

ISSUER PROFILE

15 September 2022



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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Zuercher Kantonalbank

Key facts and statistics - H1 June 2022

Company overview

Zuercher Kantonalbank (ZKB) is a full-service Swiss bank with strong regional operations in the Canton of Zurich. As of 30 June 2022, ZKB held a 7.0% share of Swiss domestic client deposits, a 7.9% share of Swiss domestic loans and an 8.2% share of total Swiss domestic banking assets, based on its total consolidated assets of CHF198.0 billion (€197.7 billion).

ZKB provides a range of products and services to retail clients, small and medium-sized enterprises (SMEs), large corporate customers, institutions, public authorities and other organisations, mainly in the Canton of Zurich. The bank's core activities include financing, investment and asset management, trading and capital market activities, borrowing business, payment transaction services and the card business.

As of 30 June 2022, ZKB operated through a network of 55 banking outlets, including branches of its subsidiary Zuercher Kantonalbank Österreich AG in Salzburg and Vienna.

ZKB was founded in 1870 as an independent public law institution of the Canton of Zurich. In accordance with the constitution of the Canton, the bank is ultimately supervised by the cantonal parliament of Zurich.

Sources: Company reports, Swiss National Bank and Moody's Investors Service research

Financial highlights

The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Zuercher Kantonalbank, please see [Zuercher Kantonalbank's page on Moodys.com](#).

Exhibit 1

Latest full-year results

Zuercher Kantonalbank

In CHF million	31-Dec-21	31-Dec-20	31-Dec-19	% Change 21/20	% Change 20/19
CHF/€, period end	0.96506	0.92456	0.91996	-	-
Total Assets	192,105	188,364	167,054	1.99	12.76
Customer Assets	409,190	361,658	333,341	13.14	8.49
Total Shareholders' Equity	12,674	12,650	12,337	0.19	2.54
Total Capital	14,063	13,508	12,986	4.11	4.02
Common Equity Tier 1 Ratio (%)	17.0	17.4	17.7	(40) bps	(30) bps
Net Income	942	865	845	8.90	2.37

Based on consolidated financial data.

Common Equity Tier 1 ratio is on a going-concern basis.

Source: Company reports

Exhibit 2

Latest half-yearly results

Zuercher Kantonalbank

In CHF million	30-Jun-22	30-Jun-21	% Change 22/21
CHF/€, period end	0.99846	0.91219	-
Total Assets	197,969	190,907	3.70
Customer Assets	388,134	391,760	(0.93)
Total Shareholders' Equity	12,783	12,223	4.58
Common Equity Tier 1 Ratio (%)	16.2	16.4	(20) bps
Net Income	541	487	11.09

Based on consolidated financial data.

Common Equity Tier 1 ratio is on a going-concern basis.

Sources: Company reports and www.oanda.com

Business description

ZKB divides its activities into the following three client segments: Individual, SME and Specialised.

Individual: This segment provides individuals with retail banking activities, offering banking products and services such as mortgage lending, deposit taking and payment transaction services. It also provides high-net-worth individuals with wealth management and advisory services, and facilitates investment mandates. Its services for high-net-worth individuals also include tax, inheritance and financial planning, succession planning, buying and selling of real estate, asset management, retirement planning and fiduciary investments.

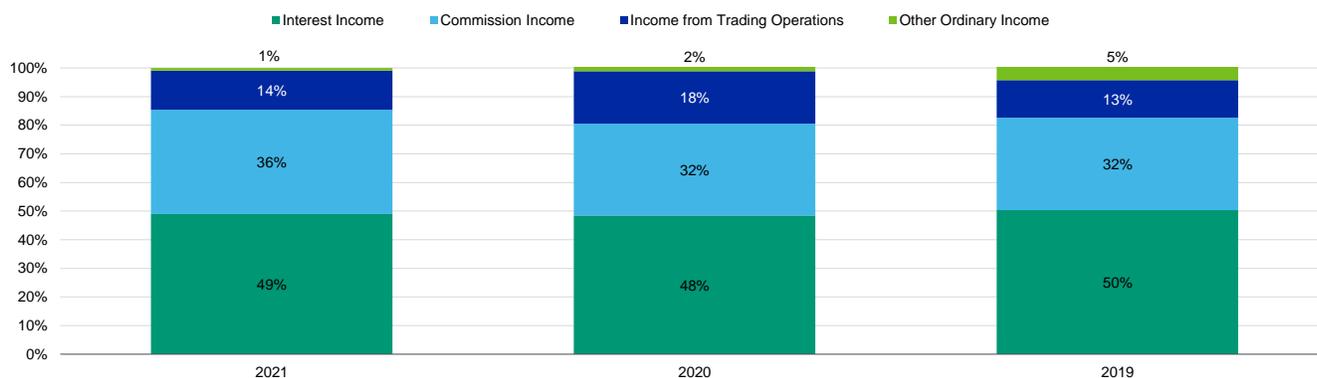
SME: This segment serves commercial, business and corporate clients, especially those that fall under the SME category, with services like deposits, lending and transactions, along with real estate, capital goods leasing, acquisition financing, and structured and syndicated financing.

Specialised: This segment provides wealth and asset managers, pension funds, and public authorities and institutions with financing, trading products and capital market services, custody and asset management services, trade and export finance and payment transactions.

Sources: Company reports, company data and Moody's Investors Service research

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Exhibit 3

Breakdown of operating income in percentage
Consolidated

Source: Company reports

Distribution channels

ZKB is mainly active in the Greater Zurich area, and has a presence in neighbouring domestic and international markets. As of 30 June 2022, ZKB operated through a network of 55 banking outlets, including branches of its subsidiary Zuercher Kantonalbank Österreich AG in Salzburg and Vienna. The bank also distributes its products and services through representative offices and subsidiaries in Beijing, Mumbai, Singapore, Luxembourg, London, Frankfurt, Guernsey and Sao Paulo. In addition, the bank uses alternative delivery channels such as internet, telephone and mobile banking.

In 2018, in collaboration with Swiss Post, Swiss Federal Railways, Swisscom, and other banks and insurance companies, ZKB founded the Swiss Sign Group to create and implement a digital identity for Switzerland.

As of 30 June 2022, ZKB reported CHF388.1 billion in client assets and held an 8.2% share of Swiss domestic banking assets, based on its total consolidated assets of CHF198 billion. As of the same date, ZKB held 7.9% of domestic loans and 7.0% of domestic client deposits.

Sources: Company reports and Moody's Investors Service research

Ownership structure

ZKB is an independent public-law institution of the Canton of Zurich. However, the Canton provides guarantee for ZKB's liabilities (except subordinated liabilities). The bank operates both domestically and internationally through various subsidiaries, including Zuercher Kantonalbank Österreich AG, which was acquired in February 2010 (formerly known as Privatinvest Bank AG).

Although ZKB is not listed on any stock exchange, it complies with the corporate governance principles prescribed by the SIX Swiss Exchange.

Sources: Company reports and Moody's Investors Service research

Subsidiaries

As of 31 December 2021, ZKB's subsidiaries and affiliates were as follows:

Exhibit 4

Zuercher Kantonalbank

Fully consolidated participations

Company	Domicile	Business activity	Share capital (in CHF Million)	Share capital in %	Voting rights in %
Swisscanto Asset Management International SA	Luxembourg	Fund management	0	100	100
Swisscanto Fund Management Company Ltd. ¹	Zurich	Fund management	5	100	100
Swisscanto Holding Ltd. ²	Zurich	Participations	24	100	100
Swisscanto Private Equity CHF I Ltd	Zurich	Financial services	0	100	100
Swisscanto Pensions Ltd.	Zurich	Financial services	1	100	100
Zuercher Kantonalbank Finance (Guernsey) Ltd	Guernsey	Financial services	1	100	100
Zürcher Kantonalbank Österreich AG	Salzburg	Financial services	6	100	100
ZKB Securities (UK) Limited	London	Financial services	15	100	100

[1] Swisscanto Fund Management Company Ltd. holds 100% of the shares of Swisscanto Private Equity CH I Ltd.

[2] Swisscanto Holding Ltd. holds 100% of the shares in Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd. and Swisscanto Asset Management International S.A.

Source: Company report

Exhibit 5

Zuercher Kantonalbank

Non-consolidated participations¹

Company	Domicile	Business activity	Share capital (in CHF Million)	Share capital in %	Voting rights in %
– of which using the equity method					
Technopark Real Estate Ltd.	Zurich	Project planning, construction, maintenance	40	33.3	33.3
– of which other non-consolidated participations					
Viseca Holding AG ²	Zurich	Participations	25	14.7	14.7
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	Zurich	Pfandbrief institution	2,225 ³	17.8	17.8

[1] All non-consolidated participations whose share of capital is more than 10% are shown. In addition, either the share of the participations in the bank's capital must be more than CHF2 million or the book value must be more than CHF15 million.

[2] Requirement to surrender shares when new shareholders are admitted in accordance with the shareholder agreement.

[3] Of which, CHF445 million has been paid up.

Source: Company report

Exhibit 6

Zuercher Kantonalbank

Subsidiaries not fully consolidated

Company	Domicile	Business activity	Share capital (in CHF million)	Share of capital in %	Voting rights in %
Philanthropy Services AG	Basel	Services	0	73.1	73.1
ZüriBahn AG	Zurich	Cable car	5	100	100
Zürcher Kantonalbank Representações Ltda.	Sao Paulo	Representative office	0	100	100

Source: Company report

Company management

Exhibit 7

Zuercher Kantonalbank

Company management	Current title
Martin Scholl	Chief Executive Officer
Urs Baumann	Designated Chief Executive Officer
Rudolf Sigg	Chief Financial Officer
Dr. Stephanino Isele	Head of Institutionals and Multinationals, Deputy Chairman of the Executive Board
Dr. Jürg Bühlmann	Head of Corporate Customers
Roger Müller	Chief Risk Officer
Daniel Previdoli	Head of Products, Services and Direct Banking
Remo Schmidli	Head of IT, Operations and Real Estate
Florence Schnydrig	Head of Private Banking

As of 31 August 2022.

Source: Company data

Exhibit 8

Zuercher Kantonalbank

Board of Directors	Affiliation
Jörg Müller-Ganz	President
Roger Liebi	Vice President
Mark Roth	Vice President
Amr Abdelaziz	Member of the Board of Directors
Sandra Berberat Kecerski	Member of the Board of Directors
Dr. Adrian Bruhin	Member of the Board of Directors
Dr. Bettina Furrer	Member of the Board of Directors
René Huber	Member of the Board of Directors
Henrich Kisker	Member of the Board of Directors
Peter Ruff	Member of the Board of Directors
Walter Schoch	Member of the Board of Directors
Anita Sigg	Member of the Board of Directors
Stefan Wirth	Member of the Board of Directors

As of 31 August 2022.

Source: company data

Company history

ZKB was founded in 1870 as an independent public-law institution of the Canton of Zurich. The bank is directly accountable to the cantonal parliament, in accordance with the constitution of the Canton of Zurich.

In 1997, the Canton enacted various legal provisions affecting ZKB, mandating public-service requirements for the bank, providing banking services to both retail and corporate clients in the Canton of Zurich.

In February 2010, ZKB acquired Privatinvest Bank AG from Commerzbank and Sparkasse Salzburg to further extend its private banking interests in Austria. In October 2011, Privatinvest Bank AG was renamed Zuercher Kantonalbank Österreich AG.

In December 2014, ZKB announced the acquisition of the remaining shares (81.9%) of Swisscanto Group (a joint venture created by the cantonal banks in 1993) for CHF360.3 million (€299.7 million). The acquisition was completed on 25 March 2015. In 2015, Balfidor Holding AG merged with Swisscanto Holding Ltd.

In October 2018, ZKB sold its subsidiary Swisscanto Funds Centre Ltd. to a post-trade services provider of the Deutsche Börse Group, Clearstream International S.A.

In 2019, ZKB took over investment management and marketing of four Swiss precious metals funds with assets of CHF1.8 billion from GAM Holding AG (GAM). In connection with the transaction, the bank also acquired GAM's money market funds, which held CHF0.4 billion of assets under management.

In 2019, ZKB acquired CHF700 million in mortgages from Swiss Re.

In 2020, ZKB acquired the equity brokerage activities of Bank Vontobel Europe AG in London.

In February 2020, ZKB formed ZKB Securities (UK) Ltd, an equity brokerage and research company.

In June 2020, ZKB sold the BVG administration business of Swisscanto Pensions Ltd. to PFS Pension Fund Services AG (PFS), a provider of pension fund administration services, and also acquired a 20% stake in PFS.

Currency converted using exchange rate of CHF-€0.83167, as of 11 December 2014.

Sources: Company reports and Moody's Investors Service research

Peer group

- » [Banque Cantonale Vaudoise](#)
- » [Berner Kantonalbank AG](#)
- » [Raiffeisen-Gruppe](#)
- » [St. Galler Kantonalbank AG](#)

Related websites and information sources

For additional information, please see:

The company's website

- » [Zuercher Kantonalbank](#)

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Moody's related publications

Issuer page on Moodys.com

» [Zuercher Kantonalbank](#)

Credit opinion

» [Zuercher Kantonalbank: Update following upgrade of AT1 instruments, August 2022 \(1327119\)](#)

Banking system outlook

» [Banking System Outlook: Switzerland, Swiss banks' continued resilience drives stable outlook, April 2022 \(1317255\)](#)

Banking system profile

» [Banks - Switzerland: Banking System Profile, March 2020 \(1198857\)](#)

Rating methodology

» [Banks Methodology, July 2021 \(1269625\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available on the issuer's page. All research may not be available to all clients.

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REPORT NUMBER 1338231