S&P Global
Ratings

RatingsDirect®

Zuercher Kantonalbank

Primary Credit Analyst:
Harm Semder, Frankfurt + 49 693 399 9158; harm.semder@spglobal.com

Secondary Contact:
Benjamin Heinrich, CFA, FRM, Frankfurt + 49 693 399 9167; benjamin.heinrich@spglobal.com

Table Of Contents

Table Of Contents (cont.)

Zuercher Kantonalbank

SACP	aa-	
Anchor	a-	
Business Position	Strong	+1
Capital and Earnings	Very Strong	+2
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Strong	

\+

Support	+3
ALAC Support	0
GRE Support	+3
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating

AAA/Stable/A-1+

Credit Highlights

Overview

Key strengths	Key risks
Ownership and extremely high likelihood of support from the financially strong Canton of Zurich.	Concentration risk in real estate lending in its home region.
A strong domestic franchise in the Zurich area, complemented by a sound countrywide presence in corporate lending, private banking, and asset management.	Weaker cost efficiency than many cantonal bank peers.
A sound financial profile characterized by very high capitalization and resilient earnings.	

S&P Global Ratings expects Zuercher Kantonalbank (ZKB) will remain among the highest-rated banks globally. ZKB materially benefits from its superior stand-alone creditworthiness in conjunction with the ownership and extremely high likelihood of support from the Canton of Zurich (AAA/Stable/--), if needed. We note ZKB's solid local franchise and Swiss business diversification, which mitigate some concentration risk due to its tilt toward real estate lending in its home region. We also note ZKB's conservative risk profile and robust balance sheet, supported by a history of prudent risk management, cautious lending standards, and customer loyalty instilled by cantonal ownership and the guarantee.

Ultra-low interest rates and the challenging economic environment are pressuring profitability. Ongoing ultra-low interest rates and challenging economic conditions due to COVID-19 are negatively affecting profitability for ZKB and most of its peers. However, we believe that prudent risk governance and the relatively robust Swiss economy, with domestic real estate markets showing particular resilience; ZKB's annuity-like revenue characteristics; and diversification from recurring asset management income will continue to support robust profitability, which results in very strong capitalization.

We expect ZKB will continue to benefit from its strong ties to full owner the Canton of Zurich. This provides three notches uplift to ZKB's stand-alone credit profile (SACP) to arrive at the 'AAA' long-term issuer credit rating.

Outlook: Stable

Our stable outlook on ZKB mirrors that on its owner and guarantor, the Canton of Zurich, reflecting our expectation that ZKB will continue to benefit from its status as a government-related entity (GRE) with an extremely high likelihood of receiving cantonal support over the next two years, if needed. The stable outlook also reflects our view that Swiss domestic markets will remain resilient against risks stemming from the COVID-19 pandemic.

Downside scenario

However, if the bank's stand-alone creditworthiness weakens significantly and unexpectedly due to higher-than-anticipated cyclical risk and capital depletion--reflected by our risk-adjusted capital (RAC) ratio falling below 15%--we might consider a downgrade.

A downgrade could result from competitive pressure on ZKB's businesses position--such as a margin squeeze in asset management activities and core lending business due to the entrance of new digital players--particularly if the trend toward platform banking accelerates.

Upside scenario

An improvement in ZKB's SACP that would support its subordinated debt remains a remote scenario at this stage, given the already very high assessment of its SACP.

Key Metrics

Zuercher Kantonalbank--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2018a**	**2019a**	**2020a**	**2021f**	**2022f**
Growth in operating revenue	(0.7)	3.3	6.1	0.1	1.5-1.9
Growth in customer loans	3.2	3.8	4.0	1.8-2.2	1.8-2.2
Growth in total assets	3.4	(1.4)	12.8	1.3-1.6	1.2-1.4
Net interest income/average earning assets (NIM)	1.0	1.0	1.0	0.9	0.9
Cost to income ratio	61.4	60.0	62.0	60.7-63.8	60.3-63.4
Return on average common equity	6.8	7.0	6.9	5.1-5.4	5.6-6.2
Return on assets	0.5	0.5	0.5	0.3-0.4	0.4-0.5
New loan loss provisions/average customer loans	(0.2)	0.0	0.1	0.1-0.2	0.1
Gross nonperforming assets/customer loans	0.1	0.1	0.1	0.9-1.0	0.8-0.9
Risk-adjusted capital ratio	18.0	18.4	18.5	17.0-17.9	17.2-18.1

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'a-' For Commercial Banks Operating Only In Switzerland

Our criteria use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating (ICR). Our anchor for a bank operating mainly in Switzerland is 'a-'. We consider the trend for economic and industry risk in Switzerland stable.

We expect Switzerland's economy to recover from the pandemic induced stress and experience GDP growth of 3.0%-3.2% for the next two years. Under this scenario, we think the Swiss banking sector will remain resilient, supported by the country's diversified and competitive economy, very high household income levels, and a proven stress-resilient corporate sector. We think Swiss authorities' material support measures for domestic firms and households should cushion the pandemic's short-term hit to Swiss banks' loan books. In addition, we view positively banks' prudent loan underwriting standards and high collateralization of residential mortgage loans, which dominate most customer portfolios. Considering these factors, we expect only a limited increase in credit losses, from historical low levels. We also expect affordability risk in the housing market might slightly reduce over the coming years since price growth in the owner-occupier segment is likely to remain muted in the wake of the pandemic. However, we note that a particular ongoing risk is the investment property segment (estimated at 30% of the market), where we already observed signs of a price correction before the COVID-19 pandemic.

Our view of industry risk in Switzerland encompasses the stability of the domestic banking sector and our expectation that damage from the COVID-19 pandemic will remain contained. We view positively the limited presence of foreign players, banks' high capitalization levels in an international comparison, and their low reliance on capital markets for funding. In our view, the Swiss regulator's initiatives remain more stringent than those in other European banking sectors. We expect that banks' net interest margins will decline gradually in a permanent low interest-rate environment, as higher-yield assets mature and retail deposit rates remain floored at zero. However, we expect that repricing of lending products, additional fee income from investment advisory-related activities, and ongoing cost management can offset some of the pressure. We currently consider risk for Swiss banks from tech disruption limited, given the population's preference for cash payments, the small size of the market with high barriers of entry, and technologically well-equipped banks.

Business Position: Solid Operational Stability Owing To A Diverse Business Profile And Strong Franchise

We expect ZKB's business profile will remain a strength based on its diverse business activities and our expectation of relatively sustainable revenue generation against the backdrop of difficult markets.

We expect ZKB will defend its market position as the largest cantonal bank and fourth-largest bank in Switzerland, with total assets of Swiss franc (CHF) 190.9 billion (about €176.4 billion) on June 30, 2021, and an estimated market share of about 7%-10% in customer deposits and customer lending. ZKB has a leading 50% retail banking market share in Zurich, one of Switzerland's strongest regions economically. Compared to other Swiss cantonal bank peers, this concentration risk is offset by ZKB's diversification of business activities conducted on a national scale, including corporate lending to small and midsize enterprises and large corporations, as well as private banking. Furthermore, ZKB provides services for other cantonal banks as an originator of syndicated loans and a participant in the market for traded structured investment products. ZKB also markedly benefits from its position as the country's third-largest investment fund manager, pushed by its 2015 acquisition of Swisscanto, which was previous collectively owned by Swiss cantonal banks.

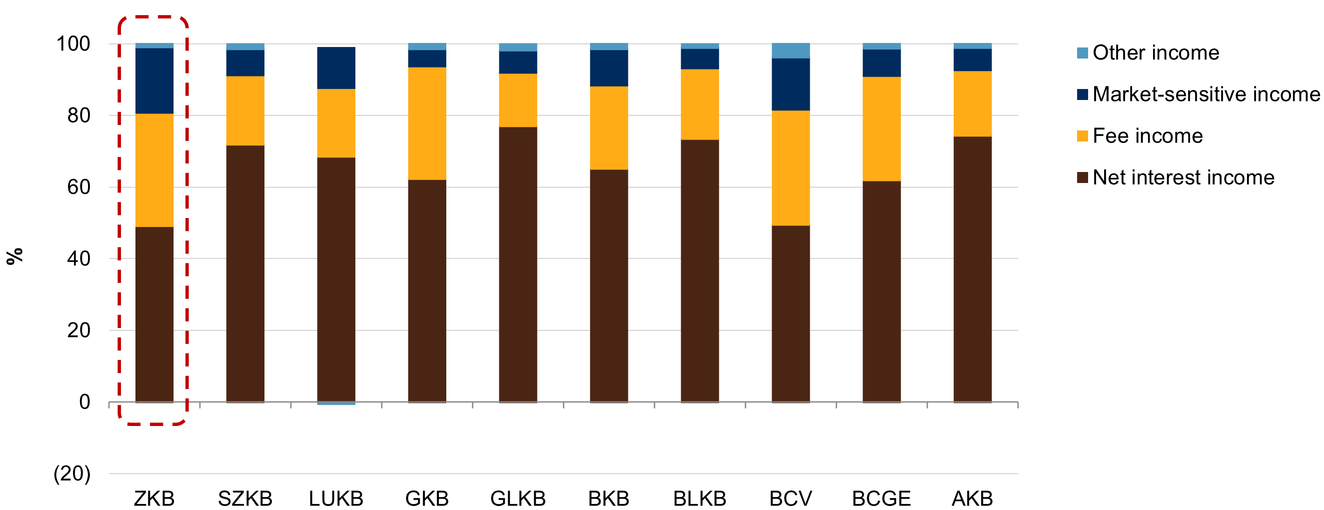
We forecast a 6% return on equity (ROE) until 2023. This comes in the context of an extraordinarily high equity base, despite difficult markets, due to diversified earnings from the bank's stable customer base--underpinned by the canton's public ownership and guarantee.

Although there is revenue pressure from low interest rates, the overall impact is less material compared to that on many peers. This is due to a relatively low share of net interest income, at about 50% of total revenue (see chart 1). Fees and commissions account for 35% of revenue. We expect ZKB will defend its fee share through active price management, such as the introduction of new service schemes in asset management, which should compensate for the anticipated revenue loss from the elimination of kick-back fees for fund distributors in Switzerland, and increasing competition.

We see the risk that new fintech competitors could disrupt ZKB's business model in the future as manageable, given its loyal and conservative client base, which typically favors relationship-based banks over pure digital banks. This will give ZKB time to further adjust its product offering and digital customer interaction.

Chart 1

ZKB Benefits From A High Share Of Stable Fee Income Thanks To Its Asset Management Operations
Breakdown of operating revenues



Data relates to 2020. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings.

Capital And Earnings: Remain A Key Rating Strength In A Global Comparison

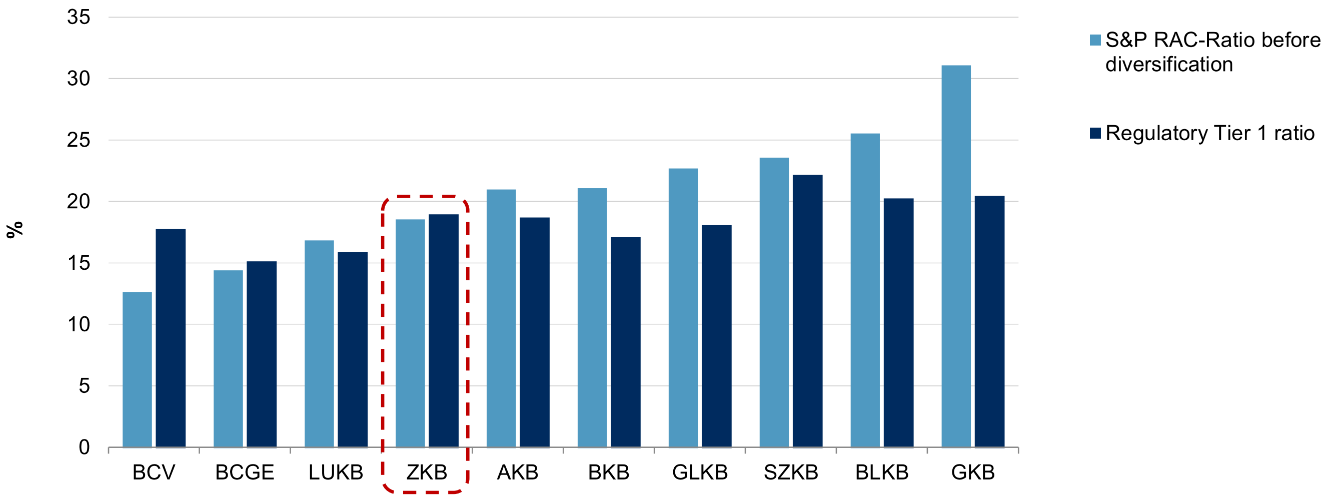
We forecast ZKB will preserve its very high capitalization, mainly indicated by our projected RAC ratio of 17.5%-18.0% in the coming 12-24 months, after 18.5% at year-end 2020. Such robust RAC ratios place ZKB among the highest capitalized banks globally, and in the middle range of rated Swiss cantonal banks that are generally highly capitalized in a global comparison (see chart 2).

Our RAC projection incorporates moderate loan growth, in line with the Swiss market, that partly offsets pressure on net interest margins from the negative interest rate environment and difficult markets due to COVID-19. We also expect ZKB will maintain its dividend distributions to the canton at about 50% of core earnings and pay it compensation for the cantonal guarantee of CHF20 million-CHF 25 million annually. ZKB paid out a CHF150 million special dividend in 2020 relating to the its 150th anniversary and a special coronavirus dividend of CHF 100 million in 2021.

The good quality of ZKB's capital and earnings also supports our capital assessment. Notably, we forecast a relatively low 5%-7% share of hybrid capital instruments within total adjusted capital, and earnings stability. Moreover, we expect a 62% cost to income ratio for ZKB by 2022, due to increased costs for digitalization and regulation and the bank's nationwide footprint, but also cost savings and synergy effects from the Swisscanto integration in recent years. Accordingly, ZKB's efficiency is slightly weaker than that of most cantonal bank peers (see chart 3), and those in the Nordics, but in line with or better than many Western European banks'.

Chart 2

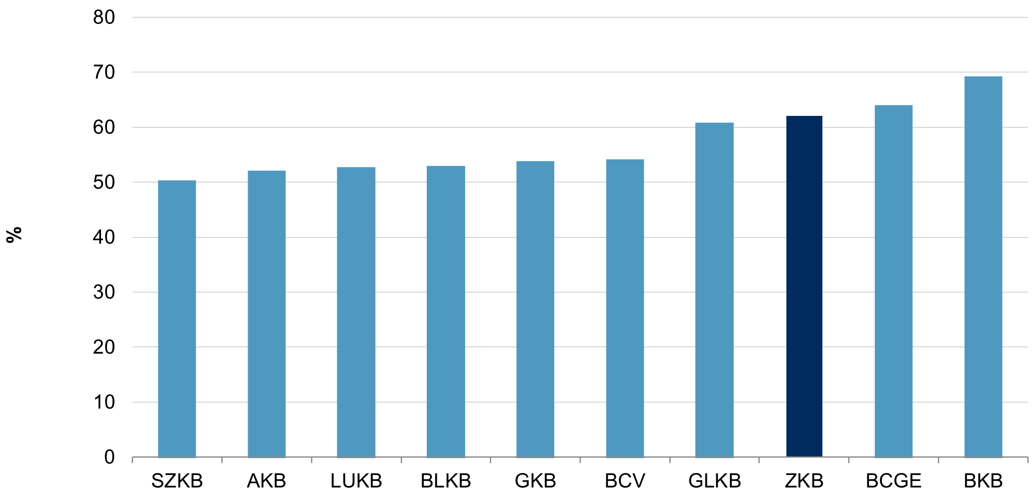
ZKB's Capitalization Is Very Strong In A Global Comparison, But Only Average Among Cantonal Banks



Ratios as of year-end 2020. BCGE and SZKB risk-adjusted capital (RAC) as of year-end 2019. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

Chart 3

ZKB's Cost Efficiency Is Weaker Than Cantonal Bank Peers'
Cost-to-income ratio



Cost-to-income ratio is defined as noninterest expense as a percent of operating revenue. Data relates to f2020. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. Data relates to 2019. Cost-to-income ratio is defined as noninterest expense as a percent of operating revenue. Source: S&P Global Ratings.

Risk Position: Prudent Management Mitigates Concentration In Residential And Commercial Real Estate Amid The Pandemic.

We expect that ZKB's prudent risk management and cautious lending standards will continue to contribute to the high asset quality of its loan portfolio. This, together with the strong financial health of Swiss customers, mitigates risks arising from ZKB's regional concentrations.

About 75% of ZKB's loan book comprises low-risk, highly collateralized, and granular residential mortgage loans. This is somewhat lower than that of other cantonal banks due to ZKB's broader business range, including a higher share of trading securities (5% of total assets). ZKB's commercial lending (including a high share of loans collateralized by commercial real estate) is also higher than that of cantonal bank peers, accounting for about 23% of customer lending. We consider this segment riskier than residential real estate loans, particularly in a recessionary environment. However, in our view, ZKB's prudent underwriting standards, sound risk management, high granularity, and high levels of collateralization keep its risk costs relatively low despite difficult pandemic-related credit conditions.

We expect moderate 2% loan book growth until 2023, also because management is emphasizing risk-adjusted margins rather than pure volume growth. Nevertheless, in our view, the cumulative build-up in house prices in recent years and

ZKB's significant exposure to residential real estate generally leave the bank vulnerable to a heightened risk of correction and increased credit losses in the longer term.

Most of the bank's trading revenue is client initiated, and slightly more volatile than its interest and fee business. ZKB also engages in proprietary trading operations but mainly acts as a market maker in fixed income and foreign exchange products. Although these operations are limited, they increase the volatility of the bank's earnings. However we believe that the bank will maintain a low risk appetite and that its risk management tools will allow it to closely monitor these activities.

Funding And Liquidity: A Favorable Funding Profile That Benefits From A Solid Franchise And The Cantonal Guarantee

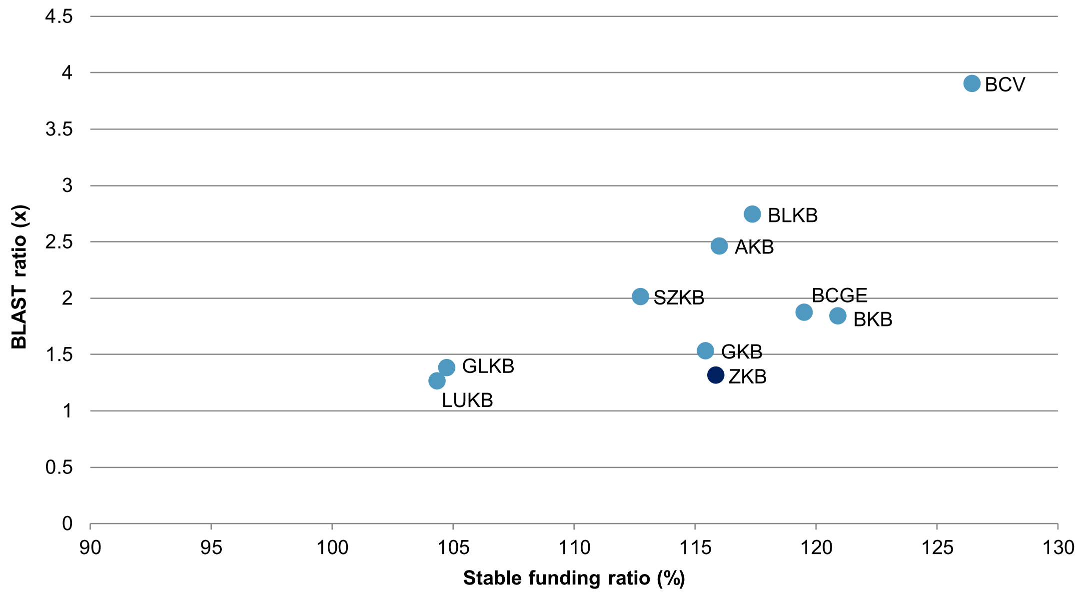
We expect ZKB's funding profile will remain comfortably in line with that of Swiss peers and other banking systems with the same favorable industry risks. At the same time, we expect ZKB's liquidity management and position will remain a strength, reflecting the bank's ability to withstand an extended period of market or idiosyncratic stress.

In our view, ZKB continues to substantially benefit from the cantonal guarantee, which reinforces customer confidence and implicitly supports a widespread and loyal depositor base. The bank's loan-to-deposit ratio, by our measures, was 105% at year-end 2020, and is likely to stagnate, not taking into account the large equity position. This is also reflected by our stable funding ratio of 116% at year-end 2020, which is in line with that of many domestic peers. At the same time, ZKB's exposure to confidence-sensitive wholesale funding is larger than for other cantonal banks. Interbank funding and capital market funding via secured and unsecured instruments account for about 45% of the bank's total funding. However, we expect wholesale funding sources will remain stable or even benefit from a flight to quality in more challenging economic conditions thanks to the bank's cantonal guarantee.

Our assessment of ZKB's liquidity as strong reflects its favorable liquidity position, which, in our view, would allow it to endure more than 12 months with no access to market funding. This is demonstrated by the bank's strong liquidity ratio (broad liquid assets to short-term wholesale funding) of about 1.3x for year-end 2020. The ratio remains low compared with peers that have a strong assessment (see chart 4). However, we expect ZKB to maintain elevated liquidity and, owing to its close ties with the Canton of Zurich and the loyalty of its customer base, it will remain less sensitive than other commercial banks in a more challenging operating environment. As such, our ratio-based liquidity analyses are reinforced by the above qualitative arguments.

Chart 4

ZKB Remains In A Comfortable Funding And Liquidity Position



BLAST ratio is calculated as broad liquid assets divided by short-term wholesale funding. Ratios as of year-end 2020. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings.

Support:Three Notches Of Uplift Due To Extremely High Likelihood Of Extraordinary Support From The Canton Of Zurich

We expect ZKB will remain a GRE with an extremely high likelihood of receiving timely and sufficient extraordinary support from the Canton of Zurich in the event of financial distress. We base this on our view of the bank's integral link with, and very important role for, the canton. ZKB benefits from the existing cantonal guarantee on its unsubordinated obligations, which is stipulated by law, as well as its ownership structure and importance for Zurich's regional economy. We think that any default by ZKB would have a significant impact on the regional economy. Because of this, we add a three-notch uplift to ZKB's 'aa-' SACP to derive the long-term rating.

We expect the existing cantonal guarantees will remain in place in the medium term. Beyond our outlook horizon, we see a potential risk that future agreements between Switzerland and the EU regarding preferential Swiss market access might include the removal of the remaining guarantees for all cantonal banks.

Environmental, Social, And Governance (ESG)

ESG factors have a neutral impact in our assessment of ZKB's creditworthiness. Social and environmental credit factors are in line with those of peers in the banking industry, while the bank's governance standards are comparable with the practice in its home country.

Hybrid Issue Ratings

We notch down our ratings on ZKB's two Tier 2 subordinated bond instruments from the 'aa-' SACP because, as we understand, they do not benefit from the guarantee provided by the Canton of Zurich (see chart 5). For these instruments, we deduct one notch for the instruments' subordination and one notch for their contingent capital clause to arrive at an 'A' issue rating. We do not apply additional notching for the mandatory write-down trigger at a 5% regulatory common equity Tier 1 ratio for ZKB, because it is set at a level that we consider a nonviability trigger.

Key Statistics

Table 1

Zuercher Kantonalbank--Key Figures

	--Year-ended Dec. 31--				
(Mil. CHF)	**2020**	**2019**	**2018**	**2017**	**2016**
Adjusted assets	188,278.0	166,931.0	169,266.0	163,689.0	157,817.0
Customer loans (gross)	97,257.0	93,502.0	90,039.0	87,227.0	85,096.0
Adjusted common equity	12,100.0	11,701.0	11,343.0	10,665.0	10,266.0
Operating revenues	2,558.0	2,410.0	2,334.0	2,350.0	2,341.0
Noninterest expenses	1,587.0	1,445.0	1,434.0	1,438.0	1,515.0
Core earnings	910.2	954.0	1,077.9	894.1	799.2

CHF--Swiss franc.

Table 2

Zuercher Kantonalbank--Business Position

	--Year-ended Dec. 31--				
(%)	**2020**	**2019**	**2018**	**2017**	**2016**
Loan market share in country of domicile	N/A	7.6	7.5	7.6	7.6
Deposit market share in country of domicile	N/A	9.3	9.8	9.5	9.9
Total revenues from business line (mil. CHF)	2,584.0	2,414.0	2,437.0	2,358.0	2,358.0
Other revenues/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	6.9	7.0	6.8	7.1	6.5

N/A--Not applicable. CHF--Swiss franc.

Table 3

Zuercher Kantonalbank--Capital And Earnings

	--Year-ended Dec. 31--				
(%)	**2020**	**2019**	**2018**	**2017**	**2016**
Tier 1 capital ratio	18.9	18.9	19.0	17.6	16.4
S&P Global Ratings' RAC ratio before diversification	18.5	18.4	18.0	17.9	20.3
S&P Global Ratings' RAC ratio after diversification	16.1	16.1	16.0	15.7	18.7
Adjusted common equity/total adjusted capital	91.9	94.0	93.9	93.4	94.6
Net interest income/operating revenues	49.2	50.2	52.4	51.5	51.3
Fee income/operating revenues	31.5	32.2	33.2	32.8	31.1
Market-sensitive income/operating revenues	18.4	13.7	12.6	14.6	16.7
Cost to income ratio	62.0	60.0	61.4	61.2	64.7
Preprovision operating income/average assets	0.5	0.6	0.5	0.6	0.5
Core earnings/average managed assets	0.5	0.6	0.6	0.6	0.5

RAC--Risk-adjusted capital.

Table 4

Zuercher Kantonalbank--Risk-Adjusted Capital Framework Data

(Mil. CHF)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global RWA	Average S&P Global RW (%)
Credit risk					
Government & central banks	56,454	1,686	3	283	1
Of which regional governments and local authorities	2,225	1,189	53	80	4
Institutions and CCPs	14,879	3,896	26	3,894	26
Corporate	52,052	29,550	57	33,776	65
Retail	71,288	19,869	28	18,001	25
Of which mortgage	66,781	16,457	25	15,481	23
Securitization§	0	0	0	0	0
Other assets†	633	633	100	626	99
Total credit risk	195,307	55,634	28	56,581	29
Credit valuation adjustment					
Total credit valuation adjustment	--	3,079	--	0	--
Market Risk					
Equity in the banking book	486	1,861	383	3,648	750
Trading book market risk	--	3,438	--	5,518	--
Total market risk	--	5,299	--	9,165	--
Operational risk					
Total operational risk	--	4,501	--	5,455	--
(Mil. CHF)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	68,514	--	71,201	100

Table 4

Zuercher Kantonalbank--Risk-Adjusted Capital Framework Data (cont.)					
Total Diversification/ Concentration Adjustments	--	--	--	10,814	15
RWA after diversification	--	68,514	--	82,015	115
(Mil. CHF)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		12,968	18.9	13,165	18.5
Capital ratio after adjustments‡		12,968	18.9	13,165	16.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital.CHF -- Swiss Franc. Sources: Company data as of Dec. 31 2019, S&P Global Ratings.

Table 5

Zuercher Kantonalbank--Risk Position					
	--Year-ended Dec. 31--				
(%)	**2020**	**2019**	**2018**	**2017**	**2016**
Growth in customer loans	4.0	3.8	3.2	2.5	4.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	15.2	14.0	12.4	13.9	8.7
Total managed assets/adjusted common equity (x)	15.6	14.3	14.9	15.4	15.4
New loan loss provisions/average customer loans	0.1	0.0	(0.2)	0.0	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.1	0.1	0.2	0.2
Loan loss reserves/gross nonperforming assets	315.5	253.1	251.2	221.6	243.8

RWA--Risk-weighted assets.

Table 6

Zuercher Kantonalbank--Funding And Liquidity					
	--Year-ended Dec. 31--				
(%)	**2020**	**2019**	**2018**	**2017**	**2016**
Core deposits/funding base	53.8	56.1	55.2	54.5	56.5
Customer loans (net)/customer deposits	104.7	109.6	104.9	106.8	104.8
Long-term funding ratio	67.8	70.9	69.6	68.9	71.6
Stable funding ratio	115.9	112.1	115.8	112.0	109.7
Short-term wholesale funding/funding base	34.7	31.6	32.9	33.6	30.6
Broad liquid assets/short-term wholesale funding (x)	1.3	1.3	1.3	1.3	1.3
Net broad liquid assets/short-term customer deposits	20.6	17.0	20.4	17.1	14.9
Short-term wholesale funding/total wholesale funding	74.1	71.3	72.7	73.0	69.8
Narrow liquid assets/3-month wholesale funding (x)	1.6	1.4	1.4	1.4	3.4

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017

- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011

Related Research

- Banking Industry Country Risk Assessment Update: September 2021, Sept. 30, 2021
- As Near-Term Risks Ease, The Relentless Profitability Battle Lingers For European Banks, June 25, 2021
- Banking Industry Country Risk Assessment: Switzerland, Jan. 6, 2021
- Zuercher Kantonalbank, Dec. 10, 2020

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	**a-**	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of November 19, 2021)*

Zuercher Kantonalbank		
Issuer Credit Rating		AAA/Stable/A-1+
Subordinated		A
Issuer Credit Ratings History		
24-Aug-2018	*Foreign Currency*	AAA/Stable/A-1+
03-Jul-2012		AAA/Negative/A-1+
20-Jan-1998		AAA/Stable/A-1+
24-Aug-2018	*Local Currency*	AAA/Stable/A-1+

Ratings Detail (As Of November 19, 2021)*(cont.)	
03-Jul-2012	AAA/Negative/A-1+
20-Jan-1998	AAA/Stable/A-1+
Sovereign Rating	
Switzerland	AAA/Stable/A-1+
Related Entities	
Zurich (Canton of)	
Issuer Credit Rating	AAA/Stable/--
Senior Unsecured	AAA

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.