of "From SME to SME". The platform promotes dialogue with and between entrepreneurs.

Offer for sustainably successful SMEs

After a test phase in the 2023 reporting year, in 2024 we launched our advisory service for SMEs on sustainability.

This new service combines engineering and financing expertise and provides our clients with advisors from the Reffnet network of experts, a nationwide network accredited by the Swiss federal government that provides consultations on resource efficiency and energy.

In the in-depth expert consultation, Reffnet consultants develop specific improvement measures in the selected area on the basis of a free eco-check and present in an expert report the estimated investment costs, the expected cost savings and the positive environmental impact.

Client advisors support the implementation of corresponding measures with their comprehensive financing expertise and tailored financing solutions and products – such as the ZKB environmental loan or the new ZKB environmental leasing (zkb.ch/kmu-nachhaltigkeit, available only in German).

Start-up services in demand

New companies in traditional sectors, such as a painting business or a medical practice, are part of the regular financing business of Zürcher Kantonalbank. In 2024, Zürcher Kantonalbank provided CHF 31.6 million in funding for traditional company start-ups. On top of that, we also provide financing for innovative start-ups (see below).

In order to help people start up their own companies, we make ongoing improvements to the services and support we offer. Zürcher Kantonalbank's offering comprises advisory services and ongoing client support. We collaborate with prominent start-up services which handle the formalities that come with company start-ups.

The bank also works closely with the "GO! Ziel selbstständig" association, helping people to become freelance entrepreneurs with microloans.

Start-ups and Pioneer portfolio

→ Promoting start-ups in the Sustainability Report 2024: p. 65

Zürcher Kantonalbank is one of the largest investors in start-ups in Switzerland. A total of CHF 19.7 million

(2023: CHF 15.8 million) in risk capital financing was approved for 52 promising start-ups and scale-ups in 2024 (2023: 46). Through the Pioneer programme, over CHF 250 million in support has flowed to around 300 innovative young companies since 2005.

In the reporting year, we successfully sold our stake in some of our portfolio start-ups to other companies. These sales included our participations in FemtoTools AG, Sherpany and RoomPriceGenie AG.

Partner in non-profit housing construction

Zürcher Kantonalbank is a long-standing and reliable partner in non-profit housing construction. Since 2022, the bank has been offering the WohnPlus mortgage to housing cooperatives that provide special social benefits. The WohnPlus mortgage is in constant demand, enabling the bank to further strengthen its position in the sector.

→ Our implementation in the financing business in the Sustainability Report 2024: 49 ff., 64 f.

Support for generational changes

Thousands of Zurich-based SMEs need to work out their succession plans and require both specialist and financial support during this phase. Our priority is to ensure that the generational change at SMEs is a success, as it is also important to the economy. Interested parties can take their first steps digitally (zkb.ch/nachfolgecheck, available only in German). We enable a simple assessment of the current situation and offer customised solutions or individual project support on matters relating to succession planning.

In the reporting year, our succession experts carried out 27 assessments and personally accompanied 110 entrepreneurs on the path to generational change. In the year under review, the bank granted 55 acquisition loans totalling more than CHF 100 million.

Demand for microloans remains steady

Microbusinesses and small enterprises make an important contribution to the vibrant Zurich economy. We therefore ensure that these companies have access to professional advice and a wide range of services with fair conditions. Zürcher Kantonalbank granted more than 3,200 noncost-covering microloans of less than CHF 200,000 to SMEs in the year under review (2023: over 3,000).

Leasing as a liquidity-preserving form of financing

Capital goods leasing remains important. For SMEs and the agriculture sector in particular, this represents a liquidity-preserving alternative to a traditional investment loan. Zürcher Kantonalbank is a major provider of capital goods leases throughout Switzerland. Our leasing calculator (zkb.ch/leasingrechner, available only in German) makes the initial contact even easier. A total of around 3,100 leasing contracts with a volume of over CHF 360 million were concluded (2023: around 3,300 leasing contracts with a volume of around CHF 363 million). The portfolio at the end of 2024 contained more than 13,000 contracts with a volume of over CHF 758 million (2023: more than 13,000 contracts with a volume of around CHF 762 million). The joint distribution network with other cantonal banks continues to prove successful.

Specialised segments

In our capacity as a universal bank, we also meet the needs of large Swiss corporations with international operations, key clients, foundations, trading companies, large international organisations and financial services providers, such as banks, insurance companies, pension funds, asset managers, external asset managers, investment funds and brokers. By being active in this wide range of specialised segments, we diversify our income, spread our risks and provide a broad basis for the business of the bank as a whole. In doing so, we also take the international orientation of the Greater Zurich Area into account.

Meeting complex requirements of large corporations and insurance companies

In times of increasing regulatory requirements, we see it as our task to provide services to our clients in a secure, simple and efficient manner, and to meet the increasing complexity of client demand with professional and effective solutions. We support our clients as a reliable partner not only with financing via loans or the extremely strong Swiss capital market, but also with trade and export finance business, securities and foreign exchange trading, payment transactions, as well as custody and asset management.

ESG criteria are also becoming increasingly important in the financing business. In addition to existing internal training initiatives, Zürcher Kantonalbank developed a tailored training programme for employees in collaboration with the ZHAW in the reporting year.

Regardless of the economic situation and market trends, we stand for continuity and consistency. With our business model geared towards long-term client relationships and our comprehensive range of products and services, we are and will remain a reliable and solution-oriented partner.

Leading role in syndicated loans

We use syndicated loans to satisfy large-volume financing requirements of CHF 50 million or more. In our role as lead bank, we bundle the financing power of the Swiss cantonal and regional banks as well as other national and selected foreign banks. As the number two on the national syndicated loan market, we want to continue to grow while adhering to our proven risk policy. Our many years of experience, our excellent banking network and our strong financing power make us a highly valued and reliable partner for syndicated loans.

In our capacity as lead bank, we had a portfolio of syndicated loans totalling around CHF 10 billion at the end of 2024.

Expertise in pension fund business

The consolidation of Swiss pension funds is progressing steadily and, in our view, will continue to accelerate against the backdrop of increased requirements (regulation, integration of sustainability, efficiency, performance). The demands placed on the management of pension funds and asset management continue to grow as a result. As one of the leading banks in this segment and the second-largest asset manager in Switzerland, we advise pension funds and provide them with comprehensive support in the form of investment, custody and trading services, and payment transactions.

We offer training for members of boards of trustees and organise annual professional and networking events like the Pension Fund Day, which serves as a platform for pension fund representatives. In addition, we publish the Swiss Pension Fund Study every year under the brand Swisscanto by Zürcher Kantonalbank. This representative study has been published for more than 20 years and fulfils an important social function by presenting findings on the general state of pension plans in this country. Both the professional events and the Swiss Pension Fund Study are recognised throughout the industry and underline the competence of Zürcher Kantonalbank.

In the reporting year, Zürcher Kantonalbank further expanded its business with pension funds in French-speaking Switzerland and opened a local sales office in Lausanne.

Internationally networked for local clients

In today's globally networked economy, we offer our clients access to banking services worldwide. Foreign trade plays an especially important role both for Switzerland and for the companies in the Canton of Zurich. Having a broad range of payment and performance insurance products in the area of trade and export finance is crucial for enabling clients to conduct their internationally oriented business transactions safely and successfully.

To that end, we cultivate international banking relationships in around 100 countries, meaning we are in charge of a high-calibre network of correspondent banks. Through our representative offices in Brazil, China,

Three questions for:
Jürg Bühlmann, Head of Corporate Clients

The financial centre has changed over the past year. How does this affect the corporate client business at ZKB?

The market is in flux, many companies are reviewing their banking situation and evaluating alternatives. These are available – competition is strong and the supply of financing solutions is guaranteed, especially for SMEs. We are experiencing a significant increase in demand throughout Switzerland from larger companies and in the pension fund business.

ZKB wants to grow in these two segments. Will this goal be achieved?

Yes, we are pleased with the development. We were able to strengthen our position with large domestically oriented companies. As the second-largest universal bank, we cover their needs very well. For example, with syndicated loans, investments and trading transactions. There is also a significant demand among institutional clients for a second strong Swiss provider. This also applies in particular to French-speaking Switzerland, where we opened a sales office last year.

What feedback have you received on the ZKB presence in Lausanne?

We had already been active in the pension fund business in French-speaking Switzerland for some time. The fact that we now have a local presence is seen by our clients as a strong signal and has been very well received. A local presence enables greater proximity, a better understanding of needs and easier communication. Simply put: We are fulfilling our promise to be close to you.

India and Singapore, we are also able to draw on local knowledge to support our Swiss-domiciled clients in their most important export markets in East Asia, the Indian subcontinent, as well as South and Central America.

Here, some of the factors our clients appreciate include short decision-making paths and quick decisions. With our modernised foreign trade and export financing software, we continue to provide a wide range of services and even more efficient transaction processing to those of our clients and partners in the financial industry that are involved in foreign trade. We are also constantly adding functionalities on the electronic channels to strengthen client loyalty.

We maintain a strong network of cash correspondents and custodians geared to the needs of our clients; this network serves as a basis for the flawless, efficient processing of clients' international payment transactions as well as for the trading business and asset management. Zürcher Kantonalbank provides its clients with access to 55 investment markets and 30 currencies through its global network. At the same time, we grant banks with global operations access to international payment transactions in Swiss francs, thereby supporting the global business activities of our clients in the process.

We consider the selection and ongoing monitoring of our business relationships to be of paramount importance. To that end, Zürcher Kantonalbank focuses on continuously strengthening its due diligence and know-your-client (KYC) processes as well as its transaction monitoring measures, which comply strictly with national and international regulations and recommendations.

Solutions for financial services providers in Switzerland

Cooperation with other financial services providers in Switzerland has been a core strategic business area of Zürcher Kantonalbank for many years. As a nationally significant universal bank with roots in the local area and an outstanding credit rating, we are the natural partner for many third-party institutions.

The services we provide include solutions in all our core businesses. These include investment and asset management business, trading and capital market services, and financing.

Structural change in the financial sector and technological advancements continue unabated. They pose complex challenges for small and medium-sized banks in particular. There is a growing need for strategic collaboration through the targeted procurement of products and services from provider banks like Zürcher Kantonalbank, particularly in the areas of asset management, investment advice, custody and trading. The partner banks benefit from our bank's expertise and innovativeness.

2024 also saw us expand our collaborative partnerships in the investment business, for example in the areas of sell-side research. The launch of the new ZKB Research Portal (see p. 48) and our leading position in the area of sustainability, such as the expansion of our ESG offering with the reports "ESG Compass Real Estate" and "ESG Compass Credit", supported us in this endeavour.

At the same time as launching the trading and custody of cryptocurrencies for its own end clients, Zürcher Kantonalbank has also been offering trading and secure custody as a service provider for third-party banks since September 2024. Swiss banks can therefore concentrate on their own end-client processes and use the existing infrastructure and interfaces to Zürcher Kantonalbank, which handles trading and custody, to transmit orders. The new service also includes support for the banks from the first day of the project through to the productive launch.

Ideally positioned among key clients

For more than twelve years, we have been conducting business with the wealthiest client segment among private individuals and their family offices in the Key Clients division of the Private Banking business unit.

Combining the strengths of a universal bank with the highly customised customer service of extremely skilled relationship managers with excellent internal and external networks is proving to be a recipe for success.

This creates tangible strategic added value for clients in this segment: Comprehensive solutions can be offered, from the structuring of total assets to individual implementation. These go beyond traditional banking solutions and also cover areas such as pensions, taxes and inheritance law. The very good performance seen in the year under review once again shows that this approach is paying off. Zürcher Kantonalbank provides support to many clients on challenging financial matters. Accordingly, this segment contributes significantly to the growth of assets under management and thus to the increase and diversification of our bank's income.

Expansion of support for foundations and non-profit organisations (NPO)

When it comes to implementing not-for-profit ideas and projects, non-profit organisations (NPO) play an important role in Switzerland. The foundation and NPO client segment has become an important business area in recent years. The strong professionalisation of the sector coupled with increasing complexity is leading to a noticeable demand for external expertise. Zürcher Kantonalbank is positioning itself in this regard as an outstanding banking partner, both in areas such as governance and investment strategy as well as in tailored and sustainable investment and financing solutions. Overall, the bank's offering is aimed at the entire range

Relationships with foreign bank groups

200

in around 100 countries for internationally oriented companies in the Greater Zurich Area

Syndicated loans

10 billion CHF

with Zürcher Kantonalbank as lead bank.

Partner for financial services providers in Switzerland

from non-profit organisations to very large, complex foundations. Over 1,000 organisations have already been supported in the reporting year.

In addition, the ZKB Foundation Dialogue series of events has become just as well established as our involvement as the main shareholder in the leading digital philanthropy platform StiftungSchweiz (stiftungschweiz.ch) with the trade magazine "The Philanthropist". Through this commitment, the bank makes a major contribution towards digitalising and increasing the efficiency of the entire philanthropic sector in Switzerland.

Making a greater impact with the ZKB Philanthropy Foundation

The ZKB Philanthropy Foundation, which was announced at the beginning of the reporting year, commenced its activities in the year under review. The aim is to provide clients with an efficient and effective way of making philanthropic commitments – from charitable donations to establishing their own foundation within the umbrella foundation. At the same time, Zürcher Kantonalbank is directly involved as a founder by funding five thematic funding areas with a share capital of CHF 25 million as part of the umbrella foundation.

Endowment fund launched

We developed Switzerland's first endowment fund in the reporting year. This is geared towards the investment needs of non-profit organisations. The investment strategy of the endowment fund is based on a diversified portfolio with a balanced risk profile and takes into account the strict sustainability criteria of the "Sustainable" product line of ZKB Asset Management. The fund is intended to support the objective of generating income from assets to finance the charitable purpose.

Reliability for external asset managers

The traditional market with external asset managers in Switzerland plays an important role for Zürcher Kantonalbank. Thanks to our positioning as a reliable partner for external asset managers, we were once again able to build on the positive developments of recent years and gain further market share. Our very specific expertise, many years of experience and high level of client focus remain central to the bank's continued long-term success. This success is based on the trust that clients place in Zürcher Kantonalbank. We strengthen this through professional and personalised support, solid, first-class expertise in the investment business by our employees and a modern digital offering. The latter has been thoroughly modernised and is being continuously expanded. In the reporting year, we improved our online banking for external asset managers and added further functionalities, such as the foreign exchange order. As asset managers are increasingly using third-party soft-

Three questions for:
Florence Schnydrig Moser, Head of Private Banking

Ms Schnydrig, you have been more visible beyond the cantonal and national borders with the Private Banking division for around two years now. What is the background to this?

We would like to raise awareness of our Private Banking services at ZKB in Switzerland and, since we have the simplified exemption, also in Germany. We offer our clients an integral value chain that takes into account all aspects relevant to their assets. This offer is in great demand – even outside our canton.

Where are you active?

We operate from Zurich throughout Switzerland and in selected markets abroad – primarily in Europe. We also look after Swiss nationals living abroad, provided the country is not on our restricted list. Prudent risk management and the preservation of our excellent reputation are top priorities in all our activities.

What is your goal?

As a reliable financial partner, we want to offer our clients excellent advice that is close to their life situation, reflects their individual values and allows them to benefit from our excellent internal and external network. In line with our range of services, we strive to continuously diversify ZKB's income base in the Private Banking business unit in order to ensure continuity and stability.

ware to manage their client assets, we attach great importance to the further development of our interfaces. In this context, we have introduced an application programming interface (API) that enables asset managers to enter stock exchange orders via third-party software.

Private Banking International – Leading for Swiss citizens living abroad and firmly anchored in Europe

The Private Banking International has positioned itself as leading in the Swiss market for Swiss citizens living abroad. Currently, around 30,000 Swiss citizens move abroad every year. And that trend is rising. The bank has a comprehensive offering that meets their need for a long-term, reliable partner capable of handling their financial affairs. As the leading financial institution for Swiss citizens abroad, Zürcher Kantonalbank makes it possible for all Swiss citizens who move abroad to remain or become clients of the bank.

In addition, Zürcher Kantonalbank has fulfilled all the requirements to actively engage in cross-border marketing in Germany since 2023. Around a dozen events were held throughout Germany during the year under review. Zürcher Kantonalbank was also able to further strengthen its position in other selected markets in Europe in the year under review and is available to support international clients and Swiss clients living abroad with its own team of experts.

Producers

Custody with growth and expansion of expertise

Custody and asset services are important basic services for our institutional clients. These include custodian and administrative services, securities accounting, performance reporting, independent ESG reporting and investment compliance services, as well as custodian bank services for investment funds. We also satisfy growing demand for front- and mid-office support, such as the automated delivery of transaction, position and price data into asset managers' systems or the timely transmission of settlement instructions.

Our focus is on the digitalisation of business services, i.e. the development of APIs for connecting third-party systems as well as the enhancement of user interfaces on the web. Zürcher Kantonalbank is a founding member of the Open Wealth Association, which aims to define and operationalise an Open API standard for the global wealth management community. The agreed standard will be implemented via bidirectional interfaces such as bLink, the open finance platform operated by SIX. Zürcher Kantonalbank also offers a platform solution that provides institutional clients and asset managers with enhanced digital access to their assets, giving them more efficient, comprehensive tools for managing and controlling those assets.

Efforts to develop new, innovative solutions – often in close cooperation with our clients – as well as our broad range of services enabled us to once again achieve very good growth in new assets as well as in custody and custodian bank clients in an increasingly saturated market. The merger among the big banks has prompted several custody clients to review their mandates and put them out to tender again on the market. Thanks to our comprehensive range of services and our many years of expertise, we are in an excellent position to attract interested parties to the custody services of Zürcher Kantonalbank.

In the reporting year, Zürcher Kantonalbank acquired Complementa AG, a company specialising in investment reporting services, as part of its corporate succession. Discerning custody clients want tailored, high-quality and individually configurable investment reporting. To date, we have provided this service for our own clients in co-operation with Complementa AG. The takeover enables us to further expand our expertise in the custody sector and offer the entire range of services from a single source.

Leading provider of research on Swiss companies

Zürcher Kantonalbank's research covers 191 public companies, real estate funds and investment foundations nationwide, as well as 184 bond issuers – more than any other institution in Switzerland. That means our 27 analysts make up the most important research team in the country. Thanks to its broad coverage and close contact with companies, our team of experts has in-depth knowledge of the Swiss market and publishes research with insights that create added value. What's more, our ratings are essential for a large proportion of the issuers in the Swiss Bond Index (SBI). Our share recommendations outperformed their respective benchmarks again this year.

Further expansion of our sustainability research

We published a substantial number of comprehensive reports in 2024 that comprised 127 studies and 83 "ESG Insights" reports. With the "ESG Compass Credit" and the "ESG Compass Real Estate" reports, we evaluated 157 domestic bond issuers as well as 14 listed real estate companies, 30 listed real estate funds and 12 unlisted real estate investment foundations for the first time according to our ESG approach with regard to their sustainability and awarded them an ESG star rating.

Expansion of the equity and credit research coverage

The equity and credit research team expanded in the year under review its already extensive coverage of issuers with equity, credit and ESG ratings by initiating coverage of 6 public companies, 2 real estate funds and 6 bond issuers. With its ratings, the research of Zürcher Kantonalbank thus covers 98 percent of the market capitalisation of the Swiss Performance Index, 76 percent of the domestic borrowers present on the market and almost 100 percent of the outstanding bond volume, as well as almost 100 percent of the market capitalisation of the listed Swiss real estate segment.

Launch of the new "ZKB Research Portal"

With the launch of the "ZKB Research Portal" in the reporting year, we offer institutional clients simple and direct access to our research services. Once registered, users have access to research publications, analyst models and company profiles of the companies covered by the research, as well as to our extensive research library. In addition, research recipients can set up e-mail alerts to be informed immediately about new research publications on specific sectors and companies.

Platform for companies and investors

Zürcher Kantonalbank promotes dialogue between companies and investors by organising investor events, production tours and more than 150 roadshows per year. The Swiss Equity Conference and the Swiss Real Estate Conference, attended by a total of over 90 listed Swiss companies and real estate funds as well as 600 participants, are a highlight every year. This holds particularly true for our Tier 1 clients, as we can offer them access to the top management of listed Swiss companies through one-on-one meetings. With over 100 participants, this year's bondholder event on the focus topic of "Banks", at which the 23rd edition of the "Swiss Rating Guide" was also presented, set a new attendance record.

Trading and Capital Markets division achieves outstanding results

We are Switzerland's leading provider in the trading business as well as in the issuing of debt capital and equity instruments (capital market). In trading, we cover all of the important products and asset classes, such as equities, foreign currencies, precious metals, interest rate and credit instruments, as well as structured products. In a consolidating market environment, we position ourselves as an "insourcer" in our domestic market of Switzerland and provide our clients with our integrated value chain and cutting-edge interfaces. The Trading and Capital Markets division is also an important service provider for the parent company.

There was no positive impetus for the global economy at the start of the year, although the equity markets performed well and the central banks delayed interest rate cuts. Key interest rates in Switzerland were lowered in March for the first time in nine years, and the SNB thus initiated a progressive cycle of interest rate cuts earlier than expected. Apart from a brief but sharp rise in equity volatility in particular in the summer and in the volatility of short-term interest rates in the run-up to further key interest rate decisions by central banks, the trend of rather favourable equity markets and further falls in interest rates continued unabated over the course of the year.

Against this backdrop and thanks to prudent risk management, the Trading and Capital Markets division achieved a result in line with the long-term average. It should be noted that certain significant revenue components are booked under commission or interest income rather than trading income.

The bank achieved a record result in equity brokerage. In the Equity Capital Markets business, we acted as lead manager for 14 transactions of issuers listed on the SIX Swiss Exchange and in other functions and/or on other exchanges for another 9 transactions, making us the market leader in Switzerland.

On debt capital markets, Zürcher Kantonalbank managed the issue of 117 bonds worth CHF 21.5 billion. We are the market leader in the CHF domestic segment. Additionally, 44 transactions worth CHF 10 billion were carried out for the Central Mortgage Bond Institution of the Swiss Cantonal Banks.

The structured products business developed favourably and recorded a marked increase in income compared to the challenging previous year. By contrast, the business with interest rate instruments recorded a market-related decline in a very challenging year. Trading in foreign exchange and precious metals achieved good results in a multi-year comparison. In the securities lending, repo and money market business, revenues were down compared with the previous year.

The result from trading activities (excluding commission and interest income) amounted to CHF 353 million in the year under review, 15.1 percent below the previous year's level. On average, market risks in the trading book (value at risk) amounted to CHF 12 million in 2024.

Asset Management reports steady growth and market share gains

⟶ Responsible investing in the Sustainability Report 2024: 33 ff. 53 ff. 65 f.

With over 270 specialists, Zürcher Kantonalbank's Asset Management is the competence centre in charge of the development and management of investment solutions,

Leading provider in sell-side research

Bond issues

161

Over CHF 31.5 billion and 14 equity markets transactions as lead manager.

Billion Swiss francs in assets under management at ZKB Asset Management

297

such as investment funds and individual, institutional mandates. As such, Asset Management provides professional and innovative investment solutions to meet client needs in Zürcher Kantonalbank's various business units. It also provides clients with support in connection with technical issues and sales.

Thanks to strong net new asset growth of CHF 24 billion and a positive market trend, assets under management increased by 20.7 percent over the course of 2024. They amounted to CHF 297 billion at the end of the year. According to Swiss Fund Data, this enabled the Asset Management division to increase its share in the Swiss funds market to 10.67 percent in 2024 (2023: 10.18 percent).

Institutional business performed particularly well. According to the Asset Management Guide 2024 published by Investment and Pensions Europe (IPE), a major European publication for institutional investors and those running pension funds, Asset Management of Zürcher Kantonalbank ranks 16th among the largest providers in the institutional sector in Europe (2023: 20th place).

Swisscanto with a new brand identity

The Swisscanto product brand has been managed under the brand umbrella of Zürcher Kantonalbank since the reporting year. The former red lettering has been replaced by the blue of Zürcher Kantonalbank. Its new presence also focuses on our proven expertise in the field of sustainability. By adapting and bringing the product brand closer to Zürcher Kantonalbank, Swisscanto should benefit from the latter's brand awareness and trust. It also enables a unified external image and more efficient brand management.

Further expansion abroad in the wholesale business

In wholesale distribution, Swisscanto collective investments are placed in the product range of financial services providers and distributed by them to their end clients. This distribution channel is very important for Zürcher Kantonalbank Asset Management, both in Switzerland and abroad. An established sales organisation already exists abroad in Germany. This year, the sales organisation in Italy was also expanded with a new sales team and a branch office in Milan. This strategic expansion is intended to make the existing products accessible to a significantly larger target group.

Launch of sustainable thematic funds

With the launch of three new thematic funds, the range of thematic funds offered by Zürcher Kantonalbank Asset Management has been further expanded and has gained strategic importance for our growth ambitions. In addition to the existing thematic funds Climate, Water and High Quality, the new thematic funds Healthy Longevity, Digital Economy and Circular Economy were added. The three new funds are categorised as Article 9 funds under the EU's Sustainable Finance Disclosure Regulation (SFDR) and thus expand our most sustainable product line, "Sustainable".

Innovations and awards

Achieving the net-zero target calls for innovative business ideas and technologies. One milestone in 2022 was the launch of the Decarbonisation thematic private equity fund. This fund allows investors to make targeted investments in companies promoting business ideas that reduce greenhouse gases, thereby promoting the economy's climate transformation at the same time. The closing of the subscription was in 2024 with a total investment amount of around CHF 130 million.

It was also significant that six of our sustainable funds once again received the FNG seal, an independent label from the Forum Nachhaltige Geldanlagen (FNG) for investments that take ethical and environmental factors into consideration. This prestigious award is regarded as a seal of quality for sustainable investments and is held in particularly high esteem in Germany, Austria and Switzerland. Since the first submission of four funds in 2022 and two further funds in 2023, these funds have been awarded the top rating straight away and confirmed annually.

Responsible voting behaviour and engagement

The Swisscanto fund management companies actively exercise their voting rights for the shares included in our active and passive investment funds. We update our sustainable voting policy on an annual basis. This includes, for example, supporting relevant shareholder proposals at annual general meetings and promoting ESG best practice standards. Our voting guidelines and voting behaviour are published online.

Our investment stewardship is built on three pillars, regardless of whether we have invested in equities or fixed-interest securities: Through direct dialogue, we promote responsible corporate governance at companies in which we have significant investments. Through collaborations, we help to promote the UN Sustainable Development Goals (UN SDG). Through global commitment, we advocate for the principles of the UN Global Compact.

Three questions for: **Iwan Deplazes, Head of Asset Management**

Mr Deplazes, Asset Management opened a new location in Milan at the beginning of 2024. What strategy are you pursuing with this?

The expansion of international sales is an important strategic priority. Abroad, we are pursuing the ambition of achieving economies of scale and diversifying our client base. We can already reap the rewards here: International fund sales have increased considerably and make a substantial contribution to our overall result.

What does your strategy involve beyond that?

In addition to expanding our sales network, we are continuously developing our expertise in sustainable investments. In 2024, for example, we expanded our range to include three new thematic funds focusing on the digital economy, healthy longevity and the circular economy. These investment strategies look for companies that can both benefit from these long-term trends and address the challenges of sustainable development.

How do you assess the course of business over the past 12 months?

We have recorded strong growth in assets under management. We have become the number two provider in Switzerland with the Swisscanto brand and we are one of the top-selling asset managers in Europe. As a business area, we make a significant contribution to the success of Zürcher Kantonalbank. This is our contribution to diversifying the group's income and risks.

Employees

We offer our employees a great deal of creative freedom in a dynamic and digital environment. As one of the canton's largest training centres, we also make it possible for numerous young adults to enter a wide range of professions in banking and IT.

Zürcher Kantonalbank is a popular and attractive employer. Our culture is characterised by a sense of responsibility, our focus on performance, fairness and respect. We take our corporate responsibility seriously by encouraging our employees to take responsibility for their own actions, paying fair market compensation and offering flexible working arrangements to help employees strike a healthy work-life balance.

Unless indicated otherwise, the figures and information below relate to the parent company (excluding subsidiaries and their subsidiaries).

→ Detailed information on the personnel structure and other key personnel figures: Sustainability Report 2024 p. 69 ff.

Headcount

The group's headcount rose by 240 in 2024, from 5,539 to 5,779 full-time equivalents (FTE). 10 full-time equivalents were filled by temporary employees. The group employs a total of 6,607 people. 341 employees were at the parent company on an apprenticeship or high school internship.

High level of identification with the company

We have a high level of employee commitment and low staff turnover (2024: 5.5 percent, 2023: 6.1 percent).

Our employees also actively act as brand ambassadors by carrying over into their personal lives our corporate culture and our corporate values as well as their enthusiasm for working in the bank.

This positive image should help ensure that we are widely perceived as an employer of choice.

Employee satisfaction survey confirms commitment

We conduct our employee satisfaction survey every two years. The survey was last conducted in 2023.

The response rate, which serves as an indicator of employees' willingness to provide direct feedback, was at a very high level in 2023: 8 out of 10 employees completing the questionnaire in full. We view this high level of participation as an expression of an open feedback culture.

The Commitment Index, which comprises six individual questions, provides information on how satisfied employees are with Zürcher Kantonalbank as their employer and how strongly connected they feel to the company. At an average of 77 out of 100 points, this score remained at nearly the same high level. These positive results were received throughout all of the business units. (The rating scale has been adjusted since the penultimate survey in 2021. An index of 89 on the previous scale corresponds to a score of 78 on the new scale).

The survey also gave us insights into what drives commitment and helped us gather and address our employees' concerns.

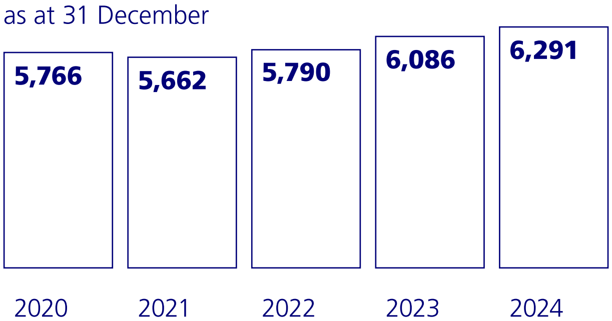
Leadership 2030

We are continuing to develop our culture as one of the bank's six strategic priorities. As an important part of this, we further developed our understanding of management throughout the bank in the reporting year. Based on the bank's vision, strategy and values, it refers to the bank's ambition for 2030 and serves as a central management tool for achieving it.

Number of employees at the parent company

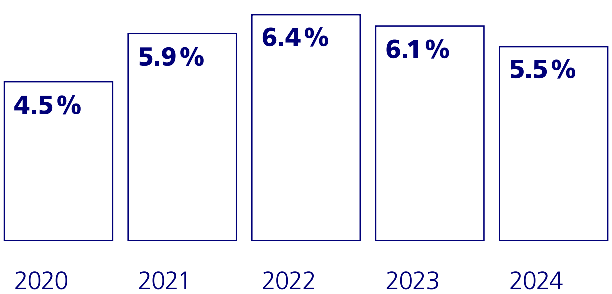
Large regional employer

as at 31 December



Turnover rate

Loyal employees



Apprenticeships

430

One of the largest training centres in the canton

Performance & Development

In order to keep pace with the changes in our environment as Zürcher Kantonalbank and to live and implement our understanding of leadership in everyday life, we have revised Performance & Development (P&D). The aim of the further development of P&D following its launch seven years ago is process simplification, increased commitment and consistency within the bank.

The development of all our employees lays the basis for individual and collective performance and, by extension, for our corporate success. This is why we are strengthening the dialogue between managers and employees in particular. An in-depth feedback and development dialogue between employees and their supervisors was established twice a year as a new tool. The regular short meetings will remain as such and will also be mandatory in future.

Both conversations aim to discuss performance and conduct and to explore individual development opportunities.

By setting a framework, we create commitment and a basis for all employees and managers. At the same time, we allow a high degree of freedom in the implementation so that we can continue to act according to the situation and needs.

Promotion of training and further education

We find it extremely important that our employees continually expand their technical, methodological and social skills. We provide a wide range of internal classes, workshops, podcasts and videos, among other things, as well as the opportunity to attend external training and development courses.

We invested CHF 12.3 million in basic training and further education in the year under review (2023: CHF 11.1 million). Each employee spent an average of 14 hours on internal training and further education (2023: 18.6 hours). 914 employees (16.7 percent) are currently taking part in a training course (2023: 830 employees, 15.6 percent). We are continuously expanding our proven learning portal geared toward self-study to ensure that it continues to provide a needs-based range of courses to promote our employees’ development and make them fit for the future.

Talent management – high potential community

In connection with the further development of P&D, the portfolios have also been revised. The new “High Potentials” portfolio distinguishes between potential for management and specialist careers.

Continuous dialogue shows what potential our employees have and where their strengths lie. We therefore invest heavily in a comprehensive talent management programme. Our aim here is not just to train young people, but to promote lifelong learning at all levels.

Zürcher Kantonalbank has been offering an extensive networking and development service – its Talent Community – for all employees defined as high potential. It is structured to match our talent management objectives and includes personal development, networking, visibility and inspiration. The aim is to contribute to the further development of the bank.

At the same time, we view the internal Talent Community as complementary to our external talent acquisition and recruitment activities. Employees with special potential, excellent performance levels and exemplary conduct are offered special opportunities. 18 employees were given the opportunity in the year under review to proceed with their personal and professional development in tailored support programmes.

Wide range of offers for young professionals

With 430 apprenticeships, we are one of the largest providers of vocational training in the Canton of Zurich. The majority of the vocational training we offer is in the areas of banking and IT.

Attractive apprenticeship programme – even after graduation

74 apprentices began their apprenticeships in 2024 after the new commercial training reform took effect. Added to those are 14 IT apprentices specialising in application and platform development and two apprentices each in the areas of mediamatics and digital business development.

The highlight for nearly 90 of our first-year apprentices was the traditional one-week apprentice camp in the sports resort of Fiesch, Valais. One focus was on managing your own resources during the apprenticeship.

In addition to apprentice camp, apprentices can look forward to one special day every year of their apprenticeship. The first year of their apprenticeships features a sustainability day, there is an art and creativity day in the second year, and the third year includes an innovation day.

77 commercial bank apprentices and 13 IT apprentices graduated, with 46 of them also earning their vocational baccalaureate.

We were once again able to meet our main objective of continuing to employ young employees in the bank after they have completed their apprenticeships. Of those apprentices in the year under review, 95.5 percent chose to pursue a career within the bank and gain more valuable professional experience.

Programmes for high school and university graduates

In addition to apprenticeships, we also offer internships for vocational school, high school and IMS graduates, as well as trainee programmes for university graduates and graduates of apprenticeship programmes.

In its second iteration, the summer internship programme for students proved popular once again. The ten-week programme gave 20 students an insight into the bank, enabling them to gain some initial professional experience and build a network. We were able to convince several participants to stay on with us as employees.

There were 60 interns and about 89 trainees working at the bank in 2024. All high school graduates completed their internships successfully.

The bank sparks young people’s interest in working in IT. The Information Technology Days were attended by around 124 young people, including 37 girls.

Employer commitment

Equal opportunities – diversity, equity & inclusion

Zürcher Kantonalbank aims to achieve equal opportunity for all employees and is committed to a shared understanding of diversity, equity and inclusion (DE & I). We believe that the diversity of our employees offers the bank substantial added value. Furthermore, it reflects our equally diverse client structure. We are firmly committed to fairness and respect and promote equal opportunities – regardless of age, gender, sexual orientation, nationality, religion and physical impairment. We have the following DE & I networks: Women’s Network, Queers & Peers, the Mensch* network (for employees with disabilities) and a Co-Lead Network (job sharing in management). Zürcher Kantonalbank has the LGBTI Quality Seal.

Diversity, equity & inclusion was enshrined in the 2030 public service mandate (see p. 7) as a component of corporate sustainability.

At the end of the year under review, women made up 36.9 percent of the workforce (2023: 37.0 percent). The percentage of women in middle management was 38.2 percent (2023: 37.8 percent), with 19.0 percent in senior management (2023: 17.9 percent).

Focus on gender equality

The bank fulfils its social responsibility and is committed to ensuring gender equality in management and junior staff. The Executive Board has decided to implement accompanying measures in order to achieve the bank’s gender diversity targets. Taking suitability into account, by the end of 2026 the proportion of women at the second most senior level of management should be 20 percent and 30 percent at the third most senior level. Another goal is to strike a balance in the gender distribution in the trainee programmes. The Diversity Steering Committee decides on measures and monitors the achievement of objectives.

Externally, we are a member of the Advance gender equality network, where Florence Schnydrig Moser, Head of Private Banking and member of the Executive Board, sits on the Board.

Specifically targeting female talents for careers in IT

To address the IT skills shortage, specifically targeting female talents is more important than ever. IT is a professional field with a future and it is being shaped by young people. With around 1,000 employees, Zürcher Kantonalbank is one of the largest IT employers in Switzerland. Our 2024 Information Technology Days were very successful again. Held in the middle of Zurich's District 5, they make the multifaceted world of information technology tangible for students, school classes and teachers in both secondary schools and high schools. A virtual programme was offered for school classes that featured daily events on key topics for students in senior grades, and on Friday events were focused on girls.

National Future Day is held every November and offers girls and boys from grades 5 to 7 an opportunity to accompany their parents to work. Half-day programmes were offered at the main sites. The special "Mädchen Informatik-los!" project proved very popular once again. In this project, IT-savvy girls spent half a day each gaining an insight into IT professions.

Increasing awareness of people with disabilities

Founded in 2022, the Mensch* network provides a knowledge platform for employees with and without disabilities. In this way we promote dialogue between all employees to raise awareness of what it is like to live with a disability and break down barriers. The member of the Executive Board responsible for this is Remo Schmidli, Head of IT, Operations & Real Estate.

Work-life balance

We want our employees to be able to find a healthy balance between their professional commitments and their personal lives. To do that, we offer them flexible working models. The combination of management and part-time work is becoming increasingly important for both men and women.

Demand for co-lead roles remains strong. This means that two managers share one management function. 23 employees currently work in a co-lead function. In total, 29.8 percent of our employees work on a part-time basis. We have also seen a slight increase in the number of part-time employees working in middle and senior management. The percentage of women working in senior management positions has likewise increased again.

We find it extremely important that our female employees return to us after their maternity leave. Our maternity concept strengthens this intention. In addition, we provide financial support for employees with certain workloads who have one or more children in daycare while they are working. Around 111 fathers took the two-week paternity leave.

Political engagement

Zürcher Kantonalbank supports employees if they choose to hold a political office. A total of over 100 employees are involved in politics. Through this commitment, they make a valuable contribution towards embedding our bank in both the political and social realms. The bank supports these non-profit activities by offering up to one month's worth of paid days off without any reduction in annual leave, for example. As an expression of the appreciation we have for the commitment shown by these employees, the Chairperson's Committee organises the "Politics and Commitment" event every year. This year, the event took place in the Bullinger Church in Zurich's District 4, the current meeting place of the Cantonal Parliament.

Health

Our systematic approach to health management makes an important contribution to the work-life balance and well-being of our employees. An important aspect of our commitment as an employer is preventive healthcare and health promotion.

In 2023, we received the Friendly Work Space label for the fourth consecutive time, which is valid for three years. Our systematic health-related offers include financial support for health checks, free flu vaccinations in collaboration with the Swiss Association of Pharmacists, and support for sporting activities such as the health-promoting Swiss-wide "Bike to Work" campaign.

The health room in the Hard office building offers a varied programme throughout the working week featuring a variety of different sports and relaxation courses.

We also provide our employees with ergonomically designed workplaces, as well as rest and massage rooms. What's more, if they find themselves in stressful situations, our employees can take advantage of a free and anonymous external counselling service. We are constantly optimising our measures with the aim of helping our employees to stay fit and healthy.

In the year under review, we reported 7.1 lost days per employee as a result of sickness or occupational and non-occupational accidents (2023: 6.4 days).

Integration

We also pay special attention to employees with health problems. We provide close, personal and professional support to affected employees and take steps that enable them to maintain or restore their ability to work.

In 2024, we were able to offer temporary jobs to several people under tailored integration programmes for people with disabilities. In total, nearly 1 percent of our employees received support that enabled them to re-enter the workforce during the year under review.

Annual report of the employee representation committee for 2024

The employee representation committee (ERC) consists of five members and represents the interests and rights of employees vis-a-vis Zürcher Kantonalbank as employer. It promotes open dialogue and communication about different opinions, viewpoints and interests.

The responsibilities of the ERC include: performing tasks and competences arising from participation rights, monitoring compliance with participation rights and initiating any necessary adjustments, representing the collective interests of employees, regularly exchanging information with the employee committee, its members and employees, formulating employee concerns and requests for the attention of the employer and supporting individual enquiries from employees.

By performing these tasks, the ERC is able to recognise employee concerns at an early stage and address them to the Executive Board and the People & Culture management so that they can be incorporated into the bank's concepts, directives and decision-making principles.

The compensation model was adjusted in the 2024 reporting year. The ERC was involved in the process and was able to represent employees' interests.

Components of compensation

Our employees are compensated according to the total compensation approach. Their compensation consists of a base salary, variable compensation based on the performance of the group, as well as statutory allowances and additional voluntary benefits. For more information, please see the Compensation Report.

Pensions

In the year under review, the Pension Fund of Zürcher Kantonalbank covered 6,039 active insured persons and 2,282 retirees. As at 31 December 2024, it managed assets of approximately CHF 5.626 billion and had a coverage ratio of 116.0 percent (unaudited). For further information on occupational pensions and employee benefits, please see Note 13.

Business Development

2024 – A result characterised by interest rate hikes, excellent securities trading and investment activities as well as the introduction of the OECD minimum tax

The consolidated profit before taxes totalled CHF 1,289 million, 3.4 percent higher than in the previous year (CHF 1,246 million). At consolidated profit level, the impact of the OECD minimum tax newly introduced in 2024 is evident, amounting to CHF 156 million. As a result, the consolidated profit stands at CHF 1,120 million, which corresponds to a decrease of 9.5 percent or CHF 118 million compared to the excellent previous year.

Net interest income was unable to match the exceptional level of the previous year. Rather, this was strongly characterised in 2024 by the four interest rate hikes by the Swiss National Bank (SNB). With a decrease of 7.7 percent compared to the previous year, the net result from interest operations amounted to CHF 1,680 million.

The commission business and services present a very favourable picture. At CHF 1,024 million, they achieved their best result ever and, with a 33.1 percent share of operating income, make a correspondingly positive contribution to the bank's overall result.

Due to the significantly lower market momentum over the entire financial year, the trading result of CHF 353 million is below the previous year's figure of CHF 415 million. Only the result from trading in shares and structured products exceeded the previous year's result.

Operating expenses of CHF 1,731 million increased by 3.1 percent or CHF 52 million compared to the previous year. After taking into account depreciation and amortisation, value adjustments and changes to provisions, as already mentioned, the pre-tax group result was a pleasing CHF 1,289 million (up 3.4 percent).

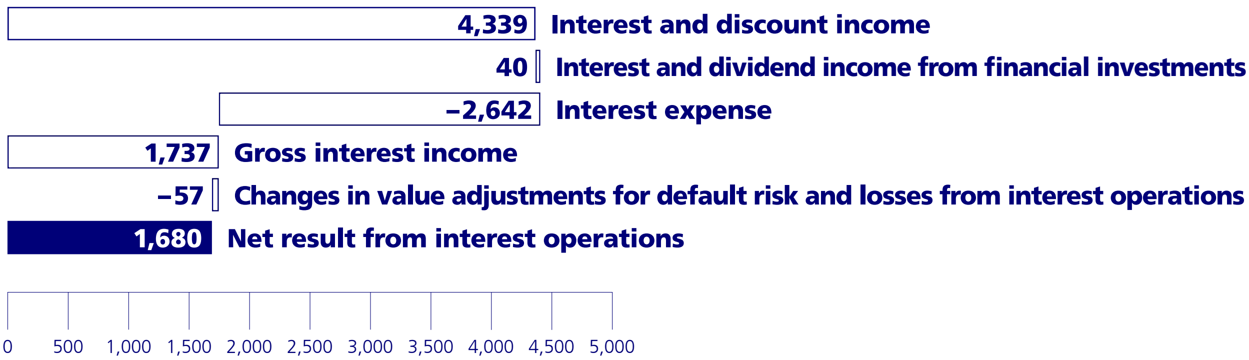
Analysis of earnings

Gratifying net interest income

Gross interest income amounted to CHF 1,737 million, corresponding to a 7.1 percent or CHF 132 million lower result than in the previous year. Interest operations were characterised in particular by the SNB's four interest rate hikes. While interest income in the lending and mortgage business, as well as the volume, developed favourably, declining interest income in the deposit business was the driving factor behind the lower gross interest income.

At CHF 57 million, the line item Changes in value adjustments for default risk and losses from interest operations shows a slightly higher net allocation than in the previous year (CHF 49 million). At CHF 32 million, the creation of individual value adjustments was lower than in the previous year (CHF 52 million). On the other hand, the value adjustments for expected losses were higher in the current year, with a net allocation of CHF 20 million. This development is due to the growth in lending volume and the deterioration of individual client ratings, while a net release of CHF 4 million was recorded in the previous year. The latter was due to the turnaround in interest

01 **Breakdown of result from interest operations** in CHF million



rates, which led to a significant shortening of terms for new mortgage loans.

Overall, this led to a net result from interest operations totalling CHF 1,680 million, which is CHF 140 million or 7.7 percent lower than the previous year's figure.

Record-high result from the commission business and services

At CHF 1,024 million, the result from commission business and services is 8.9 percent or CHF 84 million higher year-on-year, which represents an all-time high. This was due in particular to the development of the largest income component, commission income from securities trading and investment activities. This amounts to CHF 1,152 million, an increase of 12.8 percent compared to the previous year. The favourable stock market environment, combined with the pleasing growth in assets under management, both in the current and previous year, was the driving factor behind the record-high result. Commission income from lending activities also contributed to the positive result, which at CHF 77 million was around CHF 5 million or 7.0 percent higher than in the previous year.

By contrast, commission income from other services decreased by CHF 12 million to CHF 148 million, due in particular to the introduction of free everyday banking on 1 January 2024. Commission expenses totalled CHF 353 million, compared with CHF 314 million in the previous year.

Moderate trading result

At CHF 353 million, the result from trading activities was unable to match the previous year's very strong result (CHF 415 million). The previous year's result had benefited from the market situation in the first half of the year. In the 2024 financial year, however, market momentum was subdued and opportunities were lacking, particularly in the fourth quarter. Only the result from trading in shares and structured products, at CHF 79 million, exceeded the previous year's result by 41.6 percent. The other income components all declined. At CHF 93 million, the result from trading in bonds, interest rate and credit derivatives in particular was CHF 59 million or 38.8 percent lower than in the previous year.

For further information, please see Note 32 to the Financial Report.

Outcome very pleasing in other result from ordinary activities

The other result from ordinary activities stands at CHF 32 million, up CHF 13 million or 71.2 percent over the previous year.

The following two components in particular represent significant differences compared to the previous year: Firstly, the market-related value adjustment of financial investments was CHF 9 million lower at CHF 4 million. Secondly, one-off income of CHF 4 million was realised from the sale of properties acquired as part of mortgage liquidations.

Operating expenses increase in line with expectations

Operating expenses of CHF 1,731 million increased by 3.1 percent or CHF 52 million compared to the previous year. Growth in both personnel, general and administrative expenses is therefore within the planned and expected range.

Around CHF 43 million of the growth is attributable to personnel expenses, which rose by 3.7 percent year on year to CHF 1,223 million. This is mainly due to the higher headcount (FTEs up 4.3 percent).

At CHF 33 million, office space expenses are on a par with the previous year. By contrast, costs for information and communications technology were significantly higher, rising from CHF 180 million to CHF 193 million compared to the previous year. The higher IT costs are also mainly due to the increase in the number of employees, which is reflected in licence fees and maintenance costs. The costs for other operating expenses decreased by 1.6 percent or just under CHF 5 million to CHF 272 million, although this did not fully compensate for the higher IT costs. At CHF 508 million, general and administrative expenses are therefore also slightly higher than the previous year (CHF 499 million).

For further information on personnel, general and administrative expenses, please see Notes 34 and 35 to the Financial Report.

Overall lower value adjustment and amortisation expenses

Expenses in connection with value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets in the year under review amount to a total of CHF 72 million, slightly lower than the previous year (CHF 75 million). This is mainly due to the value adjustments on participations, which at CHF 4 million are 48.0 percent lower than in the previous year. Depreciation on bank premises and other real estate also declined (minus CHF 3 million). Higher expenses resulted from goodwill amortisation of CHF 12 million in connection with the investment in Complementa AG, a new subsidiary that provides infrastructure for investment reporting. Amortisation of intangible assets of just under CHF 3 million, on the other hand, remained at the previous year's level.

Changes to provisions and other value adjustments and losses

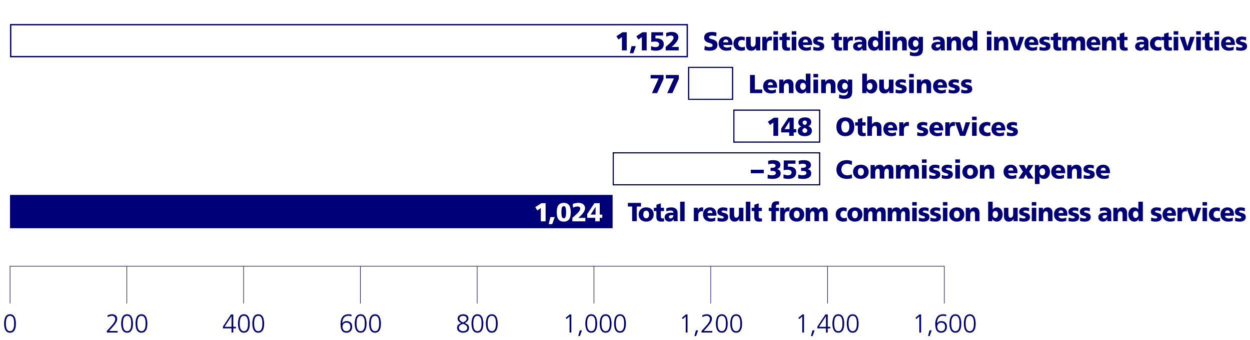
Value adjustments and provisions are recognised to the extent necessary to cover default risks and any other identifiable risks.

For 2024, changes to provisions and other value adjustments and losses show a creation of CHF 8 million, in contrast to a release of CHF 28 million in the previous year. This significant change is due to the development of provisions for default risks on credit lines granted, for which there were major reversals in the previous year. For the changes in value adjustments for default risks and losses from interest operations, please see the section on interest operations.

Consolidated profit before taxes

At CHF 1,289 million, the bank was able to achieve an outstanding consolidated profit before taxes. This is CHF 43 million higher than the previous year, whereby reserves for general banking risks totalling CHF 225 million were formed in 2023 to strengthen equity due to the exceptional result.

02 **Breakdown of result from commission business and services** in CHF million



Higher tax expenses due to OECD minimum taxation

Tax expenses totalled CHF 168 million and were therefore significantly higher than in the previous year. The change is attributable mainly to the introduction of OECD minimum taxation, which will be levied for the first time in 2024 in the form of a supplementary tax. For 2024, the OECD minimum tax amounts to CHF 156 million. The OECD minimum tax is credited in full to the canton when determining the dividend to the canton and municipalities in accordance with the Minimum Tax Ordinance (OMinT) and the Cantonal Banking Act on Zürcher Kantonalbank. Further information on OECD minimum taxation can be found in the accounting and valuation principles in the notes to the financial statements.

Analysis of the asset and financial position

Total assets stand at CHF 202.6 billion as at the end of 2024, roughly in line with the previous year's level.

On the assets side, liquid assets fell by 17.6 percent to CHF 32.7 billion. Nevertheless, they remain at a high level with liquidity ratios that continue to be very good. This is reflected in the liquidity coverage ratio (LCR) of 142 percent (previous year: 147 percent), as well as in the net stable funding ratio (NSFR) of 116 percent (previous year: 117 percent). Accordingly, the bank continues to comply comfortably with regulatory liquidity requirements. In contrast to the development of liquid assets, there was growth in the mortgage business, which increased by 5.7 percent or CHF 5.7 billion.

On the liabilities side, amounts due to banks increased by 12.1 percent or CHF 4.3 billion to CHF 39.7 billion. At the same time, liabilities from securities financing transactions fell by CHF 6.1 billion to CHF 8.0 billion. There was also a sharp increase of CHF 5.5 billion to CHF 107.0 billion in amounts due in respect of customer deposits.

Other liabilities totalled CHF 834 million at the end of 2024, down 53.4 percent on the previous year. This is mainly due to the fact that the balance of broker settlement accounts as at the reporting date has normalised again compared to the previous year's high figure.

Development of the interbank and securities financing business

On the assets side, the securities financing business had a balance of CHF 25.3 billion as at the reporting date, comparable with the previous year (CHF 25.7 billion).

On the liabilities side, the balance declined to CHF 8.0 billion (minus 43.2 percent or CHF 6.1 billion). This is due in particular to a shift to amounts due to banks of CHF 4.3 billion to CHF 39.7 billion, whereby this development is the result of active balance sheet management.

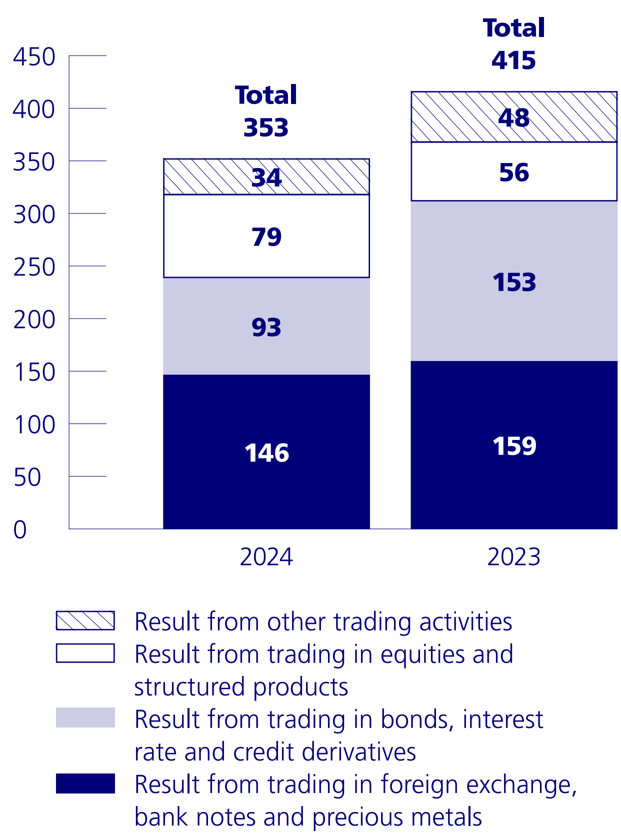
Please see Note 1 in the Financial Report for further information.

Volume growth in loans

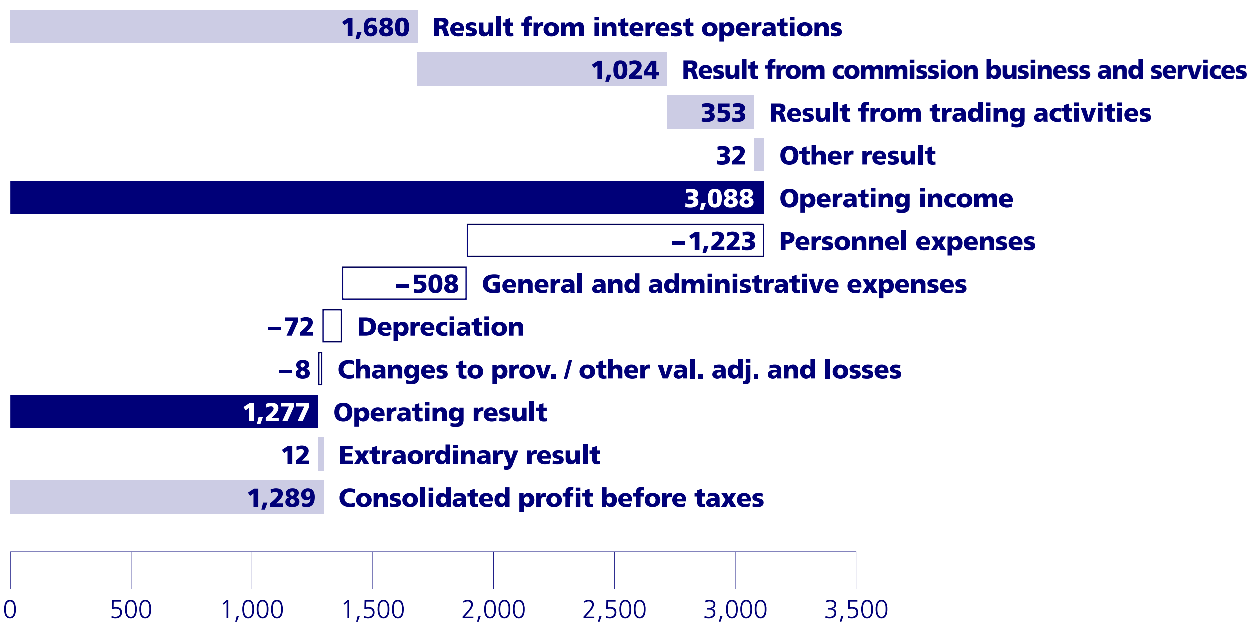
Mortgage loans in the amount of CHF 106.6 billion were outstanding at the end of 2024 (previous year: CHF 100.9 billion). This corresponds to a net increase of 5.7 percent or CHF 5.7 billion. At year-end, the value adjustments for impaired mortgage loans amounted to CHF 35 million (previous year: CHF 36 million) and CHF 383 million (previous year: 363 million) for expected losses on mortgage loans.

Amounts due from clients amounted to CHF 11.6 billion and these recorded net growth of 3.3 percent or CHF 369 million. Individual value adjustments totalled CHF 222 million (previous year: CHF 199 million). Value adjustments for expected losses for this item were only marginally higher than in the previous year at around CHF 53 million (previous year: CHF 52 million).

03 **Breakdown of result from trading activities**
in CHF million



04 **Consolidated profit before taxes** in CHF million



Higher trading portfolio and an increase on the asset side in replacement values

On the assets side, the trading portfolio increased by 13.1 percent to CHF 13.4 billion (previous year: CHF 11.9 billion). The positive replacement values of derivative financial instruments increased significantly by CHF 1.7 billion to CHF 2.7 million as at the reporting date.

On the liabilities side, the picture is the opposite. Trading portfolio liabilities (portfolio at year-end: CHF 2.9 billion) declined by CHF 363 million or 11.2 percent year on year.

The negative replacement values of the derivative financial instruments (portfolio at the end of the year: CHF 1.0 billion) showed a year-on-year decline of 59.1 percent.

However, liabilities from other financial instruments at fair value increased by 10.5 percent to CHF 4.4 billion.

For further information on trading activities, please see Notes 3 and 4 to the Financial Report. Information on market risk management can be found in section 1.6 of the Risk Report.

Portfolio of financial investments slightly lower

At CHF 5.2 billion, the portfolio of financial investments is around CHF 371 million or 6.6 percent lower than the previous year. The decline is mainly related to expiring money-market book claims that were not renewed. At CHF 4.7 billion (previous year: CHF 5.3 billion) or 90.6 percent (previous year: 94.5 percent), debt securities account for the largest share of financial investments. These are generally held to maturity. Fixed-interest securities that qualify as high-quality liquid assets (HQLA) under the Liquidity Ordinance may be counted towards liquidity. At the end of 2024, the portfolio of securities in financial investments that were eligible to be regarded as HQLA totalled CHF 4.7 billion. The remaining portfolio mainly consists of precious metals (CHF 349 million) and equity securities (CHF 134 million).

Investments at the previous year's level and tangible fixed assets down slightly

At CHF 155 million, non-consolidated participations were at a similar level to the previous year (CHF 154 million). For further information, please see Notes 6 and 7 to the Financial Report.

The tangible fixed assets mainly comprise the portfolio of bank premises worth CHF 472 million (previous year CHF 504 million), whereby two sales took place at the beginning of 2024. The change in tangible fixed assets was influenced by depreciation of CHF 53 million in combination with (replacement) investments in the amount of CHF 18 million. Accordingly, the portfolio of tangible fixed assets totalled CHF 497 million at the end of the year, compared to CHF 534 million in the previous year. Further details on tangible fixed assets can be found in Note 8.

Growth in customer deposits

At CHF 107.0 billion, amounts due in respect of customer deposits at the end of the year were 5.4 percent higher than in the previous year. This item includes savings accounts as well as other customer accounts at sight and on time. In contrast to the previous year, holdings in sight deposit accounts in particular increased as per the end of 2024 (up CHF 7.2 billion). Time deposits, on the other hand, recorded a decline of CHF 2.3 billion.

Declining holdings of cash bonds and money market securities and shift from central mortgage institution loans to bond issues

The challenging interest rate environment and the general conditions on the capital market are also reflected in the balance sheet. While holdings of cash bonds increased in the previous year, they declined again in 2024 and totalled CHF 260 million at the end of the year (previous year: CHF 288 million). The reaction to the interest rate environment was even more pronounced in money market securities, where the portfolio fell by CHF 582 million to CHF 50 million.

Bonds outstanding totalled CHF 11.0 billion, an increase of CHF 447 million compared to the end of the previous year. This increase was mainly at the expense of mortgage-covered loans. At year-end, mortgage-covered loans in the amount of CHF 11.2 billion were recognised in the books (previous year: CHF 11.6 billion), which corresponds to a decline of CHF 396 million. Along with client funds, bond issues together with mortgage-covered loans represent important funding instruments. For further information, please see Note 15 to the Financial Report.

Strong capital base

Shareholders' equity reported before appropriation of profit increased by CHF 594 million or 4.2 percent over the previous year. This figure contains the bank's capital of CHF 2.4 billion provided by the Canton of Zurich as equity, which has an indefinite time limit.

Other elements include retained earnings in the amount of CHF 11.0 billion, reserves for general banking risks (CHF 379 million) and consolidated profit (CHF 1,120 million). The currency translation reserve had a negative impact of CHF 15 million. At year-end, the bank's equity totalled CHF 14.9 billion (previous year: CHF 14.3 billion).

Client assets

Client assets amounted to CHF 520.8 billion as at 31 December 2024 (previous year: CHF 450.8 billion), of which CHF 457.3 billion relates to assets under management (previous year: CHF 395.8 billion). The CHF 61.5 billion increase in assets under management is mainly due to the market performance (CHF 32.8 billion) and net new money inflow (CHF 29.8 billion). For further information, please see Notes 31 a) and 31 b) to the Financial Report.

Development of regulatory capital adequacy situation

At risk-weighted level, the current capital adequacy requirements as a systemically important bank (TLAC requirement, consisting of going-concern and gone-concern requirements) total 19.7 percent. With a risk-based TLAC ratio of 25.7 percent (previous year: 26.8 percent), these requirements are significantly exceeded, confirming the strong capitalisation of Zürcher Kantonalbank.

At an unweighted level, the TLAC requirement as a systemically important domestic bank is 6.4 percent. With a TLAC leverage ratio of 9.8 percent (previous year: 9.4 percent), these requirements are also comfortably exceeded.

AAA rating still one of the safest banks in the world

The rating agencies Fitch, Moody's and Standard & Poor's left their ratings for Zürcher Kantonalbank unchanged at AAA and Aaa, respectively. Zürcher Kantonalbank is also one of the safest universal banks in the world on a stand-alone basis (i.e. without taking any government support into account), as evidenced by the standalone rating of aa- (Standard & Poor's).

Zürcher Kantonalbank

Corporate Governance 2024

Contents

Corporate Governance

We take our responsibility to the Canton of Zurich and its residents seriously. This is also reflected in our corporate governance. We engage in open, transparent dialogue with our stakeholder groups. The management and supervisory bodies of our bank comprise the Board of Directors, the Chairperson's Committee, the Executive Board, the Audit Committee, the Auditor, and the Cantonal Parliamentary Committee. The Board of Directors, the Chairperson's Committee and the Executive Board ensure the fulfilment of the public service mandate within the scope of their responsibilities and powers.

Basic principles

Zürcher Kantonalbank is a responsible bank which engages in a constant, open and transparent dialogue with its stakeholder groups. As an institution under public law, the bank is accountable in particular to the Canton of Zurich, its residents and the Cantonal Parliament, which is ultimately responsible for the supervision of the bank via a standing commission. As a bank, it is regulated by the Swiss Financial Market Supervisory Authority FINMA and, due to its systemic importance, the Swiss National Bank (SNB) also deals with it. In addition to the provisions of federal supervisory law, the requirements of FINMA Circular 2017/1 "Corporate governance – banks" in particular are applicable to Zürcher Kantonalbank. Insofar as this is reasonable for an institution under public law, Zürcher Kantonalbank also applies the Directive on Corporate Governance of 29 June 2022 of SIX Swiss Exchange Ltd, which has been in force since 1 January 2023. Unless otherwise specified, all stated information is valid as at 31 December 2024.

Structure and ownership

Zürcher Kantonalbank is a public-law institution under the cantonal law of Zurich. In accordance with the Cantonal Banking Act on Zürcher Kantonalbank of 28 September 1997 (Zürcher Kantonalbank Act), the bank's purpose is to contribute to addressing economic, social and environmental issues and thus support sustainable development in the Canton of Zurich. The group structure and scope of consolidation are shown in Note b) Accounting and valuation principles in the Consolidated Financial Statements. For information on the change in equity, please refer to the Consolidated statement of changes in equity in the financial report.

Swiss Financial Market Supervisory Authority FINMA

In its capacity as an independent supervisory authority for the Swiss financial market, FINMA has sovereign powers over financial market participants, including banks. It works to protect creditors, investors and policyholders, as well as to ensure the stability and effectiveness of the financial markets.

Swiss National Bank

As an independent central bank, the Swiss National Bank (SNB) manages Switzerland's monetary policy and also has the task of contributing to the stability of the financial system. It defines the systemically important banks after prior consultation with FINMA. The SNB and FINMA collaborate regarding matters related to financial stability.

Board of Directors and Chairperson's Committee

The Board of Directors consists of 13 members elected by the Cantonal Parliament for a term of four years. This number includes three full-time members of the Chairperson's Committee.
All of the members of the Board of Directors are Swiss citizens resident in the Canton of Zurich and are independent within the meaning of FINMA Circular 2017 / 1 "Corporate governance – banks". No member has ever served on the bank's Executive Board. None of the part-time members of the Board of Directors have significant business connections with the bank.

The Chairperson's Committee is an independent body. The duties and compensation of the Board of Directors and Chairperson's Committee are set out in § 15 and § 16 of the Cantonal Banking Act on Zürcher

Members of the Board of Directors and its committees as at 31.12.2024 (2024–2027 legislative period)

			Audit Committee	Risk Committee	Compensation and Personnel Committee	IT Committee
Dr Jörg Müller-Ganz	Chairman Deputy Chairman Member of the Board of Directors	since 01.07.2011 (from 01.10.2010 until 30.06.2011) since 01.07.2007	(Jul 2007 – Nov 2008)	(Oct 2010 – Jun 2011)	since Jul 2019	(Nov 2008 – Jun 2019)
Roger Liebi	Deputy Chairman Member of the Board of Directors	since 01.07.2019 Since 01.07.2018	(Jul 2018 – Jun 2019)	since Feb 2022		(Jul 2018 – Jan 2022)
Mark Roth	Deputy Chairman Member of the Board of Directors	since 01.02.2022 since 01.09.2013	(Jul 2015 – Jan 2022) (Sep 2013 – Jun 2015)			since Feb 2022 (Sep 2013 – Jun 2015)
Amr Abdelaziz	Member of the Board of Directors	since 01.07.2015	since Jul 2015		since Jul 2015	
Sandra Berberat Kecerski	Member of the Board of Directors	since 01.03.2022	since Mar 2022	(Mar 2022 – Dec 2023)	since Jan 2024	
Prof Dr Adrian Bruhin	Member of the Board of Directors	since 26.10.2020	(Nov 2020 – Jan 2022)	since Feb 2022 (Nov 2020 – Jan 2022)		
Prof Dr Bettina Furrer	Member of the Board of Directors	since 24.06.2019	(Jul 2019 – Dec 2023)	since Jan 2024		since Jul 2019
René Huber	Member of the Board of Directors	since 01.11.2014	since Nov 2014	since Jul 2015		
Henrich Kisker	Member of the Board of Directors	from 01.07.2015 until 31.12.2024	Feb 2022 – Dec 2024 (Jul 2015 – Sep 2020)	(Oct 2020 – Jan 2022) (Jul 2018 – Sep 2020)		(Jul 2015 – Jun 2018)
Gregor Kreuzer	Member of the Board of Directors	since 01.01.2024	since Jan 2024			since Jan 2024
Walter Schoch	Member of the Board of Directors	from 01.07.2015 until 31.12.2024				Jul 2015 – Dec 2024
Prof Dr Hans-Ueli Vogt	Member of the Board of Directors	since 01.01.2024			since Jan 2024	
Claudia Zimmermann	Member of the Board of Directors	since 01.01.2024		since Jan 2024	since Jan 2024	

Legend: Chair

Kantonalbank, section 34 and section 35 of the bank's organisational regulations of 15 December 2022, the regulations governing the compensation of members of the Board of Directors of Zürcher Kantonalbank, as approved by the Cantonal Parliament of Zurich on 25 November 2004, and in other specific regulations. As laid down in § 14.3 of the Cantonal Banking Act on Zürcher Kantonalbank, members of the Board of Directors may not work for any other bank, or be a member of the tax authorities, Government Council, Cantonal Parliament or highest cantonal courts.

The Cantonal Parliament of Zurich elects the members of the Board of Directors and the Chairperson's Committee for a four-year term of office. In doing so, it considers their personal characteristics such as assertiveness, credibility and integrity, and their suitability with regard to banking expertise, as well as regulatory requirements and proportional political representation. The professional qualifications for each individual member of the Board of Directors are regularly assessed by external specialists. Members are eligible for re-election. There are no restrictions on periods of office for members of the Chairperson's Committee. For the other members of the Board of Directors, the total period of office may not exceed 12 years. The term of office for members of the Board of Directors ends at the latest on their 70 th birthday. If a member of the Chairperson's Committee reaches their 65 th birthday during their term of office, their time in office ends when their term of office expires.

For the current legislative period, the Board of Directors consists of the persons listed in the table on page 67.

Cantonal Parliament and Cantonal Parliamentary Committee

Responsibility for the ultimate political supervision of Zürcher Kantonalbank lies with the Cantonal Parliament. Its duties are set out in § 11 of the Cantonal Banking Act on Zürcher Kantonalbank. In addition to the election of the members of the Board of Directors and Chairperson's Committee, they include approving the Guidelines for the Fulfilment of the Public Service Mandate, the regulations governing the compensation paid to members of the Board of Directors, and the annual financial statements and annual and the sustainability report of the bank, as well as relieving the governing bodies of some of their tasks.

The Cantonal Parliament of Zurich has charged the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) with ultimate supervision in accordance with § 12 of the Cantonal Banking Act on Zürcher Kantonalbank. This standing, supervisory Cantonal Parliamentary Committee inspects the minutes of the Board of Directors and, depending on the matter concerned, obtains information from the Chairman, the Chairperson's Committee, members of the Board of Directors, the Chief Executive Officer, other members of the Executive Board or representatives of the external auditors with regard to the activities, course and results of the bank's business and any important events. As at 31 December 2024, this Cantonal Parliamentary Committee comprised the members listed in the following table.

Information and control instruments

The Board of Directors and Chairperson's Committee are regularly briefed on the course of business and the main activities of the Executive Board as well as on significant developments. At the invitation of the Chairperson's Committee, members of the Executive Board attend meetings of the Board of Directors to inform its members on current issues and are involved in the strategy and planning. The Chairperson's Committee scrutinises all minutes of the meetings of the Executive Board, business units and committees.

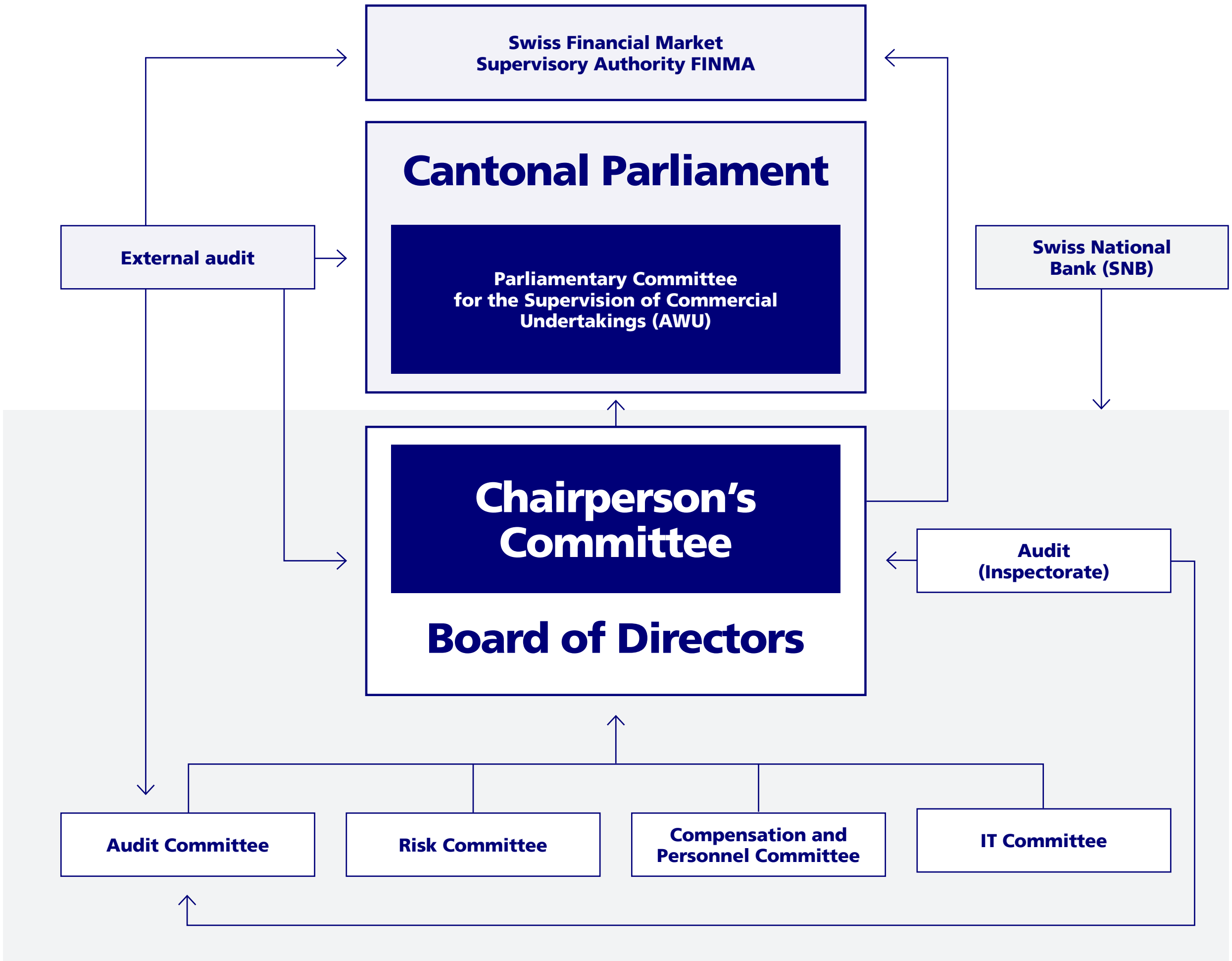
At least once every quarter, the Board of Directors receives a detailed briefing on the course of business, developments in key risk categories (including compliance risks) and the status of important projects. This also includes monitoring of reputation risks. The Legal & Compliance business unit reports directly to the Board of Directors and Executive Board in accordance with margin no. 78 ff. FINMA Circular 2017/1. The Anti-Money Laundering unit also reports to this unit.

Moreover, Zürcher Kantonalbank has an Audit unit that reports directly to the Board of Directors and is independent of the Executive Board. Audit assists the Chairperson's Committee and the Board of Directors in fulfilling their supervisory and control tasks, and has unlimited rights of inspection and information within the bank. It reports to the Audit Committee and the Chairperson's Committee, and as required but at least once per year, to the Board of Directors.

AWU members as at 31.12.2024

Stefanie Huber, GLP	Chairperson
Thomas Anwander, Die Mitte	Member of the Committee
André Bender, SVP	Member of the Committee
Beat Bloch, CSP	Member of the Committee
Astrid Furrer, FDP	Member of the Committee
Hanspeter Göldi, SP	Member of the Committee
Andrea Grossen-Aerni, EVP	Member of the Committee
Roland Kappeler, SP	Member of the Committee
Monika Keller, FDP	Member of the Committee
Thomas Lamprecht, EDU	Member of the Committee
René Truninger, SVP	Member of the Committee

Corporate Governance at Board of Directors level



The AWU of the Cantonal Parliament of Zurich monitors the fulfilment of the public service mandate in accordance with § 12 of the Cantonal Banking Act on Zürcher Kantonalbank. This is primarily based on an annual focus report, the theme of which changes annually depending on the AWU's requests. This focus report is integrated into the German annual report (p. 27 ff.), which also accounts for the bank's fulfilment of the public service mandate.

Internal organisation

Areas of responsibility

The responsibilities of the Chairperson's Committee, Board of Directors, Executive Board and external auditors are governed by the Cantonal Banking Act on Zürcher Kantonalbank of 28 September 1997 (§ 15–18), the bank's organisational regulations of 15 December 2022 and other regulations.

Chairperson's Committee

Under § 16 of the Cantonal Banking Act on Zürcher Kantonalbank, the Chairperson's Committee, which is an executive body in its own right, is responsible for the direct supervision of the Executive Board. In this context, the Chairperson's Committee monitors the implementation of decisions of the Board of Directors and compliance with statutory and regulatory provisions.

Areas of responsibility

Chairperson's Committee

Main responsibilities of the Chairperson's Committee: It

- prepares topics relating to strategy and corporate culture for submission to the Board of Directors
- scrutinises the decisions of the Executive Board and assures its direct supervision
- monitors the execution of resolutions passed by the Board of Directors
- approves loans in accordance with the delineation of powers laid down by the Board of Directors
- takes decisions on providing assistance to economic, social and cultural institutions
- decides on the bank's representation in organisations
- is informed of new lending transactions that fall within the remit of the Executive Board
- is informed of the course of business at participations
- hires, dismisses and promotes members of senior management
- reviews the Legal & Compliance reports on a half-yearly basis
- is regularly informed of major risk positions
- deals with pressing matters that fall under the responsibilities of the Board of Directors and subsequently obtains the Board's approval
- decides on transactions with particularly significant risks, conflicts of interest and extraordinary effects on the group's reputation
- regularly checks the quality and efficiency of the fulfilment of the public service mandate
- represents the bank externally regarding strategy, public service mandate and reputation

Board of Directors

Main responsibilities of the Board of Directors: It

- defines the principles of the corporate strategy, the mission statement, the business strategy and the organisational structure
- approves the risk policy, the equity strategy, group-wide risk and global limits, equity investments and the general framework for group-wide risk management
- establishes and closes branches and establishes subsidiaries
- is responsible for a suitable risk and control environment and an effective internal control system (ICS)
- determines the group and financial planning
- issues guidelines on human resources policy as part of the group strategy
- is informed quarterly of risk concentration in accordance with article 95, paragraph 1 of the Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Traders
- approves projects of strategic importance
- approves contingency planning
- takes note of the reporting on the business framework for international activities
- consults the detailed quarterly reports of the Executive Board
- is regularly informed by the Executive Board of all relevant aspects of risk management
- approves unsecured loans in excess of CHF 1 billion
- is regularly informed of lending transactions that fall within the remit of the Chairperson's Committee
- approves the annual planning, annual and semi-annual financial statements and the annual report including the compensation report as well as the sustainability report
- hires and dismisses the members of the Executive Board and their deputies, branch managers at senior level, and the Head and Deputy Head of Audit
- issues regulations and special regulations provided for by law or regulatory provisions
- decides on the annual distribution of profit to the canton and municipalities

Within the framework of such statutory and regulatory requirements, it takes decisions on various operational and electoral matters. It prepares strategic and other topics for the attention of the Board of Directors. The Chairperson's Committee also bears responsibility for the public service mandate being addressed by the Board of Directors and therefore also for sustainability issues.

The Chairperson's Committee consists of Jörg Müller-Ganz, Roger Liebi and Mark Roth. Jörg Müller-Ganz is the Chairman and Roger Liebi is his deputy. Elected substitute members of the Chairperson's Committee are Bettina Furrer and Walter Schoch.

Board of Directors

The Board of Directors bears ultimate responsibility for the management of the bank and for the supervision of the individuals entrusted with its operational management (§ 15 of the Cantonal Banking Act on Zürcher Kantonalbank).

The Board of Directors follows a structured annual cycle and examines the group strategy and analyses Zürcher Kantonalbank's strengths and weaknesses, opportunities and risks, as well as the associated strategic risks. This includes the related planning, controlling and reporting activities, as well as regular examination of risk management, risk reporting, the regulatory audit report by auditors Ernst & Young AG (EY), and measures and reports relating to the public service mandate and sustainability. The Board of Directors also takes decisions on loan and limit applications as well as other transactions that fall within its remit.

Audit (Inspectorate)

Audit is responsible for the group's internal audit. It is headed by Jörg Steinger and at the end of 2024 had 53.5 full-time employees (FTE).

In organisational terms, Audit reports directly to the Board of Directors and is independent of the Executive Board. It assists the Board of Directors and its committees in fulfilling their supervisory and control tasks by using a systematic, risk-oriented approach to evaluate the effectiveness of risk management and controls as well as of the management, performance and oversight processes, and by submitting recommendations for optimisation. Audit also checks the bank's compliance with regulatory provisions, internal directives and guidelines in all areas of the business.

To perform its audit role, Audit has unlimited rights of inspection, information and access within the bank and group companies. Audit is not bound by any directives in substantive terms in the drafting of its reports, which are generally drawn up for the attention of the Audit Committee of the Board of Directors, the Chairperson's Committee (which can take immediate measures), occasionally other bank committees, the members of the Executive Board, other managers and the external auditors. Audit follows strict quality guidelines and designs its procedures in accordance with recognised international auditing standards – the Standards and the Code of Ethics of the Institute of Internal Auditors (IIA).

Board of Directors Committees

Four committees assist the Board of Directors in its decisions by providing preliminary advice:

- Audit Committee
- Risk Committee
- Compensation and Personnel Committee
- IT Committee

The Board of Directors Committees have no decision making powers: instead they make proposals and give recommendations to the Board of Directors. Information on the work of the committees is presented at every meeting of the Board of Directors. The committee chairpersons hold a joint coordination meeting every year with the Chairperson's Committee. Where possible, subjects concerning more than one committee are dealt with at joint meetings. In addition, all members of the Board of Directors receive the minutes of all meetings of Board of Directors Committees.

Audit Committee

The Audit Committee supports the Board of Directors in its supervisory and control functions in accordance with § 15a of the Cantonal Banking Act on Zürcher Kantonalbank, section 49 and section 50 of Zürcher Kantonalbank's organisational regulations and FINMA Circular 2017/1 "Corporate governance – banks". Within its area of responsibility, it prepares specialist resolutions of the full Board of Directors and, in this regard, is responsible in particular for critically analysing the published annual and interim financial statements of the parent company and group. In addition, the Audit Committee assesses the functionality of the internal control system and appraises the audit plan and reports issued by Audit and the external auditors.

Until 31 December 2024, this Committee comprised Henrich Kisker (Chairman), Amr Abdelaziz, Sandra Berberat Kecerski, René Huber and Gregor Kreuzer. The Head of Audit attends all meetings of the Audit Committee as a permanent guest. The CFO participates in portions of each meeting of the Audit Committee.

Risk Committee

The Risk Committee assists the Board of Directors in monitoring the bank's risk management and compliance with the associated regulatory provisions. It prepares the relevant topics for the Board of Directors, exercising its function in the sense of a preliminary consultation and making recommendations to the Board of

Directors. It evaluates in particular the quality, adequateness and effectiveness of the processes and procedures for identifying, assessing, limiting, controlling, monitoring and managing risks.

Until 31 December 2024, this Committee consisted of Adrian Bruhin (Chairman), Bettina Furrer, René Huber, Roger Liebi and Claudia Zimmermann. The Chief Risk Officer, the Head of Audit and the Head of Risk Control participate in every meeting of the Risk Committee.

Compensation and Personnel Committee

The Compensation and Personnel Committee (CPC) assists the Board of Directors in connection with personnel decisions, the human resources strategy, as well as personnel and compensation policy. It assists the Board of Directors by providing preliminary advice and issuing recommendations on these matters.

Until 31 December 2024, the Compensation and Personnel Committee comprised Hans-Ueli Vogt (Chairman), Amr Abdelaziz, Sandra Berberat Kecerski, Jörg Müller-Ganz and Claudia Zimmermann. The Head of People & Culture (Human Resources) attends every meeting of the Compensation and Personnel Committee.

IT Committee

The IT Committee supports the Board of Directors in defining and monitoring the IT-relevant aspects of the group strategy. It advises the Board of Directors on all matters relating to IT at Zürcher Kantonalbank and makes appropriate recommendations. For this purpose, it works to obtain a picture of the contribution of IT to the bank's performance. Furthermore, it assesses the cost and investment framework for IT by considering the potential effects on current and future courses of action as well as on business risks. Finally, it assesses the functionality of the management of IT risks with an impact on IT-related investment risks.

Until 31 December 2024, the IT Committee comprised Walter Schoch (Chairman), Bettina Furrer, Gregor Kreuzer and Mark Roth. The Head of the IT, Operations & Real Estate business unit and the Head of IT Audit participate in each meeting of the IT Committee.

Auditor

Under the Cantonal Banking Act on Zürcher Kantonalbank, the Cantonal Parliament appoints the external auditors for a two-year period. The external auditors must be recognised by FINMA. On 27 May 2024, the Cantonal Parliament confirmed the appointment of EY (since 1998) as external auditors for 2025 and 2026.

Bruno Patusi has been the lead auditor for the financial audit since 2018. Patrick Schwaller has been the lead auditor for the regulatory audit since 2020.

In the year under review, EY charged CHF 4.1 million for regulatory audits (basic and additional audits), the audit of the annual financial statements of the bank and group companies as well as the consolidated financial statements (2023: CHF 4.1 million). EY charged CHF 0.03 million (2023: CHF 0.02 million) for additional consulting services, and CHF 0.1 million for audit-related services (2023: CHF 0.2 million). Furthermore, EY charged CHF 3.5 million (2023: CHF 3.3 million) via group companies for auditing collective capital investments.

The external auditors work together with Audit and, to the extent permitted, base their work on that of Audit. The tools used to inform the Board of Directors include reports on the regulatory and financial audits as well as reports on any interim audits and summary audits. The external auditors also attend meetings of the Board of Directors or its committees where necessary.

Executive Board

The Executive Board of Zürcher Kantonalbank has eight members. It is headed by Urs Baumann (Chief Executive Officer, CEO). Under § 17 of the Cantonal Bank-

Members of the Executive Board As at 31.12.2024

Urs Baumann	Chief Executive Officer Member of the Executive Board	since 01.09.2022 since 01.06.2022
Dr Stephanino Isele	Deputy Chief Executive Officer Member of the Executive Board	since 01.05.2021 since 01.04.2014
Dr Martin Bardenhewer	Member of the Executive Board	since 01.05.2023
Dr Jürg Bühlmann	Member of the Executive Board	since 01.07.2012
Daniel Previdoli	Member of the Executive Board	since 01.12.2007
Remo Schmidli	Member of the Executive Board	since 01.07.2019
Florence Schnydrig Moser	Member of the Executive Board	since 01.01.2021
Hjalmar Schröder	Member of the Executive Board	since 01.04.2024

ing Act on Zürcher Kantonalbank, the Executive Board is responsible for managing the bank's operations. The members of the Executive Board occupy an advisory role on the Board of Directors and the Chairperson's Committee. The Executive Board is responsible for business as well as human resources matters where they concern the management of the bank. With the exception of Audit, it is responsible for the appointment and dismissal of members of senior management. The duties of the Executive Board are governed by the law and regulations. The organisational structure is governed by the bank's organisational regulations dated 15 December 2022.

Under section 79 of the bank's organisational regulations of 15 December 2022, the Chief Executive Officer is responsible for managing the Executive Board, implementing the group mission statement and group strategy as well as the group structure and organisation, representing the Executive Board both internally and externally, coordinating the business activities of the Executive Board, and ensuring that the duties assigned by the Board of Directors and the Chairperson's Committee are carried out.

The Chief Executive Officer reports to the Chairperson's Committee and Board of Directors. Subject to the responsibilities of the Board of Directors and the Chairperson's Committee, the individual members of the Executive Board report to the CEO.

Members of the Executive Board

All members of the Executive Board are Swiss nationals. For information on compensation, profit-sharing and loans, please refer to the Compensation Report. As at 31 December 2024, the Executive Board comprised the persons listed in the table on page 72.

For further information about the individual members of the Executive Board, please see p. 84 ff.

Public service mandate

As part of the strategy process, the Board of Directors, Chairperson's Committee and Executive Board deal on a regular basis with the subject of the public service mandate. They ensure that the bank's legal requirements and the public service mandate are met. The Chairperson's Committee is assigned special responsibility for control and monitoring in this regard (§ 9 and § 10 of the Guidelines for the Fulfilment of the Public Service Mandate).

The central body is the internal Public Service Mandate Steering Committee, which is chaired by the officer responsible for the public service mandate. The committee advises and supports the bank's governing bodies and business units on all aspects of the public service mandate and reports annually on the fulfilment of the mandate to the supervisory committee of the Cantonal Parliament. All business units are represented on the Public Service Mandate Steering Committee by a manager with responsibility for the relevant area.

The Public Service Mandate specialist area is part of the general management staff office. It coordinates planning, implementation and reporting with regard to the fulfilment of the public service mandate and all associated activities. It also prepares the business of the Public Service Mandate Steering Committee. Various specialist areas within the individual business units assist with the achievement of objectives.

Strategic risk orientation and risk profile

For information on the focus of the risk strategy and the risk profile, please see the Risk Report in Note I) to the Consolidated Financial Statements.

Compensation of the members

of the Board of Directors and the Executive Board

For detailed information on the compensation of the members of the Board of Directors and the Executive Board and the process underlying the determination of the amounts to be compensated, please see the Compensation Report.

Management contracts

The group and its companies have not concluded any management contracts with third parties.

Communication policy

Zürcher Kantonalbank pursues a transparent communication policy towards its stakeholder groups. The most important communication tools are the comprehensive annual and sustainability report, the half-yearly report and press conferences. The 2024 annual results were announced on 7 February 2025, and the annual report and sustainability report are set to be approved by the Cantonal Parliament on 26 May 2025. The bank's half-yearly results are expected to be published at the end of August 2025.

Activity reports

Chairperson's Committee

In addition to addressing strategic, planning, organisational and human resources questions as well as issues concerning the corporate culture, the Chairperson's Committee, in accordance with statutory and regulatory competencies, dealt at their weekly meetings in the year under review with lending and limit transactions within their area of responsibility pursuant to the applicable regulations, as well as transactions involving special reputation risks. The Chairperson's Committee decided on any immediate measures to address objections in audit reports, oversaw the monitoring and implementation of regulatory requirements, and dealt with requests addressed to the Board of Directors from both FINMA and the Cantonal Parliament. Members of the Executive Board, the Head of Audit, the Head of Legal & Compliance, and representatives of the specialist units were regularly invited to attend these meetings.

The Chairperson's Committee dealt in the reporting year with the handover from the outgoing to the new Chief Risk Officer (CRO). In addition, it worked with a committee of members of the Executive Board and external consultants to develop the basis for discussing with the Board of Directors any adjustments to the bank's future organisational structure. Moreover, the Chairperson's Committee addressed succession planning for the members of the Executive Board and all of the bank's key management personnel.

The new compensation model, which the Chairperson's Committee prepared together with the Compensation and Personnel Committee (CPC), an Executive Board committee and external consultants, came into force throughout the bank on 1 January 2024. The Chairperson's Committee received reports on the implementation of this model. The Chairperson's Committee also prepared the onboarding of the three newly elected members of the Board of Directors. Additionally, they held personal discussions with the existing and newly elected members of the Board of Directors to ensure that a professionally appropriate and balanced composition of the Board of Directors committees was in place from 2025.

The Chairperson's Committee also kept abreast of regulatory changes and their implementation (e.g. FINMA Circular 2023/1 "Operational risks and resilience – banks") in the year under review and received information on the development of important bank projects. The proposal to amend the Cantonal Banking Act on Zürcher Kantonalbank to take account of the OECD minimum tax when distributing dividends and ensure the previous participation of the canton and municipalities, which was prepared by the Chairperson's Committee for the attention of the Cantonal Parliament and approved by the Board of Directors, was unanimously adopted by the Cantonal Parliament on 5 February 2024. The amended Act entered into force on 1 January 2025.

The Chairperson's Committee also met several times to discuss and prepare strategic topics for the attention of the Board of Directors. In addition, they prepared the two-day strategy seminar of the Board of Directors and the Executive Board, as well as the two-day training seminar of the Board of Directors. They cooperated with the Board of Directors committees in developing the substantive resolutions and personnel decisions as well as the basic principles for the strategic adjustment requirement on behalf of the Board of Directors and ensured their swift implementation. In addition, they also dealt on an ongoing basis with current geopolitical and national events. It also decided on sponsorship commitments and donations under the public service mandate.

In order to promote the interests of Zürcher Kantonalbank among important decision-makers in politics and business, the Chairperson's Committee maintained regular contact with FINMA and SNB and collaborated with the Public Affairs specialist unit. The members of the Chairperson's Committee maintained a personal dialogue with the Cantonal Parliament of Zurich – particularly with the Parliamentary Committee for the Supervision of Commercial Undertakings and the Executive Board, the Government Council of Zurich, the executive authorities of towns and municipalities in the Canton of Zurich, and Zurich's representatives in the National Council and Council of States. The Chairperson's Committee represented Zürcher Kantonalbank in regular discussions in the context of the Association of Swiss Cantonal Banks, as well as at various representative cultural, political, environmental and business events. In accordance with a timetable, the Chairperson's Committee visited market areas and specialist units.

Board of Directors

The Board of Directors follows a structured annual cycle and examines the group strategy and analyses Zürcher Kantonalbank's strengths and weaknesses, opportunities and risks, as well as the associated strategic risks. This includes the related planning, controlling and periodic reporting activities, as well as regular examination of risk management, risk reporting, the regulatory audit report by auditors Ernst & Young AG (EY), and measures and reports relating to the public service mandate and sustainability. The Board of Directors also takes decisions on loan and limit applications as well as other transactions that fall within its remit.

Ten ordinary meetings were held during the reporting year in the presence of the Executive Board and the Head of Audit. Representatives of EY attended three meetings. A two-day Board of Directors seminar on strategic topics, a two-day training seminar and a constituent meeting were also held. Members of the Board of Directors also visited ten branches and five specialist units in pairs during the year under review.

As it does every year, the Board of Directors sought guidance on the effects on the bank of national and geopolitical events and conditions on the financial markets. In 2024, the focus was once again on the effects of the takeover of Credit Suisse by UBS on the Swiss financial centre and on our bank, as well as the macroeconomic environment and its impact on interest rates. The Board of Directors decided in the reporting year to acquire Complementa AG, divest ZKB Österreich AG and liquidate Swisscanto Pensions Ltd. It also authorised the establishment of the Vested Benefits Foundation II. It elected new branch managers for the branches in Adliswil and Thalwil, Rüti, Hinwil and Wald, and Affoltern am Albis, as well as a new secretary of the Board of Directors. It also approved the annual update of the contingency plan. Additionally, the Board of Directors took note of the national frameworks of the individual business units as part of its annual approval of the concept for monitoring the bank's international activities. It also took note of the reporting on finances, risks and ICS, start-up and risk financing, participations and capital market transactions. It was also informed about the implementation of the public service mandate, the bank's strategic projects, the activities of the Public and Regulatory Affairs specialist unit and the implementation of FINMA Circular 2023/1 "Operational risks and resilience – banks", which came into force as of 1 January 2024 with several transitional periods. The Board of Directors also revised the provisions applicable to it on proprietary trading, the handling of insider information, ad hoc publicity, the handling of conflicts of interest, as well as the treatment of gifts and invitations for part-time members of the Board of Directors. It furthermore approved the modifications to the special regulations for the lending business with other banks and reviewed the job profiles of the Executive Board and the Head of Audit. It was also informed about the initial experiences following the introduction of the Digital Asset Hub.

During a two-day seminar, the Board of Directors dealt with the development of the regulatory environment as well as the strategic and organisational development of our bank. At several meetings, the Board of Directors additionally worked with the Executive Board to refine the strategic management tools. Henrich Kisker and Walter Schoch resigned from the Board of Directors as at the end of December 2024. The Cantonal Parliament elected as successors Dr York-Peter Meyer on 11 November 2024 and Kristine Schulze on 9 December 2024.

Audit Committee

The Audit Committee held a total of twelve meetings in 2024 with the Head of Audit in attendance. The CFO was always present when agenda items relating to financial planning, controlling and reporting were discussed. The lead auditors at the firm of external auditors regularly attended the meetings to discuss their reports, Audit's reports and other agenda items, such as FINMA's audit strategy. Various agenda items were discussed in the presence of the Chairperson's Committee. The CEO, the CRO and the Head of Legal & Compliance periodically participated in the meetings. The relevant management decision-makers were also involved in the discussions on a regular basis where needed. The Chairman of the Audit Committee regularly conferred with the partners at the external auditors responsible for the regulatory and financial audits, as well as with the Head of Audit and the CFO.

At each meeting, attention focused on financial reporting (monthly, quarterly, half-yearly and annual reports including disclosures), as well as the external and internal audit reports. A total of 54 internal and 17 external audit reports were discussed. This also involved the assessment of the appropriateness of measures taken by the entities audited and reporting on the current implementation status of the measures decided. Key changes in the risk profile as well as the consequent setting of audit objectives for internal and external auditing were discussed at several meetings and at the annual workshop organised by Audit. FINMA also presented its view to the Audit Committee as part of the supervisory risk analysis. It focused in particular on the risk-oriented overall coverage of the supervisory audit universe in a multi-year cycle by internal and external audit activity.

Other important activities and activities required by the regulator in the year under review included: – assessment of reporting on the structure and effectiveness of the internal control system for all business units and subsidiaries of the bank

- discussion of the activity report by Legal & Compliance and a forward-looking assessment of statutory and regulatory developments
- assessment of the regulatory audit report, the comprehensive financial audit report and the special report from the external auditors for the attention of the Parliamentary Committee (AWU) regarding the bank's economic standing with respect to the state guarantee
- discussion of reports on the course of business of the group companies and participations
- assessment of Audit's performance
- discussion of the revised Global Internal Audit Standards of the Institute of Internal Auditors and their implementation in the bank

– assessment of the performance, fees and independence of the external auditors, as well as participation in succession planning as part of the rotation of the lead auditor

With regard to financial management, the Audit Committee also examined the bank's financial strategic parameters in the year under review. Furthermore, the bank's financial value added was assessed and compared with other banks on the basis of the CFO's annual benchmarking study. Other important topics for the Audit Committee in the year under review included the business performance, the annual and multi-year financial planning, and the update of the contingency plan. The Audit Committee then paid particular attention to the enhancement of the sustainability report as part of non-financial reporting. The Audit Committee was also briefed on current topics in the financial industry, such as developments in the field of artificial intelligence, and was given an external perspective on internal control systems.

Risk Committee

The Risk Committee held ten ordinary meetings and one extraordinary meeting in the reporting year. It regularly consulted standard reports, stress scenarios and risk reports. The quarterly report by the Chief Risk Officer giving an account of credit, market, liquidity, operating, compliance and reputation risks was an important tool for the Committee in terms of performing its tasks. It also took note of changes relevant to risk, especially in connection with the mortgage business, international risks and in other business areas. The Risk Committee also kept itself informed of credit exposures and limits, and periodically sought information about lending and limit transactions that fall within the remit of the Chairperson's Committee in particular. It discussed credit and limit applications, the application for approval of the international business concept (while at the same time taking note of the country business framework), and other transactions within the Board of Director's remit from a risk perspective. It evaluated the appropriateness of our bank's risk management processes at a workshop, the completeness of the risk inventory and the risk profiles for both operational and compliance risk. It also submitted to the Board of Directors recommendations concerning the group-wide risk framework and the requirements in the bank's risk policy. The Risk Committee also examined the findings in the risk-relevant audit reports, noted the minutes of the Risk Committee of the Executive Board and was updated on regulatory developments. Moreover, it received reports on the largest risk positions and individual value adjustments, liquidity risk and balance sheet management, cluster risks, exposures to central counterparties and the 20 largest exposures. In the reporting year, it was also informed about the following topics and business areas of the bank: commodity trade finance, sustainability approach with a focus on best-in-class manager selection, "residential let" segment in the mortgage business, hospital financing, non-financial risk taxonomy, private banking international, external asset managers, experience with the financing programme, corporate financing dashboard, curated loans and the status of FINMA regulation on climate and nature-related risks. It also reviewed the section of the organisational regulations concerning it and obtained information from the Chairman of the Bank Stability expert group on its report of 1 September 2023. The annual report on operational resilience and the implementation status of FINMA Circular 2023/1 "Operational risks and resilience – banks" was also presented to the Risk Committee for the first time in the reporting year.

Compensation and Personnel Committee

The Compensation and Personnel Committee met for nine ordinary meetings in the year under review. Depending on the topic, the CEO, CFO, the Head of Institutionals & Multinationals and other representatives of the specialist units as well as external advisors participated in the meetings.

As is standard, the Compensation and Personnel Committee attended to succession planning, the implementation of the human resources strategy and, in this context, matters related to compensation (including equal pay), promotions, disciplinary cases and dismissals, and staff training and development. As part of the annual reporting process, it reviewed the compensation report and examined the compensation of the Executive Board, the variable compensation for Trading, the implementation of the group-wide compensation system, and the parameters for the 2024–2026 long-term deferred compensation.

The bank-wide revision of the compensation system came into effect in the year under review as of 1 January 2024. The Compensation and Personnel Committee was informed about its implementation and initial experiences with this new system. It also discussed the requirement profiles for the replacement elections in the Board of Directors for the attention of the Board of Directors, as well as the outcome of the periodic review of the requirement profiles for the members of the Executive Board and the Head of Audit. In addition, the Compensation and Personnel Committee prepared in a multi-stage process the personnel consequences regarding a possible adjustment of the bank's organisational structure.

The Compensation and Personnel Committee also examined proposals to the Board of Directors for the election of a new Deputy Head of the Institutionals & Multinationals business unit, new branch managers for the branches in Adliswil and Thalwil, Rüti, Hinwil and Wald, and Affoltern am Albis, and a new secretary to the Board of Directors. Furthermore, the Committee examined topics such as the junior staff strategy and talent development, gender diversity, the shortage of skilled staff and the revised Performance & Development 2.0 initiative. In addition, the Compensation and Personnel Committee met with the members of the employee representatives to obtain first-hand information about employee concerns.

IT Committee

The IT Committee held six ordinary meetings in the year under review. The IT Committee examined strategic IT reports in detail on a quarterly basis. The Chairman of the IT Committee reported on this at every meeting of the Board of Directors. These reports included the key indicators for IT as well as the status of the most important IT programmes. The Committee obtained additional guidance in this respect on the strategic focal points in the portfolio from the individuals directly responsible for them. This briefing related in particular to the following topics: the expansion of the use of software-as-a-service (SaaS); the SESAM project, which supports sales employees with digital technology so that they can work much more efficiently and serve more clients better; the enhancement of the financial cockpit and multibanking for companies; the optimisation of IT in the fund business; the further development of the anti-money laundering detection system and the update of the trading applications.

The IT Committee also continued to receive semi-annual updates on the status of the "Cloud" programme. Data processing at globally active providers is constantly being optimised and is becoming increasingly important. In this context, information was provided on the planned enhancement of the HR systems (People & Culture).

The IT Committee discussed IT operations in several meetings. Topics such as 2023 year-end processing, service level management and the cooperation between IT engineering and IT operations were discussed in detail. The IT Committee examined matters related to IT security on a regular basis. It was informed about cyber security and the security roadmap. The IT Committee additionally dealt with all audit reports relevant to IT and was regularly updated about the rectification status of the findings of the audit firm and the implementation of FINMA requirements (particularly those set out in Circular 2023/1 "Operational risks and resilience – banks").

The Committee examined the complexity in IT and the deployment of new technologies and innovations. The use of large language models (LLM) is being tested in order to increase efficiency. The Committee furthermore received information on IT investment planning and the development of the personnel portfolio, and received an overview of outsourcing activities.

Chairperson's Committee

Jörg Müller-Ganz
Chairman

Roger Liebi
Deputy Chairman

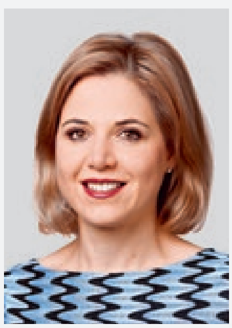
Mark Roth
Deputy Chairman

Audit

Jörg Steinger
Head of Audit

Board of Directors

Amr Abdelaziz
Member of the Board of Directors



Sandra Berberat Kecerski
Member of the Board of Directors

Adrian Bruhin
Member of the Board of Directors

Bettina Furrer
Member of the Board of Directors

René Huber
Member of the Board of Directors

Henrich Kisker
Member of the Board of Directors

Gregor Kreuzer
Member of the Board of Directors

Walter Schoch
Member of the Board of Directors

Hans-Ueli Vogt
Member of the Board of Directors

Claudia Zimmermann
Member of the Board of Directors

Executive Board

Urs Baumann
Chief Executive Officer (CEO)

Stephanino Isele
Head of Institutionals & Multinationals, Deputy Chief Executive Officer

Jürg Bühlmann
Head of Corporate Banking

Florence Schnydrig Moser
Head of Private Banking

Daniel Previdoli
Head of Products, Services & Direct Banking

Martin Bardenhewer
Chief Financial Officer (CFO)

Remo Schmidli
Head of IT, Operations & Real Estate

Hjalmar Schröder
Chief Risk Officer (CRO)

Chairperson’s Committee

Jörg Müller-Ganz
Chairman
Dr. oec. HSG
Swiss/German national;
born in 1961

Key mandates:
› Member of the Board of Trustees of Innovationspark, Zurich
› Member of the Board of Trustees of Zurich Zoo, Zurich
› Member of the Board of Directors of Technopark Immobilien AG, Zurich
› Chairman of the Board of Directors of Opo Oeschger AG, Kloten

Jörg Müller-Ganz was elected to the Board of Directors in 2007. His election to the Chairperson’s Committee followed in October 2010. From 1992 to 2010, he worked as a consultant, CEO and partner at the Helbling Group. He has also lectured on the subject of corporate finance at various universities. Prior to that, he worked at Bank Vontobel and Credit Suisse. He was appointed Chairman of the Board of Directors of Opo Oeschger AG, Kloten, in 2015. He holds a doctorate in banking economics from the University of St. Gallen. Jörg Müller-Ganz was a member of the Audit Committee from 2007 to 2008 and a member of the IT Committee from 2008 to 2019. He has been a member of the Compensation and Personnel Committee of the Board of Directors of Zürcher Kantonalbank since 2019.

Roger Liebi
Deputy Chairman
Banker, BoD certification from SAQ
Swiss national; born in 1961

Key mandates:
› Chairman of the Board of Trustees of SanArena, Zurich
› Member of the Board of Trustees of the Excellence Foundation for Economic & Social Research at the University of Zurich, Zurich
› Member of the Board of Trustees of the BlueLion Incubator, Zurich
› Chair of the SME Advisory Board ZH
› Member of the Advisory Board of Umwelt Arena Schweiz, Spreitenbach

Roger Liebi was elected to the Chairperson’s Committee in June 2019. Roger Liebi has been a member of the Board of Directors since 2018. He began his career in 1981 at Union Bank of Switzerland in Thun, where he worked in commerce, retail client business and as a foreign exchange/money market dealer at various locations. He rose to the rank of vice-director in international private banking, working, for instance, for the partially state-owned Scandinavian Nordea Bank (Switzerland) as regional manager of several countries from 2004 to 2015. In 2017, Roger Liebi set up his own business in the field of executive search and sports management. He was also involved in the Zurich Banking Association, in business groups and as president of an NGO. He was a member of Zurich City Parliament from 2002 to 2017, chairing several committees, such as finance and audit. As a member of the Cantonal Parliament of Zurich, he headed up its Committee for Economic Affairs and Taxation from 2015 to 2018. He is a member of Zürcher Kantonalbank’s Risk Committee.

Mark Roth
Deputy Chairman
Swiss Certified Accountant
Swiss national; born in 1974

Key mandates:
› Chairman of the Board of Directors of Budliger Treuhand AG, Zurich
› Member of the Board of Trustees of the Chance Foundation, Zurich
› Member of the Advisory Board of the Zurich University of the Arts ZHdK, Zurich
› Chairman of the Management Committee of the Pension Fund of Zürcher Kantonalbank and Chairman of the Board of Trustees of the Marienburg Foundation, Zurich

Mark Roth has been a member of the Board of Directors since 2013 and was appointed to the Chairperson’s Committee at the beginning of 2022. He was a member of the Executive Board and Head of Auditing for Budliger Treuhand AG in Zurich from 2009 until 2022. Prior to this, he worked for Itema (Switzerland) Ltd. in Rüti and for Ernst & Young, Zurich. He worked for EY for around one year in Amman, Jordan, in training for bank audits. At EXPERTsuisse he was a member of the Accounting Committee from 2012 to 2022. From 2001 to 2006, Mark Roth was a member of the Zurich City Council and contributed his expertise to its audit committee. Mark Roth is co-author of the Swiss Handbook of Auditing, volume “Bookkeeping and Accounting”. From 2013 until his election to the Chairperson’s Committee, he was a member of the Audit Committee of the Board of Directors, which he chaired from 2015. He is a member of the Board of Director’s IT Committee of Zürcher Kantonalbank.

Board of Directors

Amr Abdelaziz
Member of the Board of Directors
lic. iur. attorney-at-law
Swiss/Egyptian national;
born in 1977

Key mandates:
› None

Amr Abdelaziz studied law at the University of Zurich and the University of Geneva, and completed a Master of European Law degree (L.L.M.) at the College of Europe in Bruges, Belgium. He was elected to the Board of Directors in 2015. From 2007 to 2015, he worked as a lawyer at CMS von Erlach Poncet AG, Zurich, specialising in cartel investigations. Today he is a partner in a law firm specialising in criminal law. He is a member of the Audit Committee and the Compensation and Personnel Committee of the Board of Directors of Zürcher Kantonalbank.

Sandra Berberat Kecerski
Member of the Board of Directors
Swiss Certified Accountant,

Executive MBA HSG
Swiss/Canadian national;
born in 1976

Key mandates:
› Managing Partner in Goldenberg Immobilien GmbH, Kefikon
› Managing Partner of Rychenberg Consulting GmbH, Kefikon
› Member of the Executive Board of Expertsuisse, Zurich
› Member of the Board of Trustees of the Stiftung für Kleinsiedlungen, Winterthur

Sandra Berberat Kecerski has been a member of the Board of Directors since February 2022. She has managed Goldenberg Immobilien GmbH since 2014 and Rychenberg Consulting GmbH since 2023. In addition, since 2020 she has chaired the audit committee of EXPERTsuisse, the expert association for auditing and taxes. Her professional career took her to Deloitte AG in Zurich as Manager of Audit & Advisory in 2005 and to UBS AG as a specialist in financial reporting in 2011. From 2014 to 2020, she led the financial control department of Winterthur municipal administration. Sandra Berberat Kecerski is a Swiss Certified Accountant and Business Economist and holds an Executive MBA from the University of St. Gallen. She is a member of the Audit Committee and the Compensation and Personnel Committee of the Board of Directors of Zürcher Kantonalbank.

Adrian Bruhin
Member of the Board of Directors
Prof. Dr. oec.
Swiss national; born in 1981

Key mandates:
› None

Adrian Bruhin has been a member of the Board of Directors since October 2020. He studied at the University of Zurich and earned a doctorate in economics. From 2010 to 2012, he worked as a senior economist in the Financial Stability department at the Swiss National Bank in Berne. From 2012 to 2016, he was an assistant professor, and since 2016 he has been a full professor of economics at the University of Lausanne. Adrian Bruhin is an external scientific advisor at Polynomics AG, Olten. He chairs the Risk Committee of the Board of Directors of Zürcher Kantonalbank.

Bettina Furrer
Member of the Board of Directors
Dr. sc. ETH Zurich and Prof. ZFH
Swiss national; born in 1970

Key mandates:
› None

Bettina Furrer has been a member of the Board of Directors since June 2019. She studied environmental science at the Swiss Federal Institute of Technology Zurich and earned a doctorate in economics. She also completed the Executive Management Programme at the Swiss Banking School, Zurich, with distinction. From 1995 to 2003, he held a management position with the rank of Vice President at UBS AG. She was subsequently employed by Zurich University of Applied Sciences, Winterthur, where she served as a lecturer (2004–2011) as well as a professor and Head of the Institute of Sustainable Development (2012–2018). As a member of the Sustainability Advisory Board, she advised the management of Basler Kantonalbank, Basel, and Bank Cler, Basel, from 2016 to 2019. She has been Head of the Office of Urban Development in the city of Winterthur since December 2020. She is a member of the IT and Risk Committees of Zürcher Kantonalbank’s Board of Directors.

René Huber
Member of the Board of Directors
Swiss certified banking expert
Swiss national; born in 1956

Key mandates:
› Mayor of the political municipality of Kloten
› Chairman of the Board of Directors of the Glatt Valley trans-

port authority (Verkehrsbetriebe Glattal AG (VBG)), Glattbrugg
› Member of the Board of Directors of Seitzmeir Immobilien AG, Zurich

René Huber has been a member of the Board of Directors since 1 November 2014. He has served as the Mayor of Kloten since 2006, and has been Chairman of the Board of Directors of the Glatt Valley transport authority, Glattbrugg, since 2011, and a member of the Board of Directors of Seitzmeir Immobilien AG, Zurich, since 2016. He was a senior advisor for retail clients at UBS AG in Kloten until October 2014, after having occupied various roles at UBS AG. René Huber is a member of the Management Committee (as employer representative) of the Pension Fund of Zürcher Kantonalbank, and a member of the Audit Committee and Risk Committee of the Board of Directors of Zürcher Kantonalbank.

Henrich Kisker
Member of the Board of Directors
Swiss Certified Accountant
Swiss/German national; born in 1955

Key mandates:
› Directorships in certain group companies of Senior plc, Rickmansworth (UK)
› Delegate of the Board of Directors of NF Technology Holding AG, Zurich, and member of the Board of Directors of its subsidiaries, Schmid & Partner Engineering AG, Zurich, ZMT Zürich MedTech AG, Zurich, Zeugi 43 AG, Zurich and TI Solutions AG, Zurich

Henrich Kisker is a Swiss Certified Accountant. He was elected to the Board of Directors in 2015. From 1992 to March 2017, he held the position of Director of Tax and Treasury at Senior plc, Rickmansworth (UK). Between 1989 and 1992, he worked as Lead Auditor for Arthur Andersen AG, Zurich. He chaired the Audit Committee of the Board of Directors of Zürcher Kantonalbank.

Gregor Kreuzer
Member of the Board of Directors
Master of Science ETH
Swiss national; born in 1980

Key mandates:
› Member of the Board of Directors of qashqade AG, Zurich

Gregor Kreuzer holds a Master of Science in Physics from ETH Zurich. He is a co-founder and member of the Board of Directors and Risk Manager of qashqade AG, a company specialising in financial mathematics software for fund managers, institutional investors and auditors. He began his proessional career as a consultant for IT and management at Synpulse, a management consultancy specialising in financial service providers. Gregor Kreuzer then worked in product development and risk management at Executive Wealth Management, a FinTech founded in Zurich. He holds a Master of Business Administration (MBA) from the University of Berne and the University of Rochester. Gregor Kreuzer was a member of the Zurich Cantonal Parliament from 2021 to 2023 and was a member of both the Executive Board and the Board of Directors of the GLP Kanton Zurich political party from 2017 to 2024. He is a member of both the Audit Committee and the IT Committee of the Board of Directors of Zürcher Kantonalbank.

Walter Schoch
Member of the Board of Directors
dipl. El. Ing. FH Technikum Winterthur; MA in Theology at the University of Lampeter, UK/
Swiss national; born in 1956

Key mandates:
› Chairman of the Board of Trustees of “acasa männedorf”, Männedorf

The engineer and theologian Walter Schoch was elected to the Board of Directors in 2015. He was a member of the Cantonal Parliament from 2007 to 2015 and served as Justice of the Peace in the municipalities of Bauma, Wila and Wildberg from 2003 until 2021. After working for BBC Oerlikon as a project manager (1982 to 1983) and for Imeth AG, Wetzikon, as technical director (1983 to 1987), he worked for Swisscom AG, Zurich, from 1987 to 2003 as key account manager, senior project manager and divisional director. In 2005, Walter Schoch began his studies at the University of Lampeter in the UK, while simultaneously managing the MEOS Media department at MEOS Svizzera. From 2007 to 2010, he headed up the Swiss Mission Fellowship’s office in Winterthur. He chaired the IT Committee of the Board of Directors of Zürcher Kantonalbank.

Hans-Ueli Vogt
Member of the Board of Directors
Prof. Dr. iur., LL.M., MBA, attorney-at law
Swiss national; born in 1969

Key mandates:
› Member of the Board of Directors of SRG SSR, Berne

Hans-Ueli Vogt is a full professor of private and commercial law at the University of Zurich. He teaches, publishes and lectures primarily in the areas of stock corporation law and corporate governance. He is co-editor of the Zeitschrift für Gesellschafts- und Kapitalmarktrecht and of a major legal commentary on company law. Hans-Ueli Vogt is an attorney-at-law who advises and provides expert opinions for companies, boards of directors and private individuals. He also acts as an arbitrator on various occasions. Prior to that, he was a consultant at the Zurich law firm Homburger and an associate at the law firm Sullivan & Cromwell in New York. Since 2024, Hans-Ueli Vogt has been a member of the Board of Directors of Zürcher Kantonalbank and the Board of Directors of the SRG SSR media company. From 2015 until 2021 he was a member of the Swiss National Council, where he played a key role in shaping the revision of company law on 19 June 2020. In 2022, he stood as the SVP parliamentary group's candidate for the Swiss Federal Council. Hans-Ueli Vogt speaks German, English, French and Italian. He chairs the Compensation and Personnel Committee of Zürcher Kantonalbank's Board of Directors.

Claudia Zimmermann
Member of the Board of Directors
CFA, Business Economist HWV
Swiss national; born in 1970

Key mandates:
› Vice-Chair of the Board of Directors SKAT Consulting AG, St. Gallen
› Member of the Board of Directors of Auwiesen Immobilien AG, Winterthur
› Member of the Board of Directors Aravis Biotech II GP AG, Zurich

Claudia Zimmermann is a business economist HWV with a degree as a Chartered Financial Analyst (CFA) and a CAS in Applied History from the University of Zurich. She is the founder and managing director of C-Advisory GmbH, which advises and supports companies and organisations in the private and public sectors with a focus on finance, ESG and digitalisation. Claudia Zimmermann is also a board member of Swiss SMEs in the areas of international cooperation, energy and real estate. She is involved in the start-up challenge venture of ETHZ and EPFL, as well as in the ESG committee of the CFA Society Switzerland. Claudia Zimmermann has many years of management and professional experience in international companies in the fields of ICT, private equity, financial and strategy consulting, as well as in industry. She is a member of the Risk Committee and the Compensation and Personnel Committee of the Board of Directors of Zürcher Kantonalbank.

Audit

Jörg Steinger
Head of Audit
Dr. oec. HSG, Swiss Certified Accountant, CFE
Swiss national; born in 1967

Key mandates:
› None

Jörg Steinger has held the position of Head of Audit since 1 July 2023. He joined Zürcher Kantonalbank in April 2023. Prior to this, he spent nine years as Head of Internal Audit at Bank Vontobel AG in Zurich, 14 years in various functions in internal audit and risk management at Luzerner Kantonalbank, Lucerne, and five years at Credit Suisse, Zurich.

Executive Board

Urs Baumann
Chief Executive Officer (CEO)
Master of Arts and Master of Business Administration
Swiss national; born in 1967

Key mandates:
› Member of the Board of Directors of the Swiss Bankers Association, Basel
› Deputy Chairman of the Board of Directors of the Association of Swiss Cantonal Banks, Basel
› Deputy Chairman of the ZKB Philanthropy Foundation, Zurich

Urs Baumann has been the Chief Executive Officer since 1 September 2022. He has many years of experience in domestic and international management as a board member, group CEO, general manager and managing director. He started his career in 1993 as a consultant with McKinsey & Company in Zurich. From 1998, he gained professional experience in the finance and banking sector at Swisscard in Horgen, Barclays Bank PLC in London, Lindorff Group in Oslo and Bellevue Group AG in Küsnacht. In 2015, Urs Baumann co-founded Blue Earth Capital AG in Zug (formerly PG Impact Investments AG), which he led as CEO until March 2022. Urs Baumann holds a Master of Arts degree from the University of St. Gallen and an MBA degree from the University of Chicago Booth School. He is a member of the Board of Directors of the Swiss Bankers Association, Deputy Chairman of the Board of Directors of the Association of Swiss Cantonal Banks, Basel, Deputy Chairman of the ZKB Philanthropy Foundation, Zurich, and a member of the Board of Directors of Zürcher Volkswirtschaftliche Gesellschaft.

Stephanino Isele
Head of Institutionals & Multinationals,
Deputy Chief Executive Officer
Dr. oec. publ.
Swiss national; born in 1962

Key mandates:
› Deputy Chairman of the Board of Directors of Swisscanto Holding Ltd., Zurich
› Deputy Chairman of the Regulatory Board of SIX Swiss Exchange AG, Zurich
› Member of the Advisory Board of the Institute for Banking and Finance at the University of Zurich (IBF), Zurich
› Deputy Chairman of the Board of Trustees of the Swiss Finance Institute, Zurich

Dr Stephanino Isele has been Head of Institutionals & Multinationals since 1 April 2014 as well as Deputy Chief Executive Officer since 1 May 2021. He joined Zürcher Kantonalbank on 1 January 2008 as the Head of Trading, Sales & Capital Markets after holding various national and international roles at J.P. Morgan & Co. and Morgan Stanley in London, most recently as COO, where he dealt with equity derivatives.

Jürg Bühlmann
Head of Corporate Banking
Dr. oec. publ.
Swiss national; born in 1967

Key mandates:
› Member of the Board of Directors of SIX Group, Zurich
› Member of the Board of Directors of Venture Incubator AG, Altendorf
› Member of the Board of Trustees of Swiss GAAP FER, St. Gallen
› Member of the Boards of Trustees of Swisscanto Anlagestiftung, Zurich, and Swisscanto Anlagestiftung Avant, Zurich

Dr Jürg Bühlmann has headed the Corporate Clients business unit since 1 January 2020. From 2012 to June 2019, he managed the Logistics business unit as a member of the Executive Board. He studied business management at the University of Zurich, where he gained a doctorate. His initial role with Zürcher Kantonalbank was in Controlling. From 2002 until his appointment as a member of the Executive Board, he held a variety of positions within the Logistics business unit. His main duties were the management of strategic IT projects (a sub-area of the IT unit) and the Real Estate unit.

Florence Schnydrig Moser
Head of Private Banking
Master Mathematics at the ETH Lausanne, CFA
Swiss national; born in 1972

Key mandates:
› Chair of the Supervisory Board of Zürcher Kantonalbank Österreich AG, Salzburg
› Chair of the Board of Directors of StiftungSchweiz, Basel
› Member of the Board of Directors of Advance (Gender Equality in Business), Zurich
› Member of the Board of Trustees of the Hasler Foundation, Bern

Florence Schnydrig Moser was appointed as a member of the Executive Board as of 1 January 2021, and has been Head of the Private Banking business unit since 1 May 2021. Previously she was CEO of Swisscard AECS GmbH in Horgen. Florence Schnydrig Moser worked for Credit Suisse from 2000 to 2018 in various functions in the private banking environment – including in Zurich, Australia and Hong Kong. Most recently, as Head of Products, Investments & Marketing, she was responsible for the development and marketing of products for Swiss private clients and, as a member of the Executive Board, had overarching responsibility within Credit Suisse (Switzerland) Ltd. Florence Schnydrig Moser studied mathematics at the Ecole polytechnique federale de Lausanne (EPFL) and then passed the examinations to become a Chartered Financial Analyst (CFA).

Daniel Previdoli
Head of Products, Services & Direct Banking
lic. rer. pol.
Swiss national; born in 1962

Key mandates:
› Chairman of the Board of Directors of Swisscanto Fund Management Company Ltd., Zurich
› Member of the Board of Directors of Swisscanto Holding Ltd., Zurich
› Member of the Board of Directors of TWINT AG, Zurich
› Member of the Board of Directors of Viseca Payment Services SA, Zurich
› Deputy Chairman of the Greater Zurich Area Foundation Board, Zurich

Daniel Previdoli has been a member of the Executive Board since 2007. He became Head of Products, Services & Direct Banking as of October 2014 after having led the Retail Banking business unit. Prior to that, he spent 11 years with UBS including as Head of Recovery Management Primaries between 1996 and 2002 and subsequently as Head of Retail and Corporate Banking for the Zurich region. From 1987 until 1996, he held various positions with Credit Suisse, both in Switzerland and abroad.

Martin Bardenhewer
Chief Financial Officer (CFO)
Dr. rer. pol.
Swiss / German national;
born in 1967

Key mandates:
› Chairman of the Board of Directors of Swisscanto Holding Ltd., Zurich
› Member of the Board of Directors of the Central Mortgage Bond Institution of the Swiss Cantonal Banks, Zurich
› Member of the Board of Directors of the Swiss Banks' and Securities Dealers' Deposit Guarantee Association, Basel

Martin Bardenhewer was appointed Head of the Finance business unit and member of the Executive Board from 1 May 2023. He joined the bank in 2001 as the person responsible for the models used to manage balance sheet risk at Zürcher Kantonalbank. He then served as Head of Market Risk Controlling and was in charge of risk measurement in the trading business. In 2007, he was promoted to Head of Treasury and Deputy CFO. After around ten years in the Finance business unit, he switched to the Institutionals & Multinationals business unit in 2017, which he also headed up in a deputy capacity. Martin Bardenhewer began his career as a Senior Consultant at KPMG Zurich. After studying economics at the University of Bonn, he earned his doctorate in economics at the University of Mannheim. In 2022, he graduated from the Advanced Management Programme at Harvard Business School in Boston.

Remo Schmidli
Head of IT, Operations & Real Estate
Computer science graduate, Executive Master of Business Administration ZFH from the University of Applied Sciences in Business Administration, Zurich
Swiss national; born in 1978

Key mandates:
› Member of the Board of Directors of Swiss Fintech Innovations (SFTI), Zurich

Remo Schmidli has been Head of IT, Operations & Real Estate and a member of the Executive Board since 1 July 2019. Prior to that, he held a variety of positions at Zürcher Kantonalbank starting in 2001, including in the areas of IT and project management. He took charge of Multichannel Management in the Products, Services & Direct Banking business unit in 2014.

Hjalmar Schröder
Chief Risk Officer (CRO)
Degree in theoretical physics, Chartered Financial Analyst (CFA)
Swiss / German national;
born in 1971

Key mandates:
› None

Hjalmar Schröder has been the bank's Chief Risk Officer since April 2024. He joined Zürcher Kantonalbank in 2015 as Senior Market Risk Engineer and was responsible as project manager for the implementation of the new regulatory standards under Basel III. He then took over as Head of the Market Risk department. From 2020 until his appointment to the Executive Board, Hjalmar Schröder was Head of Sales and Trading for Foreign Exchange and Precious Metals. He began his career in 1996 at Swiss Bank Corporation – UBS from 1997 – where he held various management positions, including Executive Director for automatic pricing in foreign exchange and the money market, then Managing Director for the further development of the electronic trading platform. In his last role at UBS, he led the global IT team for interest rate and foreign exchange trading. From 2013 to 2016, Hjalmar Schröder was a member of the

Executive Board of EMFA Holding AG in Kerns, which invests in agricultural businesses in Romania. Hjalmar Schröder graduated from the Technical University of Berlin with a degree in theoretical physics and holds a Chartered Financial Analyst (CFA) qualification.

Zürcher Kantonalbank

Compensation Report 2024

Contents

Foreword by the Board of Directors to the Compensation Report

Zürcher Kantonalbank collaborated in 2023 with HCM International, a recognised external expert, to comprehensively review and adapt its compensation system. The resulting findings were implemented as of 1 January 2024 and are now visible for the first time in this Compensation Report 2024. The changes included the following aspects, among others:

- total compensation in line with the market
- calculation model for variable compensation
- reorganisation of long-term deferred compensation
- increased transparency
- total compensation of the CEO and Executive Board capped until further notice

Total compensation in line with the market

The review in 2023 showed that Zürcher Kantonalbank's total compensation (base salary plus variable compensation) reflects its positioning as the second-largest universal bank and the complexity of its business model. It was noted that while total compensation is in line with the market, the variable compensation component is too high. This is due to the fact that Zürcher Kantonalbank does not have a bonus model, rather a profit-sharing model (variable compensation is paid out only if a profit is generated), and the variable compensation has increased continuously in recent years due to the steady profit growth. In contrast, the base salaries have been adjusted only slightly for some time. This means they tended to be too low compared to the rest of the industry. Consequently, a portion of variable compensation has been shifted to base salary as of 1 January 2024. A certain deduction (a 6 percent "security premium") was made in acknowledgement of the fact that a secure franc in base salary is "worth more" than an insecure franc in variable compensation. The different employer pension fund contributions were also taken into account. This adjustment to the compensation structure will now be visible for the first time in the Compensation Report 2024.

Calculation model for variable compensation

The total of the 2024 variable compensation pool will be calculated for the first time using a recalibrated model to take account of the adjustment to the compensation structure made as of 1 January 2024 (see "Total compensation in line with the market"). In addition, a further adjustment was made to the calculation of the profit-sharing model, which will lead to a significant flattening of the growth of the variable compensation pool in future. Also, the consideration of risk in variable compensation was further sharpened with regard to extraordinary risk events.

Reorganisation of long-term deferred compensation

Long-term deferred compensation for the Executive Board and senior management has been given significantly more weight in order to anchor the sustainability of the success of Zürcher Kantonalbank even more firmly in compensation. To this end, the portion of the variable compensation that is blocked for three years and exposed to risk during this period has been doubled (and now stands at 50 percent for the Executive Board including the CEO and 30 percent for senior management). In addition, long-term deferred compensation is now divided into a value-oriented and a debt-oriented portion. The performance of value-oriented long-term deferred compensation can rise, fall or even lapse completely depending on the change in economic profit. The debt-oriented long-term deferred compensation bears interest in line with the risk and is subject to the same risks as the outstanding AT1 bonds of Zürcher Kantonalbank. In addition, payment of both portions is linked to achieving set targets in the public service mandate, in the form of a penalty of up to 20 percent if the targets are not met. The revised structure of the long-term deferred compensation will now be applied for the first time for the long-term deferred compensation allocated based on variable compensation in 2024.

Increased transparency

Zürcher Kantonalbank also decided this year to revise the structure of the Compensation Report. The structural revision leads to greater transparency and clarity for readers.

This Compensation Report relates to the parent company of Zürcher Kantonalbank and describes the principles of compensation as well as the competences and responsibilities for determining the compensation of the Board of Directors and the Executive Board of Zürcher Kantonalbank. The report also contains information on compensation plans and the compensation paid to the Board of Directors and the Executive Board in 2024. From the 2024 reporting year onwards, the compensation of the Executive Board will be shown in a table to provide a better overview. To increase transparency, a consistent distinction continues to be made between allocated total compensation and realised total compensation of the Executive Board members active in the financial year.

The Compensation Report contains the following elements:

- competencies and compensation policy
- compensation groups
- components of compensation
- compensation in 2024

Total compensation for the CEO and Executive Board capped until further notice

The Board of Directors has decided to cap until further notice the total compensation for the CEO and the Executive Board from the 2023 financial year onwards on the basis of the 2022 financial year. Accordingly, the total compensation of the individual members of the Executive Board, including the CEO, cannot exceed the amount of total compensation paid out for 2022. However, it may be reduced in the event of poor business performance.

Competencies and compensation policy

As a public-law institution, Zürcher Kantonalbank generally follows the SIX Swiss Exchange directive on corporate governance, the Swiss Code of Best Practice for Corporate Governance promulgated by Economiesuisse, and the FINMA requirements set out in Circular 2010/1 "Remuneration Schemes".

The compensation guidelines are set out in the Personnel and Compensation Regulations issued by the Board of Directors for Zürcher Kantonalbank and apply throughout the group. The procedures for determining compensation are structured and documented by the group companies. The compensation paid by the consolidated subsidiaries also fulfils the relevant requirements in an appropriate manner.

Competencies

The Zurich Cantonal Parliament has overall supervision of the bank in accordance with the Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act). It is also responsible for approving the regulations on the compensation of members of the Board of Directors, which are issued by the Board of Directors subject to approval by the Cantonal Parliament.

In its decisions, the Board of Directors takes into account not only the interests of Zürcher Kantonalbank and its employees, but also the interests of the Canton of Zurich. To that end, for example, it issues the regulations regarding personnel and compensation at Zürcher Kantonalbank.

Competencies and responsibilities

Competencies	Body responsible
Compensation of the Chairperson's Committee and part-time members of the Board of Directors	Cantonal Parliament, based on proposal of the Board of Directors
Setting up or amending compensation plans	Board of Directors, based on recommendation of the Compensation and Personnel Committee
Determining total amount of variable compensation	Board of Directors, based on recommendation of the Compensation and Personnel Committee
Compensation for CEO	Board of Directors, based on proposal of the Chairperson's Committee
Compensation of the members of the Executive Board	Board of Directors, based on proposal of the Chairperson's Committee
Compensation for Head of Internal Audit and their deputy	Board of Directors, based on proposal of the Chairperson's Committee
Compensation for senior management	Executive Board

The Compensation and Personnel Committee is the body of the Board of Directors responsible for compensation policy. It prepares the corresponding transactions for the Board of Directors, gives its view on compensation issues that fall within the remit of the Chairperson's Committee and Board of Directors, and reviews the market conformity of compensation for the bank as a whole. The Compensation and Personnel Committee has the following duties and powers for determining compensation policy:

- making recommendations to the Board of Directors on the strategic and human resource policy principles of the pension funds from the employer's viewpoint
- making recommendations on principles concerning the compensation of members of the Executive Board and Internal Audit, as well as any profit-sharing and benefit programmes
- evaluating the bank's compensation system, specifically with regard to its sustainability and the avoidance of false incentives

Compensation policy

Zürcher Kantonalbank's compensation policy is aligned with the bank's business strategy, objectives and values. It takes into account the long-term financial interests of the bank and supports solid and effective risk management. The compensation policy is also aimed at attracting and retaining highly qualified employees in the long term. Through our compensation policy, we recognise outstanding performances and motivate employees to continue their professional development. Accordingly, the compensation system of Zürcher Kantonalbank does not create any incentives to take inappropriate risks that might affect the bank's stability or good reputation. Any compensation (professional or attendance fees, etc.) received for acting as a delegate or representative of the bank must be surrendered to Zürcher Kantonalbank. Any reimbursed expenses are retained by the appointee. Zürcher Kantonalbank's principles of compensation are based on the following objectives:

- promoting close cooperation within management and ensuring that all actions are undertaken in the interests of the bank as a whole as well as its integrated business and risk model
- motivating employees to create lasting added value while taking account of the risks
- promoting a performance-led environment for the benefit of the bank as a whole
- ensuring that risks are adequately reflected in the variable compensation
- offering competitive, balanced compensation for comparable jobs
- ensuring that the compensation arrangements do not give rise to conflicts of interest and promote the independence of the control units.

Benchmarks

Zürcher Kantonalbank attaches great importance to offering compensation that is competitive within the industry in terms of structure and level. To this end, the bank conducts annual market comparisons in cooperation with various specialised consulting firms. The external consultants did not carry out any other mandates for Zürcher Kantonalbank in the financial year.

Zürcher Kantonalbank measures itself against Swiss financial institutions. Additional compensation parameters are taken into account, such as the size of the organisation, number of employees, hierarchy, depth of the organisation, geographical reach and internationality. If required, further parameters or consultancy firms can be consulted.

Consideration of risks

It is a core element of the compensation policy that compensation supports sound and effective risk management and acts in line with the integrated risk model. This is ensured, among other ways, by calculating the pools of variable compensation for the parent company and Trading on the basis of risk-adjusted results (see "Variable compensation", p. 97 f.):

- The variable compensation pool of the parent bank is based on the consolidated result after adjusting for the cost of risk capital and (at a minimum) the generation of the cost of equity.
- The variable compensation pool for Trading is calculated based on the adjusted result of the Trading, Sales & Capital Markets organisational unit (OU). This is also adjusted by the risk costs for default and market risk of the individual Trading desks.

Determining the compensation of individuals with increased responsibility

With regard to compensation, individuals with increased responsibility (see "Compensation groups", p. 96 f.) undergo a performance assessment and development process like all other employees. The performance evaluation also takes account of risk aspects, any breaches of internal or external directives and guidelines, or misconduct and associated disciplinary proceedings that could negatively affect the bank's reputation. Individual performance is discussed regularly with the line manager. During the process of allocating and paying variable compensation components to individuals with increased responsibility in the Trading, Sales & Capital Markets OU, the independent control functions Legal & Compliance, Risk Management and People & Culture are consulted.

In addition, risk is taken into account for deferred compensation. Deferred compensation components may lapse in full or in part if negative business developments or other predefined conditions occur (see "Long-term deferred compensation" (p. 95), "Deferred compensation exposed to risk" (p. 96) and "Penalty clause" (p. 93) for further details on possible reductions).

As stated in the section "Competencies" (p. 92), the Board of Directors determines the compensation of the members of the Executive Board at the request of the Chairperson's Committee. The Executive Board determines the compensation of individuals with increased responsibility in senior management at the request of the relevant member of the Executive Board. The Head of Institutionals & Multinationals determines the compensation of individuals with increased responsibility in Trading, Sales & Capital Markets at the request of the head of this organisational unit.

Penalty clause

Employees' variable compensation is not or only partially paid out at the bank's discretion if they have violated contractual, risk or compliance requirements before the date of the intended payment, or if the bank has otherwise sustained losses due to their activity. Moreover, the bank's compensation models stipulate that such employees are deemed "bad leavers" when they leave the bank, and their entitlement to any deferred compensation components lapses. The breach of laws, codes of conduct, directives or internal rules may also lead to additional disciplinary measures, which may entail the reduction or forfeiture of variable compensation and/or of deferred compensation or similar elements of compensation. In the event of ongoing investigations or suspicion of misconduct that could lead to disciplinary measures, Zürcher Kantonalbank is entitled to delay payment of variable compensation and/or deferred compensation and similar elements of compensation until the matter has been definitively clarified or the sanction decided. Under the "bad leaver" rule, the long-term deferred compensation as well as the deferred compensation exposed to risk may lapse in full if Zürcher Kantonalbank parts company with employees for certain reasons. This may in particular be the case where employees have committed a breach of contract or caused material or non-material damage, or the relationship of trust between them and the bank has suffered lasting damage as a result of their conduct.

Sign-on and severance payments

Payments agreed in connection with the signing of an employment contract such as guaranteed bonuses or bonus buyouts (including any clawback agreements with the previous employer) are referred to as sign-on payments. Zürcher Kantonalbank agrees to such payments only on an exceptional basis and only in justified individual cases.

Payments agreed in connection with the termination of an employment relationship are referred to as severance payments. Zürcher Kantonalbank's employment contracts do not contain any pre-agreed severance payments or notice periods that differ from the general terms and conditions of employment.

Qualifying sign-on and severance payments must be approved by the Chairperson's Committee in compliance with clear decision-making processes and are paid out only subject to strict conditions.

Compensation groups

Board of Directors and Chairperson's Committee

The compensation of the members of the Board of Directors and the Chairperson's Committee is based on the regulations governing the compensation of members of the Board of Directors of Zürcher Kantonalbank, as approved by the Cantonal Parliament of Zurich on 25 November 2004. In principle, these regulations are unchanged compared with those prevailing in 1989 (Chairperson's Committee) and 1994 (Board of Directors) and were never adjusted for inflation. Part-time members of the Board of Directors receive a fixed annual salary plus compensation per membership in one of the four committees (Compensation and Personnel Committee, Audit Committee, Risk Committee, IT Committee; see "Corporate Governance Report", p. 69, 73 ff.) as well as an expense allowance. An attendance fee is paid for meetings, visits to specialist units and branch offices, as well as for training and development events.

The members of the Chairperson's Committee are full-time members of the Board of Directors. They each receive a fixed annual base salary, an expense allowance as well as the benefits set out in the relevant regulations for all Zürcher Kantonalbank employees. The Chairperson receives an additional allowance of 10 percent of their annual base salary.

No variable compensation is paid to the members of the Board of Directors or the Chairperson's Committee. The components of compensation insured in the Zürcher Kantonalbank pension fund are the annual salary and committee compensation (excluding attendance fees) for the members of the Board of Directors, and the base annual salary for members of the Chairperson's Committee.

Internal Audit

In view of Internal Audit's special function, the Head of Internal Audit and employees who report directly to the Head do not receive any variable compensation. Their entire compensation takes the form of a fixed annual salary.

Executive Board incl. CEO

Compensation for the members of the Executive Board including the CEO is based on Zürcher Kantonalbank's overall compensation policy. Variable compensation is paid to the members of the Executive Board in addition to the base salary, depending on the group result and individual managers' performance. Part of the variable compensation takes the form of long-term deferred compensation.

Individuals with increased responsibility

In accordance with FINMA guidance, one of the compensation groups is defined as individuals with increased responsibility, who are subject to the rules for deferred variable compensation. The following are deemed individuals with increased responsibility:

- the Executive Board
- senior management
- selected employees in the Trading, Sales & Capital Markets OU who exceed a defined threshold in relation to variable compensation

A total of 77 employees were assigned to this group during the financial year, nine of whom were members of the Executive Board including the CEO.

Senior management

In addition to the Executive Board including the CEO, senior management has a sustained influence on the bank's business operations (risks, image, etc.) and therefore on the group result and the implementation of the strategy. Senior management accounts for approximately 1 percent of the total headcount. As with the Executive Board, variable compensation is paid – in addition to the base salary. The variable compensation is linked to the group result and individual managers' performance. Part of the variable compensation (long-term deferred compensation) is deferred, as in the case of the Executive Board.

Other management and employees

In principle, all of the bank's employees are entitled to a variable element of compensation on top of their base salary. The amount of variable compensation allocated to each employee depends on the group result, as well as their position, individual performance and conduct. Selected employees in the Trading, Sales & Capital Markets OU are subject to a different compensation model. As with the Executive Board and senior management, a portion of the variable compensation is deferred for individuals with increased responsibility in Trading and is exposed to future risk as deferred compensation exposed to risk.

Components of compensation

Zürcher Kantonalbank's compensation policy applies the total compensation approach, which comprises the following compensation components in accordance with the table below. The base salary, variable compensation and deferred compensation are explained in greater detail below.

Components of compensation

Base salary	Contractually agreed, regularly paid salary
Variable compensation	Variable component of salary that is contingent on result and performance
Deferred compensation (long-term deferred compensation and deferred compensation exposed to risk)	Element of compensation based on sustainable success of the business deferred for a longer period
Statutory allowances and additional benefits	Child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), allowances under the Employment Act, expense allowances, allowance for years of service, etc.

Base salary

Base-salary levels are usually reviewed annually. The amount of the base salary is determined by the employee's position, experience and skills, and takes account of their individual sustainable performance. Adjustments are made to reflect market conditions, affordability, individual performance and the overall financial position of Zürcher Kantonalbank.

Variable compensation

Variable compensation is a central component of compensation practice and adapts to changes in business performance, as Zürcher Kantonalbank has a profit-sharing model rather than a bonus model. That means Zürcher Kantonalbank pays variable compensation only if it realises a profit. The parent bank's pool for variable compensation is based on a proportional share of the group result, with capital and risk costs taken into account. The cost of equity is the threshold for the payment of variable compensation. No variable compensation is paid if the group result falls below the cost of equity. An interest rate on market terms is applied to the total amount of equity to calculate the cost of equity. For the purposes of calculating variable compensation, the standard risk costs are considered to be the risk costs instead of the default risk costs actually incurred. However, if the actual default risk costs exceed twice the standard risk costs, the default risk costs in excess of twice the standard risk costs are recognised in addition to the standard risk costs. The standard risk costs correspond to the model-based average defaults per year expected over an entire economic cycle. This evens out the annual default risk costs, which would otherwise be irregular. By taking account of standard risk costs, the annual accounts include risk costs arising from current business volumes under the model. This means that management decisions to focus on specific products or markets immediately incur the relevant risk costs. Using this procedure ensures that the basis for calculating the variable compensation pool is geared towards sustainable growth for the bank.

The variable compensation for Trading is determined on the basis of its operating result less risk and capital costs. These are calculated on the basis of the standard risk costs for default risks and the cost of risk capital in accordance with internal models for default as well as market risks (internal capital-at-risk models). The capital-at-risk approach is used to determine the internally required capital that is tied up for a year on account of market and default risks in connection with trading activities. The maximum risk capital available for trading activities is allocated annually by the Board of Directors. This allocation takes into account the bank's strategic orientation and capital planning for the coming years. This risk capital is charged to the result of the Trading, Sales & Capital Markets OU using a customary market interest rate.

For all employees, the amount of variable compensation allocated to each employee depends on their position, individual performance and conduct. Variable compensation is set by the bank and may be forfeited in full at its discretion due to inadequate individual performance, staff misconduct (see "Penalty clause", p. 93) or a poor business result.

Long-term deferred compensation

For the CEO, members of the Executive Board and senior management, part of the variable compensation takes the form of long-term deferred compensation that is deferred for three years. The long-term deferred compensation allocated (CEO and Executive Board 50 percent, senior management 30 percent) will be split in half into a value-oriented and a debt-oriented portion for the first time in 2024 for deferral of variable compensation.

The value-oriented long-term deferred compensation is linked to the performance of the group's economic profit. The target value to be achieved over the three-year performance period is determined for each allocation at the beginning of the period. The definitive value of the value-oriented long-term deferred compensation is determined after three years at the end of the term and amounts to a maximum of 1.5 times and a minimum of 0.5 times the amount originally deferred (allocated). In the event of a cumulative negative economic consolidated profit over the three years, the value-based long-term deferred compensation lapses.

The amount of the debt-oriented long-term deferred compensation does not move in line with economic profit, but earns interest in line with the risk. The interest rate is based on the yield of a three-year AT1 bond issued by Zürcher Kantonalbank and is set at the beginning of the three-year term. The debt-oriented long-term deferred compensation is subject to the same risks as the outstanding AT1 bonds of Zürcher Kantonalbank. If the outstanding AT1 bonds absorb losses, all outstanding debt-linked long-term deferred compensation components including interest will lapse.

Also since the 2024 financial year, payment of the entire long-term deferred compensation, i.e. both the value-oriented and the debt-oriented portion, is linked to achieving targets set under the public service mandate after a three-year term. Failure to meet the targets results in a penalty of up to 20 percent of the realised total amount of the value-oriented and debt-oriented deferred compensation.

Long-term deferred compensation created before the 2024 financial year will continue until the end of the term in accordance with the model in force at the time of allocation. The corresponding explanations can be found in the previous annual reports.

Deferred compensation exposed to risk

For certain employees in the Trading, Sales & Capital Markets OU who bear greater responsibility in terms of results and risks, and whose variable compensation exceeds a defined threshold, a portion of this variable compensation is deferred and exposed to risk. A deferral period of now three years (previously two years) will apply from the 2024 financial year onwards. At the request of the Head of the Institutionals & Multinationals business unit, the CEO and Head of People & Culture, who are both independent of the Trading, Sales & Capital Markets OU, may impose a penalty, i.e. a reduction or forfeiture of deferred compensation exposed to risk, for individual employees, particularly in the event of:

– significant financial losses at department, desk or individual level
– reputational damage or actions that may be detrimental to Zürcher Kantonalbank, such as activities that breach regulations and result or may result in sanctions being imposed by FINMA
– activities that cause significant numbers of clients to leave the bank
– inappropriate risk-taking outside of the ordinary risk processes

Overview of variable compensation

	Recipient	Due	Sunset	Performance, penalty clauses	Performance-related [1]
Variable compensation	Permanent employees	Immediately	Yes	Dependent on individual performance; may be cancelled altogether in the event of misconduct or poor group financial results.	Yes
Long-term deferred compensation	Executive Board, senior management	Payment after three years	Yes	Half is dependent on the performance of economic profit (forfeiture in the event of negative economic profit). The other half bears interest in line with the yield of an AT1 bond from Zürcher Kantonalbank and is subject to the corresponding risks (forfeiture if AT1 bonds absorb losses). Failure to achieve set targets from the public service mandate can lead to a penalty on the entire long-term deferred compensation.	Yes
Deferred compensation exposed to risk	Certain employees in the Trading, Sales & Capital Markets OU	Payment after three years	Yes	Interest at the risk-free interest rate. Amount of cash sum paid out on due date depends on whether a penalty has been imposed.	Yes

1 Taking capital and risk costs into account

Compensation in 2024

In accordance with the SIX directive, variable compensation is charged on an accrual basis, i.e. to the financial year in which it is actually incurred.

With effect from 1 January 2024, Zürcher Kantonalbank's compensation model has been adjusted and the base salary has been increased at the expense of variable compensation. As a result of this adjustment, no general increases in base salary were granted for 2024 for employees who are subject to the bank's Agreement on Conditions of Employment. However, selective salary increases were implemented within existing budgets to bring employees closer into line with the market.

The proportion of variable compensation allocated in the form of deferred compensation was also increased with effect from the 2024 financial year. Both adjustments partly explain differences compared to the previous year.

Despite a 3 percent increase in the group result before taxes, variable compensation has been reduced in total and per employee. This reduction was due in particular to the change to the compensation structure as of 1 January 2024. The total amount of variable compensation was CHF 285 million, with a part-time-adjusted headcount of 5,489 as at the end of the year (previous year: 5,304), of which CHF 14.4 million was for deferred compensation (for further information, see the parent company financial statements, breakdown of personnel expenses, Note 34).

Sign-on and severance payments approved by the Chairperson's Committee in the financial year totalled CHF 145,000.

Details of variable compensation (parent company)

	2024		2023	
	Number of employees [1]	in CHF million	Number of employees [1]	in CHF million
Total amount of variable compensation	**5,489**	**284.6**	5,304	353.7
of which deferred compensation	**77**	**14.4**	96	15.8

1 Part-time-adjusted headcount/weighted FTEs as at year-end

Compensation for members of the Board of Directors

Compensation for members of the Board of Directors is based on the regulations governing the compensation of members of the Board of Directors of Zürcher Kantonalbank, as approved by the Cantonal Parliament of Zurich on 25 November 2004. In principle, these regulations are unchanged compared with those prevailing in 1989 (Chairperson's Committee) and 1994 (Board of Directors). The regulations do not stipulate an inflation adjustment.

For part-time members of the Board of Directors, compensation comprises a fixed annual salary of CHF 18,000 plus CHF 6,000 compensation for each membership of a committee, as well as an annual expense allowance of CHF 6,000. A fixed attendance fee of CHF 700 per day and CHF 350 per half-day is paid for meetings and other activities related to the position. The part-time members of the Board of Directors are insured in accordance with federal social security standards and the regulations of the bank's pension funds.

As full-time members of the Board of Directors, the members of the Chairperson's Committee receive a gross annual base salary of CHF 311,500. The Chairperson of the Board of Directors receives an additional allowance of 10 percent of their annual base salary. Furthermore, the members of the Chairperson's Committee receive the same allowances, additional benefits and preferential rates as other employees of Zürcher Kantonalbank and are insured under the regulations of the pension schemes of Zürcher Kantonalbank. They are paid an annual expense allowance of CHF 14,000 each.

No variable compensation is paid to the members of the Board of Directors, either full-time or part-time. No other compensation or benefits in kind were paid to current or former part-time members of the Board of Directors or related parties during the 2024 financial year, apart from child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), and farewell gifts for members stepping down. There are no unusual commitments between Zürcher Kantonalbank and the members of the Board of Directors or related parties.

No loans on unusual terms were granted to part-time members of the Board of Directors or related parties in 2024.

The members of the Board of Directors and related parties received no other fees or payments for additional services rendered to Zürcher Kantonalbank or any of its subsidiaries during the 2024 financial year.

Compensation and loans for members of the Board of Directors (in CHF)

	Year	Annual compensation	Attendance fee	Expense allowance [1]	Pensions and other compensation [2/3]	Total	Loans as at 31.12. in CHF
Chairperson's Committee							
Jörg Müller-Ganz	**2024**	**342,650**	–	**14,040**	**88,688**	**445,378**	**1,200,000**
	2023	342,650	–	14,040	91,010	447,700	1,200,000
Roger Liebi	**2024**	**311,500**	–	**14,040**	**78,710**	**404,250**	–
	2023	311,500	–	14,040	80,132	405,672	–
Mark Roth	**2024**	**311,500**	–	**14,040**	**81,139**	**406,679**	–
	2023	311,500	–	14,040	83,461	409,001	–
Part-time members of the Board of Directors							
Amr Abdelaziz	**2024**	**30,000**	**30,100**	**6,000**	**4,964**	**71,064**	–
	2023	30,000	26,600	6,000	5,178	67,778	–
Sandra Berberat Kecerski	**2024**	**30,000**	**31,150**	**6,000**	**10,964**	**78,114**	–
	2023	30,000	25,200	6,000	10,403	71,603	–
Adrian Bruhin	**2024**	**24,000**	**28,700**	**6,000**	**2,408**	**61,108**	–
	2023	24,000	29,750	6,000	2,568	62,318	–
Bettina Furrer [4]	**2024**	**30,000**	**23,450**	**6,000**	**4,964**	**64,414**	**388,000**
	2023	30,000	20,300	6,000	5,178	61,478	388,000
René Huber	**2024**	**30,000**	**28,700**	**6,000**	**1,925**	**66,625**	**4,419,500**
	2023	30,000	26,250	6,000	1,925	64,175	4,436,000
Henrich Kisker	**2024**	**24,000**	**32,900**	**6,000**	**6,440**	**69,340**	–
	2023	24,000	26,250	6,000	1,440	57,690	–
Gregor Kreuzer [6]	**2024**	**30,000**	**24,150**	**6,000**	**3,188**	**63,338**	–
Peter Ruff [5]	2023	24,000	27,300	6,000	1,440	58,740	–
Walter Schoch	**2024**	**24,000**	**32,550**	**6,000**	**6,440**	**68,990**	–
	2023	24,000	25,900	6,000	1,440	57,340	–
Anita Sigg [5]	2023	30,000	19,950	6,000	4,921	60,871	3,852,499
Hans-Ueli Vogt [6]	**2024**	**24,000**	**25,900**	**6,000**	**3,520**	**59,420**	–
Stefan Wirth [5]	2023	30,000	24,500	6,000	4,921	65,421	–
Claudia Zimmermann [6]	**2024**	**30,000**	**29,400**	**6,000**	**4,914**	**70,314**	–
Total	**2024**	**1,241,650**	**287,000**	**102,120**	**298,264**	**1,929,034**	**6,007,500**
	2023	1,241,650	252,000	102,120	294,017	1,889,787	9,876,499

1 For the members of the Chairperson's Committee, CHF 40 is attributable to rounding differences due to monthly payments.
2 Other compensation for members of the Chairperson's Committee: child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), loyalty bonuses, medical check-ups, contribution to ZVV/SBB season tickets, farewell gifts for members stepping down.
3 Other compensation for part-time members of the Board of Directors: child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), farewell gifts for members stepping down.
4 Loans: Heirs of Dr Dieter Furrer: CHF 388,000; Bettina Furrer alone: CHF 0.
5 Peter Ruff, Anita Sigg and Stefan Wirth to 31.12.2023.
6 Gregor Kreuzer, Hans-Ueli Vogt and Claudia Zimmermann from 01.01.2024

Compensation for members of the Executive Board

To increase transparency in the reporting on the total compensation, a consistent distinction has been made since the 2023 Compensation Report between allocated total compensation and realised total compensation of the Executive Board members active in the financial year. As is customary in the market, this ensures a clear allocation of the total compensation for the respective financial year and a clearer presentation of the performance trend.

The total compensation of the individual members of the Executive Board takes account of their performance in their areas of responsibility. The deferred variable compensation shown corresponds to the long-term deferred compensation allocated for the financial year, which will be paid out after the end of the three-year performance period under certain conditions. As explained above, base salaries were increased at the expense of variable compensation as part of the adjustment to the compensation model with effect from the 2024 financial year. At the same time, the proportion of variable compensation that is deferred for three years was doubled. These adjustments explain the different composition of total compensation in the table below compared to the previous year.

The deferred compensation allocated for the 2021 financial year totalling CHF 2,700,000 (previous year: CHF 2,642,500) for members of the Executive Board (including former members), for which the three-year performance cycle ended on 31 December 2024, was realised with a factor of 1.5 (previous year: 1.5). This results in an amount paid out for deferred compensation related to the 2022–2024 period totalling CHF 4,050,000 (previous year: CHF 3,963,750). Explanations of the associated model can be found in the 2021 Annual Report.

The members of the Executive Board and related parties received no other fees or payments for additional services rendered to Zürcher Kantonalbank or any of its subsidiaries during the 2024 financial year.

Total loans and mortgage lending to the Executive Board members amounted to CHF 8,715,375 (of which CHF 7,069,000 is on employee terms). No loans on unusual terms were granted to related parties of the Executive Board.

Compensation of the members of the Executive Board incl. CEO (in CHF)[1]

			Performance-related factors				
	Year	Base salary	Variable cash compensation	Deferred compensation[2]	Total direct compensation	Pensions and other compensation[3]	Total compensation
Highest compensation (CEO)	**2024**	**1,000,000**	**802,500**	**802,500**	**2,605,000**	**215,688**	**2,820,688**
	2023	700,000	1,462,500	487,500	2,650,000	203,910	2,853,910
Other members of the Executive Board	**2024**	**5,500,000**	**3,846,250**	**3,846,250**	**13,192,500**	**1,949,576**	**15,142,076**
	2023	3,570,000	8,087,398	2,681,250	14,338,648	1,767,919	16,106,567
Total[4]	**2024**	**6,500,000**	**4,648,750**	**4,648,750**	**15,797,500**	**2,165,264**	**17,962,764**
	2023	4,270,000	9,549,898	3,168,750	16,988,648	1,971,829	18,960,477

1 The total annual compensation for the CEO and the Executive Board has been capped until further notice from the 2023 financial year onwards on the basis of the 2022 financial year.
2 Corresponds to the deferred compensation allocated for the financial year.
3 Other compensation: Expense allowance, child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), loyalty bonuses, medical check-ups, contribution to ZVV/SBB season tickets, farewell gifts for members stepping down.
4 In both 2023 and 2024, the Executive Board including the CEO consisted of 9 members, or 8 full-time positions taking into account members joining and leaving pro rata temporis.

Zürcher Kantonalbank

Financial — Report 2024

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About the figures:
The amounts stated in this report have been rounded off. The total may therefore vary from the sum of the individual values.

The following rules apply to the tables:
0 (0 or 0.0) Figure that is smaller than half the unit of account used
– Figure not available or not meaningful

Consolidated financial statements

Consolidated income statement

in CHF million	Notes	2024	2023	Change	Change in %
› Result from interest operations					
Interest and discount income		**4,339**	4,013	326	8.1
Interest and dividend income from financial investments		**40**	32	8	23.6
Interest expense		**–2,642**	–2,176	–466	21.4
Gross result from interest operations	**33**	**1,737**	**1,870**	**–132**	**–7.1**
Changes in value adjustments for default risk and losses from interest operations		**–57**	–49	–8	17.0
Subtotal net result from interest operations		**1,680**	**1,821**	**–140**	**–7.7**
› Result from commission business and services					
Commission income from securities trading and investment activities		**1,152**	1,022	130	12.8
Commission income from lending activities		**77**	72	5	7.0
Commission income from other services		**148**	160	–12	–7.6
Commission expense		**–353**	–314	–39	12.6
Subtotal result from commission business and services		**1,024**	**940**	**84**	**8.9**
› Result from trading activities					
Result from trading activities and the fair value option	**32**	**353**	**415**	**–63**	**–15.1**
› Other result from ordinary activities					
Result from the disposal of financial investments		**10**	7	3	47.3
Income from participations		**14**	13	1	5.0
– of which, participations valued using the equity method		**1**	1	0	49.4
– of which, from other non-consolidated participations		**13**	12	0	2.1
Result from real estate		**5**	6	–1	–10.4
Other ordinary income		**9**	9	1	7.4
Other ordinary expenses		**–6**	–16	10	–60.2
Subtotal other result from ordinary activities		**32**	**19**	**13**	**71.2**
Operating income		**3,088**	**3,194**	**–106**	**–3.3**
› Operating expenses					
Personnel expenses	34	**–1,223**	–1,180	–43	3.7
General and administrative expenses	35	**–508**	–499	–9	1.9
Subtotal operating expenses		**–1,731**	**–1,679**	**–52**	**3.1**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		**–72**	–75	3	–3.5
Changes to provisions and other value adjustments and losses		**–8**	28	–37	–129.7
Operating result		**1,277**	**1,469**	**–193**	**–13.1**
Extraordinary income	36	**12**	1	11	–
Extraordinary expenses	36	**–0**	–	–0	–
Changes in reserves for general banking risks	36	**–**	–225	225	–100.0
Consolidated profit before taxes		**1,289**	**1,246**	**43**	**3.4**
Taxes	39	**–168**	–7	–161	–
Consolidated profit		**1,120**	**1,238**	**–118**	**–9.5**

Consolidated balance sheet

in CHF million	Notes	2024	2023	Change	Change in %
› Assets					
Liquid assets		**32,733**	39,706	−6,972	−17.6
Amounts due from banks		**3,405**	3,401	4	0.1
Amounts due from securities financing transactions	1	**25,349**	25,740	−390	−1.5
Amounts due from clients	2	**11,621**	11,252	369	3.3
Mortgage loans	2	**106,600**	100,874	5,725	5.7
Trading portfolio assets	3	**13,437**	11,880	1,557	13.1
Positive replacement values of derivative financial instruments	4	**2,669**	968	1,702	175.9
Other financial instruments at fair value	3	**–**	–	–	–
Financial investments	5	**5,206**	5,577	−371	−6.6
Accrued income and prepaid expenses		**513**	644	−131	−20.4
Non-consolidated participations	6,7	**155**	154	1	0.7
Tangible fixed assets	8	**497**	534	−37	−6.9
Intangible assets	9	**3**	3	0	3.3
Other assets	10	**405**	527	−122	−23.2
Total assets		**202,594**	**201,259**	**1,334**	**0.7**
Total subordinated claims		**333**	292	41	14.0
– of which, subject to conversion and/or debt waiver		**128**	96	32	33.4
› Liabilities					
Amounts due to banks		**39,691**	35,404	4,287	12.1
Liabilities from securities financing transactions	1	**8,008**	14,095	−6,087	−43.2
Amounts due in respect of customer deposits		**106,980**	101,452	5,528	5.4
Trading portfolio liabilities	3	**2,862**	3,224	−363	−11.2
Negative replacement values of derivative financial instruments	4	**1,005**	2,458	−1,453	−59.1
Liabilities from other financial instruments at fair value	3,14	**4,421**	4,000	421	10.5
Cash bonds	15	**260**	288	−27	−9.5
Certificate of deposits	15	**50**	632	−582	−92.1
Bond issues	15	**10,994**	10,547	447	4.2
Central mortgage institution loans	15	**11,162**	11,558	−396	−3.4
Accrued expenses and deferred income		**1,287**	1,371	−83	−6.1
Other liabilities	10	**834**	1,789	−955	−53.4
Provisions	16	**177**	174	3	1.8
Reserves for general banking risks	16	**379**	379	–	–
Bank's capital	21	**2,425**	2,425	–	–
Retained earnings reserve	21	**10,952**	10,241	711	6.9
Foreign currency translation reserve	21	**−15**	−16	1	−6.2
Consolidated profit	21	**1,120**	1,238	−118	−9.5
Shareholders' equity	**21**	**14,862**	**14,268**	**594**	**4.2**
Total liabilities		**202,594**	**201,259**	**1,334**	**0.7**
Total subordinated liabilities		**3,346**	3,035	311	10.2
– of which, subject to conversion and/or debt waiver		**3,346**	3,035	311	10.2
› Off-balance-sheet transactions					
Contingent liabilities	2,28	**4,056**	3,772	284	7.5
Irrevocable commitments	2	**14,045**	14,167	−122	−0.9
Obligations to pay up shares and make further contributions	2	**349**	353	−5	−1.3
Credit commitments	2,29	**–**	–	–	–

Consolidated cash flow statement

in CHF million	Cash inflow 2024	Cash outflow 2024	Cash inflow 2023	Cash outflow 2023
› Cash flow from operating activities (internal financing)				
Result of the period	**1,120**	**–**	1,238	–
Change in reserves for general banking risks	**–**	**–**	225	–
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	**72**	**–**	75	–
Provisions and other value adjustments	**119**	**116**	140	180
Changes in value adjustments for default risks and losses	**301**	**259**	280	244
Accrued income and prepaid expenses	**131**	**–**	–	187
Accrued expenses and deferred income	**–**	**83**	308	–
Other items	**–**	**2**	–	1
Previous year's dividend	**–**	**528**	–	491
Balance	**756**	**–**	**1,163**	**–**
› Cash flow from equity transactions				
Share capital/participation capital/cantonal banks' endowment capital etc.	**–**	**–**	–	–
Recognised in reserves	**1**	**–**	–	4
Balance	**1**	**–**	**–**	**4**
› Cash flow from transactions in respect of non-consolidated participations, tangible fixed assets and intangible assets				
Non-consolidated participations	**0**	**3**	–	6
Real estate	**2**	**10**	0	7
Other tangible fixed assets	**0**	**8**	0	18
Intangible assets	**–**	**15**	0	0
Mortgages on own real estate	**–**	**–**	–	–
Balance	**–**	**34**	**–**	**31**

Consolidated cash flow statement (continued)

in CHF million	Cash inflow 2024	Cash outflow 2024	Cash inflow 2023	Cash outflow 2023
› Cash flow from banking operations				
Medium and long-term business (> 1 year):				
Amounts due to banks	1	–	–	6
Amounts due in respect of customer deposits	28	–	–	28
Liabilities from other financial instruments at fair value	421	–	42	–
Cash bonds	51	78	92	0
Bond issues	700	300	1,541	250
Central mortgage institution loans	1,527	1,923	887	1,253
Loans from central issuing institutions	–	–	–	–
Other obligations (other liabilities)	–	955	892	–
Amounts due from banks	–	80	–	101
Amounts due from customers	259	–	–	91
Mortgage loans	–	5,744	–	4,025
Other financial instruments at fair value	–	–	–	–
Financial investments	–	473	317	–
Other accounts receivable (other assets)	122	–	–	127
Balance	**–**	**6,444**	**–**	**2,111**
Short-term business:				
Amounts due to banks	4,286	–	–	3,642
Liabilities from securities financing transactions	–	6,087	3,459	–
Amounts due in respect of customer deposits	5,500	–	–	1,871
Trading portfolio liabilities	–	363	–	412
Negative replacement values of derivative financial instruments	–	1,453	393	–
Liabilities from other financial instruments at fair value	0	–	5	–
Certificate of deposits	563	1,144	1,236	707
Amounts due from banks	76	–	–	361
Amounts due from securities financing transactions	390	–	2,065	–
Amounts due from customers	–	652	–	642
Trading portfolio assets	–	1,510	–	953
Positive replacement values of derivative financial instruments	–	1,702	222	–
Other financial instruments at fair value	–	–	–	–
Financial investments	844	–	1,596	–
Balance	**–**	**1,251**	**386**	**–**
Liquidity:				
Liquid assets	6,972	–	596	–
Balance	**–**	**723**	**–**	**1,129**
Total	**757**	**757**	**1,163**	**1,163**

Consolidated statement of changes in equity

in CHF million	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Foreign currency translation reserve	Total equity
› 2023						
Total equity as at 31.12.2022	2,425	9,674	154	1,059	–13	13,299
Effect of any restatement	–	–	–	–1[1]	–	–1
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Increase in scope of capital consolidation	–	–	–	–	–	–
Decrease in scope of capital consolidation	–	–	–	–	–	–
Other contributions/ other capital paid in	–	–	–	–	–	–
Currency translation differences	–	–	–	–	–3	–3
Dividends and other distributions	–	–	–	–491	–	–491
Allocation to (transfers from) the reserves for general banking risks	–	–	225	–	–	225
Allocation to (transfers from) the retained earnings reserve	–	567	–	–567	–	–
Consolidated profit	–	–	–	1,238	–	1,238
Total equity as at 31.12.2023	**2,425**	**10,241**	**379**	**1,238**	**–16**	**14,268**
› 2024						
Total equity as at 31.12.2023	2,425	10,241	379	1,238	–16	14,268
Effect of any restatement	–	–	–	0[1]	–	0
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Increase in scope of capital consolidation	–	–	–	–	–	–
Decrease in scope of capital consolidation	–	–	–	–	–	–
Other contributions/ other capital paid in	–	–	–	–	–	–
Currency translation differences	–	–	–	–	1	1
Dividends and other distributions	–	–	–	–528	–	–528
Allocation to (transfers from) the reserves for general banking risks	–	–	–	–	–	–
Allocation to (transfers from) the retained earnings reserve	–	711	–	–711	–	–
Consolidated profit	–	–	–	1,120	–	1,120
Total equity as at 31.12.2024	**2,425**	**10,952**	**379**	**1,120**	**–15**	**14,862**

1 Corrections of subsidiaries after the reporting deadline for the consolidated financial statements.

Notes to the consolidated financial statements

a) Portrait

Zürcher Kantonalbank is “Close to you”. Zürcher Kantonalbank has its registered office in Zurich, was founded in 1870 and is an independent public-law institution of the Canton of Zurich. We have successfully positioned ourselves as a systemically important universal bank with a regional base as well as a domestic and international network. With a market penetration of around 50 percent, we occupy the leading position in both the retail and the corporate banking business in the Canton of Zurich. In addition, we are Switzerland’s second-largest fund provider. Our public service mandate is to provide financial services to the public and businesses, to contribute towards efforts to address economic and social issues and to ensure that its actions are environmentally and socially responsible. We uphold our values: responsible, inspiring and passionate.

Broad diversification

Zürcher Kantonalbank’s business model is based on income diversification, in which we diversify our income base across different business areas. This reduces our dependence on individual income components and thus our entrepreneurial risk. We aim to ensure continuity, build on our existing strengths and at the same time continue to diversify our income in the future through sustainable growth. Sustainability is an integral aspect of our business model. That means we incorporate environmental, social and economic criteria into everything we do.

The group includes as parent company the largest cantonal bank and the second-largest universal bank in Switzerland. The broadly diversified group continues to include Swisscanto Holding Ltd. with its subsidiaries and sub-subsidiaries (Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd. in liquidation, Swisscanto Private Equity CH I AG, Swisscanto Private Equity CH II AG and Swisscanto Asset Management International SA), which operate primarily in the asset management business. The group also owns Zürcher Kantonalbank Finance (Guernsey) Ltd., a company specialising in the issue of structured investment products; ZKB Securities (UK) Ltd., which is active in equity brokerage and research; and Zürcher Kantonalbank Österreich AG[1], which renders international private banking services. Complementa AG, which specialises in investment reporting services, and its subsidiary Complementa GmbH have also been part of the group since the end of July 2024. The group also includes the representative office Zürcher Kantonalbank Representações Ltda. as well as a majority stake in Philanthropy Services Ltd.

b) Accounting and valuation principles

Changes in accounting and valuation principles

OECD minimum taxation

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published global rules to combat base erosion and profit shifting (BEPS). The core of these regulations is the introduction of a global minimum tax rate of 15 percent. This minimum tax rate applies to multinational groups with consolidated revenue of at least EUR 750 million. Zürcher Kantonalbank falls within the scope of this global minimum tax.

1 Please refer to the comments in the section “Material events occurring after the balance sheet date” on page 121.

As of 1 January 2024, Switzerland and other countries in which Zürcher Kantonalbank has subsidiaries and branches have implemented corresponding regulations for the introduction of a national supplementary tax (referred to as a qualified domestic minimum top-up tax). With this supplementary tax, Switzerland and other countries ensure that a minimum taxation of 15 percent is guaranteed domestically.

Although Zürcher Kantonalbank is an independent public-law institution that is exempt from taxes on its income and capital under both cantonal tax law and the federal law on direct taxation, it has been subject to OECD minimum taxation since 1 January 2024. Due to the introduction of OECD minimum taxation, Zürcher Kantonalbank now discloses its consolidated profit before and after tax.

Intangible assets

Addition in the section on goodwill: Fully amortised goodwill is derecognised in the subsequent period.

Addition in the section on other intangible assets: Fully amortised items are derecognised in the subsequent period.

General principles

Pursuant to the Listing Rules of the Swiss Exchange, the consolidated financial statements of Zürcher Kantonalbank are prepared in line with the accounting rules for banks, securities firms, financial groups and conglomerates (consisting of the FINMA Accounting Ordinance (RelV-FINMA) and FINMA Circular 2020/1).

The consolidated financial statements provide a true and fair view of the financial position, results of operations and cash flows.

Scope of consolidation

The consolidated financial statements comprise the accounts of the parent company and the directly and indirectly owned subsidiaries in which the bank has a participation of more than 50 percent of the voting capital or which it controls in another way. An exception are the immaterial (from an accounting perspective) subsidiaries Zürcher Kantonalbank Representações Ltda. and Complementa GmbH, as well as the immaterial majority stake in Philanthropy Services Ltd. Please refer to the section “Non-consolidated participations” for further information.

The consolidated financial statements are prepared in accordance with the principle of substance-over-form. The individual accounts of the group companies are included in the consolidated financial statements on the basis of uniform accounting standards that are applied throughout the group.

Method of consolidation

Capital is consolidated in accordance with the purchase method. This involves offsetting the equity of the group companies at the time of acquisition or at the time of incorporation against the book value of the parent company’s interest. Please refer to the section on “Intangible assets” for details of the treatment of any goodwill. All the assets and liabilities as well as expenses and income of the subsidiaries and sub-subsidiaries to be consolidated are included in the consolidated financial statements. Intragroup transactions and intercompany earnings are eliminated on consolidation.

Period of consolidation

The period of consolidation corresponds to the calendar year.

Recognition of transactions

All business transactions are recorded and measured in accordance with recognised principles on the day they occur. Foreign exchange and precious metal transactions (spot and forward) concluded but not yet executed are booked in accordance with the settlement-day principle. These transactions are stated between the trade and settlement dates (value date) at replacement value under the corresponding item (Positive and negative replacement values of derivative financial instruments). Securities and options transactions are posted and recognised on the trade date. Balance sheet fixed-term transactions are recognised as a rule on the settlement date. Own bond issues, which are posted on the transaction day, are an exception.

Foreign exchange translation

Transactions in foreign currency are translated at the corresponding daily rate. Assets and liabilities in foreign currency, with the exception of bank notes, are translated at the average rate as at the balance sheet date. The bid rates on the balance sheet date are applied for foreign bank notes.

Translation gains and losses are recognised under "Result from trading activities and the fair value option". The annual financial statements of Zürcher Kantonalbank Österreich AG are prepared in euros and the annual financial statements of ZKB Securities (UK) Ltd. in pounds sterling. The assets and liabilities are translated at the rate on the balance sheet date, and income and expenses at the respective average exchange rate for the year. The difference between these exchange rates is reported directly in equity as a currency translation difference effect under the item "Currency translation reserve".

	2024		2023	
	Rates on the balance sheet date	**Average annual rates**	Rates on the balance sheet date	Average annual rates
EUR	**0.9384**	**0.9518**	0.9297	0.9701
GBP	**1.1350**	**1.1267**	1.0729	1.1178
USD	**0.9063**	**0.8818**	0.8417	0.8962

Offsetting of assets and liabilities as well as expenses and income

There is generally no offsetting of assets and liabilities. Assets and liabilities may, however, be offset in the following cases:

- Receivables and liabilities if they stem from similar transactions with the same counterparty; have the same due date as the receivable or earlier; are in the same currency and do not result in a counterparty risk. These conditions must be met cumulatively.
- Positive and negative changes in the book value in the compensation account not recognised in the income statement.
- For over-the-counter (OTC) transactions, between the positive and negative replacement values of derivative financial instruments as well as the related cash collateral. For this purpose, a relevant bilateral netting agreement with the affected counterparties must be in place. This agreement must be proven to be recognised and legally enforceable.

Assets and liabilities are also offset in the following cases:

- For holdings of own bonds, money market securities and cash bonds are offset against the corresponding liability items.
- Value adjustments with the corresponding asset item.
- For sub-participations given as lead bank in a loan with the principle.

There is generally no offsetting of expenses and income.

Expenses and income may be offset in the following cases:

- Newly recognised value adjustments for default risk and losses from interest operations as well as newly recognised provisions and other value adjustments and losses with the corresponding recoveries and released value adjustments and provisions.
- Gains on trading in securities and transactions valued using the fair value option with losses from these transactions.
- Positive value adjustments of financial investments valued at the lower of cost or market with the corresponding negative value adjustments.
- Expenses and income from real estate under the item Result from real estate.

– Results from hedging transactions with the corresponding result from the hedged transaction.

Liquid assets

Liquid assets mainly comprise sight deposits and central bank digital currency with the Swiss National Bank. They also include cash holdings in Swiss francs, foreign bank notes, as well as sight deposits with foreign central banks. These items are recognised at nominal value.

Amounts due from and to banks

Unless stated otherwise in a different item, amounts due from and to banks are stated in this item. These items are recognised at nominal value.

Appropriate value adjustments are created for default risks on existing positions and directly deducted from assets (see also the section "Value adjustments for default risks in respect of impaired loans/receivables", and "Value adjustments and provisions for expected losses").

Claims and liabilities from securities financing transactions

The amounts due from securities financing transactions include reverse repo transactions, which are treated as advances against collateral in the form of securities. This underscores the financing nature of the transactions. The securities are transferred in the same way as if they had been pledged as collateral for a loan. Reimbursement claims in the context of securities borrowing which arise from cash collateral for the borrowed, non-monetary values are also included.

Repo transactions in the sense of a collateralised refinancing are entered in the balance sheet under Liabilities from securities financing transactions. Within the framework of securities lending, Zürcher Kantonalbank lends non-monetary assets, such as securities, on its own account and at its own risk (principal status). The repayment obligation for cash deposits received is also shown here. The bank conducts lending and borrowing transactions within the framework of trading operations.

Loan transactions involving securities or money market securities that are not collateralised with cash are not recognised in the balance sheet but reported in the Notes.

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

These items are recognised at nominal value. One exception to this are book claims in precious metals, which are stated at market values.

Leasing arrangements are reported in the balance sheet under Loans, at their nominal value (or property value) less accumulated amortisation plus instalments due but not paid, interest on arrears and fees. The element of the leasing instalment representing the interest for the period in question is included in Interest income. The remaining amount of the leasing instalment represents the repayment element and reduces the claim amount. Appropriate value adjustments are created for default risks on existing positions and directly deducted from the corresponding assets (see also the following section and the section "Value adjustments and provisions for expected losses"). Default risks on credit limits granted but not utilised on the balance sheet date are accounted for by means of provisions (see "Provisions"). Explanatory material on the valuation of collateral for loans can be found in section e) Explanation of the valuation of collateral.

Value adjustments for default risks in respect of impaired loans/receivables

Loss risks on existing exposures are allowed for by appropriate value adjustments. They are recognised in the item "Changes in value adjustments for default risk and losses from interest operations" and deducted directly from the asset affected.

A systematic approach is used to determine the amount of value adjustments. The bank considers loans/receivables to be impaired if there are indications that the debtor will not be able to meet future liabilities, but at the latest when the contractually defined amortisation, interest and commission payments are overdue for 90 days or more. The corresponding interest and commission are fully covered by provisions. Impaired loans/receivables are valued on an individual basis.

Individual value adjustments for credit risks are established in accordance with the following principles:

- Claims are valued individually taking into account the borrower's creditworthiness and any collateral at liquidation value.
- As soon as it is no longer assured that the loan repayments can be recovered, a value adjustment is made for the probable credit default (book value less estimated recoverable amount).

Exposures rated as impaired are subjected to a creditworthiness test at least twice a year. If necessary, an appropriate value adjustment is made or existing ones are altered in line with the current circumstances. Value adjustments for impaired loans are released if there is reasonable assurance of timely collection of the interest and principal in accordance with the contractual terms of the claim agreement. In the case of small risks in homogeneous credit portfolios, the need for a value adjustment is assessed collectively (collective individual value adjustments). Country-specific risks in connection with loans/receivables are accounted for separately. Among other factors, country assessments of various rating agencies are taken into consideration.

Value adjustments and provisions for expected losses

For non-impaired loans/receivables and off-balance-sheet transactions, Zürcher Kantonalbank recognises value adjustments and provisions for expected losses.

Expected loss (EL) is the anticipated value of future losses from credit defaults. It is the product of the statistical probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

Expressed mathematically, the relationship is as follows: $EL = PD \times LGD \times EAD$.

The EL approach is based on the regulatory parameters (the IRB approach) and a residual maturity approach. Discounting is not applied. For the positions without internal rating information, the one-year PD is derived based on the SA-BIS risk weighting. Regulatory PDs are based on long-term average estimates and extrapolated into lifetime PDs with the assumption of constant forward PDs.

IRB residual maturities with a one-year floor and five-year cap are used for this purpose. The regulatory IRB parameters from the capital adequacy calculation are also used to calculate the LGD. The EAD from the IRB approach is adopted for off-balance-sheet items too. An EAD excluding accrued interest is used for balance sheet items. EAD and LGD are constant in the (residual) term calculation.

The EL is determined on the non-impaired loans/receivables of the following balance sheet and off-balance-sheet items:

- Amounts due from banks
- Amounts due from clients
- Mortgage loans
- Debt securities held to maturity in financial investments
- Contingent liabilities
- Irrevocable commitments

The value adjustments and provisions for expected losses are a safety cushion required by the regulator. They are only intended to be used in the event of a "crisis" (high loan defaults). A crisis situation is defined as follows: The changes in value adjustments/provisions for impaired loans/receivables, incurred losses and default-risk-related changes in value on debt securities held in financial investments exceed the one-year expected loss (one-year RelV-EL) calculated on regulatory parameters for the corresponding period. For half-year periods, 50 percent of the one-year RelV-EL is compared to the actual values.

If the trigger criterion is met, use may be at the 0 percent, 50 percent or 100 percent level, with higher use intended for short, severe crises and lower use for longer-lasting ones. In the case of a large single event without an actual crisis, for example, it may also be possible to dispense with its use.

Replenishment is essentially linear over a period of five years after a crisis. While a crisis is ongoing, no replenishment takes place. The replenishment period is assessed semi-annually and may be shortened. Ongoing changes resulting from changes in credit volumes, credit ratings and maturities are always recognised in the period to which they relate (there is no deferral in the event of a crisis).

Trading portfolio assets and liabilities

Trading positions including money market securities held in the context of the trading business are recognised at fair value. This 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 on the basis of a valuation model. Where, as an exception, no fair value is ascertainable, valuation and recognition are to follow the principle of the lower of cost or market value. Valuation differences are recognised in the income statement. Interest and dividend income on securities trading portfolios are credited to the item "Result from trading activities and the fair value option". Results from securities lending and borrowing transactions are also recognised under "Result from trading activities and the fair value option". The refinancing result for trading portfolio assets is recognised by compensating the result from trading activities within net interest. With the exception of the physical precious metal portfolios accounted for under Financial investments, all other precious metals that are physical and held in account form are accounted for as Trading portfolio assets and at fair value. Short positions are also accounted for at fair value and stated under the item "Trading portfolio liabilities". In the case of trading in combinations of money market transactions and currency swaps, the aim is to report the interest income or trading result in the way that most closely captures the economic impact, following the principle of substance over form. As a result, the gain or loss on the currency swaps is compensated under the result from interest operations.

Hence the results from these combined transactions are posted uniformly in the result from interest operations.

This avoids inflating the income statement and shifting amounts between interest operations and trading activities with no substantive or economic rationale.

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are valued at fair value and, in principle, represent trading activities. Comments on the business policy parameters for the use of derivative financial instruments and explanations in connection with the application of hedge accounting can be found under section f). Replacement values of derivative financial instruments from client transactions resulting from contracts traded over-the-counter (bank as agent) are, in principle, accounted for. Exchange-traded contracts from client transactions are accounted for if no daily margining takes place. Replacement values from trading activities are accounted for under "Positive replacement values of derivative financial instruments" on the asset side or the item "Negative replacement values of derivative financial instruments" on the liability side. Hedging transactions are also measured at fair value. Valuation gains and losses are recognised through income in the item "Result from trading activities and the fair value option". An exception are the derivative financial instruments used to hedge interest rate risk within the scope of asset and liability management. In this case, value changes are recognised in the compensation account as "not affecting net income". The net balance of this compensation account is included in "Other assets" or "Other liabilities". If the result from the hedging transaction exceeds the result from the hedged underlying transaction, the hedge is considered ineffective.

The excess part of the derivative instrument is treated like a trading transaction. Please see the statements in the section "Offsetting assets and liabilities" with respect to the recognition of netting agreements for derivative financial instruments.

Other financial instruments at fair value or liabilities from other financial instruments at fair value

Structured products with own debenture components issued by the bank are valued as a whole at fair value (no separation of the derivative from the underlying instrument) provided that the following conditions have been met on a cumulative basis:

- The financial instruments are part of a trade-related strategy and are based on a documented risk management and investment strategy which ensures correct recording, measuring and limitation of the various risks.
- There is an economic hedging relationship between the financial instruments on the asset side and those on the liability side that is largely neutralised in terms of income by the fair value valuation (avoidance of an accounting mismatch).
- Any impact of a change in own creditworthiness on the fair value is neutralised and does not affect the income statement where it arises.

The amounts are accounted for under "Liabilities from other financial instruments at fair value". Investments by subsidiaries managed in the trading book and connected to self-issued structured products are stated at market value. These are recognised in "Other financial instruments at fair value".

Financial investments

The item includes money market securities which are not held in the context of trading business. Accounting takes place at nominal value taking a discount provision into account. Financial investments also include fixed-interest securities as well as shares and other equity securities.

Fixed-interest securities held to maturity are recognised in accordance with the amortised cost method and valued at acquisition cost with amortisation of the premium or discount over the maturity. Realised gains from sales prior to maturity are amortised to maturity. The lower of cost or market rule is applied in the case of value losses resulting from changes in credit standing. Fixed-interest securities not intended to be held until maturity are recorded based on the same rule. The same applies for shares and other equity securities that, irrespective of the share of voting rights, are also booked under this item provided that they were not acquired as a permanent investment. Financial investments also include real estate taken over from the lending business and intended for sale. They are also valued according to the lower of cost or market principle (acquisition value or prudently estimated lower liquidation value). Unrealised losses and market-related revaluations up to the original cost of the securities components are stated under "Other ordinary expenses" or "Other ordinary income". Realised gains or losses on the securities components from the sale of financial investments are booked under "Result from the disposal of financial investments". Unrealised and realised gains and losses in foreign currency components are booked under "Results from foreign exchange trading".

Physical stocks of precious metals held as a financial investment are recognised at fair value.

Non-consolidated participations

Shares and other equity securities are considered as participations regardless of the share of voting rights held, provided they have been acquired as a permanent investment. Participations with voting rights of up to 19.9 percent are valued at lower of cost or market. Participations are subject to impairment testing at least once a year. Non-consolidated participations with voting rights of between 20 percent and up to and including 49.9 percent, the immaterial (from an accounting perspective) subsidiaries Zürcher Kantonalbank Representações Ltda. and Complementa GmbH, as well as the insignificant majority stake in Philanthropy Services Ltd., are stated in accordance with the equity method in proportion to the equity held on the balance sheet date. The proportionate net annual result is included in the equity valuation and is recognised in the consolidated income statement as participation income.

Tangible fixed assets

Bank premises, including installations and fittings in rented properties, are recognised at cost value plus major investments and are amortised on a straight-line basis over their estimated useful life. Other properties acquired as a long-term investment are also recognised at the lower of cost value less straight-line amortisation or lower earnings value. The remaining tangible fixed assets comprise IT systems and equipment, acquired IT programmes, furniture, vehicles and machinery. Smaller acquisitions are charged in full to General and administrative expenses in the year of acquisition.

Larger investments are capitalised and depreciated/amortised in full over their estimated useful life according to business criteria, or, in the case of acquired IT programmes, generally over 12 months. Estimated useful life for depreciation purposes (in years):

Land	**no depreciation**
Bank premises and other properties – Shell – Building envelope	 **max. 80** **max. 30**
Installations (fitting out, technical installations)	**max. 25**
Fittings in rented properties	**remaining duration of rental agreement [1]**
IT systems and equipment	**4**
Acquired IT programmes	**max. 1**
Furniture/vehicles / machines	**max. 5**

1 In the case of rental agreements with an option to extend, depreciation is extended to the option date should the investment be made with the intention of taking up the option.

An impairment test of all tangible fixed assets is undertaken on a regular basis. An asset is subject to impairment if its book value exceeds the recoverable amount. In the real estate sector, the recoverable amount is determined by a property valuer. For other tangible fixed assets, the recoverable amount is equivalent to the value-in-use, which is defined according to business criteria.

Intangible assets

Goodwill

If the purchase cost of an acquisition is greater than the net assets valued in accordance with standard group-wide accounting principles, the remaining amount is capitalised as goodwill. This goodwill is amortised over the estimated useful life on a straight-line basis. The amortisation period is generally five years from the date of acquisition, with a maximum of ten years in justified instances. If the recoverability of goodwill is no longer ensured on the balance sheet date (impairment), an impairment is recognised. Fully amortised goodwill is derecognised in the subsequent period.

Licences

These include purchased software licences. Smaller acquisitions are charged in full to General and administrative expenses in the year of acquisition. Larger investments are capitalised and normally fully amortised over 12 months.

Other intangible assets

This item includes acquired non-monetary assets with no physical existence which will provide the bank with measurable benefits over several years. Amortisation is over the estimated useful life on a straight-line basis. The amortisation period is generally five years from the date of acquisition, with a maximum of ten years in justified instances.

Fully amortised items are derecognised in the subsequent period.

Cash bonds, money market securities, bond issues and central mortgage institution loans

These items are recognised at nominal value. Holdings of own bonds and cash bonds are offset against the corresponding liability items (see also the section "Offsetting assets and liabilities").

Provisions

Loss risks in connection with off-balance-sheet transactions (e.g. credit limits confirmed but not utilised) as well as other identifiable and foreseeable risks as of the balance sheet date are accounted for by means of appropriate provisions.

Creation and dissolution take place via the item "Changes to provisions and other value adjustments and losses".

Reserves for general banking risks

These items include reserves for general banking risks created and/or released since 2018. Creation and release of such reserves is shown in the income statement under "Changes in reserves for general banking risks". Please see the next section "Retained earnings reserve" for reserves for general banking risks created/released prior to 2018 and solely at the parent company.

Retained earnings reserve

The retained earnings reserve includes retained earnings, i.e. the funds generated by the group itself. This item includes reserves for general banking risks created at the parent company prior to 2018.

Pension schemes

An annual evaluation is performed to assess whether, from the group's perspective, an economic benefit or economic obligation arises for the bank or the group as a result of a pension fund. The determination is based on agreements and annual financial statements of the pension funds, which, in Switzerland, are prepared according to Swiss GAAP FER 26. Other calculations showing the financial situation and existing surplus/shortfall for each pension fund in accordance with actual circumstances are also taken into account.

Zürcher Kantonalbank has no liabilities that extend beyond the regulatory foundations. Please see Note 13 for additional information.

Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions, credit commitments and fiduciary investments

With the exception of commitments under currency swaps facilities and collateral upgrade transactions, off-balance-sheet transactions are reported at nominal value. Commitments under currency swap facilities and collateral upgrade transactions are reported in accordance with the principle of substance over form at 5 percent or 4 percent, respectively, of the nominal value. Fiduciary crypto currencies held for customers' accounts are recognised at fair value. Appropriate provisions are set aside for identifiable risks. Irrevocable commitments also include forward commitment mortgages.

Taxes

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published global rules to combat base erosion and profit shifting (BEPS). The core of these regulations is the introduction of a global minimum tax rate of 15 percent. This minimum tax rate applies to multinational groups with consolidated revenue of at least EUR 750 million. Zürcher Kantonalbank falls within the scope of this global minimum tax.

From 1 January 2024, Switzerland and other countries in which Zürcher Kantonalbank has subsidiaries and branches have implemented corresponding regulations for the introduction of a national supplementary tax (referred to as a qualified domestic minimum top-up tax). With this supplementary tax, Switzerland and other countries ensure that a minimum taxation of 15 percent is guaranteed in Switzerland.

Although Zürcher Kantonalbank is an independent public-law institution that is exempt from taxes on its income and capital under both cantonal tax law and the federal law on direct taxation, it has been subject to OECD minimum taxation since 1 January 2024.

The subsidiary Zürcher Kantonalbank Finance (Guernsey) Ltd. is a finance company under Companies Law in Guernsey. In terms of tax law, as of 1 January 2008 the company is deemed to be resident and is liable to pay tax. As it does not perform any banking activities that are subject to income tax or any other regulated transactions that are subject to tax, Zürcher Kantonalbank Finance (Guernsey) Ltd. pays only a fixed "validation fee", which is included in General and administrative expenses. Zürcher Kantonalbank Finance (Guernsey) Ltd. is not liable for any federal, cantonal or municipal taxes in Switzerland.

The Swisscanto companies are subject to cantonal and federal taxes or the tax regime of Luxembourg in accordance with their domicile. Zürcher Kantonalbank Österreich AG is subject to Austrian corporation tax. Its taxable income is taxed at a fixed rate of now 23 percent. The subsidiary ZKB Securities (UK) Ltd. is subject to UK corporation tax. Its taxable income is taxed at a fixed rate of 19 percent.

The tax implications of timing differences between the balance sheet values reported in the consolidated financial statements and the tax values in the individual accounts are reported as deferred tax claims or liabilities. Deferred tax claims from loss carry-forwards are capitalised where it is likely that sufficient taxable profits will be generated within the statutory time limits, against which these differences/corresponding loss carry-forwards may be offset. Changes in deferred taxes are stated in the income statement via the Taxes item. The property gains tax charged on the sale of land is separated from the gain on the sale of properties and booked to the income statement under Taxes.

c) Explanations on risk management

For explanations on risk management in general and the treatment of the interest rate risk, other market risks and credit risks specifically, please refer to the statements in section I) Risk report (p. 147 ff).

d) Explanation on the methods used for identifying default risks and determining the need for value adjustments

The methods used to identify default risks and determine the need for value adjustments are set out in the section "Value adjustments for default risks in respect of impaired loans/receivables" and "Value adjustments and provisions for expected losses" in the accounting and valuation principles. Further information can also be found in section I) Risk report, under the sub-section "Credit risks" (p. 158 ff).

e) Explanation of the valuation of collateral

The valuation of collateral for loans is specified in comprehensive internal regulations. They define the methods, procedures and competencies. These rules are regularly reviewed and aligned with regulatory requirements and market changes. The bank distinguishes between mortgage claims and readily realisable collateral.

Mortgage claims

Zürcher Kantonalbank uses recognised estimation methods appropriate to the type of property for the valuation of mortgage claims. The lower of cost or market principle is applied: accordingly, the lower of estimated value or purchase price is taken as the lending value. This corresponds to the guidelines for the examination, valuation and processing of mortgage-secured loans issued by the Swiss Bankers Association.

The key valuation factors for a property assessment are:

- Land (macro and micro position, area)
- Building (construction standard, condition, room concept, sustainability)
- Type of use (private, commercial, non-profit)
- Legal regulations
- Situation under property law and contractual agreements (rights, encumbrances)
- Result from rented properties

Model-based valuation processes are used in the first instance in the financing of single family houses and owner-occupied apartments. In the bank's internal hedonic model, the estimated value is determined based on the characteristics of the property to be valued and with the assistance of the data from similar market transactions.

Depending on the type of property, client and complexity, Zürcher Kantonalbank also makes use of expert appraisals. The assessment criteria, the valuation procedures and methods to be used and the required valuation skills of the experts are set out in the bank's internal regulations. The valuation of mortgage claims is reviewed on a regular basis. The frequency depends on the type of property. Special developments in the real estate market or macroeconomic framework conditions may require an adjustment to the valuation intervals or portfolio-specific, extraordinary revaluations. The maximum permitted loan for the financed property is based on the class of collateral. This reflects the expected volatility of the value of the property or the usability of the property. It is determined by the type of property (e.g. single-family house, commercial property), the type of use (owner-occupied, rented) and other property-specific criteria (e.g. location, size of property).

Other collateral

Other collateral includes account balances, marketable securities as well as other readily realisable assets (precious metals, fiduciary investments, claims from life insurance policies, etc.). To the extent possible, lending values are based on market values. Other collateral is subject to the deduction of specified margins. These take into account the likelihood of fluctuations in value and concentration risks within the coverage.

f) Explanation on the bank's business policy regarding the use of derivative financial instruments and the use of hedge accounting

Use of derivative financial instruments

Trading in derivative financial instruments must comply with business policy requirements. It may be conducted for the purposes of proprietary and client trading as well as for hedging, and comprises both over-the-counter (OTC) and exchange-traded transactions. Derivative financial instruments may only be established on underlyings that fulfil the following conditions:

- Prices are set regularly via a stock exchange or an alternative organised exchange or according to recognised, transparent regulations determined in advance.
- The prices are published.
- The underlying instrument may only be physically delivered for participation rights, bonds, fund units and precious metals.

Explanations regarding the application of hedge accounting

Hedge accounting is a balance sheet depiction of collateral relationships. It aims to reduce the volatility of the results figures or equity capital stated and adjust them to the economic risk. The group applies hedge accounting to limit the interest rate risk in connection with balance sheet structure management. In this process, there is both a present value and an income consideration.

Contractually agreed client transactions, financial investments as well as debt financing in the banking book qualify as underlying transactions to be hedged. For the underlying instrument, a distinction is made between direct and indirect transactions. For direct transactions, Treasury has a direct influence on the timing and terms of the underlying instrument (purchase of financial investments, bond issues). Indirect transactions are understood to be all the transactions concluded by Sales and transferred to Treasury for interest risk management. For direct transactions, the result of individual transactions is taken into account, whilst for indirect transactions only the market value of the positions, based on changed market conditions (in particular the yield curve), is included. Appropriate derivative financial instruments (mainly interest swaps) are used for hedging purposes. For each hedging relationship, a review is undertaken to determine whether it meets the conditions for the application of hedge accounting (e.g. the hedging transactions must be concluded with an external counterparty).

All hedging transactions are treated as direct transactions. Zürcher Kantonalbank hedges the underlying transaction by means of a macro hedge. It optimises the total exposure on the basis of key rate sensitivities while adhering to the risk policy requirements. The result from the hedging transactions runs counter to the result of the underlying transactions and indicates the economic risk assumption and cover. The hedge effectiveness is measured every six months as of the balance sheet date at the end of June and the end of December. It is based on the effects on the result from the interest exposures of the underlying transactions and the hedging transactions. Specifically, the result from the underlying transaction is compared to the result from the hedging transaction as of the balance sheet date. The cumulative absolute amounts from the monthly result from the underlying and hedging transactions are compared for the aggregate view of the hedge effectiveness over the six-month horizon. The hedge is regarded as effective as long as the result from the hedging transactions does not exceed the result from the underlying transactions. If the result from the hedging transactions, accumulated over six months, exceeds the result from the underlying transactions, the excessive part of the hedge is regarded as ineffective.

The transactions responsible for the ineffectiveness of the hedge are then identified in the hedging portfolio. These transactions are derecognised from the hedging portfolio and allocated to the trading portfolio. This is carried out until the hedge is effective in the period under review. No ineffectiveness was recorded in the year under review.

g) Explanation on material events occurring after the balance sheet date

No significant events affecting the assets, liabilities, financial position and the results of operations of the group occurred between the reporting date of the financial statements and the date on which the report was approved.

On 1 July 2024, Zürcher Kantonalbank executed an agreement on the sale of its subsidiary, Zürcher Kantonalbank Österreich AG, to Liechtensteinische Landesbank (AG). The closing took place on 9 January 2025 after all conditions were met by both parties and the necessary approvals were granted by the supervisory and competition authorities. On this date, 100 percent of the share capital and full control of Zürcher Kantonalbank Österreich AG were transferred to Liechtensteinische Landesbank AG. This sale has no impact on the 2024 consolidated financial statements of Zürcher Kantonalbank.

i) Information on the balance sheet

1 Breakdown of securities financing transactions

in CHF million	2024	2023
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	**25,349**	25,740
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	**8,008**	14,095
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	**4,162**	4,262
– of which, with unrestricted right to resell or pledge	**4,162**	4,262
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	**72,700**	62,711
– of which, repledged securities	**8,506**	6,506
– of which, resold securities	**43,746**	41,384

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

Overview by collateral

in CHF million	Type of collateral: Mortgage collateral	Other collateral	Unsecured	Total
› Loans (before netting with value adjustments)				
Amounts due from customers	24	2,152	9,720	11,896
Mortgage loans				
– Residential property	86,995	7	8	87,011
– Office and business premises	13,466	–	5	13,471
– Commercial and industrial premises	2,648	0	18	2,666
– Other	3,866	–	4	3,870
Total mortgage loans	106,975	7	35	107,017
Total loans 2024 (before netting with value adjustments)	**106,999**	**2,159**	**9,755**	**118,913**
Total loans 2023 (before netting with value adjustments)	**101,254**	**1,965**	**9,557**	**112,776**
Total loans 2024 (after netting with value adjustments)	**106,616**	**2,156**	**9,449**	**118,221**
Total loans 2023 (after netting with value adjustments)	**100,891**	**1,962**	**9,274**	**112,126**
› Off-balance-sheet				
Contingent liabilities	39	276	3,741	4,056
Irrevocable commitments	3,637	263	10,145	14,045
Obligations to pay up shares and make further contributions	–	–	349	349
Credit commitments	–	–	–	–
Total off-balance-sheet transactions 2024	**3,676**	**540**	**14,234**	**18,450**
Total off-balance-sheet transactions 2023	**3,203**	**508**	**14,582**	**18,292**

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

Information on impaired loans

in CHF million	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments[1]
› Impaired loans				
2024	**516**	**222**	**294**	**271**
2023	**487**	**201**	**286**	**249**

1 Individual value adjustments of 100 percent of the net debt amount are normally made. Individual value adjustment rates may apply in the case of major positions.

3 Trading portfolios and other financial instruments at fair value

in CHF million	2024	2023
› Assets		
Debt securities, money market securities/transactions	**6,600**	7,104
– of which, listed[1]	**5,915**	6,221
Equity securities	**4,208**	2,541
Precious metals and commodities	**2,628**	2,235
Other trading portfolio assets	**0**	0
Total trading transactions	**13,437**	**11,880**
Debt securities	**–**	–
Structured products	**–**	–
Other	**–**	–
Total other financial instruments at fair value	**–**	**–**
Total assets	**13,437**	**11,880**
– of which, determined using a valuation model	**685**	997
– of which, securities eligible for repo transactions in accordance with liquidity requirements	**2,375**	2,719

in CHF million	2024	2023
› Liabilities		
Debt securities, money market securities/transactions	**2,830**	3,213
– of which, listed[1]	**2,699**	3,100
Equity securities	**25**	5
Precious metals and commodities	**5**	5
Other trading portfolio liabilities	**2**	1
Total trading portfolio liabilities	**2,862**	**3,224**
Debt securities	**–**	–
Structured products	**4,421**	4,000
Other	**–**	–
Total liabilities from other financial instruments at fair value	**4,421**	**4,000**
Total liabilities	**7,282**	**7,224**
– of which, determined using a valuation model	**4,552**	4,227

1 Listed = traded on a recognised exchange.

4 Derivative financial instruments (assets and liabilities)

in CHF million	Trading instruments: Positive replacement values	Trading instruments: Negative replacement values	Trading instruments: Contract volume[1]	Hedging instruments: Positive replacement values	Hedging instruments: Negative replacement values	Hedging instruments: Contract volume[1]
› Interest rate instruments						
Forward contracts including FRAs	11	11	12,991	–	–	–
Swaps	13,330	13,085	669,099	550	200	21,652
Futures	–	–	25,152	–	–	–
Options (OTC)	68	47	4,650	–	–	–
Options (exchange-traded)	–	–	1	–	–	–
Total	**13,410**	**13,144**	**711,894**	**550**	**200**	**21,652**
› Foreign exchange/precious metals						
Forward contracts	4,756	4,250	417,099	–	–	–
Combined interest rate/currency swaps	294	412	1,676	14	88	2,332
Futures	–	–	148	–	–	–
Options (OTC)	45	28	4,755	–	–	–
Options (exchange-traded)	0	0	4	–	–	–
Total	**5,095**	**4,690**	**423,682**	**14**	**88**	**2,332**
› Equity securities/indices						
Forward contracts	–	–	–	–	–	–
Swaps	17	18	903	–	–	–
Futures	–	–	2,967	–	–	–
Options (OTC)	65	37	2,107	–	–	–
Options (exchange-traded)	245	253	11,659	–	–	–
Total	**328**	**308**	**17,636**	**–**	**–**	**–**
› Credit derivatives						
Credit default swaps	2	3	161	–	–	–
Total return swaps	–	–	–	–	–	–
First-to-default swaps	–	–	–	–	–	–
Other credit derivatives	–	–	–	–	–	–
Total	**2**	**3**	**161**	**–**	**–**	**–**
› Other[2]						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures	–	–	388	–	–	–
Options (OTC)	–	–	–	–	–	–
Options (exchange-traded)	4	4	213	–	–	–
Total	**4**	**4**	**600**	**–**	**–**	**–**
› Total before netting agreements						
2024	**18,838**	**18,148**	**1,153,973**	**565**	**288**	**23,984**
– of which, determined using a valuation model	**18,838**	**18,148**	**–**	**565**	**288**	**–**
2023	**20,963**	**22,000**	**1,070,905**	**737**	**304**	**26,248**
– of which, determined using a valuation model	**20,963**	**22,000**	**–**	**737**	**304**	**–**

1 The contract volume shows the amount of underlying on which a derivative is based or the notional amount underlying the derivative in accordance with the requirements of FINMA Circular 2020/1, irrespective of whether the derivative is traded long or short. The contract volume is determined differently depending on the type of contract and does not permit any direct conclusions to be drawn about the risk exposure.
2 Includes commodities and hybrid derivatives.

4 Derivative financial instruments (assets and liabilities) (continued)

in CHF million	Positive replacement values (cumulative)	Negative replacement values (cumulative)
› Total after netting agreements[3]		
2024	**2,669**	**1,005**
2023	**968**	**2,458**

› Breakdown by counterparty

Positive replacement values (after netting agreements)	Central clearing houses	Banks and securities firms	Other customers
2024	**154**	**264**	**2,251**

3 For over-the-counter (OTC) transactions, the positive and negative replacement values of derivative financial instruments as well as the related cash collateral are offset (netting). For this purpose, a relevant bilateral agreement with the affected counterparties must be in place. This agreement must be proven to be recognised and legally enforceable.

5 Financial investments

in CHF million	Book value		Fair value	
	2024	**2023**	**2024**	**2023**
Debt securities	**4,719**	5,271	**4,797**	5,166
– of which, intended to be held to maturity	**4,719**	5,271	**4,797**	5,166
– of which, not intended to be held to maturity (available for sale)	**–**	–	**–**	–
Equity securities	**134**	112	**261**	233
– of which, qualified participations[1]	**5**	8	**8**	14
Precious metals	**349**	187	**349**	187
Real estate	**4**	7	**4**	7
Cryptocurrencies	**–**	–	**–**	–
Total financial investments	**5,206**	**5,577**	**5,411**	**5,593**
– of which, securities eligible for repo transactions in accordance with liquidity requirements	**4,668**	4,729	**4,746**	4,628

1 At least 10 percent of the capital or voting rights.

in CHF million

› Counterparties by rating

Moody's	Aaa - Aa3	A1 - A3	Baa1 - Baa3	Ba1 - Ba3	Lower than Ba3	Unrated
Standard & Poor's, Fitch	AAA - AA-	A+ - A-	BBB+ - BBB-	BB+ - B-	Below B–	Unrated
Debt securities: Book values 2024	**4,597**	**51**	**–**	**–**	**–**	**71**

All debt instruments without a rating fulfil the conditions of high-quality liquid assets (HQLA) according to the Liquidity Ordinance (LiqV).
If two ratings exist with different risk weightings, the rating with the lower risk weighting is used.
If more than two ratings exist with different risk weightings, those ratings which correspond to the two lowest risk weightings are taken into consideration. The higher of the two risk weightings is used. Top priority is given to the issue rating and second priority to the issuer rating.

6 Presentation of non-consolidated participations

in CHF million	Cost value	Accumulated value adjustments/ changes in book value (equity valuation)	Book value end of 2023	Reclassi-fications	Addi-tions	Disposals (incl. any FC diffe-rences)	Value adjust-ments	Changes in book value for participations using the equity method/ depreciation reversals	**Book value end of 2024**	**Market value end of 2024**
Participations valued using the equity method										
– with market value	–	–	–	–	–	–	–	–	**–**	**–**
– without market value	48	–28	20	–	3	–	–3	0	**21**	**–**
Other participations	–	–	–	–	–	–	–	–	**–**	**–**
– with market value	–	–	–	–	–	–	–	–	**–**	**–**
– without market value	144	–10	133	–	–	–0	–1	2	**134**	**–**
Total participations	**192**	**–38**	**154**	**–**	**3**	**–0**	**–4**	**2**	**155**	**–**

1 No material impairment losses or reversals of impairment to be recorded.

7 Disclosures on companies in which the bank holds a permanent direct or indirect significant participation

			Currency bank's capital	**Bank's capital in CHF million**	**Zürcher Kantonal-bank share capital (in %)**	**Zürcher Kantonal-bank voting rights**	**Held directly**	**Held indirectly**
› Fully consolidated participations								
Complementa AG	St. Gallen	Financial services	CHF	**1**	**100.0**	**100.0**	■	
Swisscanto Asset Management International SA	Luxem-bourg	Fund management	CHF	**0**	**100.0**	**100.0**		■
Swisscanto Fund Management Company Ltd. [1]	Zurich	Fund management	CHF	**5**	**100.0**	**100.0**		■
Swisscanto Holding Ltd. [2]	Zurich	Participations	CHF	**24**	**100.0**	**100.0**	■	
Swisscanto Private Equity CHF I Ltd.	Zurich	Financial services	CHF	**0**	**100.0**	**100.0**		■
Swisscanto Private Equity CHF II Ltd.	Zurich	Financial services	CHF	**0**	**100.0**	**100.0**		■
Swisscanto Pensions Ltd. in liquidation	Zurich	Financial services	CHF	**1**	**100.0**	**100.0**		■
Zürcher Kantonalbank Finance (Guernsey) Ltd.	Guernsey	Financial services	CHF	**1**	**100.0**	**100.0**	■	
Zürcher Kantonalbank Österreich AG [3]	Salzburg	Financial services	EUR	**6**	**100.0**	**100.0**	■	
ZKB Securities (UK) Ltd.	London	Financial services	GBP	**15**	**100.0**	**100.0**	■	
› Reported under non-consolidated participations: [4]								
Participations values using the equity method.								
Technopark Real Estate Ltd.	Zurich	Project planning, construction, maintenance	CHF	**40**	**33.3**	**33.3**	■	
From other non-consolidated participations								
Pfandbriefzentrale der schweizer-ischen Kantonalbanken Ltd.	Zurich	Pfandbrief institution	CHF	**2,225** [5]	**17.8**	**17.8**	■	
Viseca Payment Services Ltd.	Zurich	Participations	CHF	**25**	**14.7**	**14.7**	■	

1 Swisscanto Fund Management Ltd holds 100 percent of the shares of Swisscanto Private Equity CH I Ltd and of Swisscanto Private Equity CH II Ltd.
2 Swisscanto Holding Ltd. holds 100 percent of the shares in Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd. (in Liquidation) and Swisscanto Asset Management International S. A.
3 Please refer to the comments in the section “Material events occurring after the balance sheet date” on page 121.
4 All non-consolidated participations whose share of capital is more than 10 percent are shown. In addition, either the share of the participations in the bank’s capital must be more than CHF 2 million or the book value must be more than CHF 15 million.
5 Of which CHF 445 million have been paid in.

7 Disclosures on companies in which the bank holds a permanent direct or indirect significant participation (continued)

			Currency bank's capital	Bank's capital in CHF million	Zürcher Kantonalbank share capital (in %)	Zürcher Kantonalbank voting rights	Held directly	Held indirectly
› Subsidiaries not fully consolidated								
Complementa LLC [6]	München	Financial services	EUR	0	100.0	100.0		■
Philanthropy Services Ltd. [7]	Basel	Services	CHF	1	85.8	85.5	■	
Zürcher Kantonalbank Representações Ltda. [8]	São Paulo	Representative office	BRL	0	100.0	100.0	■	

6 Indirect purchase via Complementa AG in 2024.
7 Total assets in CHF thousand: (2023: 2,517; 2022: 4,391), loss for the period in CHF thousand: (2023: 1,914; 2022: 2,788).
8 Total assets in CHF thousand (2023; 282; 2022: 302), result for the period in CHF thousand (2023: 0; 2022: 41).

8 Presentation of tangible fixed assets

in CHF million	Cost value	Accumulated depreciation	Book value at end 2023	Change to scope of consolidation	Additions	Disposals	Depreciation	Reversals	**Book value at end 2024**
Bank buildings	1,311	–807	504	0	10	–2	–40	–	**472**
Other real estate	2	–2	1	–	0	–	–0	–	**1**
Proprietary or separately acquired software	0	–0	–	0	–	–	–0	–	**–**
Other tangible fixed assets	176	–147	29	0	8	–0	–13	–	**24**
Tangible assets acquired under finance leases	–	–	–	–	–	–	–	–	**–**
– of which, bank buildings	–	–	–	–	–	–	–	–	**–**
– of which, other real estate	–	–	–	–	–	–	–	–	**–**
– of which, other tangible fixed assets	–	–	–	–	–	–	–	–	**–**
Total tangible fixed assets	**1,490**	**–956**	**534**	**0**	**18**	**–2**	**–53**	**–**	**497**

The insurance value of the real estate within tangible fixed assets amounted to CHF 1,307 million.
The insurance value of the other tangible fixed assets amounted to CHF 401 million.

Operating leases

in CHF million	**2024**	2023
› Leasing obligations not recognised in the balance sheet		
Due within 12 months	**0**	0
Due between 12 months and 5 years	**0**	0
Due after more than 5 years	**–**	–
Total of leasing obligations not recognised in the balance sheet	**0**	**0**
– of which, cancellable within 1 year	**–**	–

9 Presentation of intangible assets

in CHF million	Cost value	Accumulated amortisation	Book value end of 2023	Changes to scope of consolidation	Reclassifications	Additions	Disposals	Amortisation	Reversals	**Book value end of 2024**
Goodwill	300	–300	–	–	–	15[1]	–	–12[1]	–	**3**
Patents	–	–	–	–	–	–	–	–	–	**–**
Licences	48	–48	0	–	–	0	0	–1	–	**0**
Other intangible assets[2]	15	–13	2	–	–	–	–	–2	–	**–**
Total intangible assets	**363**	**–360**	**3**	**–**	**–**	**15**	**0**	**–15**	**–**	**3**

1 In connection with the acquisition of Complementa AG; includes amortisation of around CHF 2 million.
2 In connection with the completed takeover of the investment management and marketing of GAM precious metals and money market funds.

10 Other assets and liabilities

in CHF million	Other assets		Other liabilities	
	2024	**2023**	**2024**	**2023**
Compensation account	**0**	–	**159**	361
Deferred income taxes recognised as assets	**2**	4	**–**	–
Amount recognised as assets in respect of employer contribution reserves	**–**	–	**–**	–
Amount recognised as assets relating to other assets from pension schemes	**–**	–	**–**	–
Negative goodwill	**–**	–	**–**	–
Settlement accounts	**371**	494	**550**	1,310
Indirect taxes	**25**	22	**113**	107
Other	**6**	6	**13**	11
Total	**405**	**527**	**834**	**1,789**

11 Assets pledged or assigned to secure own commitments, and assets under reservation of ownership

in CHF million	**2024**		**2023**	
	Book value	Effective commitment	Book value	Effective commitment
› Pledged/assigned assets				
Liquid assets	**245**	**245**	236	236
Amounts due from banks	**2,931**	**2,913**	2,149	2,118
Amounts due from customers	**1,114**	**1,044**	2,252	2,238
Mortgage loans	**13,715**	**11,162**	14,393	11,558
Trading portfolio assets	**597**	**597**	593	593
Financial investments	**380**	**332**	123	97
Total pledged/assigned assets	**18,984**	**16,294**	**19,746**	**16,840**

No assets are subject to reservation of ownership.
Note 1 shows instruments serving as collateral for which a right of resale or pledging has been granted in connection with securities financing.

12 Liabilities relating to own pension schemes and number and nature of equity instruments of the bank held by own pension schemes

in CHF million	2024	2023	Change
› Liabilities to own pension schemes from balance-sheet transactions			
Amounts due in respect of customer deposits	**53**	47	7
Cash bonds	**0**	0	0
Negative replacement values of derivative financial instruments[1]	**0**	63	−63
Accrued expenses and deferred income	**0**	0	0
Other liabilities	**0**	0	0
Total	**53**	**110**	**−56**

Own pension schemes do not hold any of the bank's equity instruments.

1 After taking netting agreement into account.

13 Information on pension schemes

The Zürcher Kantonalbank pension fund is a public-law institution and is a separate legal entity. The purpose of the pension fund is to insure the bank's employees against the economic consequences of age, death and disability. The pension fund's pension plan comprises three different pension vehicles. The annuity plan insures the basic salary (annual salary) according to the combined defined benefit/defined contribution principle[1]. The capital plan insures any paid variable compensation (bonus) subject to AHV. The capital plan is also based on a combined defined benefit/defined contribution principle[1]. The third vehicle – the supplementary account – enables insured individuals to pre-finance the reduction in benefits on early retirement between the ages of 58 and 65. The premiums required for these plans constitute a component of personnel expenses. Contributions to the annuity and capital plans are funded jointly by the insured individual and the bank. The supplementary account is funded exclusively by the insured individuals. An additional plan is operated in the form of a separate trust, the Marienburg Foundation of Zürcher Kantonalbank, for the senior management of affiliated employers. Structured on a defined contribution basis, this solution insures the element of the base salary in excess of a specific minimum amount. The Marienburg Foundation of Zürcher Kantonalbank is funded jointly by the insured individuals and the bank. However, employer contributions for salary components insured in the Marienburg Foundation are lower than those in the pension fund after the age of 45. Also, unlike the pension fund, the Marienburg Foundation does not pay old-age pensions, only retirement capital. This means that investment risk and longevity risk are borne by the retirees. The purpose of the Marienburg Foundation is also to protect insured individuals against the consequences of death and disability.

The following employers are affiliated to Zürcher Kantonalbank's pension fund:

- Zürcher Kantonalbank's Grüningen Botanical Garden Trust
- Zürcher Kantonalbank pension fund
- Zürcher Kantonalbank's SanArena Trust
- Swisscanto Fund Management Company Ltd.
- Zürcher Kantonalbank

1 Retirement benefits are based on the individually accumulated savings assets, while death and disability benefits are calculated as a percentage of the insured salary. Disability pensions are paid for life, and the pension is recalculated when the insured individual reaches normal retirement age.

in %	Coverage ratio as at 31.12.2024 (not yet audited)	Coverage ratio as at 31.12.2023 (audited)
Zürcher Kantonalbank pension fund	**116**	110
Marienburg Foundation of Zürcher Kantonalbank (solution for senior management)	**109**	105

Coverage ratio pursuant to Article 44 BVV2

Complementa AG has insured its employees against the risks of old age, death and disability with a collective foundation under a defined contribution scheme.

Occupational pension provision for the employees of the Austrian subsidiary is outsourced to a collective scheme governed by Austrian law. The pension plan is structured on a defined contribution basis.

Swisscanto Asset Management International S. A. in Luxembourg has set up a pension plan for all employees. The plan, including the investment of employee assets, is managed by an insurance company. The savings contributions are fully financed by the employer. The risks are comprehensively covered by the insurance company. The office in Germany is a member of the pension fund for the banking industry. The employees can save tax free contributions for retirement, with the employer paying part of the contributions. Contributions are paid into a banking sector pension fund for the employees of the branch in Italy.

The pension plans for the employees of ZKB Securities (UK) Limited and Zürcher Kantonalbank Finance (Guernsey) Ltd. are defined contribution schemes and are administered by independent retirement benefit institutions.

There is no possibility of a shortfall or surplus for pension solutions in other countries as the investment risk is fully borne by the employee.

13 Information on pension schemes (continued)

a) Employer contribution reserves (ECR)

Neither Zürcher Kantonalbank nor its subsidiaries have employer contribution reserves.

b) Economic benefit/obligations and the pension expenses

in CHF million	Over-/underfunding	Economic interest of the bank		Change in economic interest versus previous year	Contributions paid	Pension expenses in personnel expenses	
	End 2024	**2024**	**2023**	**2024**	**2024**	**2024**	**2023**
Employer-sponsored funds/employer-sponsored pension schemes	**–**	–	–	–	–	–	–
Pension plans without overfunding/underfunding	**–**	–	–	–	3	3	114
Pension plans with overfunding	**4**	–	–	–	117	117	–
Pension plans with underfunding	**–**	–	–	–	–	–	–
Pension schemes without own assets	**–**	–	–	–	–	–	–
Total	**4**	**–**	**–**	**–**	**120**	**120**	**114**

14 Issued structured products

in CHF million		Book Value				Total
		Valued as a whole		Valued separately		
		Booked in trading portfolio	Booked in other financial instruments at fair value	Value of the host instrument	Value of the derivative	
Underlying risk of the embedded derivative						
Interest rate instruments	With own debenture component	–	80	–	–	80
	Without oDC	–	–	–	–	–
Equity securities	With own debenture component	–	4,170	–	–	4,170
	Without oDC	–	–	–	–	–
Foreign currencies	With own debenture component	–	167	–	–	167
	Without oDC	–	–	–	–	–
Commodities/precious metals	With own debenture component	–	2	–	–	2
	Without oDC	–	–	–	–	–
Loans	With own debenture component	–	2	–	–	2
	Without oDC	–	–	–	–	–
Real estate	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Hybrid instruments	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Total 2024		**–**	**4,421**	**–**	**–**	**4,421**
Total 2023		**–**	**4,000**	**–**	**–**	**4,000**

15 Presentation of bonds outstanding and mandatory convertible bonds (incl. cash bonds, certificate of deposits and central mortgage institution loans)

› Cash bonds

	Outstanding amount in CHF million	Weighted average interest rate	Maturities
31.12.2024	**260**	**0.80**	**2025–2034**
31.12.2023	288	0.74	2024–2033

Maturity structure in CHF million	**2025**	**2026**	**2027**	**2028**	**2029**	**after 2029**	**Total**
Cash bonds	101	53	24	24	16	43	260

› Certificate of deposits

	Outstanding amount in CHF million	Weighted average interest rate	Maturities
31.12.2024	**50**	**0.80**	**2025**
31.12.2023	632	1.71	2024

Maturity structure in CHF million	**2025**	**2026**	**2027**	**2028**	**2029**	**after 2029**	**Total**
Certificate of deposits	50	–	–	–	–	–	50

› Bonds and mandatory convertible bonds

	Outstanding amount in CHF million	Weighted average interest rate	Maturities
31.12.2024 (Issuer: Zürcher Kantonalbank)	**10,994**		
– of which, non-subordinated	**7,648**	**0.59**	**2025–2044**
– of which, subordinated without PONV clause[1]	**1,809**	**3.44**	**2027–2033**
– of which, subordinated with PONV clause[1]	**1,537**	**2.74**	**2028–perpetual**
31.12.2023 (Issuer: Zürcher Kantonalbank)	10,547		
– of which, non-subordinated	7,512	0.59	2024–2044
– of which, subordinated without PONV clause[1]	1,506	3.70	2027–2030
– of which, subordinated with PONV clause[1]	1,529	2.74	2028–perpetual

Maturity structure in CHF million	**2025**	**2026**	**2027**	**2028**	**2029**	**after 2029**	**Total**
Bond issues	1,047	1,505	1,299	1,398	869	4,877	10,994

› Central mortgage institution loans

	Outstanding amount in CHF million	Weighted average interest rate	Maturities
31.12.2024	**11,162**	**0.76**	**2025–2040**
31.12.2023	11,558	0.61	2024–2039

Maturity structure in CHF million	**2025**	**2026**	**2027**	**2028**	**2029**	**after 2029**	**Total**
Central mortgage institution loans[2]	1,304	780	1,143	1,742	1,561	4,632	11,162

1 Point Of Non-Viability (PONV).
2 Pfandbriefzentrale der schweizerischen Kantonalbanken AG loans.

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

in CHF million	Balance at end of 2023	Changes to scope of consolida-tion	Use in conformity with designated purpose and reversals	Reclassifi-cations	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income statement	**Balance at end of 2024**
Provisions for deferred taxes	0	–	–	–	–	–	–	–0	**–**
Provisions for pension benefit obligations	–	–	–	–	–	–	–	–	**–**
Provisions for default risks	146	–	–2	–	0	–	115	–111	**148**
– of which, provisions for expected loss	54	–	–	–	0	–	67	–64	**58**
Provisions for other business risks [1]	13	–	–1	–	–0	–	1	–0	**14**
Provisions for restructuring	–	–	–	–	–	–	–	–	**–**
Other provisions [2]	14	0	–0	–	0	–	2	–1	**15**
Total provisions	**174**	**0**	**–4**	**–**	**–0**	**–**	**118**	**–112**	**177**
Reserves for general banking risks	**379**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**379**
Value adjustments for default and country risks	676	0	–10	–	0	2	300	–249	**718**
– of which, value adjustments for default risks in respect of impaired loans/receivables [3]	249	–	–10	–	–	2	89	–59	**271**
– of which, value adjustments for expected loss	427	0	–	–	0	–	210	–190	**447**

1 Provisions for other business risks relate to provisions for settlement risks, for example, which cover identifiable risks as at the balance sheet date.
2 The other provisions include, among other things, provisions for litigation and provisions for employees' holiday credits.
3 Default risks consist primarily of counterparty risks, for which value adjustments of 100 percent of the net debt are generally set aside. Individual value adjustments rates may apply in the case of major positions.

Recoveries from amounts due derecognised in previous periods are reported directly in Changes in value adjustments for default risk and losses from interest operations (2024: CHF 3 million/2023: CHF 1 million).
For more details on the management of credit risks, operational risks and legal and compliance risks, please refer to section I) Risk report.

17 Presentation of the bank's capital

The disclosure pursuant to the accounting rules for banks is made only by the parent company (page 197).

18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation schemes

Neither Zürcher Kantonalbank nor its subsidiaries have employee participation schemes.

19 Amounts due from/to related parties

in CHF million	Due from		Due to	
	2024	**2023**	**2024**	**2023**
Holders of qualified participations	**21**	15	**734**	463
Group companies	**–**	–	**1**	2
Linked companies	**323**	330	**604**	864
Transactions with members of governing bodies	**12**	16	**31**	30
Other related parties	**–**	–	**–**	–

Affiliated companies are public-law institutions of the respective canton or public-private enterprises in which the canton holds qualified participations.
On- and off-balance-sheet transactions with related parties are conducted at usual market conditions, with the exception of loans to members of governing bodies.
Loans to governing bodies are granted on employee terms in some cases.
This primarily involved the usual balance sheet banking business, i.e. it was mainly amounts due from and due to customers.
The totals above also include securities items and claims and liabilities from transactions in derivatives (positive and negative replacement values). The off-balance-sheet transactions with related parties in the amount of CHF 906 million (2023: CHF 1,436 million) primarily include irrevocable loan commitments and other contingent liabilities.

20 Disclosure of holders of significant participations

The disclosure pursuant to the accounting rules for banks is only made by the parent company (page 198).

21 Disclosure of own shares and composition of equity capital

in CHF million	**2024**	**2023**
Reserves for general banking risks	**379**	379
Bank's capital	**2,425**	2,425
Retained earnings reserve	**10,952**	10,241
Foreign currency translation reserve	**–15**	–16
Consolidated profit	**1,120**	1,238
Total shareholders' equity	**14,862**	**14,268**

The bank does not hold any of its own shares.

22 Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations and Article 663c para. 3 CO for banks whose equity securities are listed

The disclosure pursuant to the accounting rules for banks is only made by the parent company (page 199).

23 Maturity structure of financial instruments

in CHF million	At sight	Cancel-lable	Due within 3 months	Due within 3 to 12 months	Due after 1 to 5 years	Due after 5 years	No maturity	Total
› Assets/financial instruments								
Liquid assets	32,489	245	–	–	–	–	–	32,733
Amounts due from banks	626	0	928	1,500	54	297	–	3,405
Amounts due from securities financing transactions	9	11,776	12,822	743	–	–	–	25,349
Amounts due from customers	117	1,767	4,824	2,111	2,031	772	–	11,621
Mortgage loans	102	22,098	6,791	9,449	43,934	24,226	–	106,600
Trading portfolio assets	13,437	–	–	–	–	–	–	13,437
Positive replacement values of derivative financial instruments	2,669	–	–	–	–	–	–	2,669
Other financial instruments at fair value	–	–	–	–	–	–	–	–
Financial investments	483	–	20	435	2,355	1,909	4	5,206
Total assets/financial instruments 2024	**49,931**	**35,885**	**25,385**	**14,237**	**48,374**	**27,204**	**4**	**201,021**
Total assets/financial instruments 2023	**53,919**	**34,508**	**26,732**	**11,558**	**45,778**	**26,895**	**7**	**199,398**
› Debt capital/financial instruments								
Amounts due to banks	5,054	175	28,665	5,103	694	–	–	39,691
Liabilities from securities financing transactions	9	3,581	4,418	–	–	–	–	8,008
Amounts due in respect of customer deposits	47,909	39,207	15,511	2,971	579	804	–	106,980
Trading portfolio liabilities	2,862	–	–	–	–	–	–	2,862
Negative replacement values of derivative financial instruments	1,005	–	–	–	–	–	–	1,005
Liabilities from other financial instruments at fair value	4,421	–	–	–	–	–	–	4,421
Cash bonds	–	–	20	80	117	43	–	260
Certificate of deposits	–	–	50	–	–	–	–	50
Bond issues	–	3,346	250	797	3,239	3,362	–	10,994
Central mortgage institution loans	–	–	152	1,152	5,226	4,632	–	11,162
Total debt capital/financial instruments 2024	**61,260**	**46,309**	**49,066**	**10,103**	**9,855**	**8,841**	**–**	**185,434**
Total debt capital/financial instruments 2023	**56,249**	**43,904**	**55,462**	**8,938**	**9,979**	**9,126**	**–**	**183,658**

24 Assets, liabilities and off-balance-sheet positions by domestic and foreign origin in accordance with the domicile principle

in CHF million	2024 Domestic	2024 Foreign	2023 Domestic	2023 Foreign
› Assets				
Liquid assets	**32,410**	**323**	39,524	182
Amounts due from banks	**270**	**3,135**	435	2,966
Amounts due from securities financing transactions	**12,265**	**13,084**	17,683	8,057
Amounts due from clients	**9,756**	**1,866**	9,098	2,154
Mortgage loans	**106,599**	**0**	100,874	0
Trading portfolio assets	**7,258**	**6,178**	6,587	5,294
Positive replacement values of derivative financial instruments	**2,249**	**421**	637	331
Other financial instruments at fair value	**–**	**–**	–	–
Financial investments	**4,644**	**563**	4,588	989
Accrued income and prepaid expenses	**484**	**30**	620	25
Participations	**154**	**1**	153	1
Tangible fixed assets	**495**	**3**	531	3
Intangible assets	**3**	**0**	2	0
Other assets	**168**	**236**	379	148
Total assets	**176,755**	**25,839**	**181,112**	**20,147**
› Liabilities				
Amounts due to banks	**3,319**	**36,372**	3,336	32,068
Liabilities from securities financing transactions	**27**	**7,981**	245	13,849
Amounts due in respect of customer deposits	**100,512**	**6,468**	94,213	7,239
Trading portfolio liabilities	**1,118**	**1,744**	1,234	1,990
Negative replacement values of derivative financial instruments	**545**	**460**	2,017	441
Liabilities from other financial instruments at fair value	**2,550**	**1,871**	2,288	1,712
Cash bonds	**260**	**–**	288	–
Certificate of deposits	**50**	**–**	632	–
Bond issues	**10,994**	**–**	10,547	–
Central mortgage institution loans	**11,162**	**–**	11,558	–
Accrued expenses and deferred income	**1,258**	**29**	1,347	24
Other liabilities	**718**	**116**	1,535	255
Provisions	**175**	**3**	172	2
Reserves for general banking risks	**379**	**–**	379	–
Bank's capital	**2,425**	**–**	2,425	–
Retained earnings reserve	**10,803**	**150**	10,093	149
Foreign currency translation reserve	**–15**	**–**	–16	–
Consolidated profit	**1,102**	**18**	1,224	15
Total liabilities	**147,383**	**55,211**	**143,516**	**57,743**
› Off-balance-sheet transactions				
Contingent liabilities	**2,243**	**1,813**	1,946	1,826
Irrevocable commitments	**12,595**	**1,450**	12,868	1,300
Obligations to pay up shares and make further contributions	**349**	**–**	353	–
Credit commitments	**–**	**–**	–	–

25A Assets by country or group of countries

	2024		2023	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	**176,755**	**87.2**	181,112	90.0
Rest of Europe	**15,142**	**7.5**	11,928	5.9
– of which, Germany	**3,280**	**1.6**	1,561	0.8
– of which, France	**1,132**	**0.6**	1,079	0.5
– of which, United Kingdom	**4,834**	**2.4**	4,978	2.5
– of which, Guernsey	**10**	**0.0**	8	0.0
Americas	**8,675**	**4.3**	6,732	3.3
– of which, USA	**6,466**	**3.2**	4,798	2.4
Asia and Oceania	**1,955**	**1.0**	1,448	0.7
Africa	**67**	**0.0**	39	0.0
Total assets	**202,594**	**100.0**	**201,259**	**100.0**

25B Liabilities by country or group of countries

	2024		2023	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	**147,383**	**72.7**	143,516	71.3
Rest of Europe	**27,650**	**13.6**	33,321	16.6
– of which, Germany	**4,025**	**2.0**	3,958	2.0
– of which, France	**3,779**	**1.9**	9,743	4.8
– of which, United Kingdom	**5,520**	**2.7**	5,110	2.5
– of which, Guernsey	**2,187**	**1.1**	2,227	1.1
Americas	**18,016**	**8.9**	15,502	7.7
– of which, USA	**7,381**	**3.6**	7,366	3.7
Asia and Oceania	**8,194**	**4.0**	6,838	3.4
Africa	**1,350**	**0.7**	2,081	1.0
Total liabilities	**202,594**	**100.0**	**201,259**	**100.0**

25C Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions by country or group of countries

	2024		2023	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	**15,187**	**82.3**	15,167	82.9
Rest of Europe	**2,322**	**12.6**	2,119	11.6
– of which, Germany	**196**	**1.1**	181	1.0
– of which, France	**247**	**1.3**	249	1.4
– of which, United Kingdom	**148**	**0.8**	156	0.9
– of which, Guernsey	**36**	**0.2**	87	0.5
Americas	**109**	**0.6**	164	0.9
– of which, USA	**84**	**0.5**	80	0.4
Asia and Oceania	**810**	**4.4**	801	4.4
Africa	**22**	**0.1**	41	0.2
Total	**18,450**	**100.0**	**18,292**	**100.0**

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

Rating system ZKB's own country rating	Moody's	2024 Net foreign exposure in CHF million	2024 Net foreign exposure Share as %	2023 Net foreign exposure in CHF million	2023 Net foreign exposure Share as %
A	Aaa/Aa1/Aa2/Aa3	**26,504**	**86.5**	23,036	88.1
B	A1/A2/A3	**1,812**	**5.9**	1,224	4.7
C	Baa1/Baa2/Baa3	**516**	**1.7**	448	1.7
D	Ba1/Ba2	**1,268**	**4.1**	857	3.3
E	Ba3	**7**	**0.0**	12	0.0
F	B1/B2/B3	**340**	**1.1**	279	1.1
G	Caa1/Caa2/Caa3/Ca/C	**179**	**0.6**	306	1.2
Total		**30,626**	**100.0**	**26,161**	**100.0**

27 Balance sheet by currencies

	Currencies translated in CHF million				
	CHF	USD	EUR	Other	Total
› Assets					
Liquid assets	32,377	2	353	2	32,733
Amounts due from banks	252	2,465	491	197	3,405
Amounts due from securities financing transactions	12,204	8,286	4,851	8	25,349
Amounts due from clients	8,150	1,155	1,852	464	11,621
Mortgage loans	106,422	–	177	–	106,600
Trading portfolio assets	9,855	2,693	657	232	13,437
Positive replacement values of derivative financial instruments	1,951	247	448	23	2,669
Other financial instruments at fair value	–	–	–	–	–
Financial investments	5,061	0	145	0	5,206
Accrued income and prepaid expenses	419	61	31	2	513
Non-consolidated participations	154	–	1	0	155
Tangible fixed assets	495	–	2	0	497
Intangible assets	3	–	0	–	3
Other assets	253	73	51	28	405
Total assets shown in balance sheet	**177,595**	**14,983**	**9,059**	**956**	**202,594**
Delivery entitlements from spot exchange, forward forex, forex options and precious metal transactions	134,966	158,897	87,563	40,812	422,238
Total assets	**312,561**	**173,880**	**96,622**	**41,769**	**624,832**
› Liabilities					
Amounts due to banks	10,253	18,431	7,549	3,458	39,691
Liabilities from securities financing transactions	0	2,194	3,375	2,438	8,008
Amounts due in respect of customer deposits	95,317	4,473	6,154	1,036	106,980
Trading portfolio liabilities	1,562	1,049	222	29	2,862
Negative replacement values of derivative financial instruments	734	155	87	29	1,005
Liabilities from other financial instruments at fair value	2,899	1,034	441	47	4,421
Cash bonds	260	–	–	–	260
Certificate of deposits	50	–	–	–	50
Bond issues	9,126	–	1,869	–	10,994
Central mortgage institution loans	11,162	–	–	–	11,162
Accrued expenses and deferred income	1,032	160	77	17	1,287
Other liabilities	742	52	14	25	834
Provisions	175	–	2	–	177
Reserves for general banking risks	379	–	–	–	379
Bank's capital	2,425	–	–	–	2,425
Retained earnings reserve	10,968	–	–9	–6	10,952
Foreign currency translation reserve	–	–	–14	–1	–15
Consolidated profit	1,117	–	5	–1	1,120
Total liabilities shown in the balance sheet	**148,201**	**27,549**	**19,772**	**7,072**	**202,594**
Delivery obligations from spot exchange, forward forex, forex options and precious metal transactions	164,179	146,735	76,805	34,545	422,264
Total liabilities	**312,380**	**174,284**	**96,578**	**41,617**	**624,858**
Net position per currency in 2024	**182**	**–404**	**44**	**152**	**–26**
Net position per currency in 2023	**–1,844**	**272**	**303**	**222**	**–1,047**

j) Information on off-balance-sheet transactions

The following provides more detailed information on off-balance sheet positions as well as managed assets and other liabilities not included in the balance sheet.

28 Contingent liabilities and contingent assets

in CHF million	2024	2023
Guarantees to secure credits and similar	466	434
Performance guarantees and similar	2,171	2,140
Irrevocable commitments arising from documentary letters of credit	1,419	1,198
Other contingent liabilities	–	–
Total contingent liabilities	**4,056**	**3,772**
Contingent assets arising from tax losses carried forward	–	–
Other contingent assets	–	–
Total contingent assets	**–**	**–**

29 Breakdown of credit commitments

There are no credit commitments as of 31 December 2024 and 31 December 2023.

30 Breakdown of fiduciary transactions

in CHF million	2024	2023
Fiduciary investments with third-party companies	1,066	983
Fiduciary investments with linked companies	–	–
Fiduciary loans	–	–
Fiduciary transactions arising from securities lending and borrowing (in the bank’s own name for the account of customers)	–	–
Fiduciary crypto currencies held for customer's accounts	21	–
Other fiduciary transactions	–	–
Total	**1,087**	**983**

31 Breakdown of managed assets and presentation of their development

a) Breakdown of managed assets

in CHF million	2024	2023
› Type of managed assets		
Assets in collective investment schemes managed by the bank	**170,958**	141,113
Assets under discretionary asset management agreements	**104,045**	87,089
Other managed assets [3]	**182,274**	167,583
Total managed assets (including double counting) [1/3]	**457,276**	**395,786**
– of which, double counting	**94,150**	74,242
Assets with Custody Services [2/3]	**63,534**	55,003
Total client assets (including double counting)	**520,811**	**450,789**

1 The assets under management include all client assets of an investment nature held with Zürcher Kantonalbank, as well as client assets held with third-party banks that are managed by Zürcher Kantonalbank. Zürcher Kantonalbank also includes client deposits that are not of an investment nature in its reported assets under management. Non-inclusion of accounts that do not have an investment element would lead to greater volatility in the assets under management and thus distort the meaningfulness of reported trends in assets under management. Assets held in custody at Zürcher Kantonalbank that are managed by third parties (custody-only holdings) are not included in either assets under management or total client assets. Holdings of banks and significant investment fund companies (including their collective pension fund foundations, investment trusts, pension foundations and pension funds) and other institutional clients for which Zürcher Kantonalbank acts exclusively as custodian bank are treated as custody-only.

2 Assets of clients who receive additional custody services from Zürcher Kantonalbank in addition to pure custody are shown as assets with custody services.

3 In the 2024 reporting year, Zürcher Kantonalbank clarified the criteria for distinguishing between assets under management and assets with custody services. The disclosure was refined accordingly and the comparative figures adjusted. As at 31 December 2023, this led to a reclassification in the previous year from assets under management to assets with custody services in the amount of CHF 55,003 million, as well as to a reduction in net new money of CHF 9,354 million and in fluctuations in prices and exchange rates, interest and dividend payments of CHF 1,460 million.

b) Presentation of the development of managed assets

in CHF million	2024	2023
Total managed assets (including double counting) at beginning	**395,786**	355,776
+/– net new money inflow or net new money outflow [3/4]	**29,817**	27,419
+/– price gains/losses, interest, dividends and currency gains/losses [3/4]	**32,841**	14,002
+/– other effects	**–1,167**	–1,411
Total managed assets (including double counting) at end [3]	**457,276**	**395,786**

4 The net new money inflow/outflow corresponds to the development of managed client assets adjusted for fluctuations in prices and exchange rates, interest and dividend payments, fees and expenses charged to clients, and reclassification of assets. Changes due to acquisitions/disposals of subsidiaries are not included. The interest billed to loan clients is included in the change in net new money inflow/outflow.

k) Information on the income statement

In this section, individual income statement items are broken down in greater detail and the components of the return on equity explained.

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

a) Breakdown by business area (in accordance with the organisation of the bank/financial group)

in CHF million	2024	2023
Result from trading in foreign exchange, bank notes and precious metals	**146**	159
Result from trading in bonds, interest rate and credit derivatives	**93**	153
Result from trading in equities and structured products	**79**	56
Result from other trading activities [1]	**34**	48
Total	**353**	**415**

1 The result from other trading activities includes results from securities lending and borrowing as well as positions for which the Executive Board or Asset Management is responsible.

b) Breakdown by underlying risk and based on the use of the fair value option

in CHF million	2024	Result from trading activities from: Foreign exchange and bank notes	Precious metals	Securities lending and borrowing	Bonds, interest rate and credit derivatives	Equities and equity derivatives	Commodities and commodity derivatives	Other products [2]
Result from trading in foreign exchange, bank notes and precious metals	**146**	128	10	–	8	–	–	–
Result from trading in bonds, interest rate and credit derivatives	**93**	15	–	−13	92	1	–	–
Result from trading in equities and structured products	**79**	28	−7	0	58	3	−0	−3
Result from other trading activities	**34**	−0	−0	35	0	−0	0	−1
Total	**353**	**170**	**2**	**22**	**159**	**3**	**0**	**−4**
– of which, from fair value option on assets	**–**	–	–	–	–	–	–	–
– of which, from fair value option on liabilities	**−304**	−3	−1	–	−7	−294	−0	0

2 The trading result from other products includes hybrid products and real estate derivatives.

33 Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

During financial year 2024, refinancing income from trading activities of CHF –369.5 million (previous year: CHF –435.6 million) was included in the item Interest and discount income. The item Interest and discount income also includes the result of currency swaps in the amount of CHF 1,141.9 million (previous year: CHF 987.4 million), which were entered into solely for the purpose of engaging in interest arbitrage. Negative interest on lending business is shown as a reduction in the interest and discount income. Negative interest on deposit-taking business is shown as a reduction in interest expenses.

in CHF million	2024	2023
Negative interest on lending business (reduction in interest and discount income)	**0**	0
Negative interest on deposit-taking business (reduction in interest expenses)	**1**	2

34 Breakdown of personnel expenses

in CHF million	2024	2023
Salaries and benefits	**982**	959
– of which, alternative forms of variable compensation	**–**	1
AHV, IV, ALV and other social security contributions	**204**	187
Changes in book value for economic benefits and obligations arising from pension schemes	**–**	–
Other personnel expenses	**37**	34
Total	**1,223**	**1,180**

35 Breakdown of general and administrative expenses

in CHF million	2024	2023
Office space expenses	**33**	33
Expenses for information and communications technology	**193**	180
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	**2**	2
Fees of audit firms	**7**	7
– of which, for financial and regulatory audits	**7**	7
– of which, for other services	**0**	0
Other operating expenses	**272**	276
– of which, compensation for state guarantee	**31**	30
Total	**508**	**499**

36 Explanations regarding material losses, extraordinary income and expenses, reserves for general banking risks and value adjustments and provisions no longer required

in CHF million	2024	2023
› Extraordinary income		
Reversal of impairment on other participations	**2**	1
Income from sale of other real estate/bank premises	**9**	–
Income from sale of participations	**0**	–
Other	**1**	0
Total	**12**	**1**
› Extraordinary expenses		
Losses from sale of other real estate/bank premises	**–**	–
Losses from disposal of participations	**–**	–
Other	**0**	–
Total	**0**	**–**
› Changes in reserves for general banking risks		
Creation of reserves for general banking risks	**–**	225 [1]
Release of reserves for general banking risks	**–**	–
Total	**–**	**225**

1 Allocation to strengthen the bank's capital.

37 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

in CHF million		2024	2023
Participations	**Registered office**		
CLS Group Holdings AG	Lucerne	**0**	0
TWINT Ltd.	Zurich	**1**	0
Total		**1**	**1**

Appreciation is applied to non-listed participations in accordance with the mean value method and, for listed participations, in accordance with the market value method.

38 Income statement broken down according to domestic and foreign origin, according to the principle of permanent establishment

in CHF million	2024 Domestic	2024 Foreign	2023 Domestic	2023 Foreign
› Result from interest operations				
Interest and discount income	4,326	17	4,004	10
Interest and dividend income from financial investments	40	0	32	0
Interest expense	−2,631	−14	−2,170	−7
Gross result from interest operations	**1,734**	**3**	**1,866**	**4**
Changes in value adjustments for default risk and losses from interest operations	−57	0	−49	0
Subtotal net result from interest operations	**1,677**	**3**	**1,816**	**4**
› Result from commission business and services				
Commission income from securities trading and investment activities	1,334	177	1,209	150
Commission income from lending activities	77	0	72	0
Commission income from other services	148	0	160	0
Commission expense	−581	−124	−520	−113
Subtotal result from commission business and services	**977**	**53**	**920**	**37**
› Result from trading activities				
Result from trading activities and the fair value option	**335**	**18**	**386**	**29**
› Other result from ordinary activities				
Result from the disposal of financial investments	10	–	7	–
Income from participations	14	–	13	–
– of which, participations valued using the equity method	1	–	1	–
– of which, from other non-consolidated participations	13	–	12	–
Result from real estate	8	0	8	0
Other ordinary income	34	0	35	0
Other ordinary expenses	−6	0	−16	–
Subtotal other result from ordinary activities	**59**	**0**	**47**	**0**
Operating income	3,048	74	3,169	71
› Operating expenses				
Personnel expenses	−1,199	−24	−1,160	−20
General and administrative expenses	−517	−25	−511	−34
Subtotal operating expenses	**−1,715**	**−49**	**−1,671**	**−54**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	−71	−1	−74	−1
Changes to provisions and other value adjustments and losses	−7	−1	28	0
Operating result	**1,255**	**22**	**1,453**	**17**
Extraordinary income	12	0	1	0
Extraordinary expenses	−0	−0	–	–
Changes in reserves for general banking risks	–	–	−225	–
Consolidated profit before taxes	1,267	22	1,229	17
Taxes	−164	−4	−5	−2
Consolidated profit	**1,102**	**18**	**1,224**	**15**

39 Presentation of current taxes, deferred taxes, and disclosure of tax rate

in CHF million	2024	2023
Creation of provisions for deferred taxes	–	–
Reversal of provisions for deferred taxes	0	0
Recognition of deferred taxes on losses carried forward	–2	–1
Recognition of other deferred taxes	0	0
Reversal of other deferred taxes	–0	–
Expenses for current income and capital taxes	–165 [1]	–7
Expenses for property gains taxes	–2	–
Total	**–168**	**–7**
Unrecognised tax reductions on losses carried forward, and tax credits not recognised under the principle of prudence	–	–
Hypothetical deferred income taxes calculated at theoretical tax rates on revaluations of investments not relevant for tax purposes	–	–

Figures in table: minus = expense; plus = income
1 Of which OECD minimum tax CHF 156 million
Average weighted tax rate (basis: operating result): 13.2 %

40 Disclosures and explanations of the earnings per equity security in the case of listed banks

Zürcher Kantonalbank has no listed equity securities.

41 Components of return on equity

	2024	2023
Return on equity (RoE)	8.0 %	9.3 %

in CHF million	2024	2023
Relevant net annual result for calculating ROE		
Consolidated profit	1,120	1,238
Total	**1,120**	**1,238**
Relevant average equity [1] for calculating ROE		
Average bank’s capital	2,425	2,425
Average other equity components	11,647	10,932
Total	**14,072**	**13,357**

1 The average bank’s capital and other equity components are calculated on a monthly basis.

I) Risk report

1.1.1 Risk profile

The risk profile of Zürcher Kantonalbank has not changed significantly compared to the previous year and remains robust as at the end of the 2024 financial year.

The corporate loan portfolio shows pleasing growth. Among other things, opportunities arose for Zürcher Kantonalbank from the reorientation of various companies following the merger of the big banks. The portfolio remains stable in terms of default risks. While the export-oriented sectors suffered from subdued international demand, domestic and consumer-oriented sectors benefited from robust private consumption. The regular assessment of all major unsecured balance sheet exposures has not revealed any extraordinary risks. Uncertainties nevertheless remain due to several factors, including the ongoing geopolitical tensions, the change of governments in Europe and the threat of trade barriers from the US.

On the Swiss real estate markets, the risks of potential valuation and price corrections have eased further with the lower interest rates. The residential real estate market in particular continues to see structural excess demand, which is supporting rental and price trends. The mortgage portfolio of Zürcher Kantonalbank grew 5.7 percent in 2024, outperforming the overall market. Growth in owner-occupied housing was 2.1 percent. Credit risk management ensures that the portfolio growth in mortgage lending maintains a balanced risk profile.

The risk profile in trading was largely characterised by credit risks in bond trading. Value at risk (VaR) was CHF 10 million at the end of the year and therefore lower than at the end of 2023 (CHF 14 million). The utilisation of the risk capital limit allocated internally for trading (capital at risk) was 56 percent at the end of the year (previous year: 65 percent).

The bank managed the risks of its balance sheet structure against the backdrop of falling interest rates and, as a consequence thereof, changes in client behaviour when choosing mortgage products. With the SNB's interest rate cuts, client preference shifted in the second half of the year from rollover mortgages to fixed-term mortgages with longer terms. The interest rate sensitivity of the CHF banking book at the end of the year was slightly below the level at the end of the previous year (–2 per cent).

The good liquidity situation of Zürcher Kantonalbank is reflected in the solid liquidity risk ratios. Since 1 January 2024, additional liquidity requirements with a stress horizon of 90 days (previously only 30 days) have applied to systemically important banks. All regulatory liquidity requirements, including the net stable funding ratio (NSFR), were comfortably met at all times.

The bank's risk profile for operational risks (OpRisk) has not changed fundamentally. Process and cyber risks continue to be the two OpRisk areas with the most significant residual risks. The management of these risks therefore continues to receive a high degree of attention. The dynamics of business activity and increasing regulation are constantly raising the requirements for expert knowledge and models for an appropriate control environment. Internal planning and budgeting ensure that the necessary resources are allocated accordingly.

The risk profile in the area of compliance risks has also remained stable. The implementation of the continually evolving regulatory and statutory framework, particularly regarding investor protection, data protection and the fight against money laundering, continued to require the deployment of substantial resources in 2024. A further focus was placed on developments in sustainability topics in order to meet the increasing legal requirements. In the year under review, for example, special efforts were necessary to update anti-money laundering systems and manage legal and compliance risks connected to sanctions imposed in response to geopolitical conflicts.

Zürcher Kantonalbank discloses its climate-related financial risks. This is in accordance with FINMA's requirements for systemically important banks. Climate protection has long been a central issue for Zürcher Kantonalbank. The bank has underscored this commitment by joining the Net-Zero Banking Alliance. Climate-related financial risks, however, do not represent a top risk for the bank. This can be explained by the nature of the business activities and the strong focus on the Zurich economic area. A summary of the corresponding risk analysis can be found at the end of the risk report in section 1.10.

1.1.2 Risk management and internal control system (ICS)

Zürcher Kantonalbank defines "risk management" and "internal control system (ICS)" as follows:

Risk management: As part of risk management, the bank sets its risk tolerance within its risk capacity. Risk management encompasses organisational structures, methods and processes. Zürcher Kantonalbank's risk management process consists of six steps: risk identification, assessment, control, management, monitoring and reporting. The decisions in risk management are implemented in the internal control system (ICS).

Internal control system (ICS): The ICS ensures that processes are carried out properly. To this end, management issues appropriate guidelines and ensures that compliance is monitored. An effective ICS includes risk-based control activities, suitable risk management and compliance processes, and appropriate supervisory bodies for the size, complexity and risk profile of the institution, in particular an independent risk control and compliance function.

1.1.3 Principles of risk management

The objective of risk management is to support the bank in generating added value while maintaining a first-class credit rating and reputation. Zürcher Kantonalbank's approach to risk management is based on the following principles:

- Risk culture: The bank fosters a risk culture that is geared towards responsible behaviour. Risk managers bear responsibility for profits and losses generated from the risks entered into. In addition, they have primary responsibility for identifying transactions and structures that entail particular business policy risks, conflicts of interest or particular effects on the bank's reputation.
- Separation of functions: For significant risks and to avoid conflicts of interest, the bank has established control processes that are independent of management.
- Risk identification and monitoring: The bank enters into transactions only if the risks are in accordance with its business strategy and can be appropriately identified, restricted, managed and monitored.
- Risk and return: The bank seeks to achieve a balanced relationship between risk and return for all transactions. Assessment of the risk/return profile takes account of quantifiable as well as non-quantifiable risks.
- Transparency: Risk reporting and disclosure are guided by high industry standards in terms of objectivity, scope, transparency and timeliness. These principles constitute the basis for determining the organisational structure and processes of group-wide risk management.

1.1.4 Principles of compliance

The objective of compliance is to ensure that Zürcher Kantonalbank conducts its business operations in accordance with legal and ethical norms. The principles of the compliance policy are as follows: relevant legal and ethical norms; ethical and performance-related basic values in a code of conduct; duty of all employees and members of governing bodies to comply with laws, regulations, internal rules, industry standards; a secure and confidential procedure for reporting possible violations of the rules (whistleblowing). Primary responsibility for compliance lies with the Executive Board. The specialist Legal & Compliance group function prepares an annual assessment of compliance risk and a corresponding action plan based on a risk inventory. The Compliance function is organisationally independent of the income-driven business units. The most important principle of all is that Zürcher Kantonalbank conducts its banking operations in accordance with the statutory and regulatory provisions as well as recognised professional and ethical principles within the banking industry.

1.1.5 Risk and compliance organisation

The risk management organisation is based on the Three Lines model. The income-driven business units form the first line. They actively manage risks and are responsible for constant compliance with internal and external risk tolerance and compliance requirements. The independent risk management and control units represent the second line. Under the stewardship of the Chief Risk Officer (CRO) or the General Counsel, they identify, evaluate and monitor risks and submit regular reports to the Executive Board and the Board of Directors. The third line is the Audit unit, which is responsible for the internal auditing of Zürcher Kantonalbank under the applicable laws and regulations. Each line is supported by the appropriate committees (see Figure 1).

Board of Directors and Chairperson's Committee

The Board of Directors approves the principles for risk management and compliance, the Code of Conduct and Ethics, the framework for group-wide risk management and the risk tolerance regulations at group level. It is responsible for the regulation, organisation and monitoring of an effective risk management system as well as the management of overall risks. The Board of Directors is responsible for ensuring that there is a suitable risk and control environment within the group and arranges for an effective internal control system. It also approves transactions involving major financial exposure. The Risk Committee and Audit Committee of the Board of Directors support the Board in its tasks and duties in the areas of risk management and the internal control system.

The Chairperson's Committee approves limits and deals with transactions involving particular business policy risks, conflicts of interest or particular effects on the group's reputation where these exceed the remit of the Executive Board and do not fall within the remit of the Board of Directors.

Audit

Audit supports the Board of Directors in fulfilling its statutory supervisory and control tasks and discharges the monitoring tasks assigned to it by the Board of Directors. In particular, Audit independently and objectively evaluates the appropriateness and effectiveness of the internal control and risk management processes as well as the management and monitoring processes and contributes towards their improvement. Audit works independently of day-to-day business activities and does not take on any operational tasks or control activities. Audit has unlimited rights of inspection, information and access within the entire group. Audit has no authority to issue instructions, but has the right to make recommendations. Audit reporting is independent and not bound by instructions.

Executive Board

The Executive Board issues provisions for the identification, evaluation, control, management, monitoring and reporting of risks in the form of directives. The Executive Board also approves transactions that entail particular business policy risks, conflicts of interest or particular effects on the reputation of Zürcher Kantonalbank, unless they are assigned to another governing body under the applicable regulations.

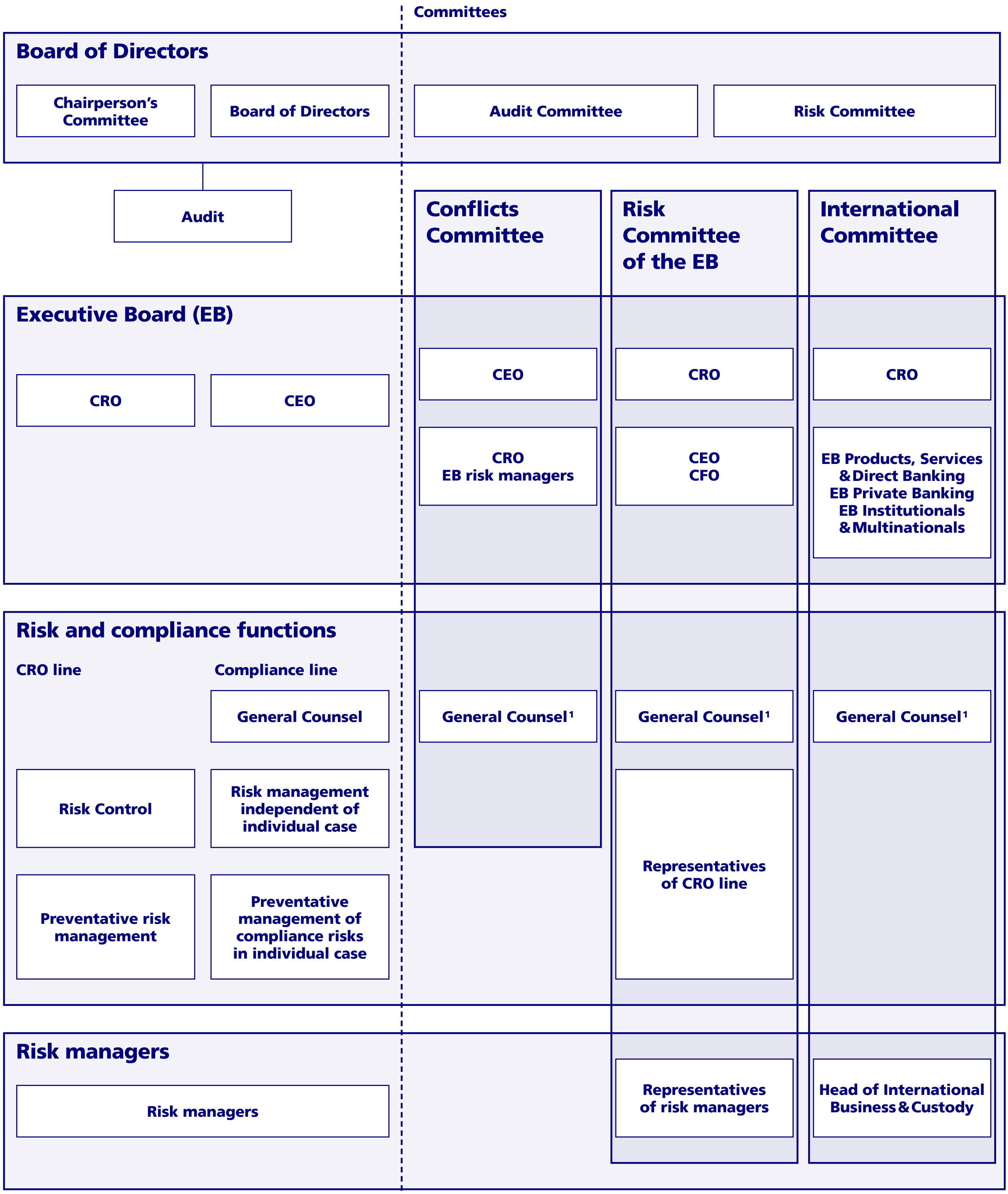
Conflicts Committee

Based on the responsibilities delegated to them, the members of the Executive Board who sit on the Conflicts Committee take decisions regarding transactions that entail particular business policy risks, conflicts of interest and particular effects on the group's reputation. The Conflicts Committee is chaired by the CEO; its escalation body is the Chairperson's Committee.

Risk Committee of the Executive Board

The Risk Committee assists the Executive Board in defining risk management processes. The Committee is chaired by the Chief Risk Officer (CRO) and approves the methods of risk measurement on the basis of the responsibilities delegated to it. The risk managers on the four separate subcommittees (credit, trading, treasury and operational risk) and members of the risk and compliance organisation discuss the Risk Committee's business and formulate proposals for its attention. In a crisis situation, individual crisis management teams reporting to the Risk Committee ensure that necessary and appropriate measures are defined and implemented.

Fig. 1: Risk and compliance organisation



1 General Counsel has the right of escalation to the Chairperson's Committee at any time.

International Committee

The International Committee is chaired by the CRO. It defines the specific business policy requirements for transactions with an international dimension, monitors and reports on such transactions, approves the business framework for foreign activities for the Executive Board and approves individual transactions and types of transactions outside the approved business framework.

Risk unit

The CRO is a member of the Executive Board and heads the Risk unit and also has a right of intervention that permits measures to be assigned to the risk managers if required by the risk situation or to protect the bank. The CRO also enjoys direct access to the Chairperson's Committee at all times.

The risk control function, which monitors portfolio-level risks and the Board of Directors' risk tolerance requirements, reports to the Executive Board and the Board of Directors. The risk control function is responsible for defining methods of risk measurement, model validation, as well as execution and quality assurance in relation to the risk measurement implemented.

Preventative risk management examines transactions before they are finalised and systems prior to their deployment in line with existing delineations of power and consultation duties, and defines the requirements at individual transaction or system level. It also continuously monitors local risks and supports the training of risk managers.

Preventive risk management of operational risks is carried out outside the Risk business unit by the process chain managers and in the IT, Operations & Real Estate business unit, which is responsible for issuing guidelines and managing the group's security (Cyber Security and Physical Security specialist unit) and business continuity management.

Compliance line

The General Counsel reports directly to the CEO and manages the Compliance unit. As a member of the Risk, Conflicts and International Committee of the Executive Board, the General Counsel has a right of escalation to the Chairperson's Committee and also enjoys direct access to the Chairperson's Committee at all times.

The specialist Legal & Compliance group function has the following duties, among others: examining the compliance risk inventory on an annual basis and preparing the action plan with focal points relating to the management of compliance risks, formulating proposals and carrying out defined monitoring and control duties (e.g. as pre-deal or post-deal control), as well as defining risk management tools. The Compliance function also defines risk management measures for compliance risk independently of the individual case, such as the editing of directives when implementing new ordinances as well as conducting training courses. The Compliance function is further responsible for providing forward-looking legal advice with the objective of avoiding or minimising individual identified risks and threats arising from legal requirements. Legal advice is provided in the context of existing mandatory consultations, as a pre-deal consultation or on request.

Risk managers

The risk managers bear responsibility for profits and losses generated on the risks entered into. They are responsible for the continuous, active management of risks and for compliance with internal risk tolerance regulations, relevant laws, ordinances, circulars and standards. The sales units are responsible for credit risks as risk managers and the Trading and Capital Markets organisational unit for market risks in the trading book. Interest rate risks in the banking book and liquidity risks are the responsibility of Treasury in the Finance unit. All units of the bank are responsible for managing operational and compliance risks.

Risk reporting

The Risk Control and Compliance functions report on a quarterly basis as part of integrated risk reporting to the Executive Board and Board of Directors on the development of the risk profile, on material internal and external events, and on findings from monitoring activities. Quarterly reports are supplemented by special analyses on relevant topics. Besides quarterly reporting, various reports are produced for the individual types of risk. In terms of the frequency with which they are published and the group of recipients, they are tailored to individual risks, and they provide comprehensive, objective and transparent information for decision-makers and supervisory bodies.

1.2 Regulatory capital adequacy and liquidity requirements

This section includes the regulatory key figures (Table KM1) to be published in the annual report in accordance with FINMA Circular 2016/1. The other tables on qualitative and quantitative disclosure as at 31 December 2024 will be available online from the end of April 2025 at zkb.ch/disclosure.

Under Basel III, a selection of different approaches is available to banks for the calculation of capital adequacy requirements for credit, market and operational risks. The capital required for credit risks has been calculated using the IRB approach (F-IRB) since the end of 2017. For market risks, the model-based approach is used in combination with the international standard approach (SA-BIS) for specific interest rate risks. The capital base needed for operational risks is calculated using the basic indicator approach. The Basel III (final) requirements come into force in Switzerland on 1 January 2025. The amendments will affect the calculation of capital adequacy requirements for the 2025 financial year. The first disclosure in accordance with the new requirements will take place at the end of March 2025.

A FINMA directive from 2012 permits Zürcher Kantonalbank to solo-consolidate the subsidiary Zürcher Kantonalbank Finance (Guernsey) Ltd. in line with the individual institution provisions. Accordingly, the required capital is calculated on a solo-consolidated basis by the parent company.

As at 31 December 2024, the group had minimum required capital of CHF 6,915 million, compared with eligible capital of CHF 16,095 million. Both the total capital ratio of 18.6 percent of risk-weighted assets and the leverage ratio of 6.8 percent reflect Zürcher Kantonalbank's solid equity base.

The liquidity coverage ratio (LCR) of 142 percent and the net stable funding ratio (NSFR) of 116 percent point to a comfortable liquidity situation. The following two pages show the regulatory key figures for the group and the parent company, with essentially the same picture in the capital and liquidity situation.

The breakdown of the regulatory minimum required capital within the group of CHF 6,915 million shows the importance of the lending business to Zürcher Kantonalbank (Figure 3).

Fig. 3: Breakdown of the regulatory risk-weighted minimum required capital as at 31.12.2024, by risk category

Credit and counterparty credit risk

88 %

Operational risk

7 %

Market risk

4 %

Non-counterparty related risks

1 %

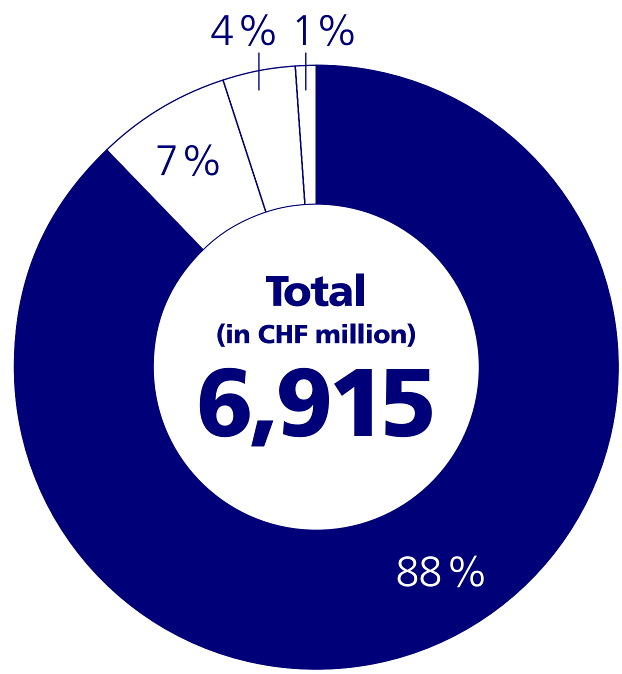


Fig. 2a: Table KM1: Key regulatory figures group

Group in CHF million (unless indicated otherwise)		a 31.12.2024	b 30.9.2024	c 30.6.2024	d 31.3.2024	e 31.12.2023
› Eligible capital						
1	Common equity Tier 1 (CET1)	**14,482**	13,725	13,739	13,738	13,734
2	Tier 1 capital (T1)	**15,546**	14,789	14,803	14,795	14,797
3	Total capital [1]	**16,095**	15,332	15,350	15,445	15,427
	Total loss absorbing capacity (TLAC) [2]	**22,198**	21,305	21,315	21,384	21,128
› Risk-weighted assets (RWA)						
4	RWA	**86,443**	82,521	82,023	83,300	78,952
› Minimum required capital						
4a	Minimum required capital	**6,915**	6,602	6,562	6,664	6,316
› Risk-based capital ratios (as a % of RWA)						
5	CET1 ratio [1]	**16.8%**	16.6%	16.8%	16.5%	17.4%
6	Tier 1 capital ratio [1]	**18.0%**	17.9%	18.0%	17.8%	18.7%
7	Total capital ratio [1]	**18.6%**	18.6%	18.7%	18.5%	19.5%
	TLAC ratio [2]	**25.7%**	25.8%	26.0%	25.7%	26.8%
› CET1 buffer requirements (as a % of RWA)						
8	Capital conservation buffer as per the Basel minimum standards (2.5% from 2019)	**2.5%**	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer (§44a CAO) in accordance with the Basel minimum standards	**0.0%**	0.0%	0.0%	0.0%	0.0%
10	Additional capital buffer due to international or national system relevance	**–**	–	–	–	–
11	Total of bank CET1 specific buffer requirements	**2.5%**	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements	**10.6%**	10.6%	10.7%	10.5%	11.5%
› Capital target ratios as per Annex 8 to the CAO (as a % of RWA) [3]						
	Countercyclical buffer (§44 CAO)	**0.9%**	0.9%	0.9%	0.9%	0.9%
› Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	**227,125**	227,341	225,875	229,724	223,870
14	Basel III leverage ratio (Tier 1 capital in % of leverage ratio exposure measure)	**6.8%**	6.5%	6.6%	6.4%	6.6%
	TLAC leverage ratio (TLAC in % of leverage ratio exposure measure) [2]	**9.8%**	9.4%	9.4%	9.3%	9.4%
› Liquidity coverage ratio (LCR) [4]						
15	LCR numerator: total high-quality liquid assets (HQLA)	**52,039**	52,780	53,171	50,994	46,388
16	LCR denominator: total net outflows of funds	**36,521**	34,314	36,434	34,548	31,511
17	Liquidity coverage ratio (LCR)	**142%**	154%	146%	148%	147%
› Net stable funding ratio (NSFR)						
18	Available stable funding	**121,070**	121,187	118,512	120,855	116,118
19	Required stable funding	**104,144**	101,867	100,873	102,128	98,921
20	Net stable funding ratio, (NSFR)	**116%**	119%	117%	118%	117%

1 In accordance with the provisions of the CAO for non-systemically important banks.
2 In accordance with the provisions for systemically important banks. TLAC includes core capital (going concern) and eligible additional loss-absorbing capital (gone concern). For details on the composition of the eligible additional loss-absorbing capital (gone concern), please refer to the separate report "Disclosure of systemically important banks".
3 Systemically important banks can forego the information in rows 12a to 12e, as Annex 8 to the CAO does not apply to them. In this instance, they must nevertheless provide information on the countercyclical buffer in accordance with §44 CAO.
4 Simple average of the closing values on the business days during the quarter under review.

Fig. 2b: Table KM1: Key regulatory figures parent company

Parent company		a	b	c	d	e
in CHF million (unless indicated otherwise)		**31.12.2024**	30.9.2024	30.6.2024	31.3.2024	31.12.2023
› Eligible capital						
1	Common equity Tier 1 (CET1)	**14,625**	13,881	13,880	13,879	13,879
2	Tier 1 capital (T1)	**15,689**	14,945	14,944	14,936	14,942
3	Total capital [1]	**16,238**	15,488	15,491	15,585	15,572
	Total loss absorbing capacity (TLAC) [2]	**22,359**	21,483	21,478	21,546	21,294
› Risk-weighted assets (RWA)						
4	RWA	**87,023**	83,075	82,586	83,821	79,509
› Minimum required capital						
4a	Minimum required capital	**6,962**	6,646	6,607	6,706	6,361
› Risk-based capital ratios (as a % of RWA)						
5	CET1 ratio [1]	**16.8 %**	16.7 %	16.8 %	16.6 %	17.5 %
6	Tier 1 capital ratio [1]	**18.0 %**	18.0 %	18.1 %	17.8 %	18.8 %
7	Total capital ratio [1]	**18.7 %**	18.6 %	18.8 %	18.6 %	19.6 %
	TLAC ratio [2]	**25.7 %**	25.9 %	26.0 %	25.7 %	26.8 %
› CET1 buffer requirements (as a % of RWA)						
8	Capital conservation buffer as per the Basel minimum standards (2.5 % from 2019)	**2.5 %**	2.5 %	2.5 %	2.5 %	2.5 %
9	Countercyclical buffer (§ 44a CAO) in accordance with the Basel minimum standards	**0.0 %**	0.0 %	0.0 %	0.0 %	0.0 %
10	Additional capital buffer due to international or national system relevance	**–**	–	–	–	–
11	Total of bank CET1 specific buffer requirements	**2.5 %**	2.5 %	2.5 %	2.5 %	2.5 %
12	CET1 available after meeting the bank's minimum capital requirements	**10.7 %**	10.6 %	10.8 %	10.6 %	11.6 %
› Capital target ratios as per Annex 8 to the CAO (as a % of RWA) [3]						
	Countercyclical buffer (§ 44 CAO)	**0.9 %**	0.9 %	0.9 %	0.9 %	0.9 %
› Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	**227,040**	227,208	225,756	229,653	223,907
14	Basel III leverage ratio (Tier 1 capital in % of leverage ratio exposure measure)	**6.9 %**	6.6 %	6.6 %	6.5 %	6.7 %
	TLAC leverage ratio (TLAC in % of leverage ratio exposure measure) [2]	**9.8 %**	9.5 %	9.5 %	9.4 %	9.5 %
› Liquidity coverage ratio (LCR) [4]						
15	LCR numerator: total high-quality liquid assets (HQLA)	**51,961**	52,709	53,108	50,942	46,343
16	LCR denominator: total net outflows of funds	**36,618**	34,412	36,564	34,698	31,607
17	Liquidity coverage ratio (LCR)	**142 %**	153 %	145 %	147 %	147 %
› Net stable funding ratio (NSFR)						
18	Available stable funding	**120,312**	120,352	117,615	120,023	115,412
19	Required stable funding	**104,246**	101,797	100,707	102,052	98,865
20	Net stable funding ratio, (NSFR)	**115 %**	118 %	117 %	118 %	117 %

1 In accordance with the provisions of the CAO for non-systemically important banks.
2 In accordance with the provisions for systemically important banks. TLAC includes core capital (going concern) and eligible additional loss-absorbing capital (gone concern). For details on the composition of the eligible additional loss-absorbing capital (gone concern), please refer to the separate report "Disclosure of systemically important banks".
3 Systemically important banks can forego the information in rows 12a to 12e, as Annex 8 to the CAO does not apply to them. In this instance, they must nevertheless provide information on the countercyclical buffer in accordance with § 44 CAO.
4 Simple average of the closing values on the business days during the quarter under review.

1.3 Capital allocation within internal risk management

Zürcher Kantonalbank employs a capital at risk approach to internal risk management. The Board of Directors defines the risk tolerance with the maximum risk capital. The Board of Directors determines the quantitative risk tolerance requirements by allocating risk capital to the risk categories of credit, market and operational risks[1]. The models are based on an observation horizon of one year and a maximum probability of default of 0.1 percent per year.

The risk capital for market and credit risks is allocated to the individual organisational units, and the cost of capital is charged to the units. In the case of operational risks, there is no internal allocation of the cost of capital.

Of the CHF 15,427 million in eligible capital (total capital) at the end of 2023, a total of CHF 6,340 million was allocated to the risk business in 2024. The percentage breakdown by risk category of the allocated capital is shown in Figure 4.

1 The risk capital for operational risks also covers compliance risks.

Fig. 4: Risk capital assigned by the Board of Directors, by risk category

Credit risks

68 %

Balance sheet structure

14 %

Operational risks

10 %

Trading business

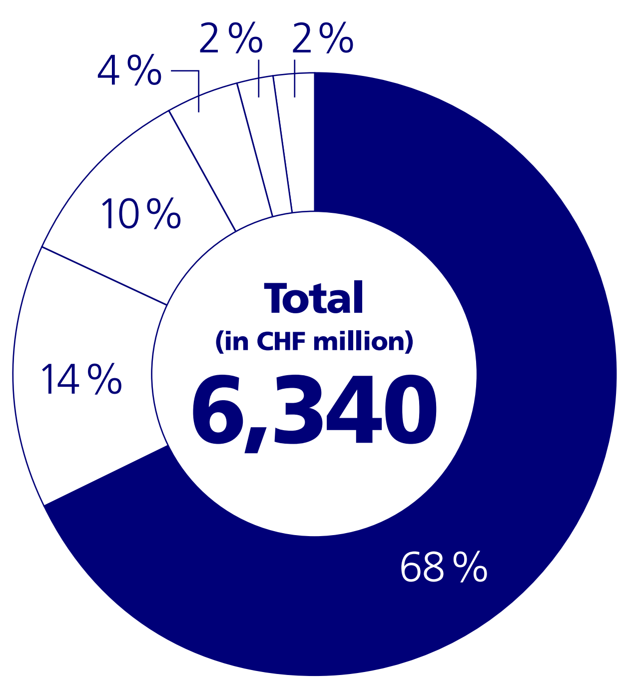
4 %

Financial investments and participations

2 %

Real estate

2 %



1.4 Risk categories

Zürcher Kantonalbank divides risks into the following categories.

Fig. 5: Risk categories

Credit risk
Credit risk constitutes the risk of financial losses that can arise if clients or counterparties do not fulfil contractual obligations that are falling due or do not fulfil them on time. Loans, promises of payment and trading transactions all involve credit risks. Credit risks also include counterparty risks and country risks. Counterparty risks refer to credit risks in trading transactions (e.g. OTC derivatives and SLB transactions). Trading transactions usually include mutual claims, which also depend on market parameters. Counterparty risks are also referred to as counterparty default risks. Settlement risks are fulfilment risks. This is the risk of losses in connection with transactions involving mutual payment and delivery obligations, where the bank must meet its delivery obligation without first being able to ensure that counter-payment will be made. Country risks: The risk of losses as the result of country-specific events, such as transfer risks (payment of a liability is restricted or prevented by a country) and risks arising from political and/or macroeconomic events.

Market risk
Market risks comprise the risk of financial losses on securities and derivatives in the bank's own portfolio as a result of changes in market factors, such as share prices, interest rates, volatilities or exchange rates (general market risks), as well as for issuer specific reasons (specific market risks). Market risks also include balance sheet interest rate risk, market liquidity risk and issuer (default) risk. Balance sheet interest rate risk is the risk that changes in market interest rates will impact negatively on the financial situation of the banking book. As well as affecting current interest income, changes in interest rates have implications for future results. The interest rate risk is managed based on the market interest method. Market liquidity risk is the risk that a product can no longer be easily sold (or purchased) on a market. The higher the market liquidity, the greater the chance of purchasing or selling a product for an appropriate price at the desired time. Issuer (default) risk is the risk of a loss arising from a change in fair value resulting from a credit event affecting an issuer to which the bank is exposed through marketable securities or derivatives from this issuer.

Liquidity risk
Liquidity refers to the bank's capacity to settle its liabilities promptly and without restrictions. Liquidity risk is the risk that this capacity to pay will be impaired under institution or market-related stress conditions. Liquidity risks also include (re)financing risk. Refinancing refers to the procurement of funds for the financing of assets. Refinancing risk is the risk that the bank is not in a position to procure sufficient funds at appropriate conditions for the ongoing financing of its lending business. Short-term liquidity ensures that the bank is able to make payments over a short period of time in the event of a systemic or institution-specific liquidity crisis by holding a sufficiently large inventory of high-quality liquid and unencumbered assets as a financial precaution against a temporary liquidity gap. Often, 30 and 90 calendar days are used as the definition period. The regulatory indicator for short-term 30-day liquidity is the liquidity coverage ratio (LCR), supplemented by the special liquidity requirements with a 90-day horizon for systemically important banks. Structural liquidity has a medium-term horizon and ensures that refinancing as per the liquidity profile of the assets takes place with stable liabilities. Structural liquidity requirements specify that illiquid assets such as loans to private individuals and companies, as well as parts of the trading portfolio, are to be refinanced through long-term liabilities. The regulatory indicator for structural liquidity is the net stable funding ratio (NSFR).

Operational risk
Operational risks are the risk of financial losses that occur as a result of the inadequacy or failure of internal processes or systems, inappropriate human behaviour, human error, or as a result of external events. Operational risks also include IT and cyber risks. IT risks refer to the potential damage caused by the loss of confidentiality, integrity and availability of data and functions in IT systems. Cyber risks comprise the risk of attacks from the Internet or similar networks (referred to as hacker attacks) on the confidentiality, integrity and availability of data and functions in IT systems.

Compliance risk
Compliance risks are behavioural risks. These are risks that are caused by breaches of the law, regulations or contracts and can result in legal and regulatory sanctions, financial losses and reputational damage. Compliance is the observance of legal, regulatory and internal regulations as well as the adherence to industry standards and codes of conduct by the group, its employees and members of governing bodies. This also includes compliance with organisational measures and processes.

Strategic risk
Strategic risks are all possible factors of influence, events and decisions that have the potential to endanger the long-term success of the company.

Business risk
Business risk is the risk that lower business volumes and margins will reduce the group's operating result if the decline in operating income is not offset by a simultaneous drop in operating expenses. Business risks also include unplanned additional costs in the absence of correspondingly higher income. Business risks materialise when actual income falls short of the budgeted income. This can occur on a one-off and a recurring basis. Typical examples of business risks are unexpectedly decreasing margins and a lack of client demand following an economic downturn.

Reputation risk
Reputation risk involves the risk of damage to the good reputation of the company, the brand or a person, or, in extreme cases, losing it altogether. Conducting business activities in compliance with the law and in accordance with the company's core values is the best guarantee for maintaining its good reputation. At the same time, it is important to avoid negative reputational consequences for the bank. Reputation denotes the image that a company enjoys among its stakeholders, i.e. the bank's standing in terms of its integrity, competency, performance and reliability from the perspective of stakeholders. Reputational damage occurs when the perception of a stakeholder group differs from its expectations. The trustworthiness and credibility of the bank as aspects of its reputation are negatively influenced by this difference. Reputation is determined by constantly comparing perceptions and expectations over a period of time and is reflected in the company's values and identity.

Reputation risks are treated as a separate category by Zürcher Kantonalbank. Nevertheless it also sees them as a derived risk: They are considered a reputation-affecting component of strategic risks, market and credit risks, liquidity risks, compliance risks, operational risks and business risks. Strategic risks and business risks are managed as part of the bank's strategy and controlling process. Risk management and the risk profile in the other risk categories are described in the following sections.

Sustainability risks are events or conditions related to the environment, society or governance (ESG), the occurrence of which may have actual or potential negative effects on the bank's assets, finances and earnings, as well as on its reputation. Sustainability risks are a component of the risk categories listed above.

The management of sustainability risks is an integral part of the bank's risk management processes. For example, aspects of sustainability, such as environmental or social risks, are an important part of risk assessment when reviewing financing for companies that operate globally. Zürcher Kantonalbank's lending rules also explicitly exclude the project financing of certain commodities, such as crude and heavy oil, thermal coal, precious woods, live goods, etc., as well as coal mining, oil and gas extraction, and fossil-fuel power plants. The sustainability mandate, support mandate and service mandate together form Zürcher Kantonalbank's public service mandate, which is anchored in the Cantonal Banking Act on Zürcher Kantonalbank and implemented in the "Guidelines for the Fulfilment of the Public Service Mandate" adopted by the Cantonal Parliament. Internal guidelines for implementation in the business areas are formulated in the sustainability policy. Zürcher Kantonalbank publishes an annual sustainability report, which contains detailed information on the fulfilment of its public service mandate. Climate-related financial risks, which must be disclosed in accordance with FINMA regulatory requirements, are part of sustainability risks. The disclosure report will be published by the end of April 2025 at zkb.ch/disclosure. Section 1.10 of this report provides a summary of climate-related financial risks.

1.5 Credit risks

1.5.1 Strategy, organisation and processes

The strategy applied in the management of credit risks is set out in the internal lending policy. The strategy is revised and updated by the risk organisation as part of an annual, structured process and is approved by the Executive Board. The principles defined in the lending policy include the measurement and management of risks based on uniform, binding objectives and instruments, and the acceptance of risks based on objective, business-related criteria, in proportion to the bank's risk capacity, together with sustainable management of the quality of the credit portfolio.

The bank adopts a risk and cost-based pricing policy, with transparent credit decisions and a selective, quality-oriented strategy for the acquisition of financing business. Particular attention is paid to environmental and social risks in the credit assessment process. In recognition of the total commitment of owners, higher risks may deliberately be accepted on occasion for SMEs from the Greater Zurich Area.

The preventative risk management and risk control functions are separated from risk management at Executive Board level. Preventative risk management issues lending guidelines, analyses and reviews transactions in line with existing delineations of power, monitors business-related risks on an ongoing basis and assists in the training of risk managers. Risk control monitors and reports at portfolio level and is responsible for defining risk measurement methods.

Credit risks are managed and limited by means of detailed parameters and areas of responsibility within the credit process at individual exposure level and by means of limiting the risk capital in accordance with the capital at risk approach at portfolio level. Another key control element in credit risk management is risk-adjusted pricing, which includes expected losses (standard risk costs) as well as the cost of the risk capital to be retained in order to cover unexpected losses.

Expected losses are determined on the basis of the statistical probability of default (PD), assumptions regarding the level of exposure at default (EAD) and the estimated loss given default (LGD). Rating models specific to individual segments are used to determine default probabilities. The rating system for private individuals, corporate clients and banks combines statistical procedures with many years of practical experience in the lending business and incorporates both qualitative and quantitative elements. Country ratings are in principle based on the ratings of external agencies (country ceiling ratings and sovereign default ratings).

A credit portfolio model is used as the basis for the modelling of unexpected losses. Besides default probabilities, exposures in the event of default and loss rates, correlations between debtors are particularly significant for the modelling of unexpected losses. The model covers balance-sheet and off-balance-sheet items. The valuation of collateral for loans, and in particular the calculation of market and collateral values, is governed by an extensive set of internal rules setting out the relevant methods, procedures and responsibilities. These rules are continually reviewed and aligned with regulatory requirements and market changes. For the valuation of mortgage collateral, the bank uses recognised estimation methods that are tailored to the type of property. These include hedonic models, income capitalisation approaches and expert appraisals, among others.

The models used as well as the individual valuations are reviewed on a regular basis. The maximum loan-to-value ratio for mortgages depends on how realisable the collateral is and is influenced by factors such as location and type of property (family home or commercial property, for example). Readily marketable collateral (securities, precious metals, account balances, for example) is generally valued at current market prices. The lending of readily marketable collateral is subject to the deduction of specified margins. These margins differ primarily in terms of the collateral's susceptibility to fluctuations in value.

Credit exposures are restricted by limits. In addition to the limits at counterparty and counterparty group level, limits are placed on sub-portfolios, for instance for foreign exposures. All credit and contingent exposures are monitored on a daily basis, and exposures from trading transactions are monitored on a real-time basis. In the case of trading transactions, pre-deal checks can be undertaken to examine and ensure adherence to counterparty limits. Any breaches of limits are reported promptly to the competent management level. An early-warning system identifies negative developments, which are communicated to the officers responsible. The rating of corporate clients is generally reviewed once a year on the basis of the annual financial statements. A supplementary review of ratings, limits and exposures in the retail and corporate client business is undertaken using risk-oriented criteria. Ratings, limits and exposures in the banking sector are reviewed periodically and on an extraordinary basis in the event of a deterioration in the credit rating of a particular institution.

Value adjustments

As part of their risk management role, the bank's relationship management units constantly monitor all positions in the credit portfolio to identify any signs of impairment of value. Should any signs be found, a standardised impairment test is used to determine whether a loan should be classed as impaired. Impaired loans are those where the borrower is unlikely to be able to meet future obligations.

Where it appears that the bank will be unable to collect all amounts due on a claim, the bank makes an allowance for the unsecured part of the loan, taking into account the borrower's creditworthiness. In determining the required value adjustment, mortgage collateral (including valuation discounts, settlement and holding costs) and readily marketable collateral (freely tradeable securities as well as other easily realised assets such as deposits, precious metals, fiduciary investments, etc.) are considered at their current liquidation value. The recoverability of other collateral (e.g. leased assets, guarantees) has to be demonstrated in particular. The authority to approve the creation of new individual value adjustments rests with the risk managers. Above a certain amount, the approval of the risk organisation is also required.

Interest and associated commission payments that have not been received in full 90 days after becoming due are classified as past due. They are deemed to be impaired and are usually fully adjusted if they are not covered by collateral. Individual value adjustment rates may apply to the principal in the case of major positions. Collective individual value adjustments are recognised for overdrafts of up to CHF 30,000 and for interest and associated commission payments outstanding for more than 90 days; in all other cases, individual value adjustments are generally set aside.

In principle, a central, specialised unit fundamentally manages impaired positions across all client segments. This unit steers the positions through the stabilisation, restructuring and resolution process and ensures that existing value adjustments are regularly reviewed and adjusted where necessary.

The calculation of value adjustments and provisions for expected losses on exposures not at risk of default is explained in the section "Accounting and valuation principles" on page 114.

Country risks

The country risk of individual exposures is determined on the basis of the risk domicile, where this is not identical to the domicile of the borrower, in accordance with the Swiss Bankers Association's guidelines on the management of country risk. In the case of secured exposures, the domicile of the collateral is taken into account when determining the risk domicile. The risks for each country, total country risks and total country risks outside the bank's best internal rating category are subject to limits, adherence to which is monitored on a constant basis.

Settlement risks

A settlement risk arises in the case of transactions with mutual payment and delivery obligations where Zürcher Kantonalbank must meet its obligations without being able to ensure that counter-payment is also being made. Settlement risk can occur in relation to foreign exchange transactions, securities lending and borrowing (SLB) and OTC repo transactions as well as transactions involving different payment systems and time zones in the interbank sector. Zürcher Kantonalbank is a member of the joint venture CLS, a clearing centre for settling foreign exchange transactions "payment against payment". This helps largely eliminate the fulfilment risks arising in foreign exchange trading.

Concentration risks

Zürcher Kantonalbank uses a systems-based method for monitoring concentration risks. Besides measurement for the purpose of preparing regulatory reports, concentration risks are limited at product and client level using benchmarks that are reflected in the corresponding powers of authorisation. Internal concentration risk reporting includes information on product, sector and individual position concentrations. Due to the bank's roots within the Greater Zurich Area, a large concentration risk in the credit portfolio takes the form of geographical concentration risk in the mortgage portfolio.

1.5.2 Risk profile

The credit portfolio remained robust at the end of the year in view of the ongoing geopolitical conflicts, the change of governments in Europe and the threat of trade barriers from the US (see also section 1.1.1).

Credit exposure in the main sub-portfolios

The following sections provide information about the most important sub-portfolios of the credit exposures in Zürcher Kantonalbank's balance sheet.

Credit exposures by rating category

Default probability ratings are assigned internally on the basis of a scale from 1 to 19. Figure 6 shows the credit exposures broken down by counterparty credit rating, mapped to Standard & Poor's rating scale. There have been only minor changes compared with the previous year at the level of the overall portfolio. Credit exposures in the non-investment categories (BB and below) account for 6.0 percent of the volume (2023: 6.3 percent).

Credit exposures by client portfolio in CHF million

Figure 7 shows credit exposures classified in accordance with the bank's internally defined client portfolios. The volume of credit exposures increased by around CHF 6.3 billion (4.4 percent) compared with the previous year. Credit exposures in relation to "private individuals" consisted almost entirely of receivables secured by mortgages and represented 49 percent (2023: 50 percent) of total credit exposures. The corporate clients portfolio consists of credit exposures in relation to clients of a commercial nature (incl. real estate companies and co-operative building associations). The share of this client group in total credit exposures was 26 percent (2023: 25 percent), 83 percent (2023: 82 percent) of which was secured by mortgages or cash. In the "Banks and securities dealers" portfolio, the largest share of credit exposures in volume terms, at 13 percent (2023: 13 percent), was in the form of collateralised transactions such as reverse repo transactions. Other credit exposures in relation to banks arise as a result of trading operations and from the international trade financing business. Insurance companies, pension funds, financial holding companies, investment fund companies and similar companies together constitute the "Financial sector excluding banks" portfolio, which accounted for a 7 percent share (2023: 6 percent). "Governments and public entities" – the smallest portfolio, with a share of 4 percent of the volume of credit exposures – consists of positions with central banks, central governments and public authorities and institutions.

Mortgage loans to private individuals

Real estate financing for private individuals is part of Zürcher Kantonalbank's core business. Almost two-thirds of these mortgage loans relate to owner-occupied residential property. The remaining loans are secured with rented residential properties or properties that are used for commercial purposes. Mortgage loans to private individuals increased by 2.9 percent in 2024. The median gross loan-to-value ratio for all properties in the private individuals client portfolio was 43.8 percent (2023: 44.1 percent).

Unsecured loans

Of the unsecured loans in the corporate clients portfolio (Figure 8), 80 percent (2023: 81 percent) are attributable to clients in the AAA to BBB (investment grade) rating categories, with a higher year-on-year overall volume at CHF 6.5 billion (+ 1.7 percent). Figure 9 shows the unsecured loans in the corporate clients portfolio broken down by industry. The top three industries are still manufacturing, trade, and information & communication. In the "Banks and securities traders" portfolio (Figure 10), the volume of unsecured loans at about CHF 2.99 billion was slightly lower (– 2.0 percent) than at the end of 2023. The level of this exposure can change significantly every day, unlike other forms of lending, due to the influence of the bank's trading transactions. The AAA to BBB (investment grade) rating categories accounted for 88 percent (2023: 69 percent) of the unsecured exposures.

Impaired loans

Impaired loans amounted to CHF 516 million (2023: CHF 487 million). After deducting the estimated liquidation value of collateral, this equals net debt of CHF 294 million (2023: CHF 286 million, see also Note 2 to the balance sheet).

Fig. 6: Credit exposures by rating category
Share as %

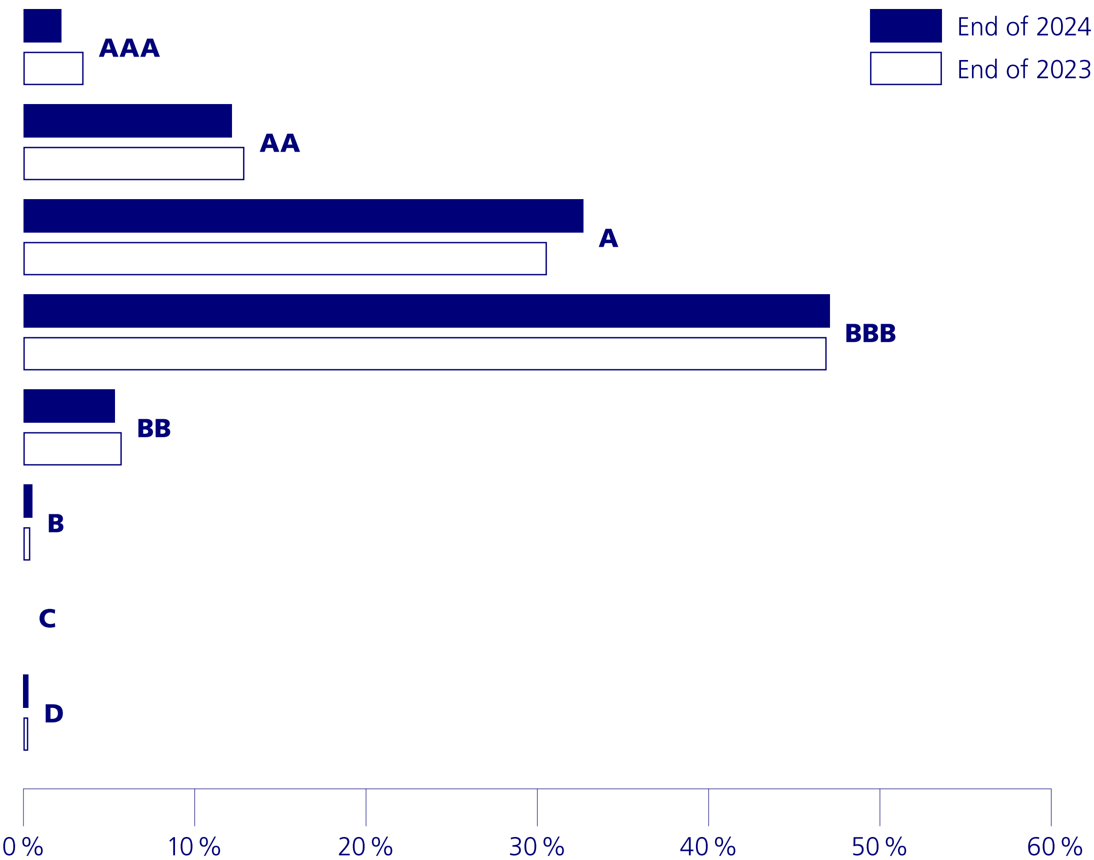


Fig. 7: Credit exposures by client portfolio in CHF million
in CHF million

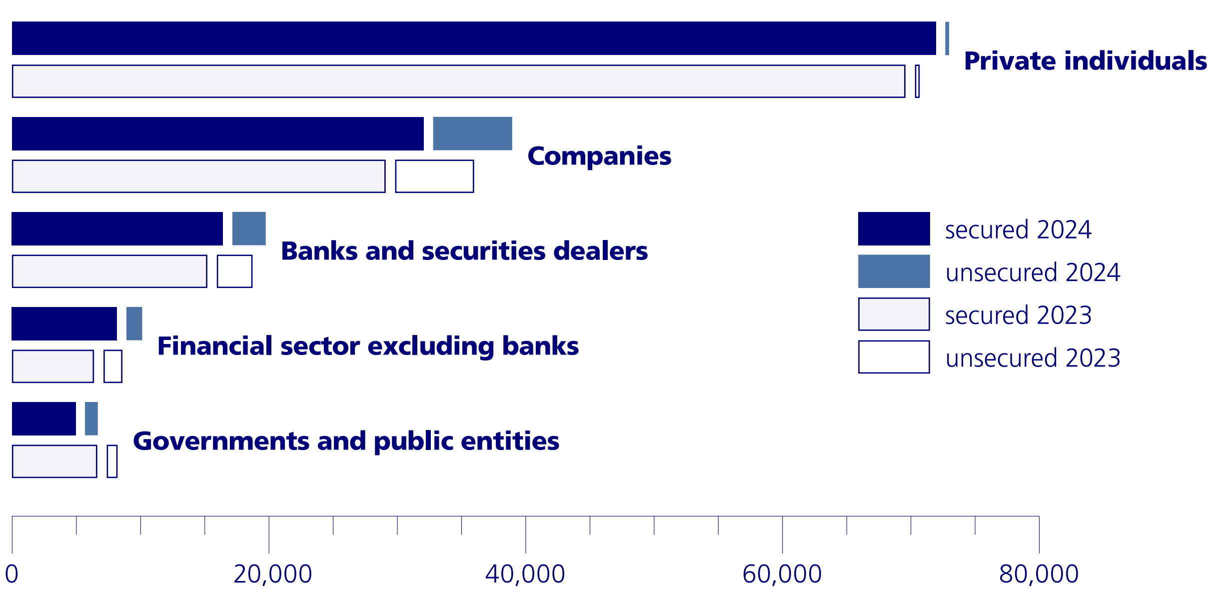
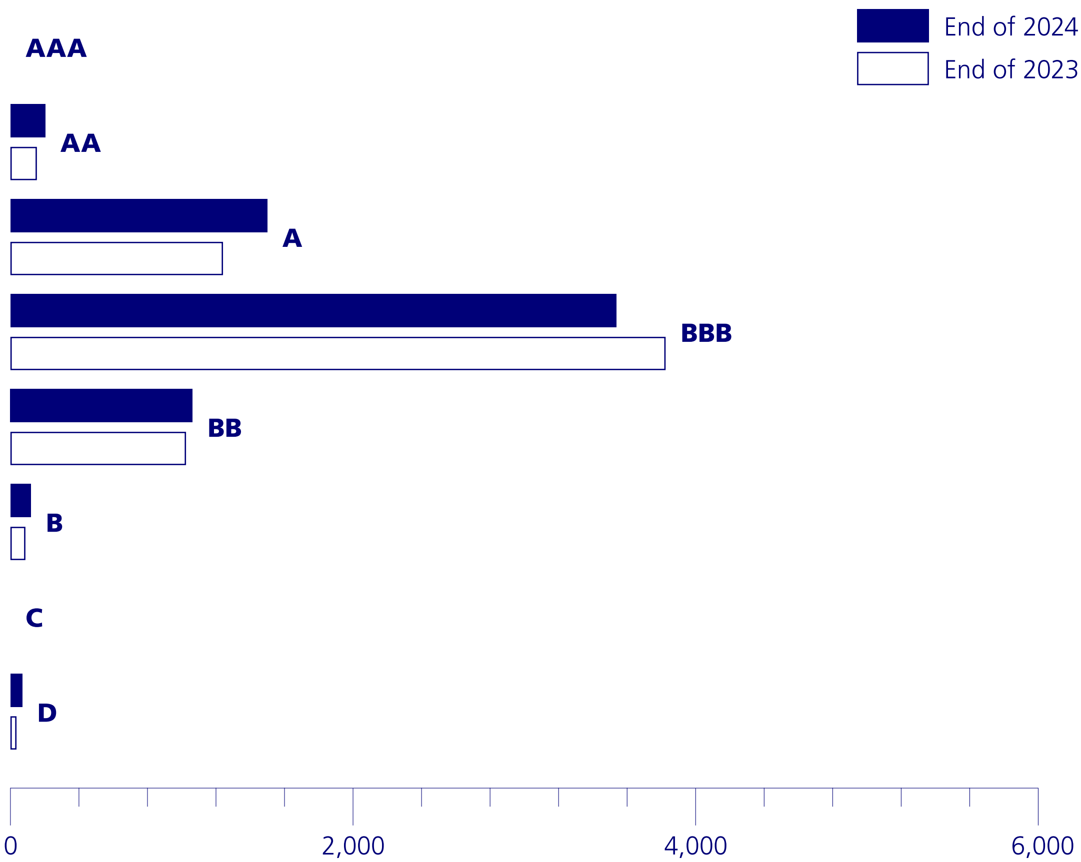


Fig. 8: Unsecured credit exposures to corporate clients by rating category
in CHF million



Non-performing loans/receivables

The nominal value of non-performing loans amounted to CHF 147 million at the end of the reporting period (2023: CHF 125 million). Loans are classified as non-performing when interest, commission or amortisation payments or the repayment of the principal have not been received in full 90 days after becoming due. This also includes claims against borrowers in liquidation, and loans with special conditions arising from a borrower's financial standing. Non-performing loans are also often a component of impaired loans.

Value adjustments and provisions

The volume of individual value adjustments and provisions for default risks from impaired loans and receivables increased by CHF 20 million to CHF 361 million in 2024 (see also Note 16 to the balance sheet). Forecast uncertainty in the medium and longer term remains elevated, partly due to the continuing tense geopolitical situation. Accounting regulations require Zürcher Kantonalbank to set up allowances and reserves for expected losses on non-impaired positions. Due to the trend in various risk parameters, the position rose by CHF 24 million year on year to CHF 505 million at the end of 2024.

Fig. 9: Unsecured credit exposures to corporate clients by industry
in CHF million

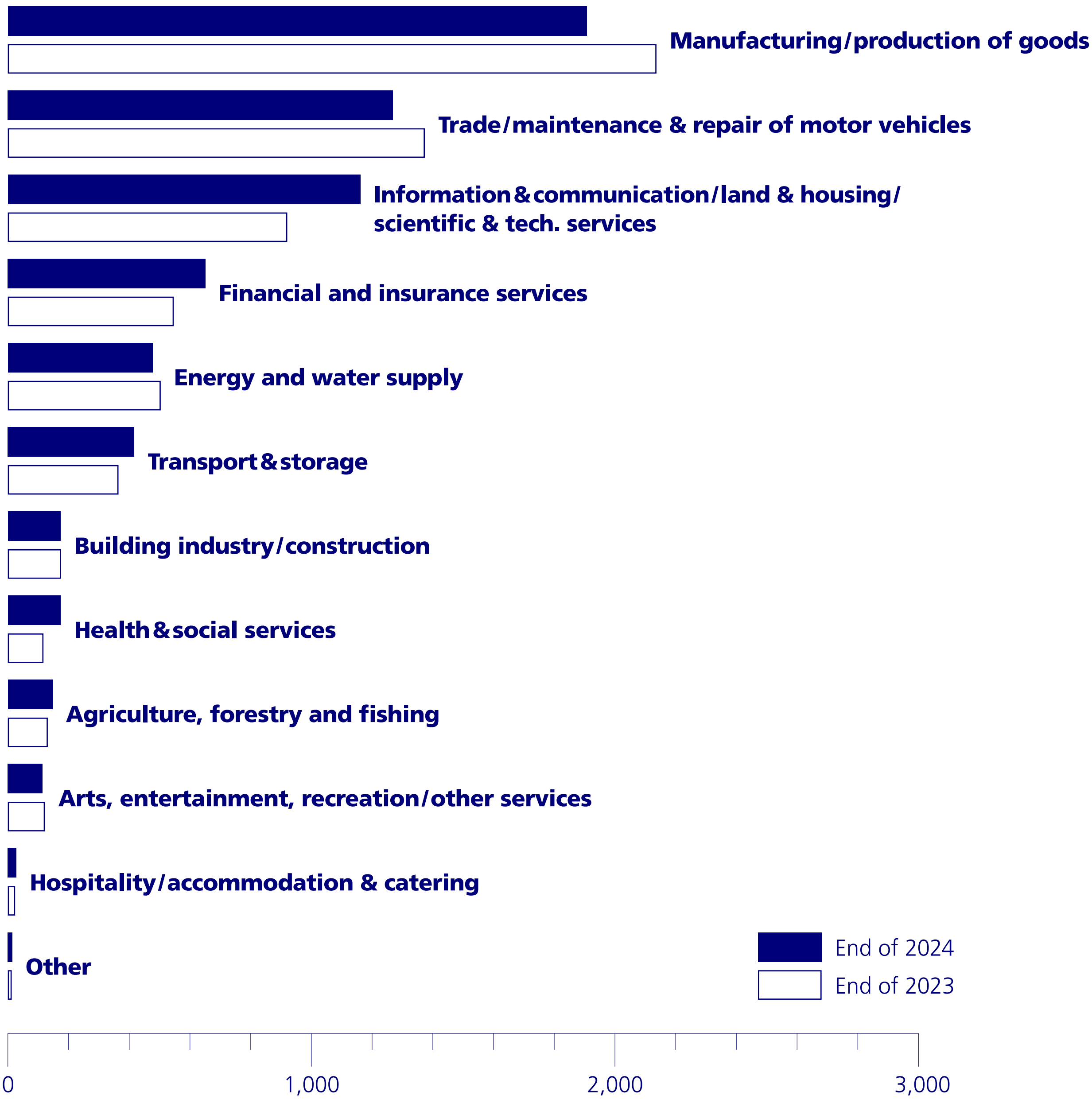
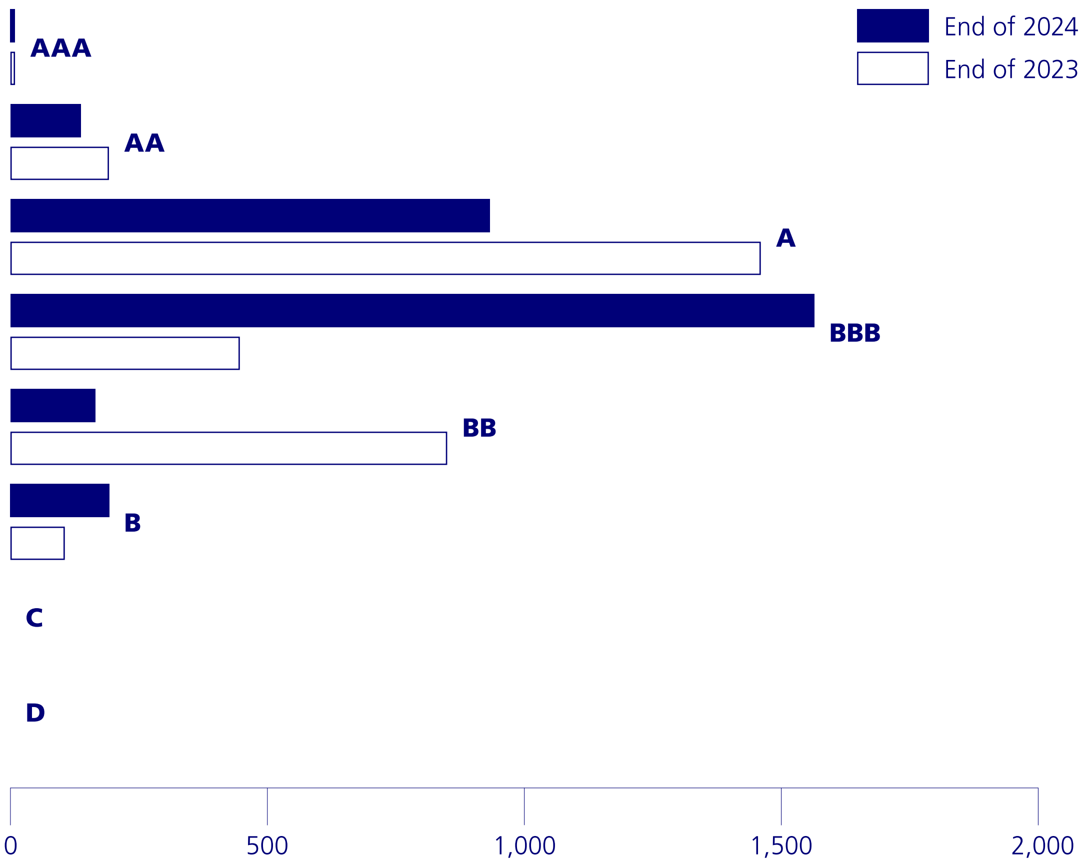


Fig. 10: Unsecured credit exposures to banks and securities traders by rating category
in CHF million



1.6 Market risk

1.6.1 Strategy, organisation and processes for the management of market risks in the trading book

In the trading business, Zürcher Kantonalbank pursues a strategy focused on client transactions. The individual desks hold trading mandates approved by the Risk Committee of the Executive Board, which set out the basic conditions in terms of the objectives pursued, instruments used for underlying and hedging transactions, the form of risk management, and the holding period. The preventative risk management and risk control functions are separated from risk management at Executive Board level. The responsibilities of the preventative risk management function, which is independent of Trading, and the risk control function downstream of it, include the monitoring of compliance with risk limits and trading mandates, the calculation and analysis of the result from trading activities (P&L) and risk figures, as well as the preventative analysis of potentially high-risk transactions. The risk organisation is also responsible for defining and implementing methods of risk measurement, their independent validation, and internal and external risk reporting.

Market risks are measured, managed and controlled on the one hand by assigning risk capital in accordance with the capital at risk approach and on the other by using value at risk limits. This is supplemented by the periodic performance of stress tests and by the monitoring of market liquidity risks. The value of trading positions is determined using the fair value method, whereby marking to market or marking to model, which is subject to stricter rules, is applied on a daily basis. The "trading market risks" capital at risk corresponds to the assigned risk capital for the market risks of trading transactions on a one-year horizon and at a confidence level of 99.9 percent.

The modelling is based on a stressed value at risk (stressed VaR). Besides general market risks, the model also takes into account issuer default risks. Zürcher Kantonalbank calculates value at risk for a 10-day period and at a confidence level of 99 percent using a Monte Carlo simulation. The loss distribution is arrived at from the valuation of the portfolio using a large number of scenarios (full valuation). The necessary parameters for determining the scenarios are estimated on the basis of historical market data, with more recent observations being accorded a higher weighting for the forecasting of volatility than less recent ones. As a result, value at risk responds rapidly to any changes in volatility on the markets. Value at risk is calculated on a daily basis for the entire trading book. The four groups of risk factors – commodities, currencies, interest rates and equities – are calculated and shown both separately and on a combined basis (Figure 11). The bank uses different types of scenarios for stress-testing. A distinction is made between scenarios relevant to benchmarks and pure analysis scenarios. Scenarios relevant to benchmarks are historical and hypothetical scenarios that are used to estimate the loss that could result from extreme but plausible macroeconomic stress events. Each one is based on the expected development of market indicators for the corresponding scenario. In this way the bank can identify potential vulnerabilities and risk concentrations, analyse them better and then take action.

The additional analysis scenarios used in market risk monitoring do not have a limiting function, in contrast to the scenarios relevant for benchmarks. These scenarios are used solely for risk analysis in that their focus is on individual risk factors (e.g. interest rates), which helps to illuminate the risk profile from different perspectives.

The bank additionally monitors the market liquidity risk of individual portfolios. In the equity derivatives sector, the potential trading volume resulting from the hedging strategy in the event of a change in the key risk factors is compared with the total market volume. Hypothetical offsetting expenses are calculated for bonds and bond-type products, based on observed bid-ask spreads and taking into account additional price premiums/discounts. The positions are examined regularly to ensure there is sufficient liquidity; if necessary, valuation reserves are recognised, causing a reduction in core capital in the context of capital adequacy.

The bank performs daily back-testing for the purpose of examining the forecast accuracy of the value at risk. Back-testing is based on a comparison of the value at risk for a holding period of one day with the back-testing result. If the number of breaches exceeds expectations, the reasons for the imprecise estimates of the risk aggregation model are investigated. The market risk model is validated on a regular basis. In addition, risks not modelled in the value at risk are periodically analysed in a separate process and monitored with regard to materiality.

Fig. 11: Market risks in the group trading book

Risks including volatility risks in CHF million	Commodities[1]	Currencies	Interest rates	Equities	Diversification	Modelled total risk	Total risk[2]
› Risks based on the model approach (value at risk with 10-day holding period)							
As at 31.12.2024	**0**	**0**	**7**	**3**	**–4**	**7**	**10**
Average in year 2024	0	1	10	3	–5	9	12
Maximum	2	3	15	12	–12	14	17
Minimum	0	0	6	1	–3	5	8
As at 31.12.2023	0	0	11	2	–4	10	14

1 Incl. precious metals.
2 Sum of modelled total risk and risk premium for trading products not fully modelled.

Fig. 12: Components of value at risk as at 31.12.2024
in CHF million

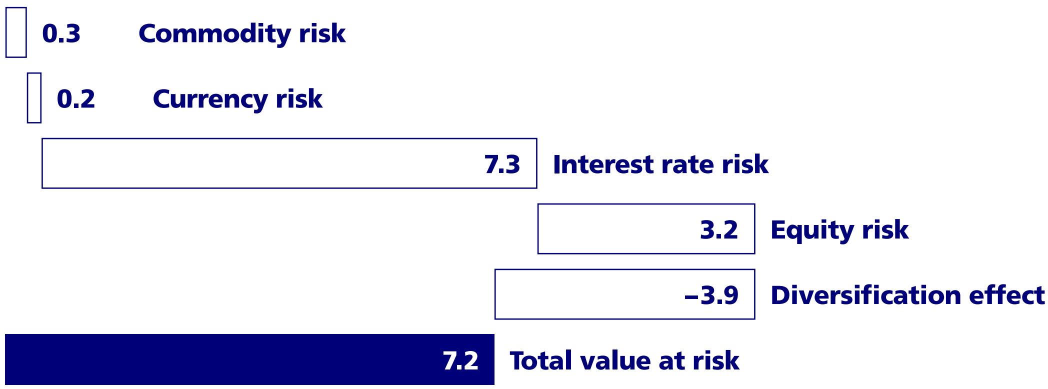
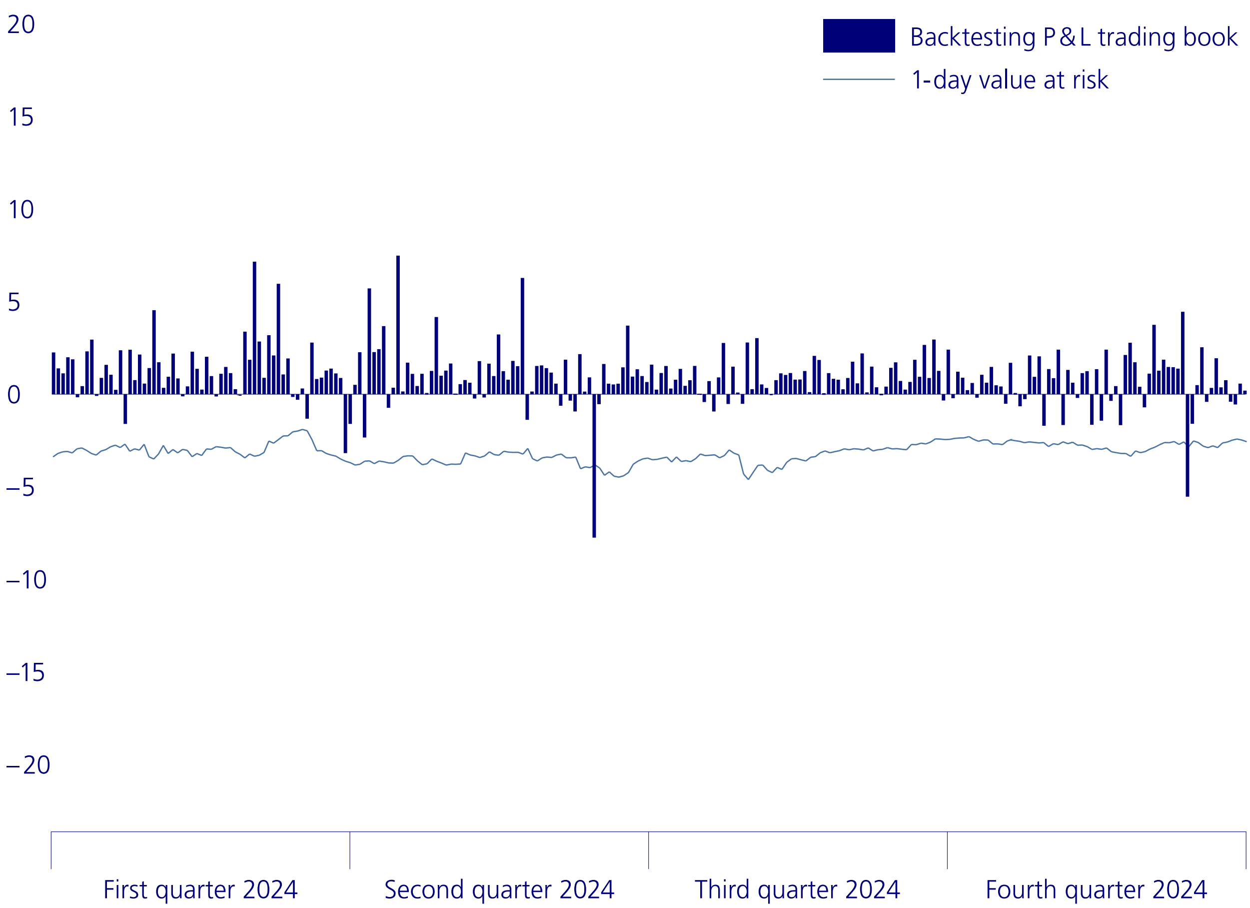


Fig. 13: Comparison of back-testing results[1] and value at risk
in CHF million



1 The back-testing result corresponds to the trading income used and adjusted for the purpose of methodological reviewing of the quality of the risk model.

Risk profile

At CHF 12 million, the annual average value at risk (VaR) including the risk premium for trading products not fully modelled was lower in 2024 than the figure at the end of 2023 (Figure 11). The short-term turmoil on the financial markets led to increased equity market volatility at the beginning of August 2024, resulting in temporarily more volatile and higher VaR values. VaR subsequently declined overall in line with the market recovery, and with interest rate volatility as the main driver of VaR momentum. Interest rate risks continue to dominate in the composition of value at risk, although equity risk was up on the previous year (Figure 12).

Back-testing results

The quality of the value at risk approach used is assessed by comparing the value at risk for a holding period of one day with the daily back-testing result (Figure 13). In the case of a one-day holding period and 99-percent quantile, the value at risk is expected to be exceeded two to three times each year. This occurs when a daily loss in trading is higher than the model predicts. The number of negative backtesting exceptions within a time window of around 250 business days was two at the end of the year. The total number of exceptions is therefore lower than the previous year's figure of three, but within statistical expectations.

1.6.2 Strategy, organisation and processes for the management of market risks in the banking book

1.6.2.1 Interest rate risks in the balance sheet

Strategy, organisation and processes

In managing the banking book, Zürcher Kantonalbank pursues a strategy focused on medium-term optimisation of net interest income. The interest rate risk is managed based on the market interest method. For client deposits and loans with a variable interest rate, the interest rate risk is determined by taking into account the bank's anticipated future rate-setting behaviour and client behaviour, and is reviewed at least once a year.

The interest rate risk in the banking book is managed in strategic terms by the Board of Directors and in tactical terms by the CFO and Treasury. The strategic interest rate risk position is set by the Board of Directors on a periodic basis in the form of an investment strategy for equity (equity benchmark). The CFO and Treasury manage the deviation of the interest rate risk position in the banking book from the equity benchmark within the risk limits set by the Board of Directors. The Risk unit is responsible for the measurement and monitoring of risk as well as independent reporting on interest rate risk. Variable products play a central role in the management of interest rate risks. Banking book products without defined interest rates and capital commitment are variable products. These include primarily savings and transaction accounts. These products are modelled by replicating these variable products through synthetic products with defined fixed interest rates on the basis of econometric analyses and expert-based estimates. A key component of this modelling approach is the definition of a "floor", which can be considered a non-interest-rate-sensitive partial volume in terms of capital commitment. The duration of the replication of the floor is determined by the assumed setting of conditions in the event of interest rate changes. The model is updated and validated every year and is approved by the Risk Committee of the Executive Board on an annual basis. Interest rate risk management takes account of the present value as well as earnings prospects. From the present value perspective, interest rate risks are managed by allocating risk capital in accordance with the capital at risk approach (risk horizon of one year, confidence level of 99.9 percent) and by applying value at risk limits (holding period of 20 trading days, confidence level of 99 percent). In addition, stress scenarios are simulated in the present value perspective in order to analyse and limit the impact of extraordinary changes in the interest rate environment.

From the prospective earnings perspective, stress tests provide an indication of the structural contribution in the event of extraordinary changes in market interest rates with unchanged positioning over a one-year period. Besides the structural contribution, margin effects are particularly significant for client deposits with variable interest rates. Additional monitoring tools allow such margin effects to be analysed for different interest rate scenarios over a period of several years.

Risk profile[1]

The maturity-dependent sensitivity data shown in Figure 14 indicate the change in value in Swiss francs when interest rates for each maturity band fall by one basis point (0.01 percentage points). The client deposits contained in the underlying transaction are represented via replicating portfolios with an average maturity of 22 months. The interest rate exposure of the underlying transaction increased year on year due to robust mortgage growth and a client preference for fixed-rate mortgages. As the Treasury continuously hedged the rising interest rate exposure with payer swaps, the interest rate sensitivity of the banking book as at 31 December 2024, at CHF 8.6 million per basis point, was 2 percent below the previous year's level.

The interest rate exposure serves as a strategic hedge against Swiss franc interest rates falling in future as well as to stabilise interest income. In the event of falling interest rates, a higher structural contribution partially compensates for the gradual decline in liability margins. The euro and US dollar interest rate exposures were almost fully hedged as at the end of 2024.The present value losses in the regulatory interest rate shock scenarios, as shown in Figure 15, illustrate the development of interest rate risk. In the worst-case scenario in Swiss francs, a parallel interest rate shock of 150 basis points upwards results in a present value loss of CHF 1,179 million, which is CHF 60 million less than last year.

1.6.2.2 Risks in the investment portfolio

The risks in the investment portfolio comprise issuer risks on debt and equity securities in financial investments, participations and real estate price risks. Interest rate risks are managed and limited as part of asset and liability management.

Fig. 14: Interest rate sensitivity of the banking book CHF

in CHF 1,000

Basis point sensitivity[2]	**up to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Underlying transaction	−631	3,063	8,691	11,123
Hedge	410	−611	−2,333	−2,534
Total as at 31.12.2024	**−221**	**2,452**	**6,358**	**8,588**
Total as at 31.12.2023	−334	1,854	7,215	8,735

Fig. 15: Present value stress results of the standardised interest rate shock

in CHF million		**31.12.2024**	**31.12.2023**	**Change**
(i) Upward parallel shift		**−1,179**	−1,239	60
(ii) Downward parallel shift		**1,337**	1,399	−62
(iii) Steepener shock		**−503**	−504	1
(iv) Flattener shock		**277**	266	11
(v) Upward shock of short-term interest rates		**−186**	−219	33
(vi) Downward shock of short-term interest rates		**190**	224	−34
Tier 1 capital (T1)		**15,689**	**14,942**	**747**
Ratio of largest present value loss to Tier 1 capital (T1)	in %	**7.5%**	**8.3%**	**−0.8%**

1 The figures in this section relate to the parent company because the interest rate risks of the subsidiaries are not material for the group (based on margin no. 3 of FINMA Circular 2019/2).
2 Basis point sensitivity is measured as a cash value gain/loss when the interest rate in the maturity band concerned falls by one basis point (bp). One basis point equals 0.01 percentage points.

Strategy, organisation and processes

The investment portfolio mainly has an operational background: The debt securities in the financial assets are part of the bank's liquidity buffer. The investments relate in particular to companies in the financial market infrastructure.

In addition, Zürcher Kantonalbank provides start-up financing to promote young companies. The real estate position consists almost entirely of property in use by the bank. The purchase of financial investments and real estate as well as the acquisition of participations are subject to detailed regulations and responsibilities. The investment strategy for the financial investments managed by Treasury is laid down in the risk tolerance requirements approved by the Risk Committee of the Executive Board. Only debt securities with a first-class credit rating that are considered high-quality liquid assets (HQLA) may be purchased. There are investment guidelines with rules on climate-related financial risks in Zürcher Kantonalbank's sustainability policy. Financial investments by Treasury must now meet not only exclusion criteria for issuers from critical industries, but also requirements regarding their carbon footprint (CO_2 emissions relative to revenue). The Risk unit is responsible for the measurement and monitoring of risk as well as independent reporting on investment portfolio risks.

Risks relating to the investment portfolio are managed internally by assigning risk capital. For the determination of this risk capital for financial investments and participations, Zürcher Kantonalbank uses an internal default model that takes diversification effects into account.

For real estate owned by the bank, risk capital is allocated based on regulatory minimum capital adequacy requirements.

Risk profile

The carrying amount of financial investments was CHF 5.2 billion as at 31 December 2024 (2023: CHF 5.6 billion). Of this, CHF 4.7 billion (2023: CHF 5.3 billion) related to debt securities. The portfolio consists mainly of mortgage bonds and first-class bonds, which are diversified in terms of counterparty groups and countries. At CHF 0.5 billion in total, equity instruments, precious metals and real estate are insignificant in the overall context. The presentation of financial investments and participations can be found in Notes 5 and 6 to the balance sheet.

1.7 Operational risks

1.7.1 Strategy, organisation and processes

The objective of Zürcher Kantonalbank's management of operational risk is the risk-oriented protection of people, information, services and assets, and the maintenance and restoration of critical business functions in an operational emergency. The management of operational risk is therefore an essential part, ensuring that the canton, clients, partners, public and regulator have confidence in the bank. The assessment of operational risks takes account of both direct financial losses and the consequences of a loss of client confidence and reputation.

The corresponding risk inventory constitutes the basis for the management of operational risks. Besides periodic and systematic assessments, operational risks are assessed, managed and monitored on an event-driven basis as well. Operational risks are divided into six topics: cyber risks, other external tort risks, internal tort risks, expert and model risks, process risks, and environmental and accident risks.

The risk organisation reviews the management of operational risks in an annual structured process. The principles governing the management of operational risks require, among other things, that operational risks are measured and managed based on uniform, binding objectives, and that they are accepted and controlled sustainably in a reasonable relationship to the bank's risk capacity. The Risk unit specifies the processes and methods, and provides tools for monitoring the internal control system.

The measurement of operational risks is based on an estimate of potential claims and the probability of occurrence. To calculate the operational residual risks, inherent risks are set against existing risk-mitigating measures. If the residual risks exceed the risk tolerance, additional risk-mitigating measures are defined and implemented. The adequacy and effectiveness of the risk-mitigating measures are monitored as part of the bank-wide internal control system (ICS).

An appropriate and effective ICS plays an important part in ensuring that losses from operational risks remain low.

1.7.2 Risk profile

The bank's risk profile for operational risks did not change fundamentally compared with the previous year. In principle, the measures taken and planned to manage the operational risk profile are appropriate.

As society and the economy continue to become digitally connected and outsourcing arrangements increase in number and complexity, external and internal process and cyber risks remain high. Cyber and process risks remain the two OpRisk topics with the greatest residual risk for the bank. The management of these risks therefore continues to receive a high degree of attention.

The bank is addressing the challenging environment and dynamics related to cyber risks by taking various risk mitigation measures. The need to implement additional measures is evaluated on an ongoing basis. Their implementation is based on structured planning. This ensures that the bank's security posture takes into account the requirements of increasing interconnectedness and that the relevant dimensions (identification, protection, detection, response and recovery) are managed. Employees are continuously trained to make them aware of cyber risks and thus to establish and promote a cyber risk culture in the bank.

Risk management of process risks is primarily performed by the process owners. In addition, preventative risk management and the Risk unit prepare risk assessments of the process chains in an end-to-end process context. When doing so, special attention is paid to the interfaces in the process flows and operational resilience is taken into account. Where possible and reasonable, execution errors are avoided by using control activities focused on anomaly detection. The plans for resuming normal operations of critical business processes in the event of an operational crisis (business continuity plans) are regularly reviewed and tested during emergency exercises. The critical business processes according to the business impact analysis as well as the business continuity plans are part of Zürcher Kantonalbank's business continuity management (BCM) as implemented in accordance with regulatory requirements. The implementation work to ensure operational resilience is carried out in accordance with regulatory requirements.

1.8 Liquidity and refinancing risks

1.8.1 Strategy, organisation and processes

The Treasury organisational unit, which reports to the CFO, is responsible for managing the liquidity risks and refinancing of Zürcher Kantonalbank. Treasury delegates operational liquidity management to the Money Trading unit, which ensures the efficient use of liquidity based on internal and regulatory rules. In line with the requirements of the bank's risk policy, the Board of Directors defines the liquidity risk tolerance. The risk organisation oversees compliance with the rules and reports to the Board of Directors in this regard on a regular basis.

The measurement, management and control of short-term liquidity risks are based on both an internal model and on the liquidity coverage ratio (LCR), a regulatory liquidity indicator. The special provisions for systemically important banks set out in the Liquidity Ordinance (TBTF requirements) came into force in 2024. Over a 90-day stress or restructuring horizon, the TBTF requirements set both basic requirements and additional institution-specific requirements so a minimum level of liquidity is still available on day 90. In addition to the regulatory stress scenario, Zürcher Kantonalbank uses internal stress scenarios based on the liquidity risk measurement system (LRS). The result of the liquidity risk measurement under the internal bank-specific stress scenario is calculated daily. This result is presented in a fully automated report. It contains information on the availability of liquid assets and unencumbered high-quality liquid assets (HQLA) in financial investments and trading positions, liquidity inflows and outflows under the stress scenario, and the liquidity position left after the stress scenario. The emergency plan also constitutes a significant element of liquidity risk management. This supports the situationally appropriate conduct of the relevant functions in a crisis. When calculating the regulatory LCR, the bank uses an internal model to divide wholesale deposits into operational and non-operational categories. Net outflows of funds from the collateralisation of derivatives due to changes in market values are calculated using the look-back method. Besides Swiss francs, which make up by far the largest part of the balance sheet of Zürcher Kantonalbank, the LCR is also monitored and periodically reported in other major currencies. Zürcher Kantonalbank pursues a long-term refinancing policy that includes both cost and risk aspects. Refinancing risks are managed via diversification in terms of maturities, refinancing instruments used and related markets. This diversification limits dependence on funding sources. For this purpose, Treasury uses both short- and long-term instruments, which are placed on the domestic and international markets. The diversified refinancing base is reflected in a broad product portfolio, comprising client deposits, bank deposits and money and capital market refinancing. In addition, the regulatory net stable funding ratio (NSFR) is used to measure, manage and control structural liquidity.

1.8.2 Risk profile

The average LCR for 2024, which is calculated as a simple average of the end-of-day values of the business days during the quarter under review, lies between 142 percent and 154 percent. The bank was comfortably in compliance with the special liquidity requirements for systemically important banks, which were introduced gradually in 2024. High-quality liquid assets (HQLA) average between CHF 51.0 billion and CHF 53.2 billion.

The HQLA consist of Level 1 assets (cash, central bank deposits, tradeable securities from countries and central banks with high credit ratings) and Level 2 assets (tradeable securities with less strict criteria). The majority of Level 1 assets are held in the form of central bank deposits. Zürcher Kantonalbank actively manages its liquidity risk profile, particularly through targeted management of time deposits, money market securities as well as SLB and repo transactions. The changes in the LCR and the internal statistical measures of liquidity risk are mainly driven by portfolio changes in non-operational sight deposits, time deposits, money market securities, as well as SLB and repo transactions with banks and major clients.

The quarter-end NSFR values ranged from 116 percent to 119 percent in 2024. The required stable funding ranges between CHF 100.9 billion and CHF 104.1 billion. The available stable funding is between CHF 118.5 billion and CHF 121.2 billion.

Figure 16 shows a year-on-year comparison of the coverage ratio for asset-side client transactions. Loans to clients amounted to CHF 118.2 billion and client funds to CHF 107.2 billion as at 31 December 2024. This results in a coverage ratio of 90.7 percent.

1.9 Compliance and legal risks

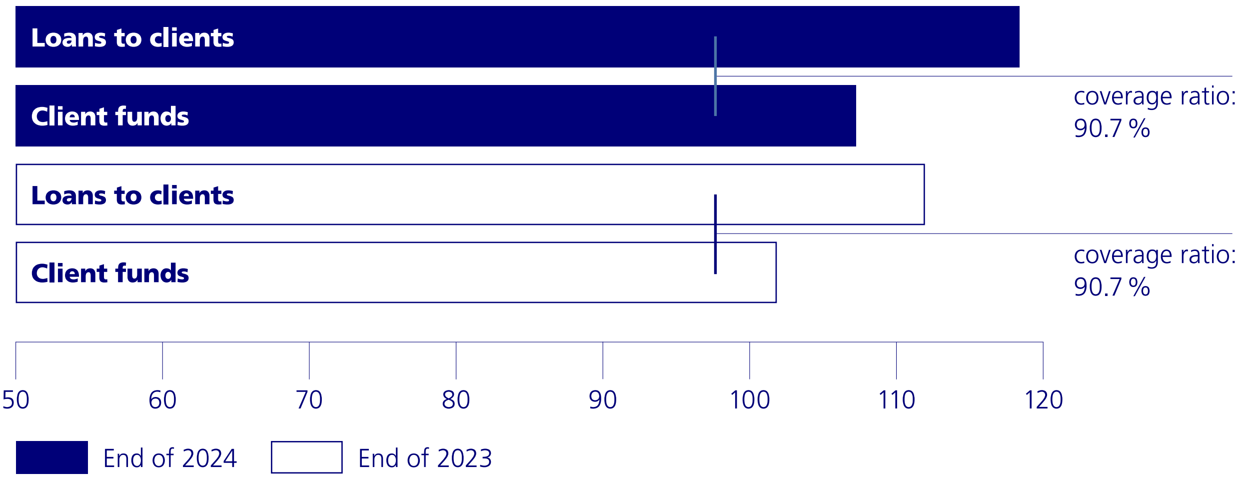
1.9.1 Processes and methods

The risk management instruments used to manage compliance and legal risks include information on the relevant legal frameworks, internal legal advice, training and education of employees, the implementation of ordinances through internal bank directives, and the embedding of compliance and legal requirements into the bank's internal processes. They also include monitoring and controlling, investigations and clarifications in the event of violation of the rules, as well as the conducting and overseeing of civil, criminal and administrative proceedings. The Compliance function maintains a bank-wide compliance risk inventory, which is reviewed annually to ensure it is up to date. It defines the risk management tools for compliance risks and supports the preventative management of compliance risks on a case-by-case basis. To fulfil its role, the Compliance function has unlimited rights of information, access and inspection.

1.9.2 Risk profile

The regulatory and legal framework for Zürcher Kantonalbank remained demanding in the reporting period and has evolved in several respects, not least in terms of investor protection and handling data. At the same time, regulation in the area of sustainability continued to increase. Corresponding investigation and implementation work was likewise a priority of the bank's work to manage compliance and legal risks. The new anti-money laundering regulations also required additional analyses and clarifications in the year under review regarding their implementation. Ongoing efforts continued to be required to combat money laundering and implement sanctions, in particular the comprehensive economic sanctions in connection with the situation in Ukraine. In addition, the modernisation of various technical risk management

Fig. 16: Coverage ratio of client business
in CHF billion



tools for combating money laundering was driven forward. The Covid-19 pandemic also continued to have an impact on the compliance function and once more led to significant additional work in the fight against abuse and money laundering. When performing the aforementioned compliance risk inventory, Zürcher Kantonalbank still continuously assesses not only the issues mentioned above, but also all its legal and regulatory risks and, where necessary, takes the appropriate risk provisioning measures.

1.10 Climate-related financial risks

Zürcher Kantonalbank is disclosing its climate-related financial risks for the 2024 financial year, thereby taking into account the enhanced requirements of FINMA's Disclosure Circular for systemically important banks. Climate protection has long been a central issue for Zürcher Kantonalbank. The bank has underscored this commitment by joining the Net-Zero Banking Alliance. Zürcher Kantonalbank will publish the detailed information together with the other elements of its disclosures on capital and liquidity as of the end of April 2025 at zkb.ch/disclosure. The following sections summarise some key components of the disclosure information.

Climate-related financial risks are divided into physical risks and transition risks. Physical risks result both from extreme weather events and their consequences (for example, flood damage) and from chronic changes in climatic conditions (for example, rising temperatures). Transition risks arise from the shift to a low-carbon economy. Transition risks include political/legal/regulatory risks, risks from technological change, risks from changing client and investor preferences, and reputation risks.

1.10.1 Strategy, organisation and processes

Risk management's integrated approach to addressing climate-related financial risks as part of sustainability risks contributes to the long-term protection of client assets and the bank's assets. Zürcher Kantonalbank's broad commitment to the various areas of sustainability, including climate protection, is based on its statutory public service mandate. Zürcher Kantonalbank's group strategy calls for the bank to shape sustainability issues actively, to lead the way in sustainable offerings and to support clients on their journey to a more sustainable future. Zürcher Kantonalbank aims to minimise climate risks across its entire business operations and to establish transparency in this regard. The bank follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate goals are based on the goals of the Paris Agreement and on achieving greenhouse gas neutrality by 2050. Zürcher Kantonalbank sets itself quantitative climate targets in line with the Net-Zero Banking Alliance (NZBA) for the bank as a whole and the Net Zero Asset Managers Initiative (NZAM) for Asset Management, and reports on them transparently.

The Board of Directors, in its capacity as the bank's governing body, defines the group mission statement and the group strategy. The Chairperson's Committee is assisted in fulfilling its responsibilities related to the public service mandate by a specialist unit and a specialist body, which is chaired by the CEO and is made up of leaders from all business units. This specialist body, which is coordinated by the officer responsible for the public service mandate, advises and supports the Chairperson's Committee, the Board of Directors and the Executive Board in all matters relating to the public service mandate.

The Executive Board determines the sustainability policy, which specifies the bank's goals and is also disclosed externally in several ways, including on the bank's homepage (www.zkb.ch/sustainability). The sustainability policy summarises the areas of impact, defines the role of Zürcher Kantonalbank and formulates the targets – specifically, goals and exclusions in line with the dimensions of environment, society, and governance (ESG) – for implementation in the various business areas.

The management of climate-related financial risks is an integral part of Zürcher Kantonalbank's risk management processes.

Sustainability aspects are taken into account in risk identification and assessment, and – if material – also in risk control, management, monitoring and reporting on the respective risk category. Elements that are particularly relevant to climate risk in the risk management processes are:

- OpRisk management in banking operations with the goals for achieving operational ecology as set out in the bank's environmental programme (reduce and offset the carbon footprint), and business continuity management for action in the event of natural disasters.
- Credit risk management in the financing business, where ESG criteria are an integral part of the credit assessment process and specifications exist on excluded and undesirable businesses, as well as regarding transactions with special climate risks.

- The management of market risks with climate-specific specifications for investments in the portfolio of financial assets managed by Treasury.
- Risk management in the investment business.

Depending on the type of mandate selected, Investment Solutions' standardised asset management and investment advisory mandates include the sustainability approaches "ESG Integration", "Stewardship: Voting & Engagement", "Avoiding Controversy", "CO_2e Reduction" and "SDG-aligned Investing". To assess sustainability, Zürcher Kantonalbank relies on data from external data providers. "ESG Integration" refers to the systematic consideration of ESG criteria in the investment process. Financially relevant ESG risks and opportunities of companies and countries are systematically included in the analyses. The assessment is based on the ESG rating, which the bank obtains from external data provider MSCI ESG Research LLC. In the "Climate: CO_2e Reduction" sustainability approach, the corresponding investment solutions are based on the Paris Climate Agreement, which is associated with a reduction in greenhouse gas emissions. Compliance with the sustainability approaches mentioned is monitored daily as part of the risk management process. The results of these checks form an integral part of internal risk management reporting and the internal risk dialogue between risk managers and risk management. In its investment reports, Zürcher Kantonalbank transparently discloses the ESG criteria of its client portfolios.

In the field of asset management, Zürcher Kantonalbank is one of the leading providers of sustainable investment products in Switzerland with its products under the "Swisscanto managed by Zürcher Kantonalbank" brand. The Paris climate goal is a binding requirement for most actively managed investment funds in traditional asset classes. In the products of the "Responsible" product line, investment activities include, in addition to systematic integration of ESG criteria and compliance with exclusion criteria, reduction in greenhouse gas emissions, amongst other things. The "Sustainable" product line also meets additional, stricter sustainability criteria. The product approval process ensures that the contractually stipulated sustainability aspects of the products comply with legal requirements and can be subsequently monitored by the bank's investment and portfolio controlling function, which is independent of the asset manager. Product approval as well as investment and product controlling are important elements to ensure compliance with contractually agreed sustainability standards and thus reduce so-called greenwashing risks. The degree of achievement of the product-specific greenhouse gas reduction target and the Swisscanto Sustainability Rating are part of the publicly available sustainability reports for investment funds. In addition, the Risk unit uses sustainability stress tests in its measurement, monitoring and reporting.

1.10.2 Risk profile

Climate protection is a central theme in Zürcher Kantonalbank's sustainability mandate. Climate-related financial risks influence the risk profile, however not materially, and they are not among the top risks. Figure 17 summarises the risk assessment of climate-related financial risks as carried out by the Risk Committee of the Executive Board after detailed discussion in 2024. The assessment is based on traditional risk categories; compliance risks from the investment business are included under business risks. The assessment is guided by the residual risks in a baseline scenario in which the Paris climate targets are largely met and the transition to a low-carbon economy occurs in an orderly fashion. In a stress scenario in which the limit on temperature rise is clearly missed (hot-house-world scenario) or very drastic measures for the transition to a low-carbon economy are imposed (disorderly scenario), the risk profile becomes more pronounced, but remains moderate overall.

Due to the longer-term nature of climate change, no particular physical risks are expected in the short term, which is why the assessment here starts in the medium term. The assessments of transition risks are combined for the medium and long term.

Fig. 17: Overview from the qualitative assessment of climate-related financial risks

Category	Physical risks	Transition risks	
	Medium to long term	Short term	Medium to long term
Operational risks: Banking operations	■░░░░	■░░░░	■░░░░
Credit risks: Financing business	■□░░░	■░░░░	■■░░░
Market risks: Trading and treasury	■░░░░	■░░░░	■░░░░
Business risks: Investment and asset management business	■□░░░	■░░░░	■■□░░

■ Risk profile in baseline scenario. □ Accentuation in a stress scenario.

░░░░░ = no risk ■■■■■ = high risk

Short term = time horizon up to 5 years, med. term to long term = 6 to 30 years

For transition risks, the key drivers for the bank are climate legislation, changing client preferences, public perception and climate change itself. Areas that are potentially heavily affected by this include:

- the investment business with the offering of products with CO_2 reduction targets;
- the financing business, where future changes in legislation may impact the valuation of collateral (including properties in the mortgage portfolio) and financing of companies in climate-exposed sectors.

Physical climate risks are significantly less important for Zürcher Kantonalbank's risk profile than transition risks. Areas that are potentially affected by physical climate risks include:

- the mortgage portfolio: The value of individual properties in the mortgage portfolio could be reduced, for example, as a result of flooding or landslides.
- banking operations: The accumulation of extreme weather events could impact bank operations in a very adverse flooding scenario.
- the investment business: Loss of wealth due to substantial damage could have a negative impact on investment assets and thus the income base in the business area.

Exclusion criteria and financing conditions are applied in the financing business. The exclusion criteria include project financing for coal mining, oil/gas extraction and fossil power plants fuelled with coal or oil. The following exclusion criteria and conditions apply to commercial loans:

- Commodity companies: These must demonstrate that they are aligning their business model with the scientifically required net-zero target for 2050 (phase-out of thermal coal by 2030 in OECD countries and by 2040 in non-OECD countries, in accordance with the IEA's net-zero roadmap) and at the same time are promoting commodities (through extraction, processing, transport, storage, trading) that are necessary to implement the energy transition.
- Energy producers: As a regionally anchored bank, Zürcher Kantonalbank generally finances Swiss energy producers – which mainly produce renewable energy. Reserve power plants fuelled by oil or gas are supported only to the extent that they are intended by the Swiss government for national supply in the event of electricity shortages or if they are back-up technologies fuelled by oil or gas for renewable energy producers.

The following exclusions apply in commodity trading finance (CTF): thermal coal, crude and heavy oil, bitumen/asphalt, asbestos, uranium, precious woods, live goods, diamonds, rare-earth elements, perishable goods and non-certified palm oil. In the case of commodity trading clients, the bank systematically reviews sector-specific ESG risks and opportunities during onboarding as part of due diligence and on an annual basis. This review is based on reported data or data collected through the bank's own questionnaires.

Zürcher Kantonalbank is guided by the internationally established United Nations Environment Programme Finance Initiative (UNEP FI) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on the disclosure of transition risks from credit exposure to climate-sensitive and, as a subset thereof, carbon-related industries. TCFD defines carbon-related as industries associated with the energy and utilities sectors, according to the Global Industry Classification Standard, excluding water supply and renewable power generation. Zürcher Kantonalbank more comprehensively describes as climate-sensitive those industries that are exposed to higher transition risks due to their greenhouse gas emissions. Zürcher Kantonalbank bases its delimitation on emission statistics and uses the Swiss or European industry classification. The commodity trade finance (CTF) sub-portfolio is reported separately, irrespective of the industry, and is subject to the aforementioned restrictions under the bank's sustainability policy.

Figure 18 shows the unsecured loans and advances in the corporate clients portfolio in line with this classification. In terms of the total balance sheet exposure in this portfolio, at the end of the year climate-sensitive sectors accounted for around 6.1 percent (2023: 7.8 percent). This includes most of the energy sector, which, however, consists predominantly of financing for sustainable energy sources. In addition to the components manufacturing and repair, the automotive sector also includes, in particular, selling and financing vehicles. The transport sector mainly includes passenger transport in the tourist sector and local transport as well as freight transport by road.

In accordance with the aforementioned exclusion criteria in the sustainability policy, Zürcher Kantonalbank does not provide project financing in the coking and petroleum refining industry, which TCFD designates as carbon-related.

Fig. 18: Unsecured loans and advances in the corporate clients portfolio by "climate-sensitive" and other industries

	31.12.2024			31.12.2023
	Balance sheet exposure in CHF million as % of unsecured exposure	**as % of unsecured exposure**	as % of balance sheet exposure	as % of balance sheet exposure
› Industry designation				
Mining/crushed rock and earth	8	0.1 %	0.0 %	0.0 %
Metal production / processing	9	0.1 %	0.0 %	0.0 %
Sewage and waste disposal and elimination of environmental pollution	56	0.9 %	0.1 %	0.2 %
Agriculture, hunting and related activities	87	1.3 %	0.2 %	0.3 %
Glass/ceramics/cement	88	1.4 %	0.2 %	0.4 %
Transport (incl. mountain railways, but excluding rail passenger transport and goods trains)	259	4.0 %	0.7 %	0.6 %
Chemical products	419	6.4 %	1.1 %	0.9 %
Energy supply	424	6.5 %	1.1 %	1.2 %
Automotive	519	8.0 %	1.3 %	2.5 %
CTF (commodity trade finance)	529	8.1 %	1.3 %	1.7 %
Total climate-sensitive sectors	**2,398**	**36.8 %**	**6.1 %**	**7.8 %**
Total other sectors	**4,114**	**63.2 %**	**10.4 %**	**9.9 %**
Total corporate clients portfolio unsecured	6,512	100.0 %	16.5 %	17.7 %
Real estate financing	31,843	–	80.8 %	79.3 %
Other products	1,078	–	2.7 %	3.1 %
Total balance sheet exposure companies	**39,433**	**–**	**100.0 %**	**36,247**

m) Multi-year comparison

All figures in the multi-year comparison are based on the accounting rules for banks, securities firms, financial groups and conglomerates.

		2024	2023	2022	2021	2020
› Key figures	in %					
Return on equity (RoE)		8.0	9.3	8.4	7.8	7.2
Cost/income ratio (CIR)[1]		55.0	51.8	57.5	58.7	60.1[2]
Common equity Tier 1 ratio (CET1)[3]		16.8	17.4	16.8	17.0	17.4
Risk-based capital ratio (going concern)[3]		17.9	18.7	18.2	18.5	18.9
Risk-based capital ratio (gone concern)[3]		7.8	8.0	4.3	4.0	3.2
Risk-based TLAC ratio[3/4]		25.7	26.8	22.5	22.5	22.1
Leverage ratio (going concern)[3]		6.8	6.6	6.2	6.2	6.2
Leverage ratio (gone concern)[3]		3.0	2.8	1.5	1.3	1.1
TLAC Leverage Ratio[3/4]		9.8	9.4	7.7	7.5	7.3
Liquidity coverage ratio (LCR)[5]		142	147	146	160	160
Net stable funding ratio (NSFR)[6]		116	117	124	118	–
› Income statement	in CHF million					
Net result from interest operations		1,680	1,821	1,403	1,248	1,218
Result from commission business and services		1,024	940	926	926	806
Result from trading activities and the fair value option		353	415	409	347	459
Other result from ordinary activities		32	19	15	24	29
Operating income		**3,088**	**3,194**	**2,752**	**2,544**	**2,513**
Operating expenses		–1,731	–1,679	–1,594	–1,517	–1,580
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		–72	–75	–101	–104	–117
Changes to provisions and other value adjustments and losses		–8	28	2	28	–14
Operating result		**1,277**	**1,469**	**1,059**	**951**	**801**
Extraordinary result		12	1	8	0	25
Changes in reserves for general banking risks		–	–225	–	–	46
Consolidated profit before taxes		1,289	1,246	1,067	951	873
Taxes		–168	–7	–8	–9	–8
Consolidated profit		**1,120**	**1,238**	**1,059**	**942**	**865**
› Balance sheet (before appropriation of profit)	in CHF million					
Total assets		202,594	201,259	199,791	192,105	188,364
Mortgage loans		106,600	100,874	96,838	91,847	87,679
Amounts due in respect of customer deposits		106,980	101,452	103,351	96,777	92,582
Shareholders' equity		14,862	14,268	13,299	12,674	12,650

1 Calculation: Cost / income ratio (excl. changes in default-related value adjustments and losses from interest operations).
2 Excludes the CHF 46 million non-recurring personnel expense related to the anniversary payment made to employees.
3 In accordance with the provisions for systemically important banks.
4 TLAC = Total Loss Absorbing Capacity
5 A simple average of the end-of-day values on business days during the quarter under review.
6 Effective since 1 July 2021.

		2024	2023	2022	2021	2020
› Participation of the canton and municipalities	in CHF million					
Dividend to cover actual costs to the canton		21	18	11	11	11
Dividend for the canton		184	340	320	280	297[7]
Dividend for municipalities		170	170	160	140	148[7]
OECD minimum tax to the canton		156	–	–	–	–
Compensation for state guarantee		31	30	28	27	23
Total participation of the canton and municipalities		**562**	**558**	**519**	**458**	**479**
› Additional services	in CHF million					
Payments from public service mandate		140	161[8]	140	141	126
› Further information	Number					
Total customers' assets (managed assets and assets with custody services)		520,811	450,789	399,965	409,190	361,658
Headcount after adjustment for part-time employees, as at the reporting date		5,779	5,539	5,249	5,145	5,180
Branches[9]		53	53	53	57	60
› Rating agencies	Rating					
Fitch		AAA	AAA	AAA	AAA	AAA
Moody's		Aaa	Aaa	Aaa	Aaa	Aaa
Standard & Poor's		AAA	AAA	AAA	AAA	AAA

7 Including special coronavirus dividend.
8 Includes CHF 25 million for the establishment of the ZKB Philanthropy Foundation.
9 Including branches of Zürcher Kantonalbank Österreich AG in Salzburg and Vienna.

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Report of the statutory auditor to the Cantonal Parliament of Zurich on our audit of the consolidated financial statements as of 31 December 2024 of

Zurich, 27 February 2025

Zürcher Kantonalbank, Zürich

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Zürcher Kantonalbank and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 104 to 177) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable financial reporting framework for banks 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Determination of value adjustments and provisions for default risks on loans to clients

Area of focus	Zürcher Kantonalbank discloses loans to clients, consisting of amounts due from customers and mortgage loans, at nominal value less any necessary value adjustments. For default risks on impaired loans, individual value adjustments are made. For default risks on non-impaired loans value adjustments and provisions for expected losses are recognized. For the measurement of value adjustments and provisions for default risks, valuation models are used. In addition, this requires making estimates and assumptions which, by definition, involve judgments and may vary depending on the valuation. As of 31 December 2024, Zürcher Kantonalbank discloses client loans totaling CHF 118.2 billion. As of the balance sheet date, individual value adjustments and provisions for impaired loans amounted to CHF 361.2 million and value adjustments and provisions for expected losses amounted to CHF 505.1 million. With 58.4%, loans to clients represent a material part of the assets of Zürcher Kantonalbank, and we consider the determination of value adjustments and provisions for default risks on loans to clients as a key audit matter. The significant accounting principles for determining value adjustments and provisions for default risks are described by Zürcher Kantonalbank on pages 112 to 114, 118, 119 as well as on pages 158 to 165 of the bank's annual report. Furthermore, we refer to notes 2 and 16 on pages 122, 123 and 133 in the notes to the consolidated financial statements.
Our audit response	We audited the processes and key controls in connection with granting and monitoring loans as well as with regard to the methods for identifying and determining individual value adjustments and provisions for default risks on loans to clients. Moreover, we evaluated the concept for the determination of value adjustments and provisions for expected losses. Finally, we performed sample tests on the impairment of selected client loans, and evaluated the compliance of significant accounting principles as well as the appropriateness of the disclosures in the notes to the consolidated financial statements. Our audit procedures did not lead to any reservations concerning the determination of value adjustments and provisions for default risks on loans to clients.

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Fair value measurement of financial instruments

Area of focus	Fair value is defined as the amount for which an asset is exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. This amount corresponds to the price requested in a price-efficient and liquid market or, if this is missing, to the price determined on the basis of a valuation model. Valuation models are significantly affected by the assumptions that are used, including interest, forward and swap rates, spread curves and the volatility and estimates of future cash flows. There is a significant degree of judgment involved in making these assumptions. Zürcher Kantonalbank discloses financial instruments at fair value measurement in different balance sheet items. As of 31 December 2024, the fair value of positive replacement values of derivative financial instruments amounts to CHF 2.7 billion, while that of the negative replacement values amounts to CHF 1.0 billion. Furthermore, as of 31 December 2024, Zürcher Kantonalbank discloses liabilities from other financial instruments at fair value measurement totaling CHF 4.4 billion that were determined using a valuation model. As a result of the scope of judgment and the significance of the listed balance sheet items in the consolidated financial statements of Zürcher Kantonalbank, the valuation of these items represents a key audit matter. The corresponding accounting and valuation principles are described by Zürcher Kantonalbank on pages 114, 115, 120 as well as on pages 165 to 170 of its annual report. Furthermore, we refer to notes 3, 4 and 14 on pages 123 to 125 and 131 in the notes to the consolidated financial statements.
Our audit response	We audited the processes and key controls with regard to fair value measurement, validation and application of valuation models. Moreover, we assessed the assumptions made in connection with the valuation and their appropriateness on the basis of sample testing and evaluated the measurement of financial instruments by means of independent valuation models. On the basis of sample testing and a comparison with third-party sources, we assessed the fair values used and directly available from an active market. Moreover, we evaluated the appropriateness of the disclosures in the notes to the consolidated financial statements. Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.

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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 and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with the applicable financial reporting framework for banks 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Bruno Patusi	Bruno Taugner
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Financial statements of the parent company

Income statement

in CHF million	Notes	2024	2023	Change	Change in %
› Result from interest operations					
Interest and discount income		**4,325**	4,004	322	8.0
Interest and dividend income from financial investments		**40**	32	8	24.0
Interest expense		**–2,631**	–2,170	–461	21.2
Gross result from interest operations	**33**	**1,734**	**1,865**	**–131**	**–7.0**
Changes in value adjustments for default risk and losses from interest operations		**–57**	–49	–8	16.1
Subtotal net result from interest operations		**1,677**	**1,816**	**–139**	**–7.7**
› Result from commission business and services					
Commission income from securities trading and investment activities		**874**	798	76	9.5
Commission income from lending activities		**77**	72	5	7.1
Commission income from other services		**115**	127	–12	–9.5
Commission expense		**–171**	–150	–22	14.5
Subtotal result from commission business and services		**894**	**847**	**47**	**5.6**
› Result from trading activities					
Result from trading activities and the fair value option	**32**	**336**	**383**	**–47**	**–12.2**
› Other result from ordinary activities					
Result from the disposal of financial investments		**10**	7	3	47.3
Income from participations		**41**	41	0	0.0
– of which, participations valued using the equity method		**–**	–	–	–
– of which, from other non-consolidated participations		**–**	–	–	–
Result from real estate		**8**	8	–1	–7.7
Other ordinary income		**30**	31	–1	–3.9
Other ordinary expenses		**–6**	–16	10	–60.2
Subtotal other result from ordinary activities		**82**	**71**	**11**	**15.2**
Operating income		**2,989**	**3,117**	**–128**	**–4.1**
› Operating expenses					
Personnel expenses	34	**–1,174**	–1,139	–35	3.1
General and administrative expenses	35	**–486**	–481	–5	1.0
Subtotal operating expenses		**–1,660**	**–1,620**	**–40**	**2.5**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		**–70**	–75	5	–6.4
Changes to provisions and other value adjustments and losses		**–8**	27	–35	–129.9
Operating result		**1,252**	**1,450**	**–198**	**–13.7**
Extraordinary income	36	**18**	4	15	404.6
Extraordinary expenses	36	**–0**	–	–0	–
Changes in reserves for general banking risks	36	**–**	–225	225	–100.0
Result of the period before taxes		**1,270**	**1,229**	**41**	**3.4**
Taxes	39	**–158**	–	–158	–
Result of the period		**1,112**	**1,229**	**–116**	**–9.5**

Appropriation of profit

in CHF million	2024	2023	Change	Change in %
Result of the period	**1,112**	1,229	–116	–9.5
Profit carried forward	**4**	4	1	26.6
Distributable profit	**1,117**	1,232	–115	–9.4
Appropriation of profit				
Dividend paid to cover actual costs for the canton	**21**	18	3	17.4
Dividend for the canton	**184**	340	–156	–45.8
Dividend for the municipalities	**170**	170	–	0.0
Total profit distribution	**375**	**528**	**–153**	**–28.9**
Allocation to voluntary retained earnings reserve	**740**	700	40	5.7
Total profit retained	**740**	700	40	5.7
Profit carried forward	**2**	**4**	**–3**	**–57.3**

The profit distribution takes place on the basis of the provisions in § 26f of the Cantonal Banking Act on Zürcher Kantonalbank of 28 September 1997 in the version applicable at the time, and has no direct link to the endowment capital.
The appropriation of profit was approved by the Board of Directors on 30 January 2025.
Approval of the annual financial statements by the Cantonal Parliament is scheduled for 25 May 2025.

Additional participation

in CHF million	2024	2023	Change	Change in %
OECD minimum tax to the canton	**156**	–	156	100.0
Compensation for state guarantee to the canton	**31**	30	1	3.6
Total additional participation canton	**187**	30	157	520.2
Total participation canton und municipalities	**562**	**558**	**4**	**0.7**

Balance sheet

in CHF million	Notes	2024	2023	Change	Change in %
› Assets					
Liquid assets		**32,410**	39,524	–7,114	–18.0
Amounts due from banks		**3,382**	3,387	–5	–0.2
Amounts due from securities financing transactions	1	**25,349**	25,740	–390	–1.5
Amounts due from clients	2	**11,553**	11,177	376	3.4
Mortgage loans	2	**106,600**	100,874	5,725	5.7
Trading portfolio assets	3	**11,334**	10,007	1,327	13.3
Positive replacement values of derivative financial instruments	4	**2,802**	1,060	1,742	164.3
Other financial instruments at fair value	3	**–**	–	–	–
Financial investments	5	**5,197**	5,558	–361	–6.5
Accrued income and prepaid expenses		**565**	691	–126	–18.2
Participations		**468**	458	9	2.0
Tangible fixed assets		**494**	531	–37	–6.9
Intangible assets		**–**	2	–2	–100.0
Other assets	10	**398**	519	–121	–23.3
Total assets		**200,552**	**199,530**	**1,022**	**0.5**
Total subordinated claims		**333**	292	41	14.0
– of which, subject to conversion and/or debt waiver		**128**	96	32	33.4
› Liabilities					
Amounts due to banks		**39,731**	35,441	4,290	12.1
Liabilities from securities financing transactions	1	**8,008**	14,095	–6,087	–43.2
Amounts due in respect of customer deposits		**106,791**	101,409	5,382	5.3
Trading portfolio liabilities	3	**2,862**	3,224	–363	–11.2
Negative replacement values of derivative financial instruments	4	**1,005**	2,458	–1,453	–59.1
Liabilities from other financial instruments at fair value	3,14	**2,550**	2,288	262	11.5
Cash bonds		**260**	288	–27	–9.5
Certificate of deposits		**50**	632	–582	–92.1
Bond issues		**10,994**	10,547	447	4.2
Central mortgage institution loans		**11,162**	11,558	–396	–3.4
Accrued expenses and deferred income		**1,269**	1,353	–83	–6.1
Other liabilities	10	**829**	1,784	–955	–53.6
Provisions	16	**177**	175	2	1.4
Reserves for general banking risks	16	**4,755**	4,755	–	–
Bank's capital	17,21	**2,425**	2,425	–	–
Statutory retained earnings reserve	21	**1,213**	1,213	–	–
Voluntary retained earnings reserve	21	**5,354**	4,654	700	15.0
Profit carried forward	21	**4**	4	1	26.6
Result of the period	21	**1,112**	1,229	–116	–9.5
Shareholders' equity	**21**	**14,863**	**14,279**	**585**	**4.1**
Total liabilities		**200,552**	**199,530**	**1,022**	**0.5**
Total subordinated liabilities		**3,346**	3,035	311	10.2
– of which subject to conversion and/or debt waiver		**3,346**	3,035	311	10.2
› Off-balance-sheet transactions					
Contingent liabilities	2	**4,054**	3,771	283	7.5
Irrevocable commitments	2	**15,978**	15,947	31	0.2
Obligations to pay up shares and make further contributions	2	**349**	353	–5	–1.3
Credit commitments	2	**–**	–	–	–

Statement of changes in equity

in CHF millions	Bank's capital	Statutory retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserve and profit carried forward	Result of the period	Total equity
› 2023						
Total equity as at 31.12.2022	2,425	1,213	4,530	4,105	1,044	13,316
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Other contributions/ other capital paid in	–	–	–	–	–	–
Capital costs of endowment capital	–	–	–	–	–11	–11
Allocation to the canton from previous year's profit	–	–	–	–	–320	–320
Allocation to municipalities from previous year's profit	–	–	–	–	–160	–160
Allocation to (transfers from) the reserves for general banking risks	–	–	225	–	–	225
Allocation to (transfers from) the Voluntary retained earnings and profit carried forward	–	–	–	553	–553	–
Result of the period	–	–	–	–	1,229	1,229
Total equity as at 31.12.2023	**2,425**	**1,213**	**4,755**	**4,658**	**1,229**	**14,279**
› 2024						
Total equity as at 31.12.2023	2,425	1,213	4,755	4,658	1,229	14,279
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Other contributions / other capital paid in	–	–	–	–	–	–
Capital costs of endowment capital	–	–	–	–	–18	–18
Allocation to the canton from previous year's profit	–	–	–	–	–340	–340
Allocation to municipalities from previous year's profit	–	–	–	–	–170	–170
Allocation to (transfers from) the reserves for general banking risks	–	–	–	–	–	–
Allocation to (transfers from) the Voluntary retained earnings and profit carried forward	–	–	–	701	–701	–
Result of the period	–	–	–	–	1,112	1,112
Total equity as at 31.12.2024	**2,425**	**1,213**	**4,755**	**5,358**	**1,112**	**14,863**

Notes to the financial statements of the parent company

Under § 36 of the Swiss Ordinance on Banks and Savings Banks (BankO), institutions that draw up consolidated financial statements are exempt from disclosing certain information in the individual financial statements. For reasons of clarity, the same numbering has been used for the required tables as in the consolidated financial statements. The portrait details, explanations relating to risk management, identification of default risks and definition of the need for value adjustments, valuation of coverage and details of business policy on the use of derivative financial instruments as well as on the use of hedge accounting in the group also apply to the parent company. This is also the case for material events occurring after the balance sheet date.

Accounting and valuation principles

Accounting, valuation and reporting are based on the provisions of the Code of Obligations and Swiss banking law, the accounting rules for banks, securities firms, financial groups and conglomerates according to the Accounting Ordinance (RelV-FINMA) and FINMA Circular 2020/1 as well as the Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act) in the version in force at the time and the regulations based on it. The statutory financial statements of the parent company are prepared in compliance with the provisions of § 25 section 1 a) Banking Ordinance ("Reliable assessment statutory single-entity financial statements").

They are generally based on the accounting and valuation principles of the group and changes made to them during the financial year, with the following exceptions: In the statutory single-entity financial statements, all participations are recognised at the lower of cost or market. Goodwill from acquisitions is included under participations. The reserves for general banking risks are shown as a separate item in the balance sheet. At group level, retained earnings reserves include reserves for general banking risks created before 2018.

i) Information on the balance sheet

1 Breakdown of securities financing transactions

in CHF million	2024	2023
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	**25,349**	25,740
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	**8,008**	14,095
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	**4,162**	4,262
– of which, with unrestricted right to resell or pledge	**4,162**	4,262
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	**72,700**	62,711
– of which, repledged securities	**8,506**	6,506
– of which, resold securities	**43,746**	41,384

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

Overview by collateral

in CHF million	Type of collateral Mortgage collateral	Other collateral	Unsecured	Total
› Loans (before netting with value adjustments)				
Amounts due from customers	24	2,055	9,749	11,827
Mortgage loans				
– Residential property	86,995	7	8	87,011
– Office and business premises	13,466	–	5	13,471
– Commercial and industrial premises	2,648	0	18	2,666
– Other	3,866	–	4	3,870
Total mortgage loans	106,975	7	35	107,017
Total loans 2024 (before netting with value adjustments)	**106,999**	**2,062**	**9,784**	**118,845**
Total loans 2023 (before netting with value adjustments)	**101,254**	**1,867**	**9,580**	**112,701**
Total loans 2024 (after netting with value adjustments)	**106,616**	**2,059**	**9,477**	**118,152**
Total loans 2023 (after netting with value adjustments)	**100,891**	**1,863**	**9,297**	**112,051**
› Off-balance-sheet				
Contingent liabilities	39	275	3,741	4,054
Irrevocable commitments	3,637	233	12,108	15,978
Obligations to pay up shares and make further contributions	–	–	349	349
Credit commitments	–	–	–	–
Total off-balance-sheet transactions 2024	**3,676**	**508**	**16,197**	**20,381**
Total off-balance-sheet transactions 2023	**3,203**	**484**	**16,384**	**20,072**

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

Information on impaired loans

in CHF million	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments[1]
› Impaired loans				
2024	**516**	**222**	**294**	**271**
2023	**487**	**201**	**286**	**249**

1 Individual value adjustments of 100 percent of the net debt amount are normally made. Individual value adjustment rates may apply in the case of major positions.

3 Trading portfolios and other financial instruments at fair value

in CHF million	2024	2023
› Assets		
Debt securities, money market securities/transactions	**4,473**	5,122
– of which, listed[1]	**3,810**	4,273
Equity securities	**4,199**	2,536
Precious metals and commodities	**2,628**	2,235
Other trading portfolio assets	**33**	114
Total trading transactions	**11,334**	**10,007**
Debt securities	**–**	–
Structured products	**–**	–
Other	**–**	–
Total other financial instruments at fair value	**–**	**–**
Total assets	**11,334**	**10,007**
– of which, determined using a valuation model	**697**	963
– of which, securities eligible for repo transactions in accordance with liquidity requirements	**1,426**	1,948

› Liabilities	2024	2023
Debt securities, money market securities/transactions	**2,830**	3,213
– of which, listed[1]	**2,699**	3,100
Equity securities	**25**	5
Precious metals and commodities	**5**	5
Other trading portfolio liabilities	**2**	1
Total trading portfolio liabilities	**2,862**	**3,224**
Debt securities	**–**	–
Structured products	**2,550**	2,288
Other	**–**	–
Total liabilities from other financial instruments at fair value	**2,550**	**2,288**
Total liabilities	**5,412**	**5,512**
– of which, determined using a valuation model	**2,681**	2,401

1 Listed = traded on a recognised exchange.

4 Derivative financial instruments (assets and liabilities)

in CHF million	Trading instruments Positive replacement values	Trading instruments Negative replacement values	Trading instruments Contract volume[1]	Hedging instruments Positive replacement values	Hedging instruments Negative replacement values	Hedging instruments Contract volume[1]
› Interest rate instruments						
Forward contracts including FRAs	11	11	12,991	–	–	–
Swaps	13,394	13,107	672,541	550	200	21,652
Futures	–	–	25,152	–	–	–
Options (OTC)	68	47	4,650	–	–	–
Options (exchange-traded)	–	–	1	–	–	–
Total	**13,473**	**13,166**	**715,335**	**550**	**200**	**21,652**
› Foreign exchange/precious metals						
Forward contracts	4,756	4,254	417,461	–	–	–
Combined interest rate/currency swaps	294	412	1,676	14	88	2,332
Futures	–	–	148	–	–	–
Options (OTC)	45	28	4,755	–	–	–
Options (exchange-traded)	0	0	4	–	–	–
Total	**5,095**	**4,694**	**424,044**	**14**	**88**	**2,332**
› Equity securities/indices						
Forward contracts	–	–	–	–	–	–
Swaps	59	21	1,988	–	–	–
Futures	–	–	2,967	–	–	–
Options (OTC)	126	41	4,040	–	–	–
Options (exchange-traded)	245	253	11,659	–	–	–
Total	**430**	**316**	**20,655**	**–**	**–**	**–**
› Credit derivatives						
Credit default swaps	2	3	161	–	–	–
Total return swaps	–	–	–	–	–	–
First-to-default swaps	–	–	–	–	–	–
Other credit derivatives	–	–	–	–	–	–
Total	**2**	**3**	**161**	**–**	**–**	**–**
› Other[2]						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures	–	–	388	–	–	–
Options (OTC)	–	–	–	–	–	–
Options (exchange-traded)	4	4	213	–	–	–
Total	**4**	**4**	**600**	**–**	**–**	**–**
› Total before netting agreements						
2024	**19,004**	**18,181**	**1,160,795**	**565**	**288**	**23,984**
– of which, determined using a valuation model	**19,004**	**18,181**	**–**	**565**	**288**	**–**
2023	**21,090**	**22,033**	**1,078,495**	**737**	**304**	**26,248**
– of which, determined using a valuation model	**21,090**	**22,033**	**–**	**737**	**304**	**–**

1 The contract volume shows the amount of underlying on which a derivative is based or the notional amount underlying the derivative in accordance with the requirements of FINMA Circular 2020/1, irrespective of whether the derivative is traded long or short. The contract volume is determined differently depending on the type of contract and does not permit any direct conclusions to be drawn about the risk exposure.
2 Includes commodities and hybrid derivatives.

4 Derivative financial instruments (assets and liabilities) (continued)

in CHF million	Positive replacement values (cumulative)	Negative replacement values (cumulative)
› Total after netting agreements [3]		
2024	**2,802**	**1,005**
2023	**1,060**	**2,458**

› Breakdown by counterparty

Positive replacement values (after netting agreements)	Central clearing houses	Banks and securities firms	Other customers
2024	**154**	**264**	**2,384**

3 For over-the-counter (OTC) transactions, the positive and negative replacement values of derivative financial instruments as well as the related cash collateral are offset (netting). For this purpose, a relevant bilateral agreement with the affected counterparties must be in place. This agreement must be proven to be recognised and legally enforceable.

5 Financial investments

in CHF million	Book value		Fair value	
	2024	**2023**	**2024**	**2023**
Debt securities	**4,710**	5,252	**4,787**	5,147
– of which, intended to be held to maturity	**4,710**	5,252	**4,787**	5,147
– of which, not intended to be held to maturity (available for sale)	**–**	–	**–**	–
Equity securities	**134**	112	**261**	233
– of which, qualified participations [1]	**5**	8	**8**	14
Precious metals	**349**	187	**349**	187
Real estate	**4**	7	**4**	7
Cryptocurrencies	**–**	–	**–**	–
Total financial investments	**5,197**	**5,558**	**5,402**	**5,574**
– of which, securities eligible for repo transactions in accordance with liquidity requirements	**4,659**	4,710	**4,737**	4,609

1 At least 10 percent of the capital or voting rights.

in CHF million

Counterparties by rating

Moody's	Aaa – Aa3	A1 – A3	Baa1 – Baa3	Ba1 – Ba3	Lower than Ba3	Unrated
Standard & Poor's, Fitch	AAA – AA-	A+ – A-	BBB+ – BBB-	BB+ – B-	Below B-	Unrated
Debt securities: Book values 2024	**4,588**	**51**	**–**	**–**	**–**	**71**

All debt instruments without a rating fulfil the conditions of high-quality liquid assets (HQLA) according to the Liquidity Ordinance (LiqV).
If two ratings exist with different risk weightings, the rating with the lower risk weighting is used.
If more than two ratings exist with different risk weightings, those ratings which correspond to the two lowest risk weightings are taken into consideration.
The higher of the two risk weightings is used. Top priority is given to the issue rating and second priority to the issuer rating.

10 Other assets and liabilities

in CHF million	Other assets 2024	Other assets 2023	Other liabilities 2024	Other liabilities 2023
Compensation account	**0**	–	**159**	361
Deferred income taxes recognised as assets	**–**	–	**–**	–
Amount recognised as assets in respect of employer contribution reserves	**–**	–	**–**	–
Amount recognised as assets relating to other assets from pension schemes	**–**	–	**–**	–
Negative goodwill	**–**	–	**–**	–
Settlement accounts	**368**	492	**549**	1,308
Indirect taxes	**24**	22	**110**	106
Other	**5**	6	**10**	9
Total	**398**	**519**	**829**	**1,784**

11 Assets pledged or assigned to secure own commitments, and assets under reservation of ownership

in CHF million	2024 Book value	2024 Effective commitment	2023 Book value	2023 Effective commitment
› Pledged/assigned assets				
Liquid assets	**245**	**245**	236	236
Amounts due from banks	**2,931**	**2,913**	2,149	2,118
Amounts due from customers	**1,114**	**1,044**	2,252	2,238
Mortgage loans	**13,715**	**11,162**	14,393	11,558
Trading portfolio assets	**597**	**597**	593	593
Financial investments	**380**	**332**	123	97
Total pledged/assigned assets	**18,984**	**16,294**	**19,746**	**16,840**

No assets are subject to reservation of ownership.
Note 1 shows instruments serving as collateral for which a right of resale or pledging has been granted in connection with securities financing.

12 Liabilities relating to own pension schemes and number and nature of equity instruments of the bank held by own pension schemes

in CHF million	2024	2023	Change
› Liabilities to own pension schemes from balance-sheet transactions			
Amounts due in respect of customer deposits	**53**	47	7
Cash bonds	**0**	0	0
Negative replacement values of derivative financial instruments [1]	**0**	63	–63
Accrued expenses and deferred income	**0**	0	0
Other liabilities	**0**	0	0
Total	**53**	**110**	**–56**

Own pension schemes do not hold any of the bank's equity instruments.
1 After taking netting agreement into account.

13 Information on pension schemes

a) Employer contribution reserves (ECR)

Zürcher Kantonalbank does not have any employer contribution reserves.

b) Economic benefit/obligations and the pension expenses

in CHF million	Over-/underfunding	Economic interest of the bank		Change in economic interest versus previous year	Contributions paid	Pension expenses in personnel expenses	
	End 2024	**2024**	**2023**	**2024**	**2024**	**2024**	**2023**
Employer-sponsored funds/employer-sponsored pension schemes	–	–	–	–	–	–	–
Pension plans without overfunding/underfunding	–	–	–	–	2	2	111
Pension plans with overfunding	1	–	–	–	115	115	–
Pension plans with underfunding	–	–	–	–	–	–	–
Pension schemes without own assets	–	–	–	–	–	–	–
Total	**1**	**–**	**–**	**–**	**117**	**117**	**111**

14 Issued structured products

		Book value				Total
		Valued as a whole		Valued separately		
in CHF million		Booked in trading portfolio	Booked in other financial instruments at fair value	Value of the host instrument	Value of the derivative	
Underlying risk of the embedded derivative						
Interest rate instruments	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Equity securities	With own debenture component	–	2,380	–	–	2,380
	Without oDC	–	–	–	–	–
Foreign currencies	With own debenture component	–	167	–	–	167
	Without oDC	–	–	–	–	–
Commodities/precious metals	With own debenture component	–	2	–	–	2
	Without oDC	–	–	–	–	–
Loans	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Real estate	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Hybrid instruments	With own debenture component	–	–	–	–	–
	Without oDC	–	–	–	–	–
Total 2024		**–**	**2,550**	**–**	**–**	**2,550**
Total 2023		**–**	**2,288**	**–**	**–**	**2,288**

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

in CHF million	Balance at end of 2023	Changes to scope of consolida-tion	Use in conformity with designated purpose and reversals	Reclassifi-cations	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income statement	**Balance at end of 2024**
Provisions for deferred taxes	–	–	–	–	–	–	–	–	**–**
Provisions for pension benefit obligations	–	–	–	–	–	–	–	–	**–**
Provisions for default risks	149	–	–2	–	–	–	116	–111	**151**
– of which, provisions for expected loss	57	–	–	–	–	–	68	–64	**61**
Provisions for other business risks [1]	13	–	–1	–	–	–	1	–0	**13**
Provisions for restructuring	–	–	–	–	–	–	–	–	**–**
Other provisions [2]	13	–	–0	–	–	–	2	–1	**13**
Total provisions	**175**	**–**	**–4**	**–**	**–**	**–**	**118**	**–112**	**177**
Reserves for general banking risks	**4,755**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,755**
Value adjustments for default and country risks	676	–	–10	–	–	2	300	–249	**718**
– of which, value adjustments for default risks in respect of impaired loans/receivables [3]	249	–	–10	–	–	2	89	–59	**271**
– of which, value adjustments for expected loss	427	–	–	–	–	–	210	–190	**447**

1 Provisions for other business risks relate to provisions for settlement risks, for example, which cover identifiable risks as at the balance sheet date.
2 The other provisions include, among other things, provisions for litigation and provisions for employees' holiday credits.
3 Default risks consist primarily of counterparty risks, for which value adjustments of 100 percent of the net debt amount are generally made. Individual value adjustment rates may apply in the case of major positions.

Recoveries from amounts due derecognised in previous periods are reported directly in Changes in value adjustments for default risk and losses from interest operations (2024: CHF 2 million/2023: CHF 1 million).
For more details on the management of credit risks, operational risks and legal and compliance risks, please refer to section I) Risk report.

17 Presentation of the bank's capital

in CHF million	**Total par value 2024**	**Total par value 2023**
Endowment capital	**2,425**	2,425
Total bank's capital	**2,425**	**2,425**

Zürcher Kantonalbank's capital consists of endowment capital in the amount of CHF 2,425 million. On 2 November 2020, the Cantonal Parliament decided to increase the endowment capital ceiling, which has an indefinite time limit, by CHF 425 million to CHF 3,425 million. The endowment capital of CHF 1,000 million (endowment capital reserve), which has been approved by the Cantonal Parliament and has not yet been called on, has been reserved in full for the Bank's contingency plan by resolution of the Board of Directors and will be counted towards the gone concern capital component. As a result, the endowment capital reserve can only be called on by order of FINMA or a FINMA-appointed restructuring official.

18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation schemes

Zürcher Kantonalbank does not have an employee participation scheme.

19 Amounts due from / to related parties

in CHF million	Due from		Due to	
	2024	**2023**	**2024**	**2023**
Holders of qualified participations	**21**	15	**734**	463
Group companies	**351**	379	**355**	368
Linked companies	**323**	330	**604**	864
Transactions with members of governing bodies	**12**	16	**31**	30
Other related parties	**–**	–	**–**	–

Affiliated companies are public-law institutions of the respective canton or public-private enterprises in which the canton holds qualified participations. On- and off-balance-sheet transactions with related parties are conducted at usual market conditions, with the exception of loans to members of governing bodies. Loans to governing bodies are granted on employee terms in some cases.
This primarily involved the usual balance sheet banking business, i.e. it was mainly amounts due from and due to customers.
The totals above also include securities items and claims and liabilities from transactions in derivatives (positive and negative replacement values). The off-balance-sheet transactions with related parties in the amount of CHF 2,870 million (2023: CHF 3,242 million) primarily include irrevocable loan commitments, in particular the keepwell agreement with Zürcher Kantonalbank Finance (Guernsey) Ltd., and other contingent liabilities.

20 Disclosure of holders of significant participations

Zürcher Kantonalbank is an independent public-law institution of the Canton of Zurich.

21 Disclosure of own shares and composition of equity capital

in CHF million	**2024**	**2023**
Reserves for general banking risks	**4,755**	4,755
Bank’s capital	**2,425**	2,425
Statutory retained earnings reserve	**1,213**	1,213
Voluntary retained earnings reserve	**5,354**	4,654
Profit carried forward	**4**	4
Result of the period	**1,112**	1,229
Total equity	**14,863**	**14,279**

The bank does not hold any of its own shares. The statutory retained earnings reserve cannot be distributed.

22 Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations and Article 663c para. 3 CO for banks whose equity securities are listed

The requirements are not applicable for Zürcher Kantonalbank.

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

Rating system ZKB's own country rating	Moody's	2024 Net foreign exposure in CHF million	2024 Net foreign exposure Share as %	2023 Net foreign exposure in CHF million	2023 Net foreign exposure Share as %
A	Aaa / Aa1 / Aa2 / Aa3	**24,349**	**85.9**	21,224	87.6
B	A1 / A2 / A3	**1,603**	**5.7**	1,173	4.8
C	Baa1 / Baa2 / Baa3	**682**	**2.4**	436	1.8
D	Ba1 / Ba2	**1,254**	**4.4**	854	3.5
E	Ba3	**4**	**0.0**	12	0.1
F	B1 / B2 / B3	**319**	**1.1**	250	1.0
G	Caa1 / Caa2 / Caa3 / Ca / C	**138**	**0.5**	266	1.1
Total		**28,350**	**100.0**	**24,215**	**100.0**

j) Information on off-balance-sheet transactions

28 Contingent liabilities and contingent assets

in CHF million	2024	2023
Guarantees to secure credits and similar	**466**	434
Performance guarantees and similar	**2,169**	2,139
Irrevocable commitments arising from documentary letters of credit	**1,419**	1,198
Other contingent liabilities	**–**	–
Total contingent liabilities	**4,054**	**3,771**
Contingent assets arising from tax losses carried forward	**–**	–
Other contingent assets	**–**	–
Total contingent assets	**–**	**–**

Zürcher Kantonalbank is jointly and severally liable for all obligations in connection with the value added tax (VAT) of companies belonging to the VAT group of Zürcher Kantonalbank in Switzerland.

30 Breakdown of fiduciary transactions

in CHF million	2024	2023
Fiduciary investments with third-party companies	1,066	983
Fiduciary investments with group companies and linked companies	–	–
Fiduciary loans	–	–
Fiduciary transactions arising from securities lending and borrowing (in the bank's own name for the account of customers)	–	–
Fiduciary crypto currencies held for customer's accounts	21	–
Other fiduciary transactions	–	–
Total	**1,087**	**983**

31 Breakdown of managed assets and presentation of their development

a) Breakdown of managed assets

in CHF million	2024	2023
› Type of managed assets		
Assets in collective investment schemes managed by the bank	168,799	139,186
Assets under discretionary asset management agreements	103,392	86,458
Other managed assets [3]	180,335	165,898
Total managed assets (including double counting) [1/3]	**452,526**	**391,543**
– of which, double counting	92,597	72,903
Assets with Custody Services [2/3]	**63,534**	55,003
Total client assets (including double counting)	**516,060**	**446,546**

1 The assets under management shown include all client assets of an investment nature held with Zürcher Kantonalbank, as well as client assets held with third-party banks that are managed by Zürcher Kantonalbank. Zürcher Kantonalbank also includes client deposits that are not of an investment nature in its reported assets under management. Non-inclusion of accounts that do not have an investment element would lead to greater volatility in the assets under management shown and thus distort the meaningfulness of reported trends in assets under management. Assets held in custody at Zürcher Kantonalbank that are managed by third parties (custody-only holdings) are not included in either assets under management or total client assets. Holdings of banks and significant investment fund companies (including their collective pension fund foundations, investment trusts, pension foundations and pension funds) and other institutions for which Zürcher Kantonalbank acts exclusively as custodian bank are treated as custody-only.

2 Assets of clients who receive additional custody services from Zürcher Kantonalbank in addition to pure custody are shown as assets with custody services.

3 In the 2024 reporting year, Zürcher Kantonalbank clarified the criteria for distinguishing between assets under management and assets with custody services. The disclosure was refined accordingly and the comparative figures adjusted. As at 31 December 2023, this led to a reclassification in the previous year from assets under management to assets with custody services in the amount of CHF 55,003 million, as well as to a reduction in net new money of CHF 9,354 million and in fluctuations in prices and exchange rates, interest and dividend payments of CHF 1,460 million.

b) Presentation of the development of managed assets

in CHF million	2024	2023
Total managed assets (including double counting) at beginning	391,543	351,889
+/– net new money inflow or net new money outflow [3/4]	29,847	27,236
+/– price gains/losses, interest, dividends and currency gains/losses [3/4]	32,333	13,850
+/– other effects	–1,197	–1,431
Total managed assets (including double counting) at end [3]	**452,526**	**391,543**

4 The net new money inflow/outflow corresponds to the development of managed client assets adjusted for fluctuations in prices and exchange rates, interest and dividend payments, fees and expenses charged to clients, and reclassification of assets. Changes due to acquisitions/disposals of subsidiaries are not included. The interest billed to loan clients is included in the change in net new money inflow/outflow.

k) Information on the income statement

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

a) Breakdown by business area (in accordance with the organisation of the bank/financial group)

in CHF million	2024	2023
Result from trading in foreign exchange, bank notes and precious metals	**147**	155
Result from trading in bonds, interest rate and credit derivatives	**93**	153
Result from trading in equities and structured products	**62**	26
Result from other trading activities [1]	**34**	48
Total	**336**	**383**

1 The result from other trading activities includes results from securities lending and borrowing as well as positions for which the Executive Board or Asset Management is responsible.

b) Breakdown by underlying risk and based on the use of the fair value option

in CHF million	2024	Result from trading activities from: Foreign exchange and bank notes	Precious metals	Securities lending and borrowing	Bonds, interest rate and credit derivatives	Equities and equity derivatives	Commodities and commodity derivatives	Other products [2]
Result from trading in foreign exchange, bank notes and precious metals	**147**	129	10	–	8	–	–	–
Result from trading in bonds, interest rate and credit derivatives	**93**	15	–	–13	92	1	–	–
Result from trading in equities and structured products	**62**	–3	–7	0	13	59	–0	0
Result from other trading activities	**34**	–0	–0	35	0	–0	0	–1
Total	**336**	**140**	**2**	**22**	**114**	**59**	**0**	**–1**
– of which, from fair value option on assets	**–**	–	–	–	–	–	–	–
– of which, from fair value option on liabilities	**–242**	–3	–1	–	–	–238	–0	0

2 The trading result from other products includes hybrid products and real estate derivatives.

33 Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

During financial year 2024, refinancing income from trading activities of CHF –369.5 million (previous year: CHF –435.6 million) was included in the item Interest and discount income. The item Interest and discount income also includes the result of currency swaps in the amount of CHF 1,141.9 million (previous year: CHF 987.4 million), which were entered into solely for the purpose of engaging in interest arbitrage. Negative interest on lending business is shown as a reduction in the interest and discount income. Negative interest on deposit-taking business is shown as a reduction in interest expenses.

in CHF million	2024	2023
Negative interest on lending business (reduction in interest and discount income)	0	0
Negative interest on deposit-taking business (reduction in interest expenses)	1	2

34 Breakdown of personnel expenses

in CHF million	2024	2023
Salaries and benefits	942	927
– of which, alternative forms of variable compensation	–	–
AHV, IV, ALV and other social security contributions	195	179
Changes in book value for economic benefits and obligations arising from pension schemes	–	–
Other personnel expenses	36	33
Total	**1,174**	**1,139**

35 Breakdown of general and administrative expenses

in CHF million	2024	2023
Office space expenses	31	31
Expenses for information and communications technology	187	175
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	2	2
Fees of audit firms	4	4
– of which, for financial and regulatory audits	4	4
– of which, for other services	0	0
Other operating expenses	262	269
– of which, compensation for state guarantee	31	30
Total	**486**	**481**

36 Explanations regarding material losses, extraordinary income and expenses, reserves for general banking risks and value adjustments and provisions no longer required

in CHF million	2024	2023
› Extraordinary income		
Reversal of impairment on other participations	8	3
Income from sale of other real estate/bank premises	9	–
Income from sale of participations	0	–
Other	1	0
Total	**18**	**4**
› Extraordinary expenses		
Losses from sale of other real estate/bank premises	–	–
Losses from disposal of participations	–	–
Other	0	–
Total	**0**	**–**
› Changes in reserves for general banking risks		
Creation of reserves for general banking risks [1]	–	225 [1]
Release of reserves for general banking risks	–	–
Total	**–**	**225**

1 Allocation to strengthen the bank's capital.

37 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

in CHF million		2024	2023
Participations	**Registered office**		
CLS Group Holdings AG	Lucerne	0	0
TWINT Ltd.	Zurich	1	0
Zürcher Kantonalbank Österreich AG	Salzburg	6	2
Total		**7**	**3**

Appreciation is applied to non-listed participations in accordance with the mean value method and, for listed participations, in accordance with the market value method.

39 Presentation of current taxes, deferred taxes, and disclosure of tax rate

in CHF million	2024	2023
Creation of provisions for deferred taxes	–	–
Reversal of provisions for deferred taxes	–	–
Recognition of deferred taxes on losses carried forward	–	–
Recognition of other deferred taxes	–	–
Reversal of other deferred taxes	–	–
Expenses for current income and capital taxes	–156 [1]	–
Expenses for property gains taxes	–2	–
Total	**–158**	**–**
Unrecognised tax reductions on losses carried forward, and tax credits not recognised under the principle of prudence	–	–
Hypothetical deferred income taxes calculated at theoretical tax rates on revaluations of investments not relevant for tax purposes	–	–

Figures in table: minus = expense; plus = income
1 Of which OECD minimum tax CHF 156 million
Average weighted tax rate (basis: operating result): 12.6 %

Pawnbroking agency
of Zürcher Kantonalbank

Zürcher Kantonalbank is required to operate a pawnbroking agency (§ 7 section 3 of the Zürcher Kantonalbank Act). Since 1872, the pawnbroking agency has been granting loans in return for the depositing of pledged items. It is managed as an independent business operation in Zurich, at Zurlindenstrasse 105. The following section shows the balance sheet, income statement and loan transactions of the pawnbroking agency.

Balance sheet (before appropriation of profit)

Assets (in CHF 1,000)	2024	2023
Liquid assets	**326**	358
Amounts due from banks	**538**	395
Accounts receivable	**–**	–
Loans	**6,241**	5,659
Inventory	**–**	–
Furniture, IT system	**0**	0
Transitory assets/ accrued interest	**246**	217
Total assets	**7,351**	**6,628**

Liabilities (in CHF 1,000)	2024	2023
Amounts due to banks	**6,000**	5,300
Surplus from auctions	**138**	149
Accounts payable	**1**	1
Provisions	**125**	115
Reserve fund	**1,248**	1,248
Profit carried forward	**0**	0
Operating profit/-loss	**–161**	–184
Total assets	**7,351**	**6,628**

Income statement

Expenses (in CHF 1,000)	2024	2023
Operating expenses	**879**	890
Refinancing expenses	**114**	81
Losses	**30**	0
Depreciation and provisions	**10**	–
Operating profit	**–**	–
Total	**1,034**	**971**

Income (in CHF 1,000)	2024	2023
Interest on loans	**772**	702
Other income	**101**	84
Operating loss	**161**	184
Total	**1,034**	**971**

Loan transactions

	Items	in CHF 1,000	Items	in CHF 1,000
Total loans at 31.12.2023			3,751	5,659
New loans in 2024 (incl. renewals)			7,873	13,178
Repayments in 2024	7,675	12,512		
Proceeds from auctions incl. inventory receipts	103	84		
Total loans at 31.12.2024			**3,846**	**6,241**

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Report of the statutory auditor to the Cantonal Parliament of Zurich
on our audit of the financial statements as of 31 December 2024 of

Zurich, 27 February 2025

Zürcher Kantonalbank, Zürich

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Zürcher Kantonalbank (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, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 186 to 204) comply with Swiss law and the Law on Zürcher Kantonalbank.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Determination of value adjustments and provisions for default risks on loans to clients

Area of focus	Zürcher Kantonalbank discloses loans to clients, consisting of amounts due from customers and mortgage loans, at nominal value less any necessary value adjustments. For default risks on impaired loans, individual value adjustments are made. For default risks on non-impaired loans value adjustments and provisions for expected losses are recognized. For the measurement of value adjustments and provisions for default risks, valuation models are used. In addition, this requires making estimates and assumptions which, by definition, involve judgments and may vary depending on the valuation. As of 31 December 2024, Zürcher Kantonalbank discloses client loans totaling CHF 118.2 billion. As of the balance sheet date, individual value adjustments and provisions for impaired loans amounted to CHF 361.2 million and value adjustments and provisions for expected losses amounted to CHF 508.1 million. With 58.9%, loans to clients represent a material part of the assets of Zürcher Kantonalbank, and we consider the determination of value adjustments and provisions for default risks on loans to clients as a key audit matter. The significant accounting principles for determining value adjustments and provisions for default risks are described by Zürcher Kantonalbank on pages 112 to 114, 118, 119 as well as on pages 158 to 165 of the bank's annual report. Furthermore, we refer to notes 2 and 16 on pages 191, 192 and 197 in the notes to the financial statements.
Our audit response	We audited the processes and key controls in connection with granting and monitoring loans as well as with regard to the methods for identifying and determining individual value adjustments and provisions for default risks on loans to clients. Moreover, we evaluated the concept for the determination of value adjustments and provisions for expected losses. Finally, we performed sample tests on the impairment of selected client loans, and evaluated the compliance of significant accounting principles as well as the appropriateness of the disclosures in the notes to the financial statements. Our audit procedures did not lead to any reservations concerning the determination of value adjustments and provisions for default risks on loans to clients.

Fair value measurement of financial instruments

Area of focus	Fair value is defined as the amount for which an asset is exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. This amount corresponds to the price requested in a price-efficient and liquid market or, if this is missing, to the price determined on the basis of a valuation model. Valuation models are significantly affected by the assumptions that are used, including interest, forward and swap rates, spread curves and the volatility and estimates of future cash flows. There is a significant degree of judgment involved in making these assumptions. Zürcher Kantonalbank discloses financial instruments at fair value measurement in different balance sheet items. As of 31 December 2024, the fair value of positive replacement values of derivative financial instruments amounts to CHF 2.8 billion, while that of the negative replacement values amounts to CHF 1.0 billion. Furthermore, as of 31 December 2024, Zürcher Kantonalbank discloses liabilities from other financial instruments at fair value measurement totaling CHF 2.6 billion that were determined using a valuation model. As a result of the scope of judgment and the significance of the listed balance sheet items in the financial statements of Zürcher Kantonalbank, the valuation of these items represents a key audit matter. The corresponding accounting and valuation principles are described by Zürcher Kantonalbank on pages 114, 115, 120 as well as on pages 165 to 170 of its annual report. Furthermore, we refer to notes 3, 4 and 14 on pages 192 to 194 and 196 in the notes to the financial statements.
Our audit response	We audited the processes and key controls with regard to fair value measurement, the validation and application of valuation models. Moreover, we assessed the assumptions made in connection with the valuation and their appropriateness on the basis of sample testing and evaluated the measurement of financial instruments by means of independent valuation models. On the basis of sample testing and a comparison with third-party sources, we assessed the fair values used and directly available from an active market. Moreover, we evaluated the appropriateness of the disclosures in the notes to the financial statements. Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.

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 and our auditor's reports 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 in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Law on Zürcher Kantonalbank, 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

Furthermore, we confirm that the appropriation of available earnings complies with Swiss law and the Law on Zürcher Kantonalbank. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Bruno Patusi Licensed audit expert (Auditor in charge)	Bruno Taugner Licensed audit expert

Glossary

A

Assessment
Appraisal of a project, a situation or participant.

Audit
The business unit Audit (the Inspectorate) is responsible for the group's internal auditing. In organisational terms, it reports directly to the Board of Directors and supports the latter in fulfilling its supervisory and control tasks.

B

Bank guarantee
A bank guarantee serves as a financial security instrument in national and international business transactions to protect against payment and performance defaults. Our bank provides various sureties, bank guarantees and standby letters of credit to fulfil the different security requirements of our clients.

Basel III
The reforms published by the Basel Committee on Banking Supervision in 2010, Basel III, include a further revision of the Basel Capital Accord. Besides stricter, risk-based capital requirements with a countercyclical effect, Basel III sets limits on leverage for the first time (leverage ratio). It also specifies a global minimum liquidity standard.

Basel Committee on Banking Supervision
The Basel Committee on Banking Supervision was established by the Bank for International Settlements (BIS) in 1974 and is made up of representatives of central banks and banking supervisory authorities from 27 countries. Switzerland is represented by the SNB and FINMA. The Basel Committee serves as a forum for cooperation on banking supervision issues and is the world's most important standard-setting body for banking regulation. Of particular importance is the Basel Capital Accord, also known as Basel I, Basel II and Basel III.

Bid-ask spread
Difference between the buying and selling price of a financial instrument or currency.

Business continuity management
Business continuity management ensures a company's critical business functions are maintained or restored in the case of internal or external events.

C

Capital at risk
The maximum risk capital specified by the Board of Directors, divided between the various risk categories of credit, market and operational risks in order to limit the various business activities.

Capital budgeting
Planning process for determining the risk capital. The available funds (risk capital) are allocated to the various investment opportunities (risk categories, risk managers).

Clearing house
Financial sector institution that ensures the orderly settlement of financial transactions between two counterparties by acting as a central counterparty through which financial transactions between different parties are processed.

CO_2e
CO_2-equivalent (CO_2e) is a measure of the relative contribution of a greenhouse gas to global warming over a specific period of time. It indicates the degree to which a certain amount of a greenhouse gas contributes to global warming compared to the same amount of CO_2. Carbon dioxide (CO_2) accounts for around 80 percent of global emissions, while the other gases regulated by the Kyoto Protocol are responsible for the remaining 20 percent. These include methane (CH_4), nitrous oxide (laughing gas, N_2O), fluorinated greenhouse gases (CFCs) and sulphur hexafluoride (SF_6).

Commodity trade finance
Financing for commodities trading in the form of loans.

Compliance
Compliance involves ensuring that the conduct and actions of the bank and its employees meet applicable legal and ethical standards. It also covers all organisational measures designed to prevent violations of the law and breaches of ethical norms by the bank.

Confidence level
Also known as confidence interval or expectancy range. Indicates an interval for the accuracy of the estimated position of a parameter. The confidence interval is the range that contains the true position of the parameter with a specific frequency (confidence level) when random samples are drawn an infinite number of times.

Core capital
This term was introduced as part of the Basel Capital Accord (Basel III) and refers to the equity available to a company on a per-

manent basis in order to cover losses in its operations. It consists primarily of paid-up corporate capital or endowment capital, as well as capital reserves and profit reserves (Common Equity Tier 1). Additional Tier 1 capital, such as perpetual hybrid capital, is also included.

Core capital ratio (Tier 1)

This term was introduced as part of the Basel Capital Accord (Basel III) and describes the level of required core capital as a percentage of risk-weighted assets.

Corporate governance

Corporate governance is the totality of principles aimed at safeguarding the owners' interests; it is intended to guarantee transparency and provide a proper system of checks and balances at the highest level of the company while preserving decision-making powers and efficiency.

Cost/income ratio (CIR)

The cost/income ratio is a key measure of the efficiency of a participant in the financial sector.

Countercyclical capital buffer

The countercyclical capital buffer is a preventive capital measure within the Basel III framework aimed at preventing excessive bank lending. The level and implementation timescale for the countercyclical capital buffer are determined by the Federal Council at the Swiss National Bank's (SNB) request, with FINMA monitoring the implementation of the measure at bank level. The SNB can also confine the countercyclical capital buffer to just one sector of the credit market (e.g. residential mortgages).

Credit valuation adjustment (CVA)

An additional capital requirement to account for the risk of a change in a counterparty's creditworthiness where OTC derivatives are not settled via a central counterparty.

Creditworthiness

Ability and willingness of an individual, company or country to repay debts.

D

Documentary letter of credit

A documentary letter of credit is a payment instrument in international trade. It includes the obligation of a bank to pay the seller (exporter) a certain amount if the seller submits the required delivery documents within a specified period.

Documentary collection

Documentation collection is another instrument for payment processing in international trade, but it does not involve any payment obligation on the part of the bank towards the exporter. In such transactions, the banks assume a transfer function so that the importer receives the delivery documents and ultimately the goods only against payment of the agreed amount.

E

Endowment capital

Equity made available to Zürcher Kantonalbank, as a public-law institution, by the canton, as owner.

ESG

ESG describes the environmental, social and governance criteria that are taken into account in corporate management.

Exception to policy

Procedure or approach that deviates from internal guidelines on an exceptional basis.

Export financing

Export financing is a financing instrument that helps our Swiss clients to increase their export opportunities by enabling them to grant or arrange loans to their clients abroad without having to restrict their own liquidity. Export financing also significantly reduces various risks associated with foreign trade transactions.

F

Fair value

Fair value is the amount for which mutually independent knowledgeable business partners would exchange an asset or repay a debt.

FATCA

The United States Foreign Account Tax Compliance Act aims to prevent US taxpayers from minimising their taxes, particularly through using financial institutions located abroad. The law came into effect for financial institutions worldwide on 1 July 2014.

FINMA

The Swiss Financial Market Supervisory Authority (FINMA) is responsible for supervising banks, insurance companies, exchanges, securities dealers, collective investment schemes, as well as distributors and insurance brokers. An independent authority, it works to protect creditors, investors and policyholders, as well as to ensure the stability and effectiveness of the financial markets.

I

Impairment

Decrease in value where the book value of an asset (participation, tangible fixed asset or intangible asset) exceeds the recoverable amount (the greater of the net market value or value in use).

IRB approach

The internal ratings-based (IRB) approach is an institution-specific modelling approach based on internal ratings; it is used to determine risk-based capital requirements for credit risk. IRB approaches are more risk-sensitive than the standard approach and must be approved by FINMA.

ISS ESG

The Institutional Shareholder Services (ISS) Group evaluates companies and awards an ESG rating, which measures the respective company's environmental (E), social (S) and governance (G) risks.

Issuer

Issuers of securities such as equities or bonds.

K

Key rate sensitivity

The degree of sensitivity of an asset's net present value to minor changes in an interest rate, e.g. the effect on the net present value of a portfolio of financial investments of a reduction in the market interest rate by 0.01 percent.

Key risk takers

Key risk takers have a sustained influence on the bank's business operations (risks, image, etc.), on the group's result and therefore on the implementation of the strategy.

L

LCR

The LCR (liquidity coverage ratio) is a regulatory indicator that compares the ratio of the portfolio of assets classified as high quality to the total net outflow over the next 30 days. The LCR must be determined using a predefined stress scenario.

Letter of credit

The (documentary) letter of credit is an instrument guaranteeing the settlement of payment and credit transactions in connection with international trade. An importer's bank issues a written commitment in which it agrees to make payment to the exporter of a good upon receipt of the documents specified in the letter of credit.

Leverage ratio

The leverage ratio is an unweighted equity ratio and measures a bank's degree of indebtedness. It defines the relationship between equity and the sum of all assets and various off-balance-sheet items.

Liquidity

A company's ability to meet its mandatory commitments in full and on time without restriction. The Swiss Banking Act requires banks in Switzerland to have adequate liquidity. The money market is central to the liquidity management of banks. The SNB provides the money market with liquidity to implement its monetary policy.

Long-term deferred compensation

Unsecured deferred compensation in the form of a future allocation of a cash sum. It is deferred for a period of three years and is also subject to additional conditions, in particular the sustainable success of the business.

M

Monte Carlo simulation

Stochastic process based on very frequently conducted random experiments. The aim is to use probability theory to analytically solve problems that are difficult or impossible to solve.

MSCI ESG

Sustainability rating agency that measures a company's resilience to financially significant environmental (E), social (S) and governance (G) risks.

N

Negative emission technologies (NET)

Biological and technical processes used to remove carbon from the atmosphere and sequester it permanently in forests, soils, wood products or other carbon stores.

Negative replacement value

The replacement value corresponds to the market value of outstanding derivative financial instruments. Negative replacement values constitute a financial obligation and thus a liability.

Net new money inflow

The net inflow or outflow of assets under management (net new money) during a particular period comprises new clients acquired, client departures, and the inflow and outflow of investments of existing clients. The term "net new money" includes not only cash inflows and outflows but also the inflow and outflow of other investments customary in the banking business (e.g. securities or precious metals). The inflow/outflow of net new money is calculated at the level of "total managed assets", i.e. before the elimination of double counting. Market-related changes in asset values (e.g. price changes, interest and dividend payments) are not included as inflows or outflows.

Net stable funding ratio (NSFR)
The NSFR is a ratio established under Basel III. Compliance with this ratio is intended to ensure long-term liquidity. It is a supplement to the liquidity coverage ratio (LCR). The NSFR is calculated by dividing stable refinancing by long-term liabilities (over one year).

Netting
The term netting describes the offsetting of receivables and payables under a netting agreement between two counterparties. Netting agreements must be enforceable under bankruptcy law. As a result of netting, the level of gross receivables/payables is reduced to a net position.

O

OECD minimum taxation
The project was launched by the Organisation for Economic Co-operation and Development (OECD) and the group of 20 major industrialised and emerging economies (G20) with the aim of ensuring that large, internationally active companies pay at least 15 percent tax. Switzerland introduced the OECD minimum tax as of 1 January 2024. In accordance with the regulation, Zürcher Kantonalbank (ZKB) also became liable for tax. It was previously tax-exempt as an institution under public law. In contrast to other companies, the OECD minimum tax owed by ZKB goes in full to the canton and is taken into account when distributing the profit to the canton and municipalities.

Open banking
Open banking is the opening of banking data at the client's request so that, for example, account or transaction data can be made available for third-party software solutions. If the client has accounts with more than one bank, the bank can also consolidate the client's other banking relationships in its own e-banking system at the client's request. The bank fulfils this client need by introducing open and standardised interfaces (API – application programming interface).

OTC transaction
Transaction that takes place over the counter (OTC), i.e. not on an exchange but on a direct, individual basis between two counterparties.

P

Positive replacement value
The replacement value corresponds to the market value of outstanding derivative financial instruments. Positive replacement values constitute a receivable and thus an asset.

R

Repo (repurchase agreement)
Financial transaction where the borrower agrees to transfer securities to the lender in return for an agreed sum of money and redeem them for payment plus interest at the end of the term.

Return on equity (RoE)
The return on equity measures the profitability of equity and is calculated from the relationship between net profit and equity.

Risk-adjusted pricing
Pricing where the price level depends on the level of risk entered into.

Risk capital allocation
The allocation of capital at risk to the various risk categories (or risk managers) as part of the planning process.

Risk-weighted assets (RWA)
The term risk-weighted assets was introduced as part of the Basel Capital Accord (Basel II) and constitutes the main basis for measuring risk-based capital ratios such as the core capital ratio. Risk weighting assumes that not every position entails the same level of risk. For this reason, less risky positions require less equity to underpin them than riskier ones.

S

Securities lending and borrowing (SLB) transaction
SLB transactions involve a lender transferring a security to a borrower to use for a fixed or indefinite, but callable period; in return, they receive a fee from the borrower.

SME
Small and medium-sized enterprises with fewer than 250 employees. Microbusinesses and small enterprises are those with fewer than 20 employees. Companies with 20 to 249 employees are considered medium-sized enterprises.

Straight through processing
Straight through data processing in the sense that the information is processed without manual intervention.

Systemically important banks
A bank or group of banks is systemically important if it performs

functions in the domestic lending and deposit business and in the payment transactions business that are indispensable to the Swiss economy and not substitutable at short notice. Other criteria such as size, risk profile and networking are also taken into account. Systemically important banks in Switzerland are subject to particularly strict requirements ("too big to fail").

T

TLAC

Total loss-absorbing capacity. The TLAC is made up of the sum of the going-concern and gone-concern capital requirements that an institution must have according to the financial market supervisory authority.

U

Universal bank

A universal bank is a financial institution that fundamentally conducts all banking transactions and offers them to all client groups. All banking transactions means payment transactions, deposit business (accounts) and financing, as well as investment, trading and capital market business. All client groups are private clients (Retail Banking), high-net-worth individuals (Private Banking), corporate clients (Corporate Banking) and large corporations (Investment Banking). A universal bank generates income from interest margin business, commission business and services (from securities and investments), as well as trading activities.

V

Value at risk (VaR)

The maximum loss on a specific risk position (e.g. a securities portfolio) with a given probability (e.g. 95 percent) over a given period of time (e.g. ten days).

Volatility

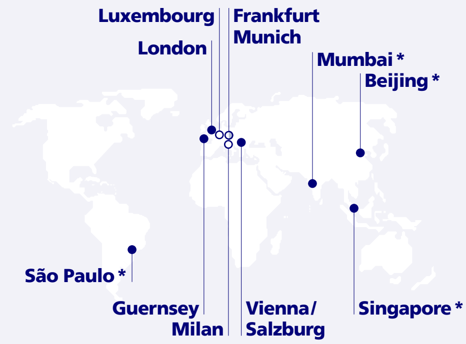
Fluctuation, e.g. in the price of a security.

Locations

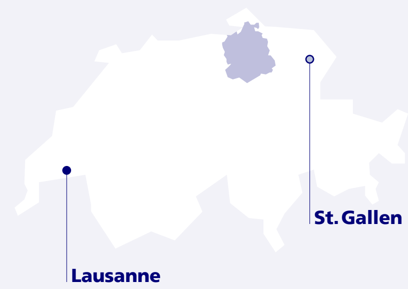
Canton of Zurich

We have a strong local base. With 51 branches and around 260 ATMs, we have the densest network of branches and ATMs in the Canton of Zurich.

International



Switzerland



- ● Branches/Locations of Zürcher Kantonalbank
- ● Büro Züri
- ○ Locations of Swisscanto Holding Ltd.
- ○ Locations of Complementa AG
- * Representative offices

Branches

Canton of Zurich

Adliswil
Albisstrasse 17
8134 Adliswil

Affoltern am Albis
Obere Bahnhofstrasse 25
8910 Affoltern am Albis

Andelfingen
Landstrasse 42
8450 Andelfingen

Bassersdorf
Postplatz 3
8303 Bassersdorf

Bauma
Bahnhofstrasse 8
8494 Bauma

Bülach
Kreuzstrasse 1
8180 Bülach

Dielsdorf
Wehntalerstrasse 45
8157 Dielsdorf

Dietikon
Zentralstrasse 19
8953 Dietikon

Dübendorf
Usterstrasse 1
8600 Dübendorf

Effretikon
Märtplatz 17
8307 Effretikon

Egg
Forchstrasse 138
8132 Egg

Eglisau
Obergass 8
8193 Eglisau

Fehraltorf
Grundstrasse 2
8320 Fehraltorf

Feuerthalen
Schützenstrasse 30
8245 Feuerthalen

Hinwil
Dürntnerstrasse 9
8340 Hinwil

Hombrechtikon
Grüningerstrasse 12
8634 Hombrechtikon

Horgen
Seestrasse 150
8810 Horgen

Kloten
Bahnhofstrasse 10
8302 Kloten

Küsnacht
Obere Wiltisgasse 48
8700 Küsnacht

Männedorf
Kugelgasse 21
8708 Männedorf

Meilen
Bahnhofstrasse 25
8706 Meilen

Pfäffikon
Turmstrasse 5
8330 Pfäffikon ZH

Regensdorf
Watterstrasse 57
8105 Regensdorf

Richterswil
Poststrasse 15
8805 Richterswil

Rüti
Bergstrasse 1
8630 Rüti

Schlieren
Zürcherstrasse 4
8952 Schlieren

Stäfa
Bahnhofstrasse 12
8712 Stäfa

Stettbach
Am Stadtrand 5
8600 Dübendorf

Thalwil
Gotthardstrasse 29
8800 Thalwil

Turbenthal
Tösstalstrasse 58
8488 Turbenthal

Uster
Webernstrasse 3
8610 Uster

Volketswil
Zentralstrasse 19
8604 Volketswil

Wädenswil
Zugerstrasse 12
8820 Wädenswil

Wald
Bahnhofstrasse 38
8636 Wald

Wallisellen
Bahnhofstrasse 23
8304 Wallisellen

Wetzikon
Bahnhofstrasse 188
8620 Wetzikon

Winterthur-Oberwinterthur
Frauenfelderstrasse 30
8404 Winterthur

Winterthur-Untertor
Untertor 30
8400 Winterthur

Zumikon
Dorfstrasse 61
8126 Zumikon

Zurich-Altstetten
Altstetterstrasse 142
8048 Zurich

Zurich-City
Bahnhofstrasse 9
8001 Zurich

Zurich-Höngg
Regensdorferstrasse 18
8049 Zurich

Zurich-Klusplatz
Witikonerstrasse 3
8032 Zurich

Zurich-Neumünster
Forchstrasse 5
8032 Zurich

Zurich-Oerlikon
Schaffhauserstrasse 331
8050 Zurich

Zurich Prime Tower
Hardstrasse 201
8005 Zurich

Zurich-Schwamendingen
Winterthurerstrasse 512
8051 Zurich

Zurich-Unispital
Ramistrasse 100
8091 Zurich

Zurich-Wiedikon
Zweierstrasse 146
8003 Zurich

Zurich-Witikon
Witikonerstrasse 377
8053 Zurich

Zurich-Wollishofen
Albisstrasse 36
8038 Zurich

Switzerland

Lausanne location
Rue Centrale 10
1003 Lausanne

Complementa AG
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9015 St. Gallen

Zurich branch:
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8008 Zurich

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United Kingdom

ZKB Securities (UK) Ltd.
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8001 Zurich

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20121 Milan
Italy

Swisscanto Fund Management Company Ltd.
Bahnhofstrasse 9
8001 Zurich

Swisscanto Pensions Ltd. in liquidation
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0	(0 or 0.0) Figure that is smaller than half the unit of account used
–	Figure not available or not meaningful

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