

Annual results media conference

CEO Urs Baumann, CFO Martin Bardenhewer, 7 February 2025



# Annual results 2024





# Positioning, strategy & priorities

Urs Baumann, CEO

# ZKB:

## A leading Swiss universal bank

### Universal banks

UBS



#### Retail and corporate clients

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- Payment transactions (payments and savings)
- Standardised lending (mortgages, companies)

e.g.

- Raiffeisen
- Valiant
- Cantonal banks

#### Private Banking

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- Asset management for private clients

e.g.

- Lombard Odier
- Julius Bär
- Pictet

#### Asset Management

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- Asset management for institutional clients
- Fund products

e.g.

- Blackrock
- Schroders
- EFG

#### Investment and corporate banking

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- Multinationals
- Syndicated loans
- Trading
- Capital markets
- Research

e.g.

- Goldman Sachs
- JP Morgan Chase & Co
- BNP Paribas

# Clear vision and strategy – with a focus on balance-sheet-light growth

## Number one in the Greater Zurich area

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### Core segments – individual clients

- Private clients
- High-Net-Worth Individuals

### Core SME segments

- Commercial clients
- Business and corporate clients



## Nationally strong

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### Specialised segments and selected core segments

- Key Clients / Private Banking
- Major / corporate clients (top 5000)
- Pension funds
- External asset managers
- Financial institutions

**ZKB Banking/  
frankly**



## Internationally successful

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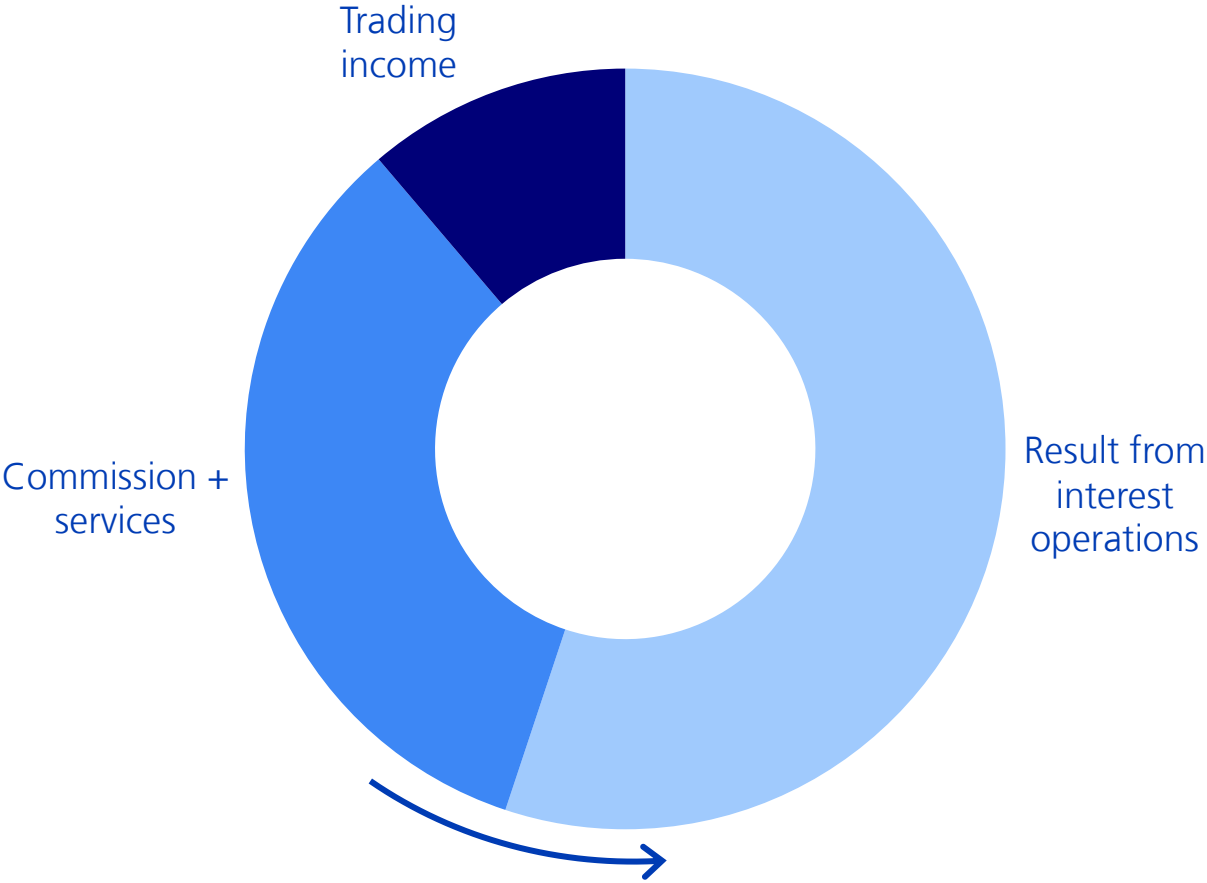
### Specialised segments

- Asset Management
- International private clients
- International financial institutions

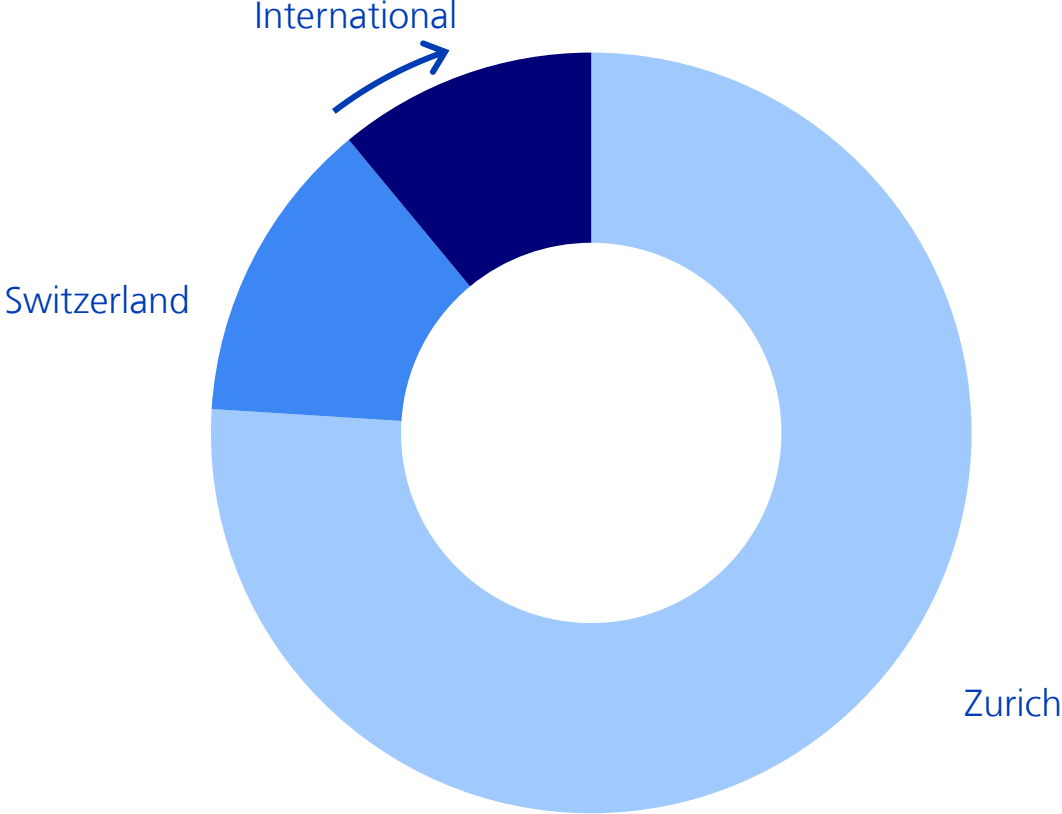


# Diversified income increases stability and minimises risks

### Income structure



### Capital at risk by region



# ZKB: Now also a leading Swiss digital bank

## ZKB Banking

Everyday banking for CHF 0  
100% digital & physical in the Canton of Zurich



530,000 active clients

## frankly

100% digital pension solution  
with 0.44% all-in-one fee

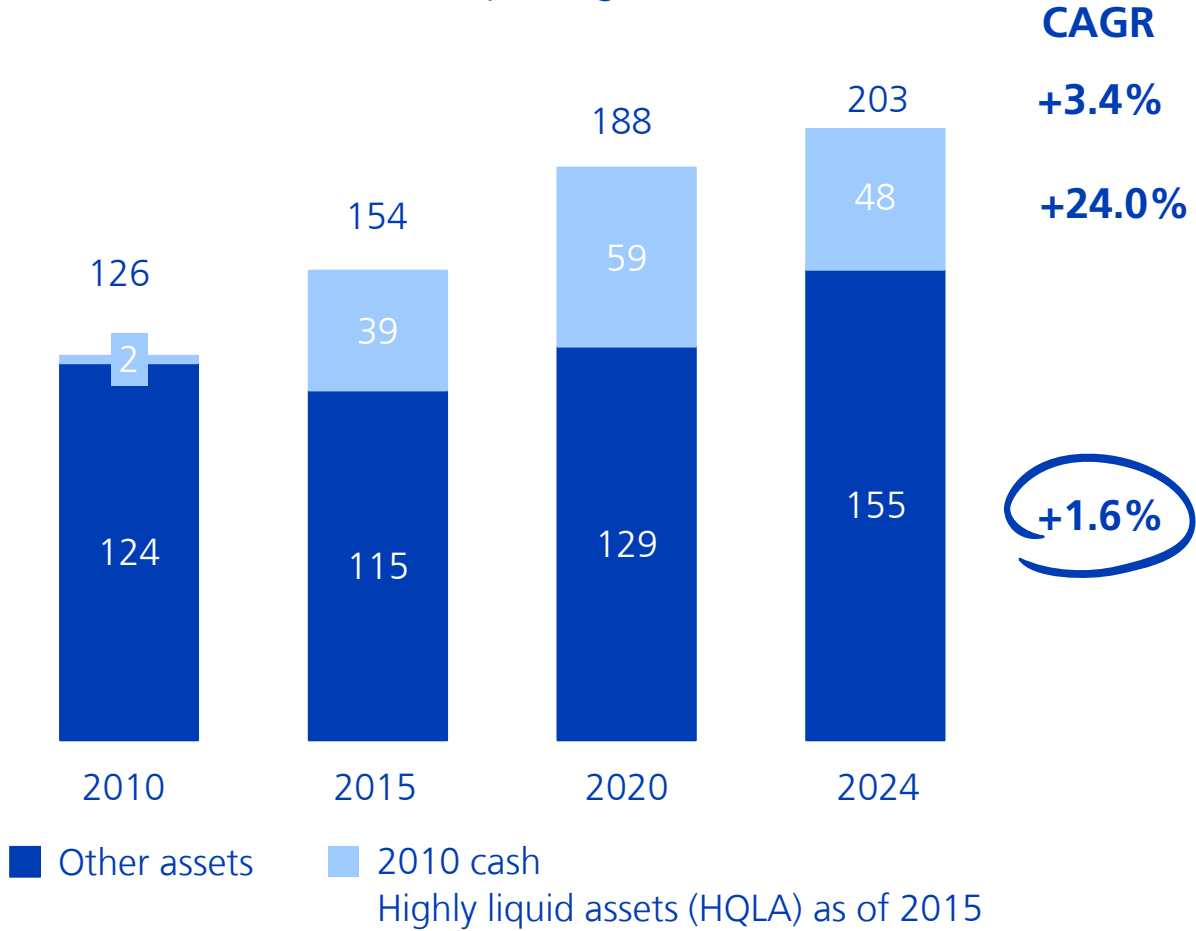


CHF 3.8 billion AuM (31.12.2024)

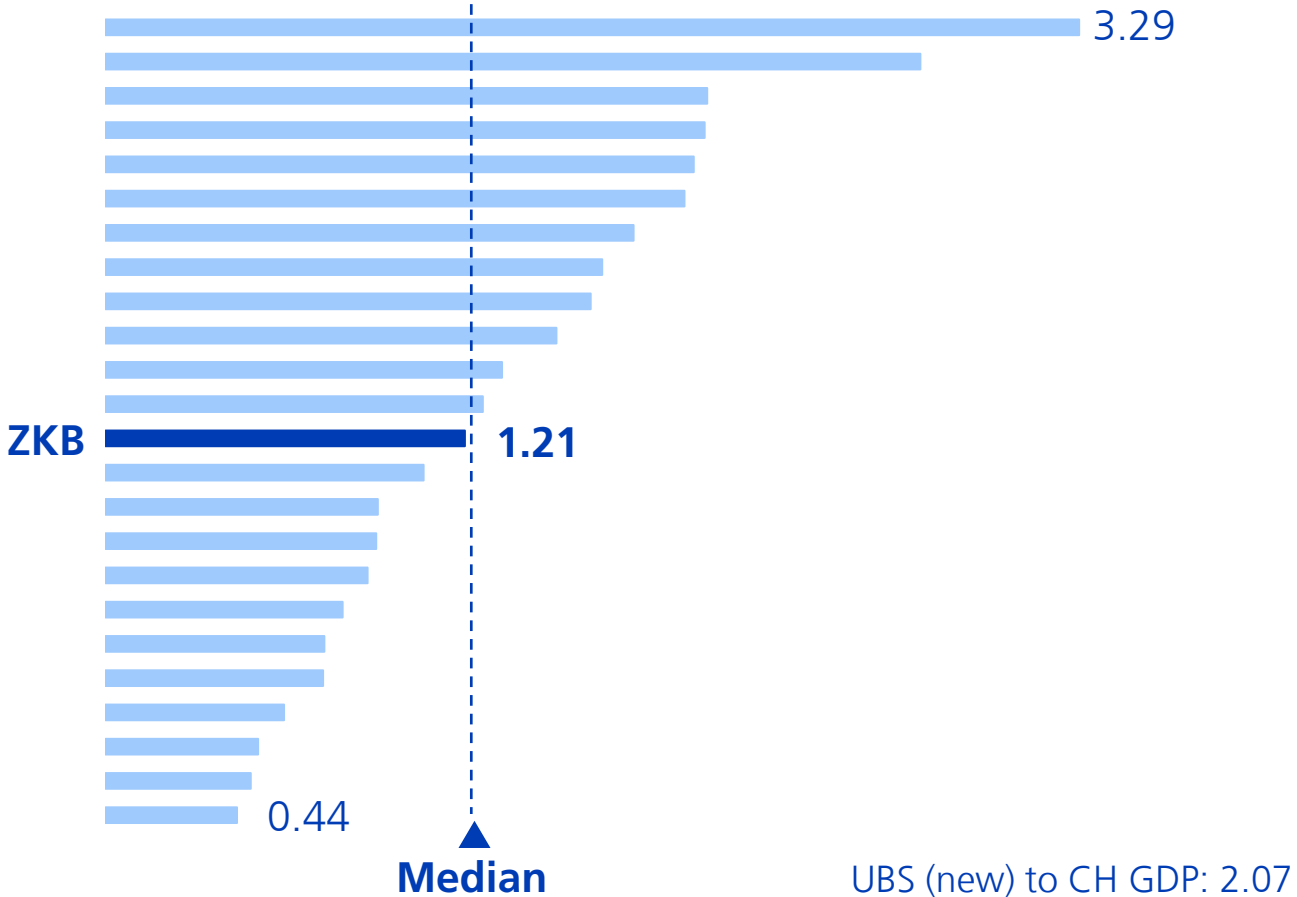
# ZKB grows responsibly

## Higher liquidity requirements lead to balance sheet expansion at ZKB

(in CHF billion, as at the reporting date 31.12.)



## Ratio of total assets of the cantonal bank to cantonal GDP (2022)



Source: Annual reports, FSO

# Safest commercial bank in the world – benefiting all Zurich residents

According to Global Finance

## With state guarantee

S&P

AAA

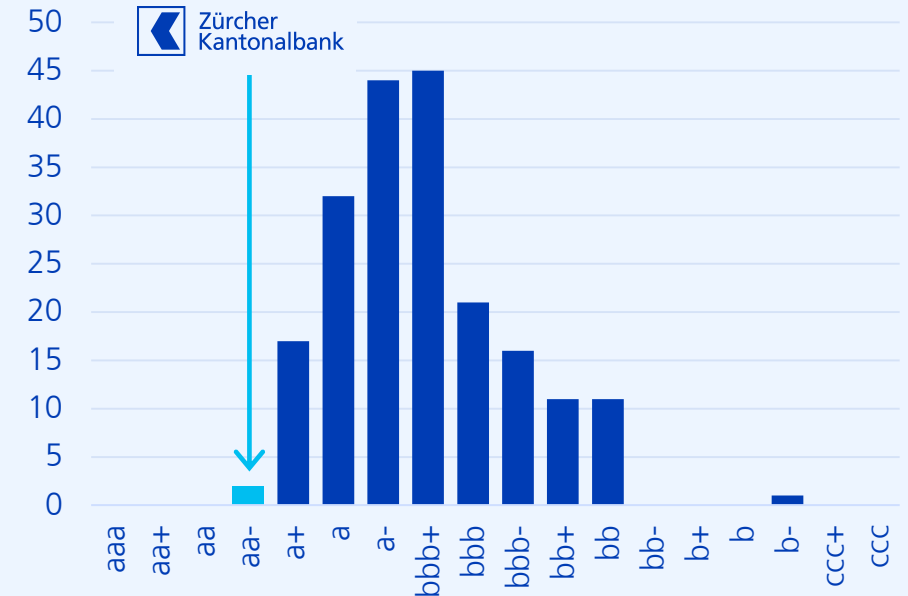
Fitch

AAA

Moody's

Aaa

## Without state guarantee



Distribution of S&P stand-alone rating of top 200 banks worldwide (27.09.2024)



# Strategic priorities remain unchanged



# Highlights of 2024



## **ZKB Banking**

500,000 existing clients benefit  
30,900 active new clients (net) acquired



## **New branch concept**

New openings in Kloten and Wollishofen



## **Growth of Asset Management**

Opening of sales branch in Milan / Lausanne  
Launch of thematic funds

# Highlights of 2024



## Private Banking

Sale of ZKB Austria / focus on onshore Private Banking business in Switzerland. Active market development in Germany.



## Launch of Digital Asset Hub

Cryptocurrency as first use case for clients  
Offer also available to third-party banks.

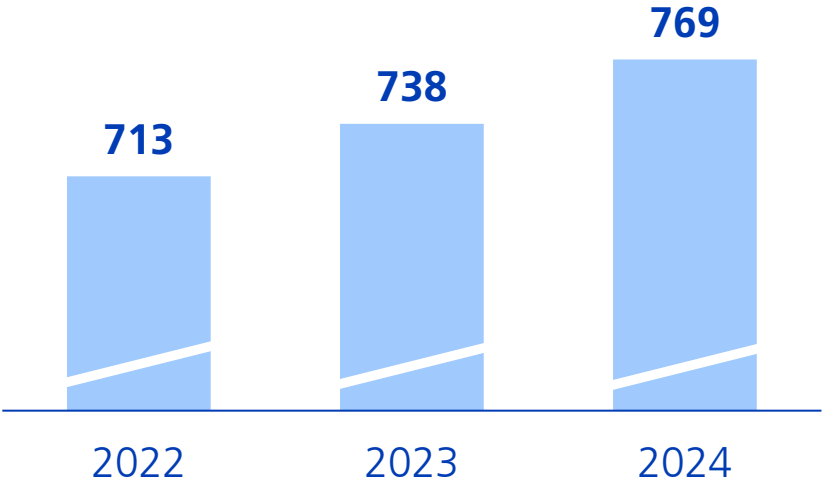


## Public service mandate

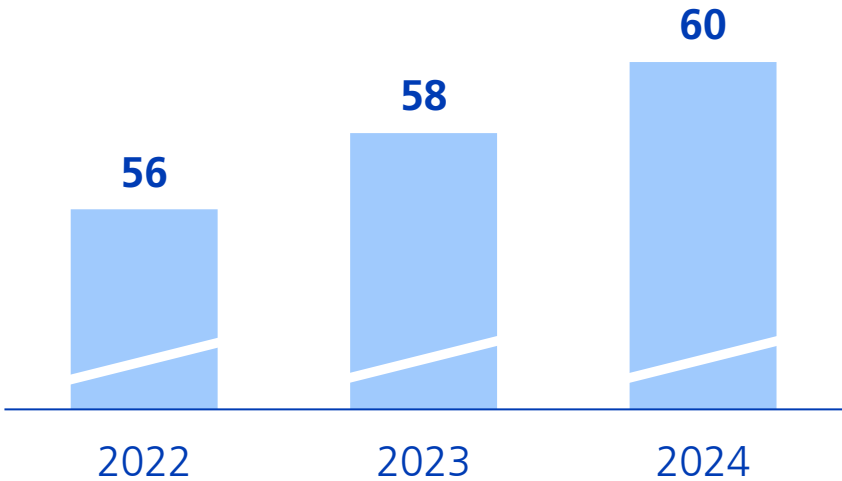
ZKB Philanthropy Foundation commences operations

# Strong operational performance

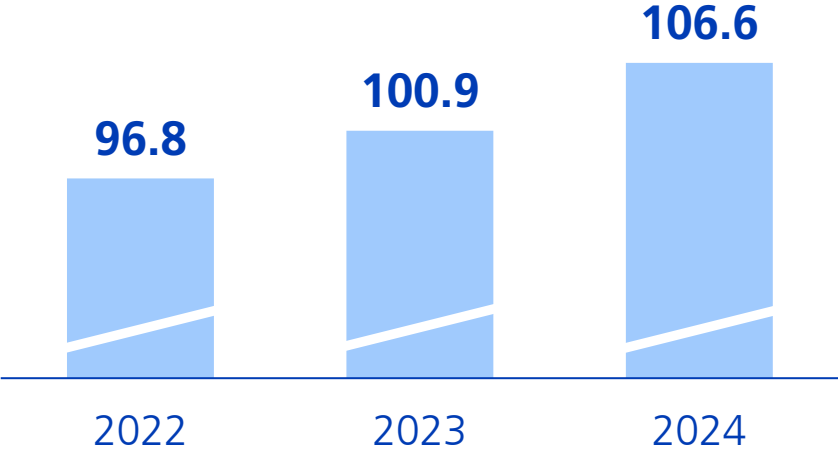
**Number of active private clients**  
(in thousands)  
CAGR: 3.8%



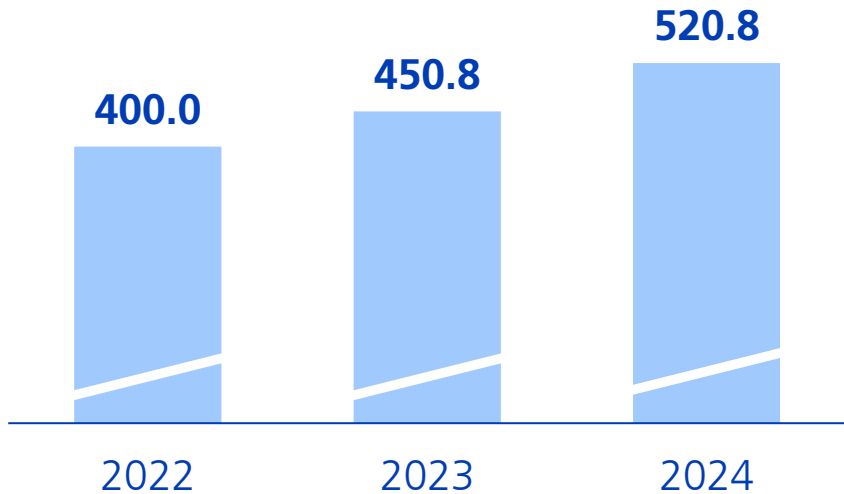
**Number of active companies**  
(in thousands)  
CAGR: 3.5%



**Mortgage volume**  
(in CHF billion)  
CAGR: 4.9%

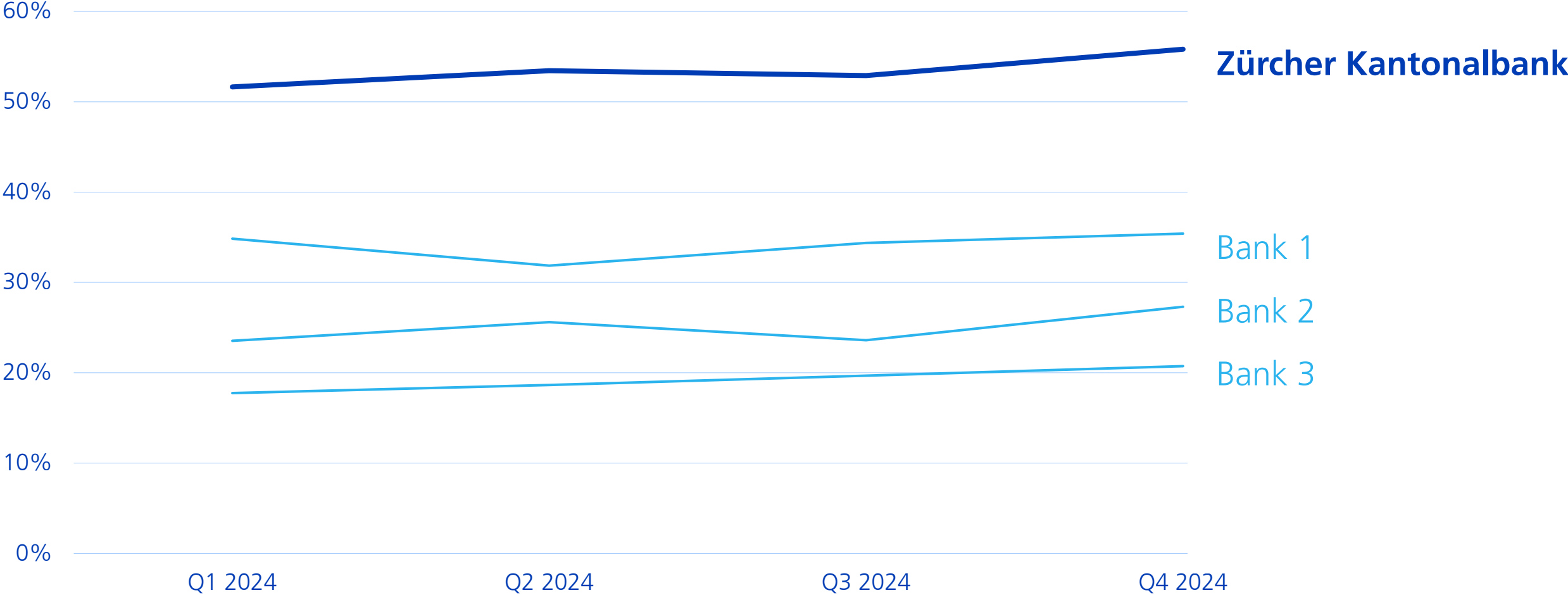


**Client assets**  
(in CHF billion)  
CAGR: 14.1%



# Highest client confidence in comparison with competitors

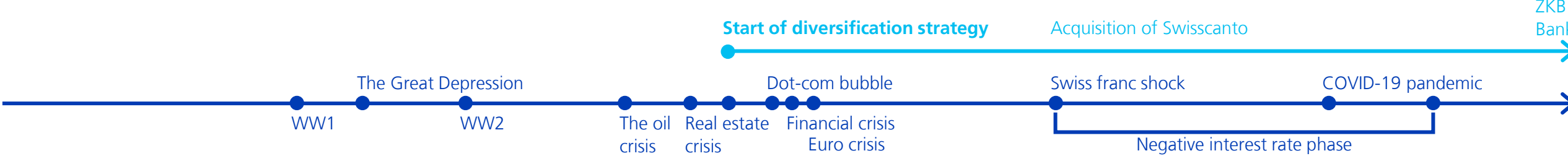
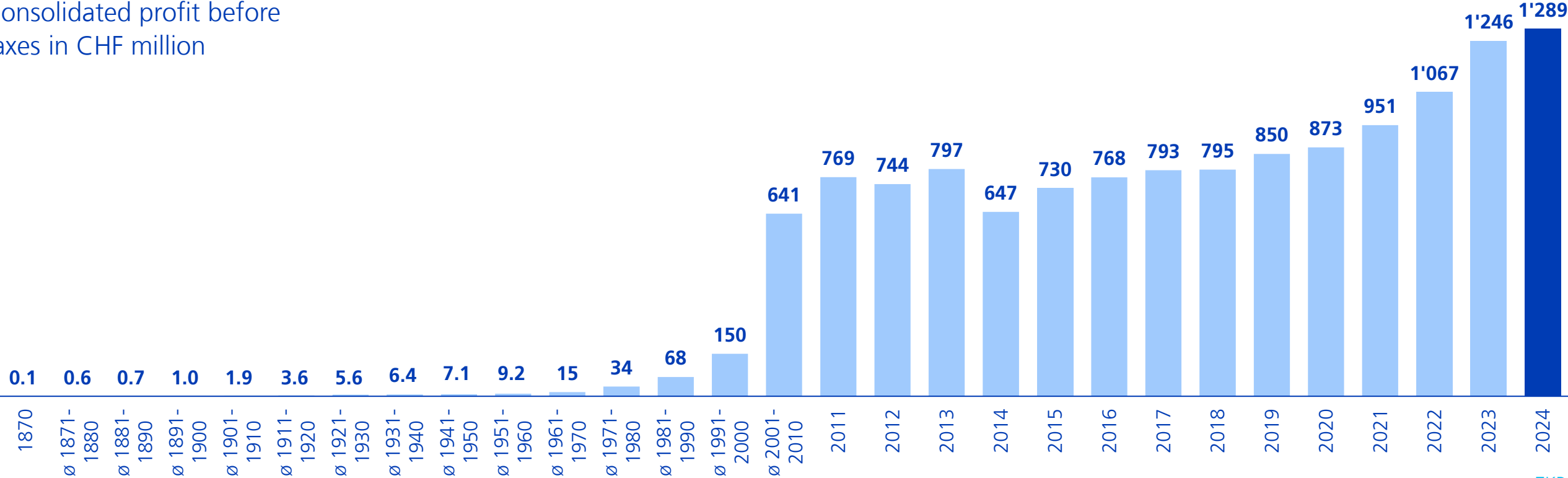
## Brand trust of banks in the Canton of Zurich



Source: Swiss Brand Observer, January 2025  
Percentage of people who perceive a brand as particularly trustworthy.

# Sustained success thanks to diversification strategy

Consolidated profit before taxes in CHF million





Zürcher  
Kantonalbank

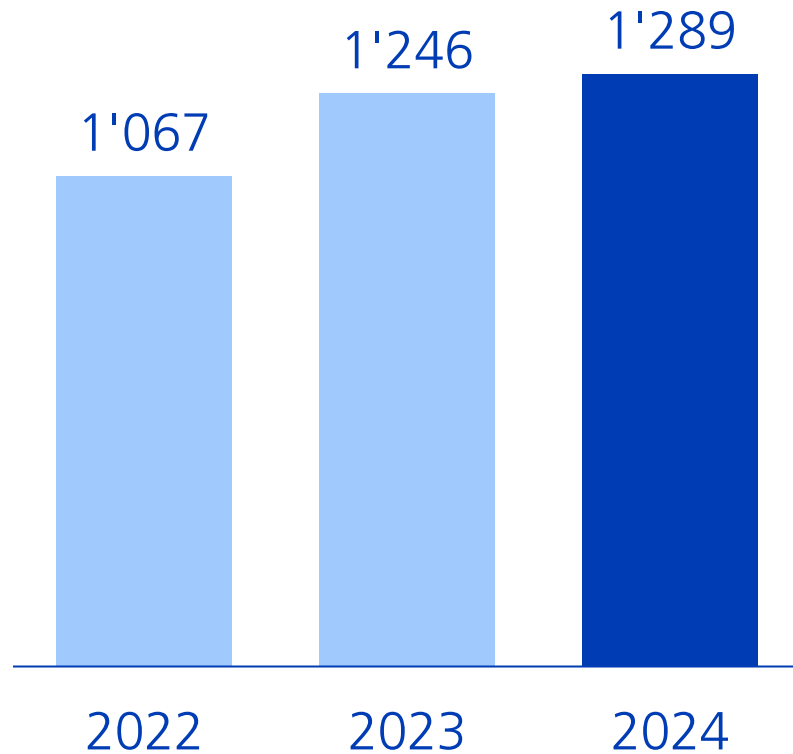
# Annual results 2024

Martin Bardenhewer, CFO

# We achieved a very satisfactory result in 2024

Consolidated profit before taxes

**1.289 bn** +3.4%\*



Operating income

**3.088 bn** -3.3%\*

→ as expected

Operating expenses

**1.731 bn** +3.1%\*

→ on target

Creation of reserves for  
general banking risks

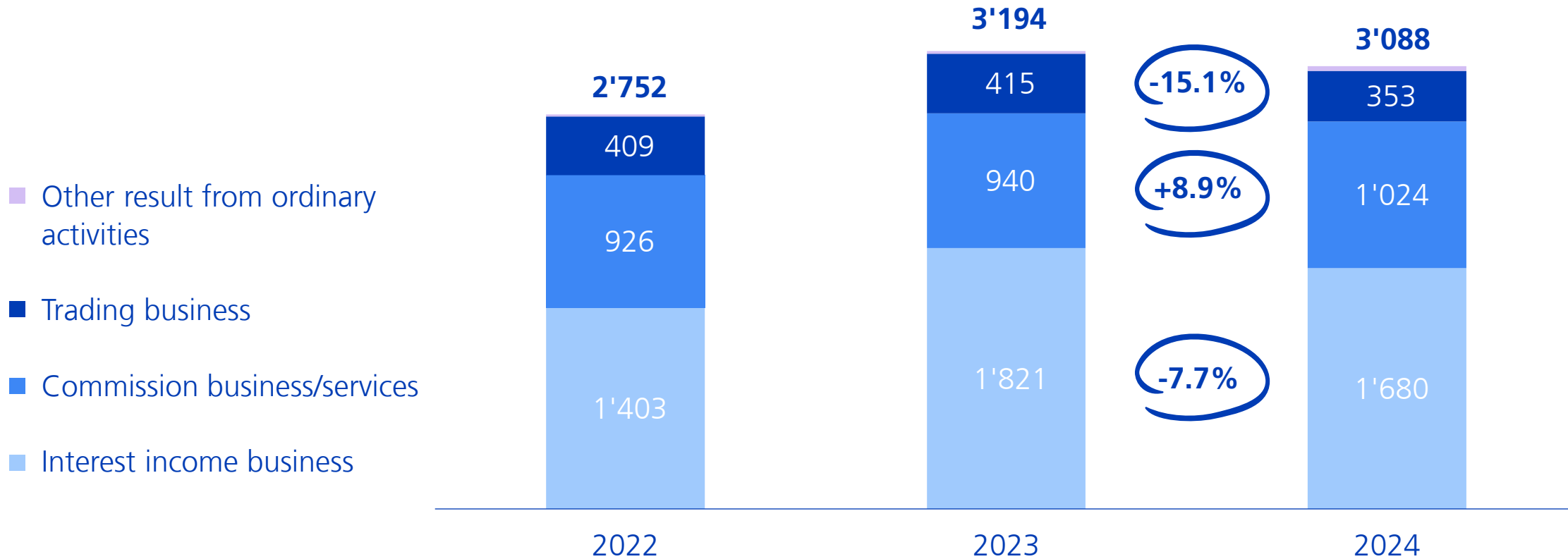
**0 mn** (previous year: 225 mn)

\*Change compared to previous year



# Interest rate moves and excellent securities and investment business shape the result

## Operating income in CHF million

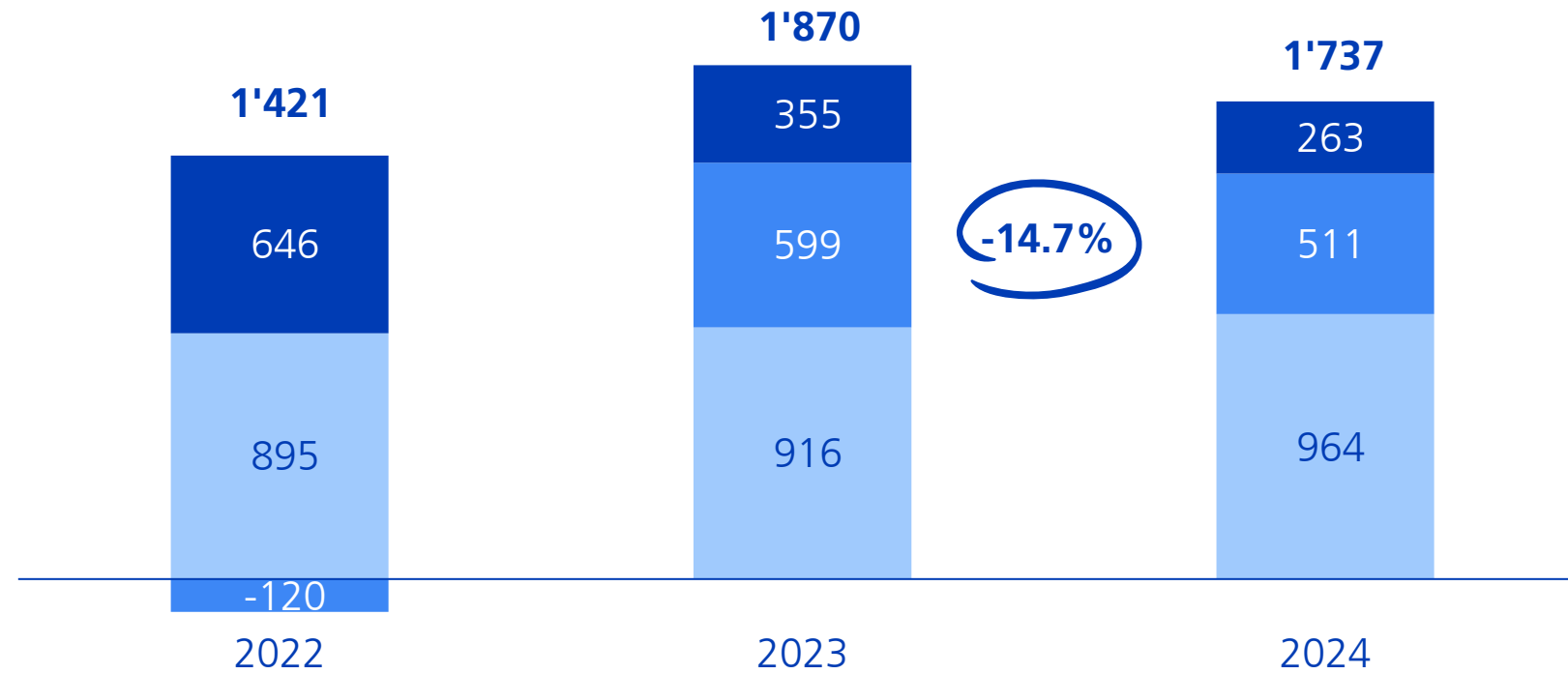


Rounding differences may occur

# Lower gross interest income due to recurrence of significantly lower margin in deposit business

## Result from interest operations in CHF million

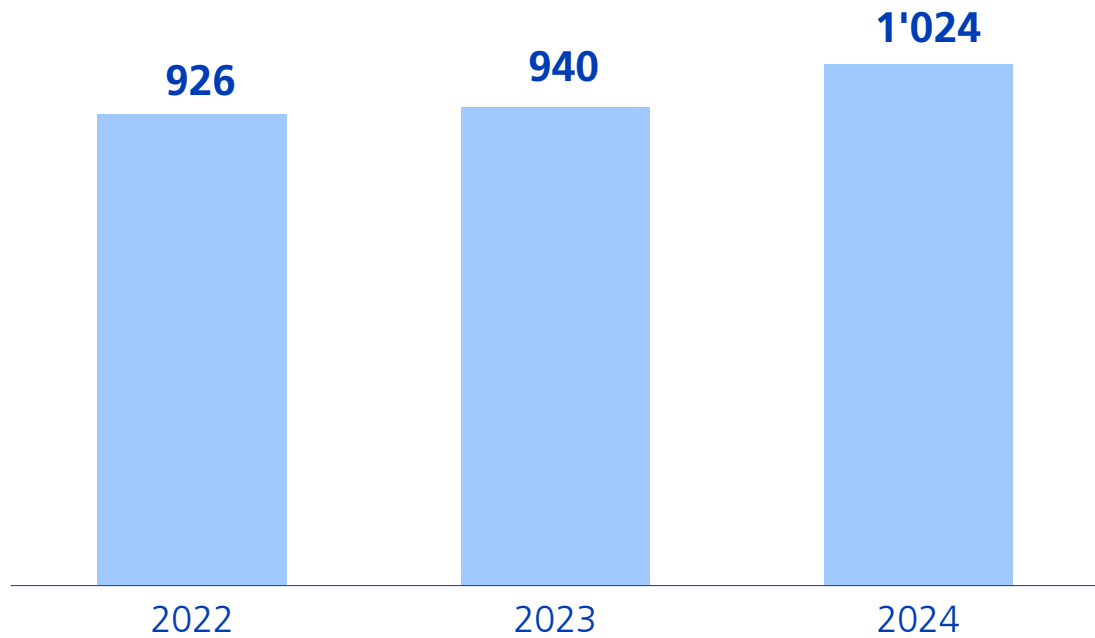
- Other result from interest operations
- Deposit business
- Lending business



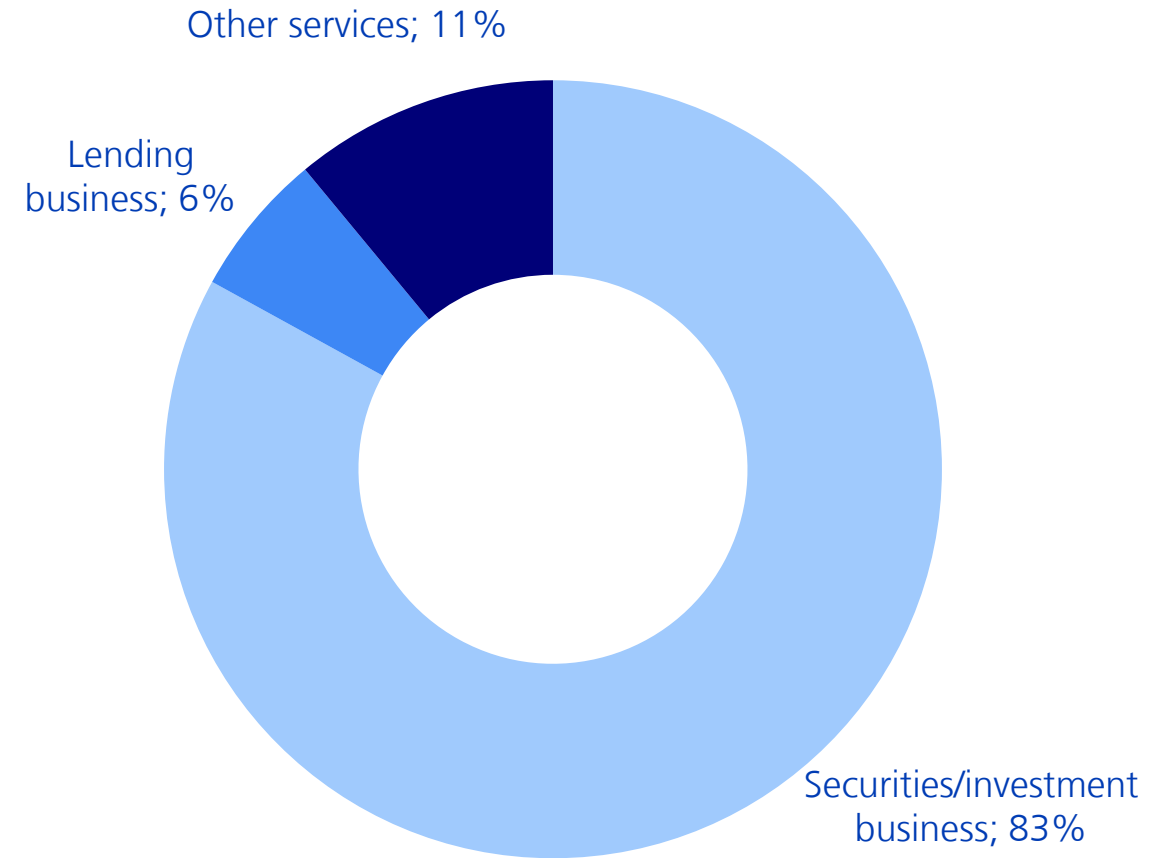
Rounding differences may occur

# Securities and investment business ensures record-high income from commission business and services

Result from commission business and services  
in CHF million



Broken down by gross income



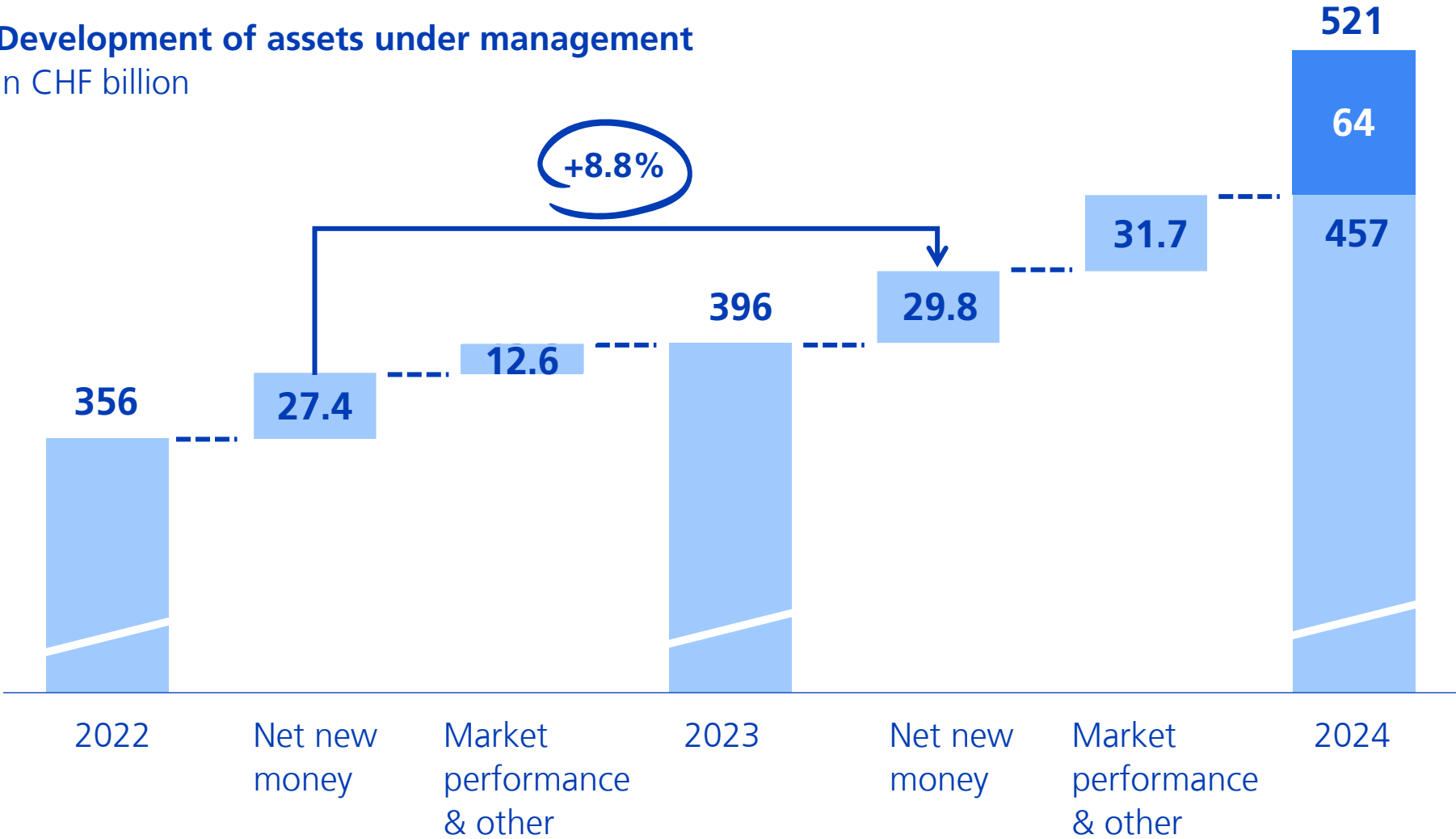
# Strong growth in assets under management

Development of assets under management in CHF billion

Client assets in CHF billion

■ Assets with custody services

■ Assets under management

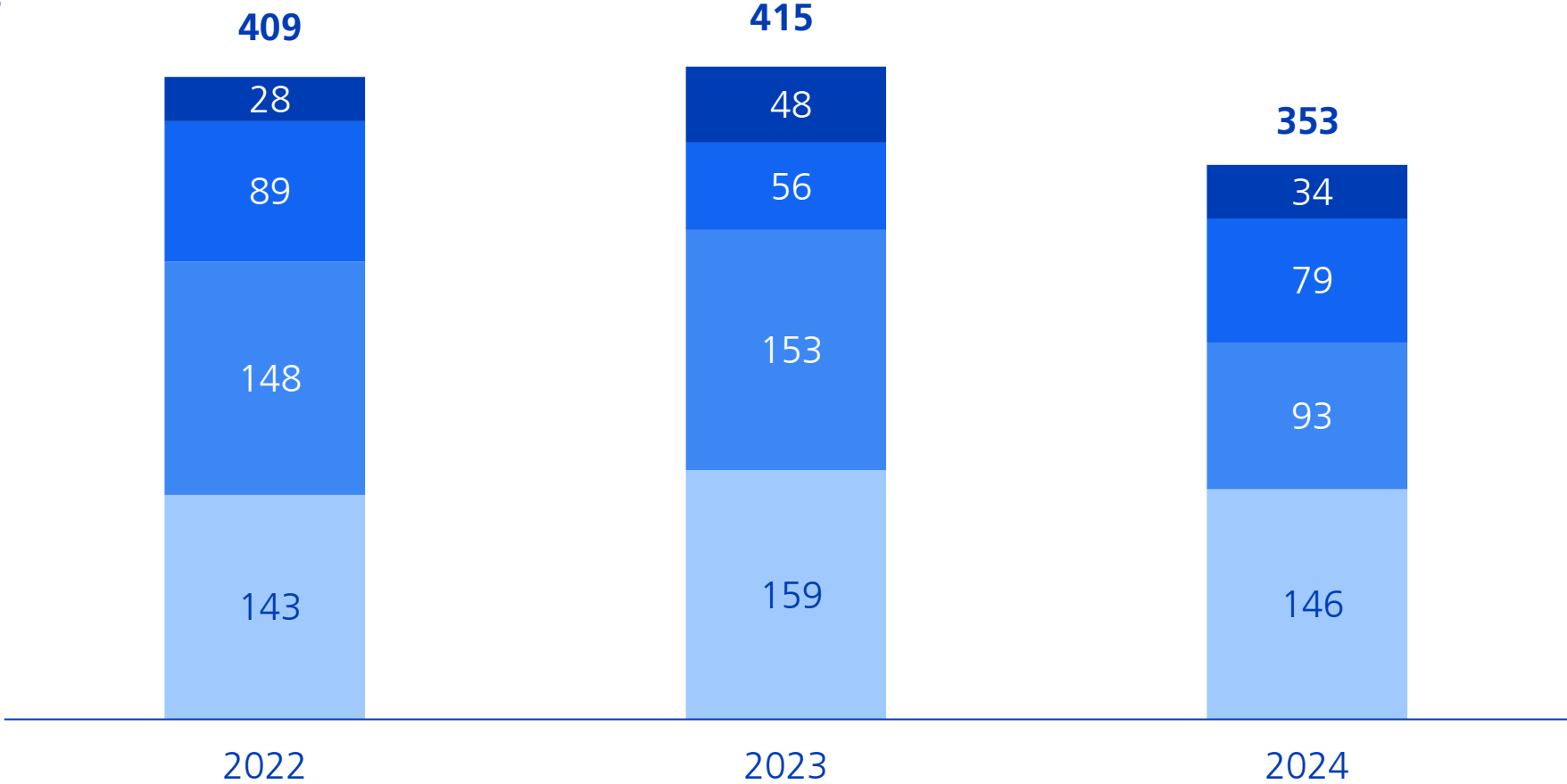


Rounding differences may occur

# Lower trading income due to decline in market momentum

## Result from trading business in CHF million

- Result from other trading activities
- Equities, structured products
- Bonds, interest rate and credit derivatives
- Foreign exchange, banknotes and precious metals



Rounding differences may occur

# Operating expenses increase in line with expectations

Headcount

**+4.3%**

Personnel expenses

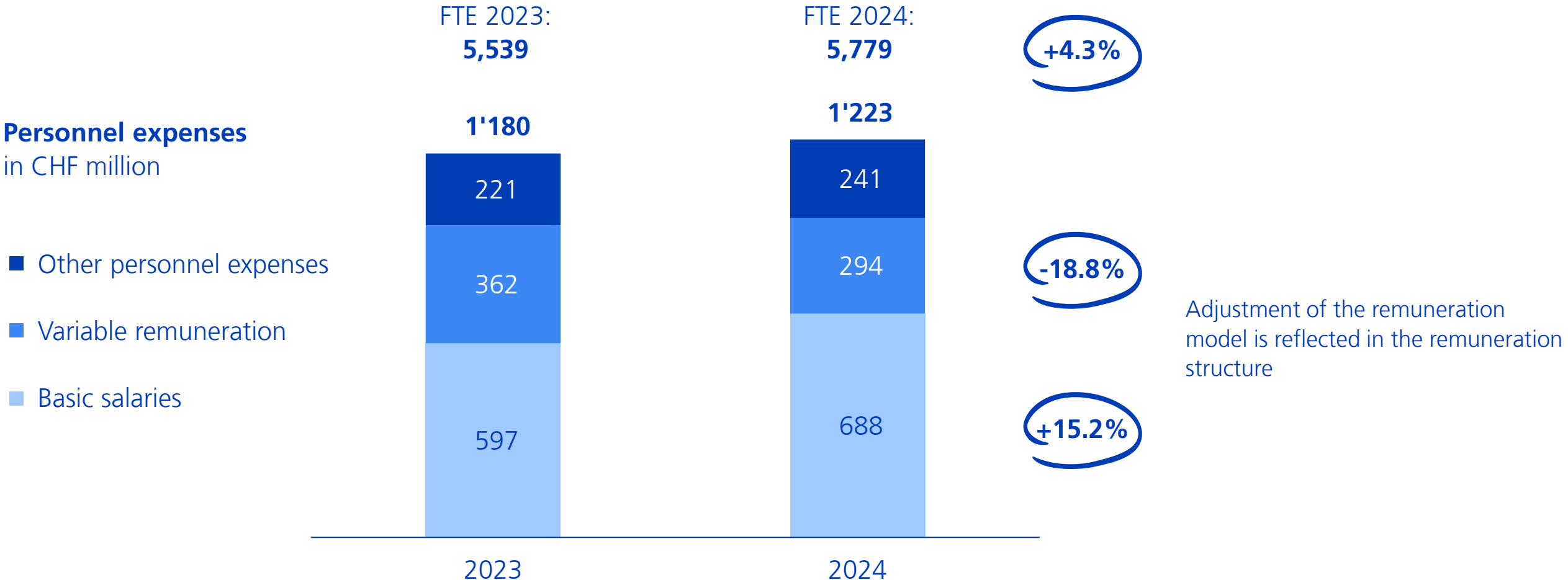
**+3.7%**

General and  
administrative expenses

**+1.9%**

Change compared to previous year

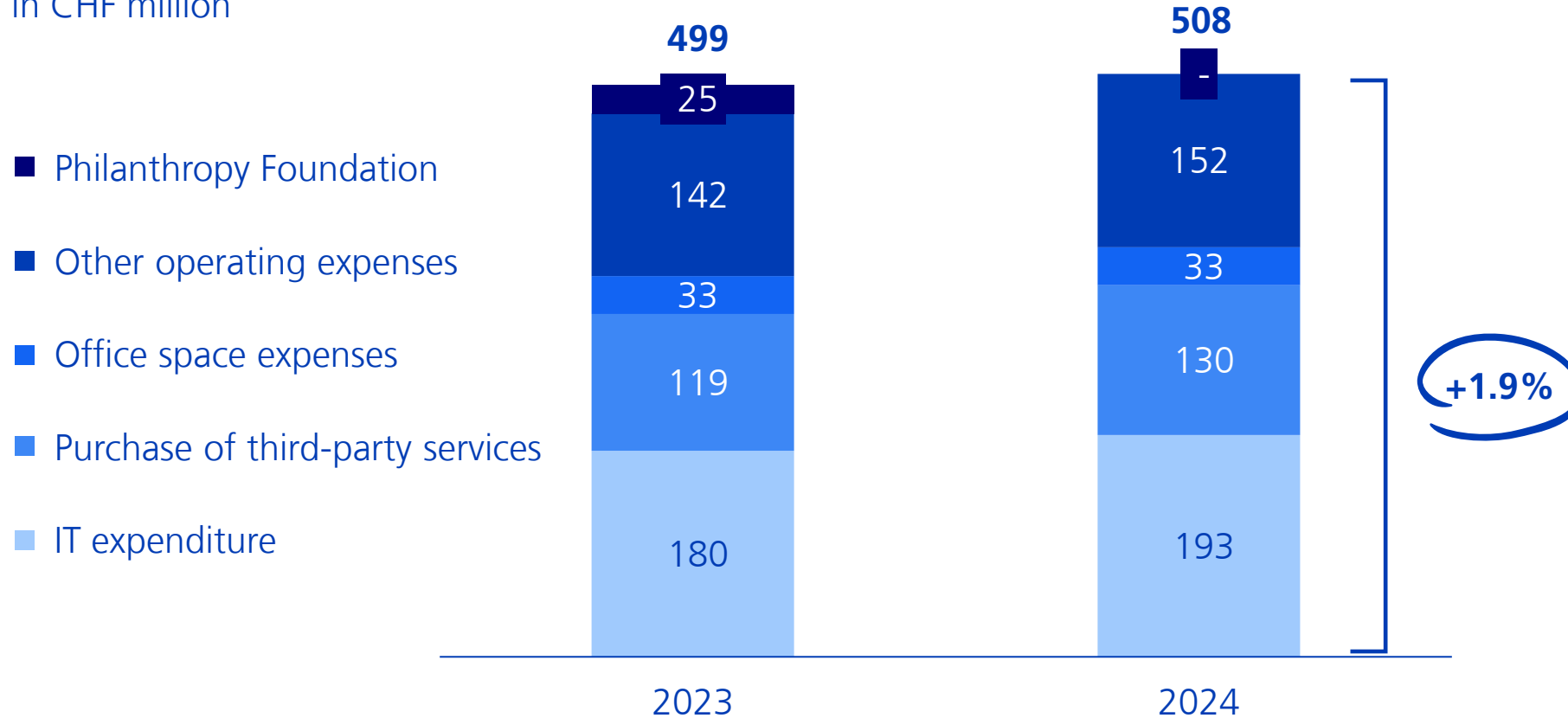
# Growth in headcount in line with strategy



Rounding differences may occur

# Increase in general and administrative expenses in line with strategy

## General and administrative expenses in CHF million

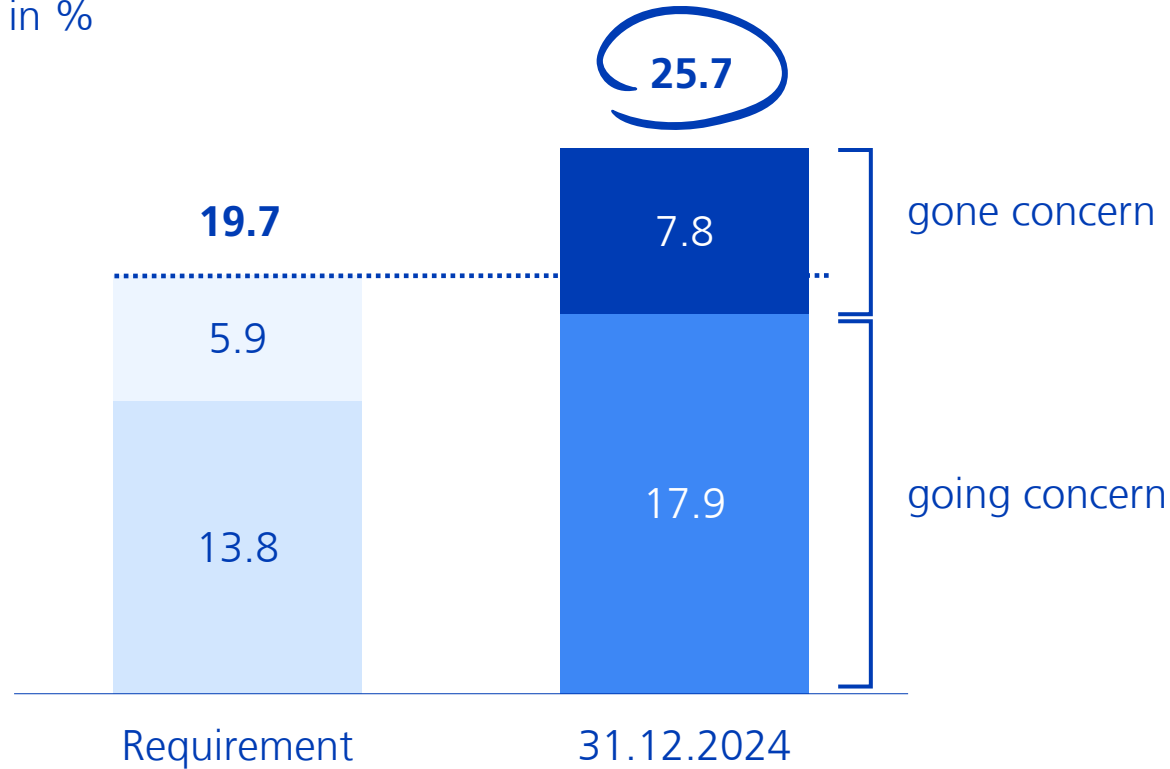


Rounding differences may occur

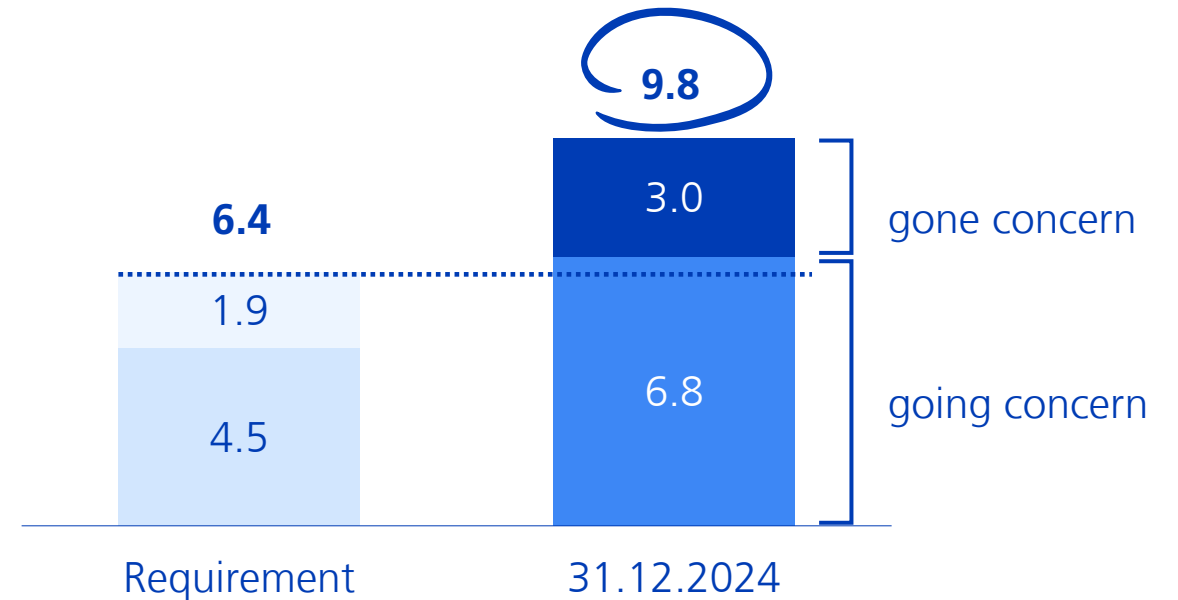


# Strong capital base significantly above capital adequacy requirements

Risk-based capital ratio  
in %



Leverage ratio  
in %



# 2025 will be challenging

- Macroeconomic environment to remain **challenging**
- Increasing **intensity of competition** and **pressure on margins**
- Interest rate level driven by possible **SNB interest rate cuts**, could reduce expected **interest income**



# How we fulfil our public service mandate

Urs Baumann, CEO



Zürcher  
Kantonalbank

# In 2024, we invested CHF 140 million as part of our public service mandate

**Service obligation**  
CHF 63 million



**Sustainability mandate**  
CHF 24 million



**Support mandate**  
CHF 53 million



# We are the largest promoter of start-ups...

How do we invest?

- Early stage / scale-ups
- Equity or convertible bonds
- Investment focus on the whole of Switzerland

Investment

(extract)

**calingo**

**DePoly**

**DPHI**  
SPACE

**climeworks**

**GET YOUR GUIDE**

**UniSieve**

Exits

(extract)

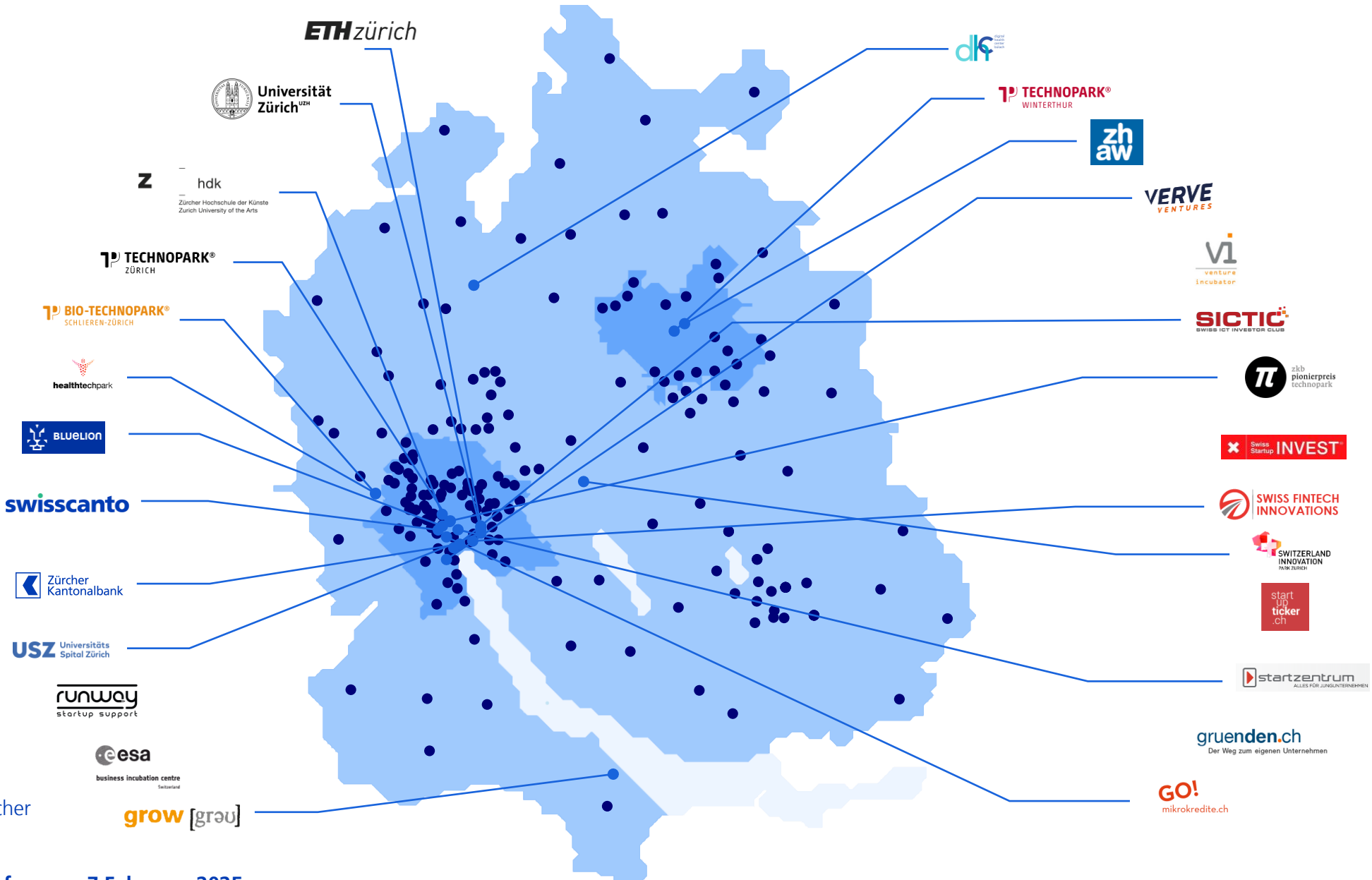
**BIOGNOSYS**  
NEXT GENERATION PROTEOMICS

**OXFORD INSTRUMENTS**  
FEMTO TOOLS  
Part of Oxford Instruments

**versantis**



# ... and the broadest promoter of innovation in the Canton of Zurich

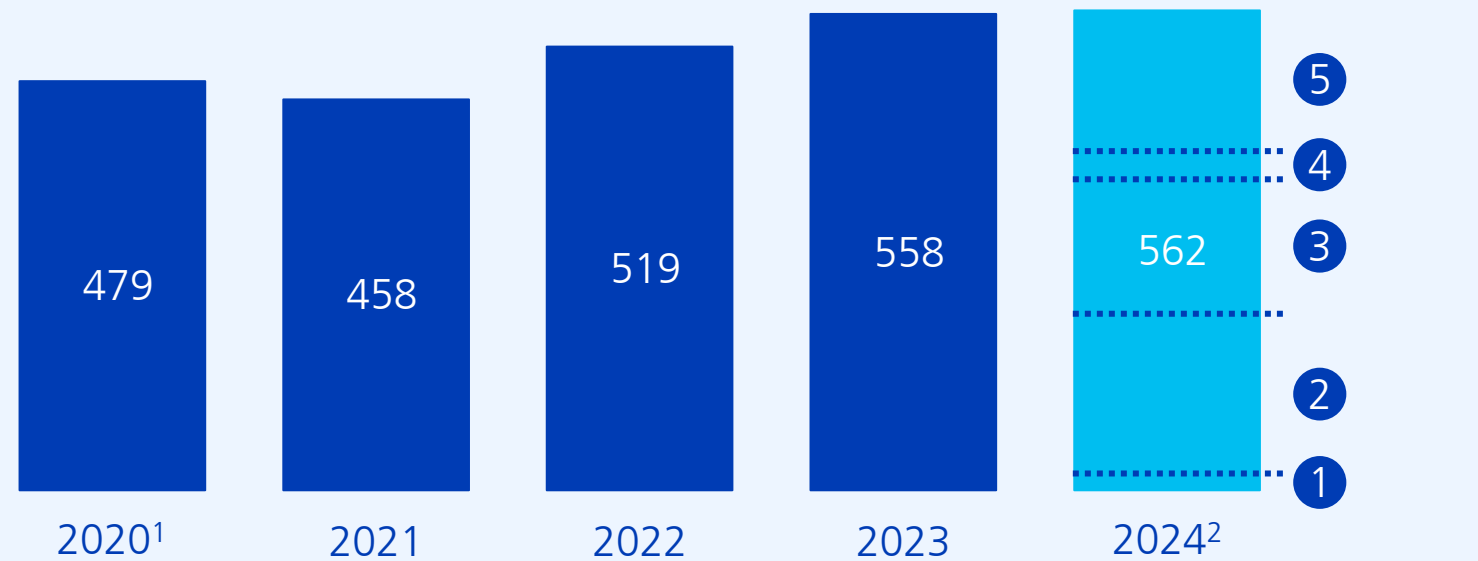


- Innovation network
- Start-ups supported by Zürcher Kantonalbank

# We give back: to the canton and municipalities

Participation of the canton  
and municipalities  
in CHF million

> CHF 0.5 bn



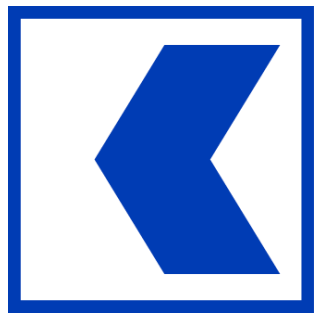
<sup>1</sup> incl. CHF 100 million special dividend

<sup>2</sup> including OECD minimum tax in full for the first time in favour of the Canton of Zurich

- ① Costs of endowment capital CHF 21 mn.
- ② Dividend canton CHF 184 mn.
- ③ OECD minimum tax CHF 156 mn.
- ④ Compensation for state guarantee CHF 31 mn.
- ⑤ Dividend municipalities CHF 170 mn.

**Q&A session**





Zürcher  
Kantonalbank