

Annual — Report 2025



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 the three 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 155 years. We uphold our values: responsible, inspiring and passionate. Our vision is “Close to you”.

Key figures (group)

› Key figures

in %

Return on equity (RoE)	
Cost income ratio (CIR) ¹	
Common equity tier 1 ratio (CET1) (going concern) ²	
Risk-based capital ratio (going concern) ²	
Risk-based capital ratio (gone concern) ²	
Risk-based TLAC ratio ^{2/3}	
Leverage ratio (going concern) ²	
Leverage ratio (gone concern) ²	
TLAC Leverage Ratio ^{2/3}	
Liquidity coverage ratio (LCR) ⁴	
Net stable funding ratio (NSFR)	

2025

2024

Change in %

8.3	8.0	
55.5	55.0	
21.2	16.8	
22.7	17.9	
9.5	7.8	
32.2	25.7	
7.1	6.8	
3.0	3.0	
10.1	9.8	
136	142	
118	116	

› Income statement

in CHF million

Operating income	
Operating result	
Consolidated profit before taxes	
Consolidated profit	

3,213	3,088	4.0
1,354	1,277	6.0
1,422	1,289	10.3
1,241	1,120	10.8

› Balance sheet

in CHF million

Total assets	
Mortgage loans	
Amounts due in respect of customer deposits	
Equity	

206,177	202,594	1.8
111,174	106,600	4.3
114,324	106,980	6.9
15,727	14,862	5.8

› Participation of the canton and municipalities

in CHF million

Dividend to cover actual costs to canton	
Dividend for the canton	
Dividend for municipalities	
OECD minimum tax to the canton	
Compensation for state guarantee	
Total participation canton and municipalities	

22	21	6.5
181	184	-1.9
175	170	2.9
169	156	8.7
34	31	9.5
581	562	3.4

› Additional payments

in CHF million

Payments from public service mandate	
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149	140	6.1
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› Further information

in CHF million

Total customers' assets (managed assets and assets with custody services)	
Total managed assets ⁵	
– of which, net new money inflow/outflow (NNM)	
Headcount after adjustment for part-time employees, as at the reporting date	number
Branches	number

578,950	520,811	11.2
498,598	457,276	9.0
13,590	29,817	-54.4
5,809	5,779	0.5
51	53	-3.8 ⁶

- 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 In addition to NNM, the change in managed assets contains the change

arising from price gains/losses, interest rates, dividends and currency gains/losses, and other effects. The other effects include a decline in managed assets totalling CHF 4,750 million in connection with the sale of Zürcher Kantonalbank Österreich AG in January 2025. The change in the number of branches is due to the sale of Zürcher Kantonalbank Österreich AG, which had two branches (Vienna and Salzburg).

Group structure

Parent company and significant group companies



Swisscanto Holding Ltd.	Zürcher Kantonalbank Finance (Guernsey) Ltd.	ZKB Securities (UK) Ltd.	Complementa AG
	4*	7*	61*

Swisscanto Fund
Management
Company Ltd.

106*

Swisscanto Asset
Management
International SA

21*

Representative offices:
São Paulo, Beijing, Mumbai, Singapore

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 statutory public service mandate is our unique selling point – and we are proud of it.

Excerpt from the Cantonal Banking Act on Zürcher Kantonalbank

§ 1 Legal form and registered office

Zürcher Kantonalbank is an independent institution under cantonal law based in Zurich.

§ 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 atten-

tion to the concerns of small and medium-sized enterprises, employees, agriculture and public authorities. It promotes home ownership, affordable housing and the achievement of net-zero greenhouse gas emissions.

§ 3 Management according to commercial principles

The bank must be managed in accordance with commercial principles and must endeavour to make a reasonable profit.

› 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 and ATM 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 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 competitiveness and quality of life in the Canton of Zurich.

We support the Canton of Zurich in fulfilling its economic and social tasks. We contribute to the competitiveness of the Canton of Zurich by being one of the largest training centres and a major employer in the canton. We are also one of the largest start-up sponsors in Switzerland and support innovation

and educational institutes in the Canton of Zurich. With our sponsorship commitments, the ZKB Philanthropy Foundation and our corporate volunteering programme, 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. In addition, we promote financial literacy for children, young people and families.

› Sustainability mandate

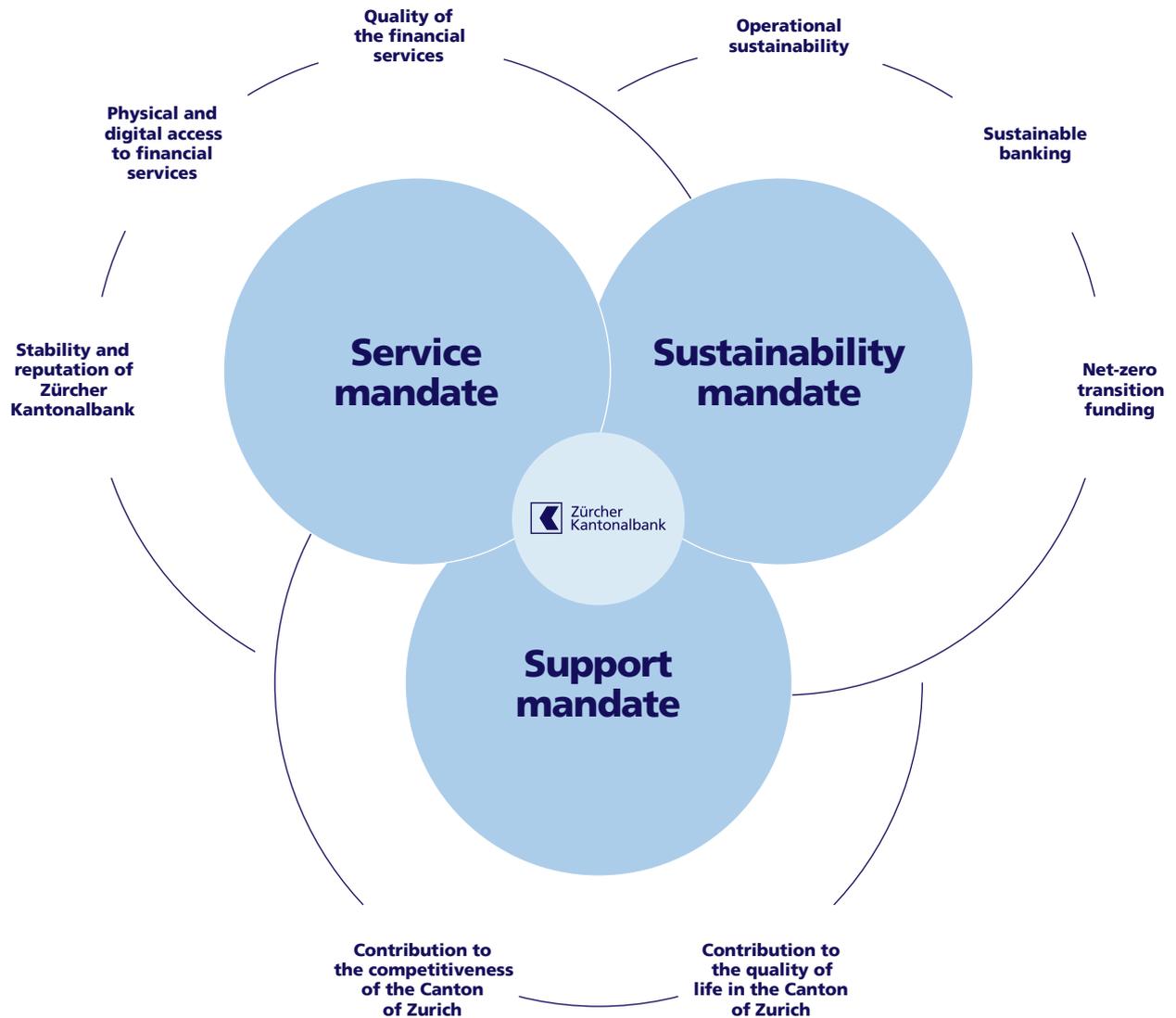
We pursue a business policy geared towards sustainability and continuity.

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 neu-

trality. 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, equal opportunities and being a role model in our own operations. One example of our sustainable banking business is the ZKB sustainability standard in the investment business. Our net-zero transition support includes our contribution to achieving greenhouse gas neutrality.

————> 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 with 51 branches as well as the densest ATM network with accessibility for more than 90 percent of the population within five kilometres
- High client satisfaction with our digital offerings

Quality of financial services

- Free everyday banking in the branches and online
- High client satisfaction among private individuals and companies

Stability and reputation of Zürcher Kantonalbank

- One of the safest universal banks in the world
- Dividend policy geared towards continuity with the participation of the Canton of Zurich and the Zurich municipalities totalling CHF 581 million



Contribution to the competitiveness of the Canton of Zurich

- With 427 apprenticeships, one of the most important employers and providers of vocational training in the canton
- Promotion of the innovation and educational landscape in the Canton of Zurich with over CHF 3 million
- One of the largest start-up financiers in Switzerland with CHF 20.7 million
- We promote financial literacy

Contribution to the quality of life in the Canton of Zurich

- Over 400 sponsorship commitments in business, society and the environment
- The broad purpose of the ZKB Philanthropy Foundation allows the realisation of a wide range of charitable goals
- Over 600 days of deployment as part of the corporate volunteering programme
- Support for our employees taking part in public offices, trade associations and expert activities



Operational sustainability

- High level of employee commitment
- Verified equal pay
- Goals and internal networks for equal opportunities
- Quantitative operational carbon target

Sustainable banking

- CHF 160 million in delegated, sustainable investment assets managed in accordance with the ZKB sustainability standard
- ESG rating from MSCI ESG: AA; and from ISS ESG: C, Prime

Net-zero transition funding

- Realisation of the net-zero 2050 climate target of Asset Management
- Implementation of the quantitative net-zero 2050 climate targets of the bank

For 155 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 committed 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 155 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. The number of employees grew to over 6,600, profits before taxes rose from around CHF 100 million to over CHF 1.4 billion and the participation of the canton and municipalities increased from CHF 75 million to CHF 581 million.

Contents

2	More than just a bank
11	Annual Report
12	Letter on the 2025 Financial Year
23	Management Report
23	Bank of the people of Zurich
24	Public service mandate
25	Developments from the public service mandate
27	Group Mission Statement and Strategy
27	Group mission statement
28	Group strategy
32	Business Environment and Risk Assessment
32	Overall economy
33	Switzerland as a banking centre
33	Regulation
35	Risk assessment
37	Banking Services for the Population and Companies
37	Client proximity
41	Retail clients
43	Private Banking clients
45	Corporate clients
48	Institutional & multinational clients
50	Custody, Research, Trading an capital markets, Asset Management
54	Employees
55	Performance & Development
56	Employer commitment
59	Business Development
65	Corporate Governance
71	Internal organisation
76	Activity reports
89	Compensation Report
92	Foreword by the Board of Directors to the Compensation Report
93	Competences and compensation policy
95	Compensation groups
96	Components of compensation
98	Compensation in 2025
101	Financial Report
103	Consolidated financial statements
109	Notes to the consolidated financial statements
184	Financial statements of the parent company
189	Notes to the financial statements of the parent company
209	Glossary
214	Locations
217	Contacts, Imprint

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. Integrated into the management report is the focus report for the attention of the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) on the subject of "SMEs as the Centrepiece of Zurich's Economy: New Realities, New Opportunities". Zürcher Kantonalbank's sustainability report appears as a separate publication.

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

Zürcher Kantonalbank

**Annual
— Report
2025**

Letter on the 2025 Financial Year



Urs Baumann, CEO, and Dr Jörg Müller-Ganz, Chairman of the Board of Directors

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

Dear residents of Zurich

Dear clients,
Dear staff

We look back on a challenging year and are therefore particularly pleased that Zürcher Kantonalbank was once again able to generate very good annual results and thus continue its success story.

2025 was characterised by difficult conditions. The global rules of politics and business are now also being called into question by the most powerful country in the world, thus unsettling the basis for the success of a small country like Switzerland. Domestically, the adjustment to this and the zero interest rate policy are challenging for everyone, including Swiss banks.

At least the diminishing inflationary pressure is providing a ray of hope. Technological developments such as artificial intelligence offer opportunities and are drivers for the economy and financial markets; at the same time, they require a high level of attention from policymakers and business.

The intended tightening of regulation for Swiss

banks continued to occupy the industry in 2025 – and this will remain a dominant topic for some time to come. Our position remains the same. We support regulation with a sense of proportion that respects the preservation of competitiveness, applies simple principles and considers the different complexity, size and risk profile of banks. Within this framework, Zürcher Kantonalbank is pleased to make its contribution to the stability of the Swiss financial centre with its more than 200 banks. We take this responsibility seriously as the country's second-largest universal bank with a Zurich footprint.

In doing so, ZKB is following its tried-and-tested strategy of many years. We continue to strive for qualitative growth while adhering to our responsible risk policy. We aim to remain the clear number one in the Zurich economic area and expand our leading position. Nationally, we utilise our strengths in selected segments, and internationally, we exploit opportunities.

Diversification ensures continuity, security and stability

We are therefore also consolidating our statutorily prescribed model of the universal bank. We offer a full range of services – for retail clients and corporate clients as well as for institutional investors and international corporations. The further diversification of our business – primarily by strengthening the off-balance-sheet investment business – ensures continuity, security and stability.

This has also proven its worth in 2025, as the business figures for the past year show. Zürcher Kantonalbank realised a strong operating performance and is reporting a consolidated profit before tax of CHF 1.42 billion. Despite the challenging interest rate environment, income from interest operations remained at the previous year's level; the commission business and services as well as the trading business grew quite strongly and closed the year significantly higher than in the previous year.

As in previous years, the Canton of Zurich and the municipalities of Zurich benefit from ZKB's profit too: The total participation amounts to CHF 581 million in the year under review (2024: CHF 562 million) – viewed over the last ten years, the participation adds up to more than CHF 4 billion.

We are allocating CHF 840 million of our profit to equity – this ensures greater stability. The bank's risk-based total loss-absorbing capacity (TLAC) ratio of 32.2 percent exceeds the regulatory requirements.

The long-term management of Zürcher Kantonalbank is also linked to the continuous fulfilment of the statutory public service mandate. In the year under review, the bank used CHF 149 million for this purpose.

“Zürcher Kantonalbank remains one of the safest banks in the world, as this year's top ratings from leading rating agencies confirm. The bank's stability is based on its diversified business model and very high financial risk buffers.”

Urs Baumann
CEO

The bank contributes to solving economic, social and sustainability-related challenges in the Canton of Zurich by maintaining some long-standing commitments – such as the support for the Zurich Transport Association, the Zurich Zoo, the ZKB Pionierpreis Technopark or the Züri-lauf Cup. ZKB's engagement is rounded off with initiatives such as the ZKB Philanthropy Foundation, corporate volunteering and support for the Zurich University of Teacher Education in setting up the “Future of Vocational Training” lab.

New “Retail Clients” business unit successfully launched

Zürcher Kantonalbank has also created the conditions for positioning itself effectively amid a dynamic market environment and with a view to the future. We enhanced the bank strategically and established a new “Retail Clients” business unit in the reporting year – this was successfully operationalised in November. We are therefore strengthening our statutorily anchored core business and expanding our leading position in the bank's home market.

With this step, we are also consistently aligning our organisation with client needs in the areas of Retail Clients, Private Banking, Corporate Clients and Institutional/Multinationals, delivering even more on our value proposition of being a bank close to our clients and creating clear added value for our clients and our employees.

At the same time, we want to continue the successful development of recent years in Private Banking. We are adding the “Investment Solutions” activities to this business unit to bolster our investment competence with this additional expertise. And by integrating commercial clients into the “Corporate Clients” business unit, we are supporting the successful development of this business area. Overall, these measures expand our room for manoeuvre, which we aim to exploit from a position of strength.

These organisational adjustments are accompanied by a steady expansion of our digitalisation offering. The introduction of the qualified electronic signature, for example, makes digital onboarding even faster. Multibanking enables the centralised management and overview in ZKB eBanking of all bank accounts of participating Swiss banks. And the Instant Payment service is being expanded with the option of sending instant payments.

New opportunities are opening up with the launch of sustainable equity ETFs and the advancement of our asset management strategy through the opening of a sales office in Madrid. And finally, we are also strengthening our capital market business by acquiring cos-mofunding, the digital brokerage platform for private placements on the capital market – the transaction is expected to close in the first quarter of 2026.

“With the new ‘Retail Clients’ business unit, we are strengthening our statutorily anchored core business and expanding our leading position in the home market.”

Dr Jörg Müller-Ganz

Chairman of the Board of Directors

Personnel rejuvenation, attractive as an employer

The development and rejuvenation of ZKB is also reflected at the personnel level within the bank. Kristine Schulze and Dr York-Peter Meyer have been in office as new members of the Board of Directors since the beginning of 2025. Susanne Thellung, a proven manager, will head the new “Retail Clients” business unit. As the new Head of IT, Operations & Real Estate, Dr Mario Crameri provides impetus in this business area, which is essential for banking operations. In addition, the Board of Directors has appointed Roger Reist as the designated Head

of Institutionals & Multinationals from 1 July 2026; he succeeds Dr Stephanino Isele, who will leave the bank at the end of June 2026 as part of the regular succession planning for members of the Executive Board. And finally, Dr Anja Hochberg will replace Christoph Schenk as the new Chief Investment Officer.

Even though the bank is changing, employee commitment and dedication remain very good. This is also shown by the results of the employee satisfaction survey conducted in the reporting year: The commitment index is well above the industry average. That makes us very happy and shows that the bank is an attractive employer.

Zürcher Kantonalbank remains one of the safest banks in the world, as this year’s top ratings from leading rating agencies confirm. The bank’s stability is based on its diversified business model and very high financial risk buffers. The good balance sheet values and the bank’s surpassing of the regulatory requirements also ensure that ZKB maintains its position of maximum security even without a state guarantee.

What counts for us as Zürcher Kantonalbank is that we always act responsibly and that our actions are characterised by respect and appreciation: towards our clients, towards our employees and towards all the people of Zurich. This is the only way to build trust. We would like to express our sincere gratitude to you for repeatedly placing your trust in us.



Dr Jörg Müller-Ganz

Chairman of the Board of Directors



Urs Baumann

CEO

2025 in brief

Consolidated profit before taxes

1.42 bn CHF

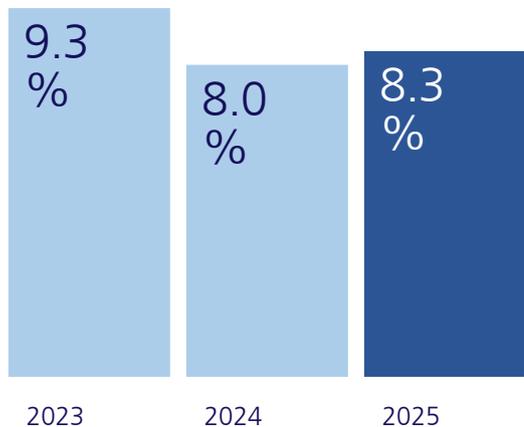
The consolidated profit before taxes is CHF 1.42 billion (previous year: CHF 1.29 billion).

Participation

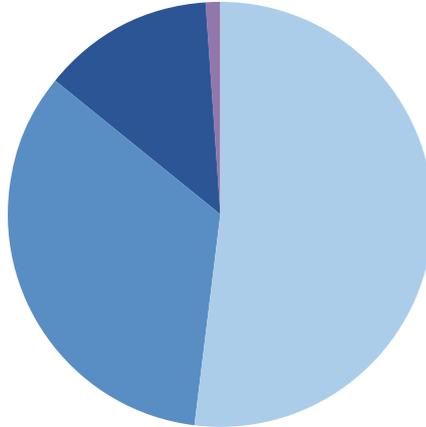
581 mn CHF

The Canton of Zurich and its municipalities will participate in the profit of Zürcher Kantonalbank for the 2025 financial year in the amount of CHF 581 million.

Return on equity (RoE)



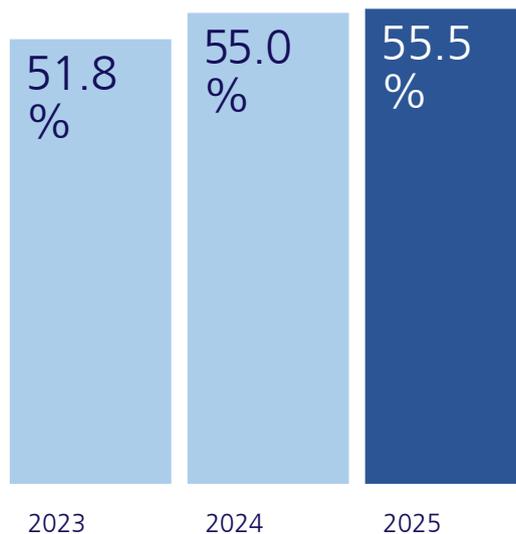
Diversified income



Operating income of CHF 3,213 million comprises the result from interest operations of CHF 1,679 million (52%), the result from commission business and services totalling CHF 1,082 million (34%), the result from trading activities at CHF 427 million (13%) and the other result of CHF 25 million (1%).

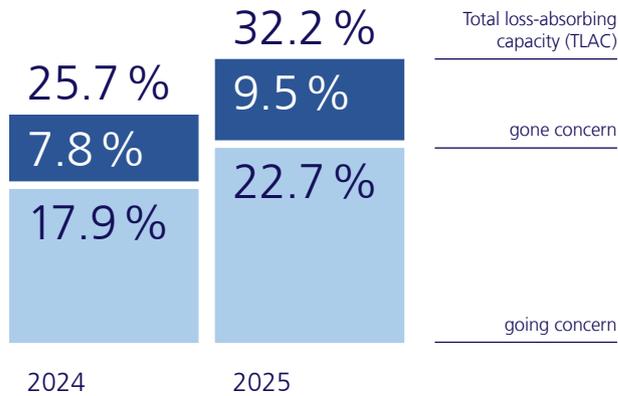
Cost income ratio (CIR)

Target range: ≤ 60 %



Business development: p. 59 ff.,
Financial Report: p. 101 ff.

Risk-based capital ratio



Group rating

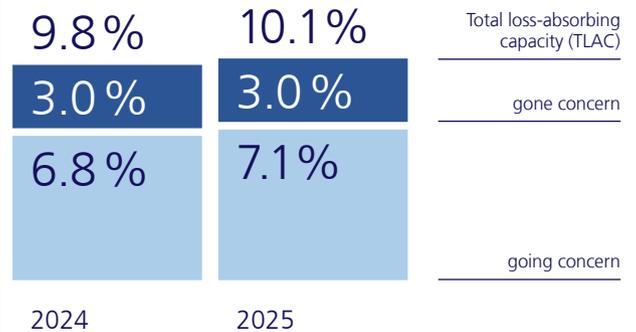
AAA
Aaa

Equity

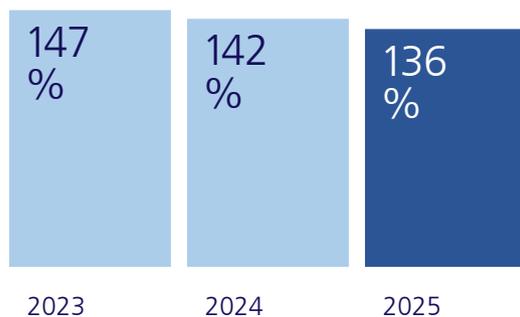
15.7 bn CHF

Equity totalled CHF 15.7 billion as at the end of the year (previous year: CHF 14.9 billion).

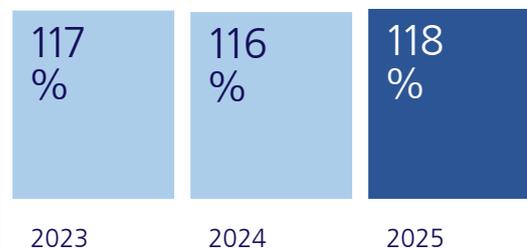
Leverage ratio



Liquidity coverage ratio (LCR)



Net stable funding ratio (NSFR)



Leader in the Greater Zurich Area

Market penetration



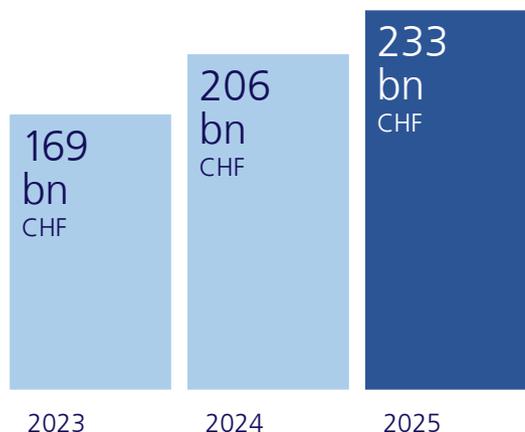
Nearly half of the people of Zurich and of the companies domiciled in the Canton of Zurich are clients of Zürcher Kantonalbank.

Client assets



Client assets totalled CHF 579 billion as at the end of the year (previous year: CHF 521 billion). The net new money inflow amounted to CHF 13.6 billion in 2025.

Fund volume



Densest network of branches and ATMs



We have 51 branches in the Canton of Zurich and ensure that 90 percent of the population can reach a cash withdrawal point within 5 kilometres.

Mortgage loans



We are the market leader in real estate financing in the Canton of Zurich (mortgage loans in the previous year: CHF 107 billion)

Credit exposure to companies



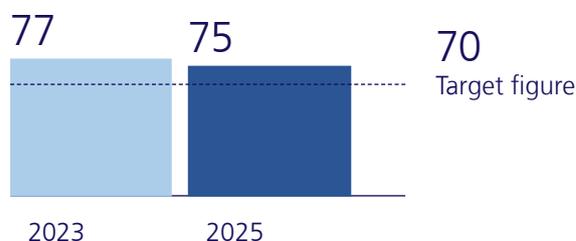
Attractive employer

Number of employees

6,655

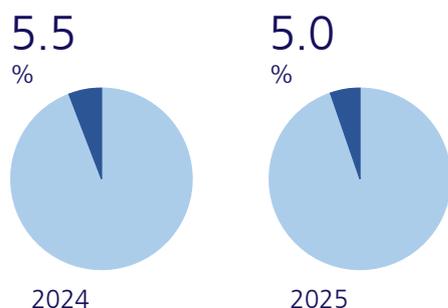
6,655 people work in over 5,809 full-time positions. With 427 apprenticeships, we are one of the largest providers of vocational training in the Canton of Zurich.

Satisfied employees



The commitment index of the latest employee satisfaction survey is a high 75 out of 100 points.

Low fluctuation rate



Anchored in the Canton of Zurich

Public service mandate

155

 Years

We have been the bank of the people of Zurich for 155 years.

Participation



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

149

 mn CHF

In 2025 we spent CHF 149 million for the public service mandate.

Milestones

Organisation



Establishment of new “Retail Clients” business unit

With the establishment of the new “Retail Clients” business unit, we are strengthening our core business of the statutory public service mandate and expanding our leading position in the home market. The new business unit, which supports clients with assets of up to CHF 1 million, will be headed by Susanne Thellung, who has many years of front-office and management experience (see résumé p. 86). The existing “Private Banking” business unit focuses on wealthy clients and has been supplemented by the Investment Solutions activities. The “Corporate Clients” business unit now also includes the commercial clients segment (see also p. 37 ff.).



New Head of IT, Operations & Real Estate

Dr Mario Cramer has been responsible ad interim for the “IT, Operations & Real Estate” business unit since 1 April 2025 and permanently since 1 June. He has more than 30 years of professional and management experience and will provide new impetus for the digital future of Zürcher Kantonalbank.

Investing and retirement planning



Sustainable equity ETFs launched

We have launched our first-ever sustainable equity ETFs (four in total) under the Swisscanto product brand. They offer easy access to the important market regions of Switzerland, global, US and eurozone.



frankly with CHF 5.4 billion in client assets

frankly, our digital pension solution, has reached a new milestone. It has exceeded the threshold of CHF 5.4 billion in assets under management and meanwhile has over 140,000 clients. Thanks to this success, frankly is reducing the all-in fee to just 0.43 percent.

QR codes available only in German



New Chief Investment Officer

Dr Anja Hochberg has been appointed Head of Investment Solutions in the “Private Banking” business unit and Chief Investment Officer (CIO) of Zürcher Kantonalbank with effect from 1 January 2026. She is therefore responsible for the investment strategy and the further expansion of investment solutions for Zürcher Kantonalbank. Anja Hochberg has worked for almost 25 years in various management positions, most recently as Head of Multi Asset Solutions in Asset Management at ZKB; she also lectures at the University of Zurich at the Chair of Banking and Finance. Anja Hochberg replaces Christoph Schenk as CIO; he has managed and significantly developed these activities since 2014 and has had a lasting impact on ZKB’s investment strategy.



Offer

Multibanking for retail clients introduced

We launched multibanking for retail clients in the reporting year. This service makes it possible to integrate a client’s own bank accounts from other Swiss banks securely and centrally into ZKB eBanking. The connection is made via the secure bLink platform from SIX.



ZKB Visa Debit Stu: Added value for the young generation

After almost 20 years, the STUcard becomes the ZKB Visa Debit Stu. With automatic cashback, a new app and a modern design, it’s even easier for young clients to benefit from attractive discounts – digital, flexible and perfect for modern payments.

Digital onboarding now even faster

The introduction of the qualified electronic signature enables new clients with a biometric passport to sign contracts seamlessly and securely when opening an account digitally.



Send instant payments via ZKB Mobile Banking

We expanded the “Instant Payment” service in the reporting year. Since March 2025, private individuals and companies with individual signatory rights have been able to send instant payments via ZKB Mobile Banking. The receipt of instant payments has already been possible since August 2024.

Outlook

The environment for the banking industry will remain challenging in 2026. We expect, however, that the bank will achieve solid results thanks to its clear strategy and diversified business model. We will exercise our responsibility as Switzerland's second-largest universal bank and make an active contribution to the stability of the financial centre. When conducting our business activities, we aim for a balanced combination of economically, socially and environmentally sustainable development. We are focusing in parallel on digitalisation and innovation to enhance the client experience. We aspire to rigorously expand our market position in the Greater Zurich Area as the number one for private individuals and SMEs.

Moderate economic growth below the long-term average

We expect global economic growth of 2.5 percent in 2026. This is lower than the long-term average, but better than recently forecast. The peak of trade and geopolitical uncertainties is presumably behind us, and the waning inflationary pressure and the easing of financing conditions are ensuring higher capacity utilisation in the economy. Artificial intelligence continues to drive progress and investment and therefore remains an important driver for the economy and financial markets. The leading and sentiment indicators, most of which are pointing upwards, could provide scope for positive surprises. Despite the agreement reached with the US in the tariffs dispute, growth in Switzerland will be below average at 1.3 percent in 2026 due to subdued global growth. We anticipate inflation will be 0.3 percent, which is why the Swiss National Bank (SNB) will adhere to its zero interest rate policy.

Challenging environment

We anticipate the competition in the Swiss banking centre will intensify even further. 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 part of the 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 clients with banking services on the path to a more sustainable future. We make our contribution to social responsibility through our strong and 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 155 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 (see all guidelines at [zkb.ch/governance](https://www.zkb.ch/governance)). Our business activities and public service mandate therefore benefit the canton, the municipalities, companies and the population. In 2025, expenses for items not purely profit-oriented or cost-covering amounted to CHF 149 million (2024: CHF 140 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 2025, the compensation for the state guarantee totalled CHF 34 million (2024: CHF 31.2 million).

Participation of the canton and municipalities in the profit 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 378 million for 2025 (2024: CHF 375 million). This includes the dividend to cover the actual costs of the endowment capital in the amount of CHF 22 million (2024: CHF 21 million). In addition, the canton participates in the profit of Zürcher Kantonalbank through the compensation for the state guarantee totalling CHF 34 million (2024: CHF 31 million) and the OECD minimum tax of CHF 169 million (2024: CHF 156 million). The municipalities participate in Zürcher Kantonalbank's profit with a dividend in the amount of CHF 175 million (2024: CHF 170 million). Overall, the canton and municipalities will participate in the profit of Zürcher Kantonalbank with CHF 581 million (2024: CHF 562 million).

Sponsoring commitments for a better quality of life in the Canton of Zurich

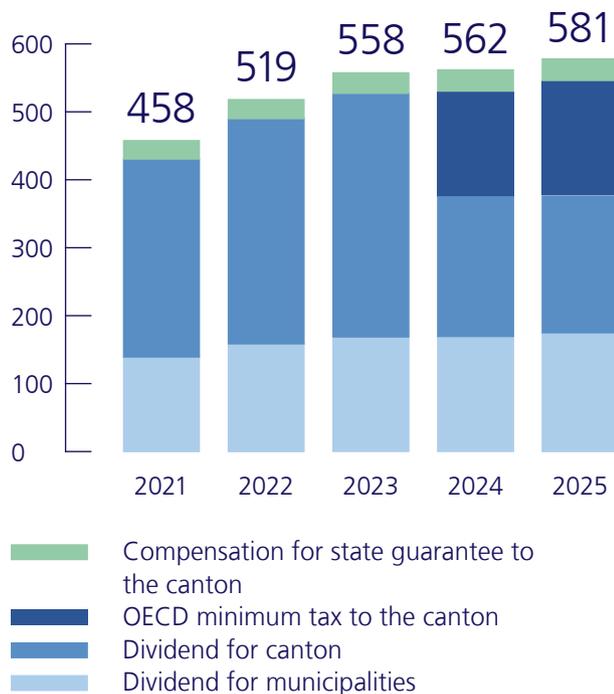
400

Expenses for the public service mandate

149

 mn CHF

Participation of the canton and municipalities CHF million



Developments from the public service mandate

Further strengthening of the public service mandate through the new “Retail Clients” business unit

As of November 2025, the Board of Directors of Zürcher Kantonalbank adjusted the organisational structure of the bank and established a new “Retail Clients” business unit. It supports clients with assets of up to CHF 1 million. The new organisation will continue the bank’s continuity-oriented business policy and ensure its security and stability through the further diversification of income. This strengthens the fulfilment of the bank’s statutory public service mandate.

——> More on this in the Group Mission Statement and Strategy section: p. 27 ff.

Forward-looking branch strategy for a hybrid client experience

As a close and modern bank, we combine physical proximity with digital everyday banking to offer our clients the best experience. By 2030 we will modernise all 51 branches in the Canton of Zurich and create a uniform, hybrid offering that optimally combines personal advice and digital services. Our experiences from the seven remodelled branches show increased client frequency, more consultations by appointment and a growing appeal for younger target groups. With a further eight openings, including in Adliswil, Küsnacht and Thalwil in 2026, we are bolstering the proximity to our clients and actively shaping the future of banking.

Sustainable ETFs launched

The bank launched four new sustainable equity ETFs (exchange-traded funds) in the reporting year. These ETFs, which are managed by the Asset Management division of Zürcher Kantonalbank under the Swisscanto product brand, offer easy access to the Swiss, global, US and eurozone equity markets and are marketed under the name “Swisscanto ESGeneration SDG ETFs”. The ETFs focus on companies that can make a positive contribution to the UN Sustainable Development Goals (SDGs). The forward-looking approach is implemented with customised indices and calculated daily by an external index provider.

25th bestowal of the ZKB Sustainability Award for vocational trainees

For the past 25 years the Sustainability Award Association has been honouring apprentices and vocational graduates who deal with sustainability-related topics in their final theses. Zürcher Kantonalbank has been the main sponsor of this competition since the beginning.

The ZKB Sustainability Award is another of the bank’s dual vocational training initiatives alongside the Zurich Careers Fair.

25th bestowal of the ZKB Pionierpreis Technopark

Every year ZKB and Technopark honour young companies that aim to shape their industries with pioneering deep-tech solutions. This year, 54 young companies applied for this award, which is a record number of applicants. The winner was the medtech start-up Nanoflex Robotics, which has developed a new telerobotic solution for removing blood clots (zkb.ch/pionierpreis, available only in German).

ZKB participates in the advisory group “NET Cooperation Abroad”

Zürcher Kantonalbank is committed to the Swiss climate target of net-zero greenhouse gas emissions by 2050. As a result of our commitment to our sustainability mandate, ZKB was invited by the Swiss Confederation to participate in the bilateral agreement between Switzerland and Norway on the trading of government-recognised negative emission certificates (Internationally Transferred Mitigation Outcomes, ITMOs for short). This participation involved a symbolic quantity of NET certificates from Norway, which are officially recognised by the Swiss and Norwegian governments.

10-year anniversary of Büro Züri

With Büro Züri, Zürcher Kantonalbank offers shared workspaces at our bank’s head office for the general public. The Büro-Züri offering is an example of the bank’s social commitment in the Canton of Zurich. This year Büro Züri celebrated its 10th anniversary.

Support in setting up PHZH’s “Future of Vocational Education and Training” lab

Zürcher Kantonalbank has been supporting the Zurich University of Teacher Education (PHZH) since September 2025 in setting up the “Future of Vocational Education and Training” lab, which develops innovative solutions for the challenges of vocational education and training in the 21st century. With a focus on key competences such as digital skills and critical thinking, the lab makes an important contribution to the competitiveness and innovativeness of Zurich as a business location.

Funding partnership for the Check Your Chance initiative against youth unemployment

Zürcher Kantonalbank supports the national umbrella organisation Check Your Chance, which is committed to the prevention of youth unemployment and the integration of unemployed young people. The bank’s involvement with this development partnership helps to

ensure that around 16,000 young people in Switzerland are given career prospects every year through innovative programmes and targeted support, which in the long term promotes the exploitation of the workforce potential and economic independence.

Over 600 days of deployment as part of the corporate volunteering programme

As part of the bank's corporate volunteering programme, Zürcher Kantonalbank employees spent around 660 days in 2025 volunteering at various locations and for various charitable organisations or other events in the Canton of Zurich. One particular highlight is the collaboration with Entsorgung+Recycling Zürich, where employees are regularly engaged to keep public spaces clean and thus contribute to a liveable environment.

ZKB Schiller Prize for Franz Hohler

The ZKB Schiller Prize, a literary prize that has been awarded since 1979 by Zürcher Kantonalbank on the recommendation of the Swiss Schiller Foundation, went to the author Franz Hohler in 2025 for his book "Franz Hohler & friends". The prize, worth CHF 20,000, honours authors living in the Canton of Zurich for a work of outstanding literary quality and underscores the bank's commitment to promoting Swiss literature.

40 years of the ZKB Zürilaf Cup, the largest running series in Switzerland

The ZKB Zürilaf Cup, which was launched by Zürcher Kantonalbank in 1986, celebrated its 40th anniversary in the year under review. It consists of 12 races that take place throughout the year in the Canton of Zurich. With over 41,000 finishers, the running series set a new participation record in the 2025 season. Since it was founded, over 560,000 running enthusiasts have crossed the finish line, making the ZKB Zürilaf Cup the largest series of running events in Switzerland.

New commitment: plan.b for more biodiversity

Zürcher Kantonalbank has been a partner of the Zurich Farmers' Association's "plan.b" initiative since November 2025. This initiative is committed to preserving and promoting biodiversity in Zurich's agricultural sector. It aims to support farming families in the voluntary implementation of measures to promote biodiversity, raise awareness of the importance of diverse flora and fauna, and ensure sustainable long-term changes on farms through practical advice and infrastructure, such as nesting boxes and young trees.

ZKB Philanthropy Foundation launches funding partnerships

The ZKB Philanthropy Foundation (zkb-philanthropie-stiftung.ch, available only in German) launched over 30 funding partnerships in 2025. The variety of charitable projects with an impact for the Canton of Zurich ranges from art and cultural projects in the Zurich regions, to sports and health issues, to ecological and scientific projects.

ZKB Jazz Prize 2025: Winner honoured

The ZKB Jazz Prize, which has been awarded since 2003 as part of a festival at the Moods jazz club, was awarded in 2025 to Ace Ross (1st place) and alpha-ray (2nd place). Young, innovative Swiss bands that contribute to the diversity of the national jazz scene are honoured with prize money totalling CHF 20,000.

Revitalisation of the Jonenbach stream in Rifferswil

The revitalised Jonenbach stream near Rifferswil was inaugurated on 26 September 2025. Around one kilometre of the stream was freed from its canalised bed and turned into a habitat for animals and plants. Zürcher Kantonalbank financed measures for local recreation and environmental education. The revitalisation was a project of the Canton of Zurich's Building Department in cooperation with the naturemade star fund of ewz, the WWF and Zürcher Kantonalbank.

Zürcher Theater Spektakel: ZKB prizes for young dance and theatre artists

As the main sponsor of the Zürcher Theater Spektakel, we have been committed since 1996 to promoting young talent with our three ZKB prizes. We support artists to pursue their creative visions by offering the ZKB Sponsorship Award (CHF 30,000), the ZKB Recognition Award (CHF 5,000) and the ZKB Audience Award (CHF 10,000). In this way we contribute to cultural diversity in the Canton of Zurich, which benefits everyone.

Long Night of Zurich Museums

As part of the Long Night of Zurich Museums event, Zürcher Kantonalbank opened its City branch to the public for the first time and presented selected works from its extensive art collection. The bank offered curated guided tours, an artist talk and creative workshops, giving visitors an inspiring insight into the Zurich art scene. This commitment underscores our long-standing support for cultural diversity in the Canton of Zurich.

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.

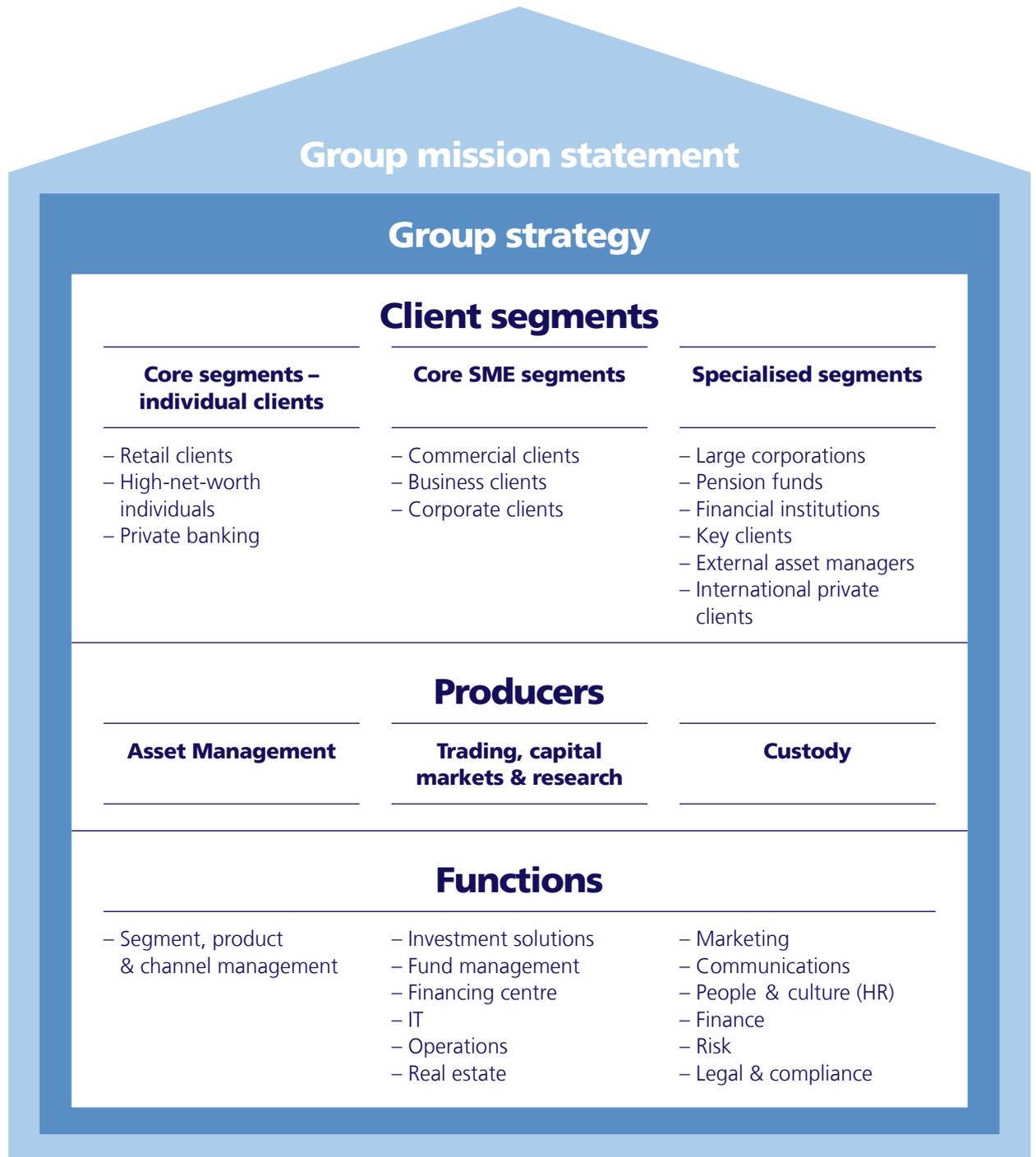
New “Retail Clients” business unit

The Board of Directors of Zürcher Kantonalbank adjusted the organisational structure of the bank as of November 2025. Taking into account its long-term business development and in line with its strategy, Zürcher Kantonalbank has decided to re-bundle its client segments and strengthen the retail banking business – the core business of its statutory public service mandate. In the new “Retail Clients” business unit, clients with assets of up to CHF 1 million are served with standardised services in the branches and digitally. This delivers on the promise of being the bank “close to you” even better. The new organisation enables clients to be served comprehensively and to further strengthen the quality of service and advice.

The adjustment will also strengthen Private Banking, which has seen above-average growth in recent years: By focusing on clients with complex advisory and investment needs and bundling CIO investment competence and expertise in this business unit, the bank is pursuing the goal of further exploiting the market potential in the highly competitive private banking market.

In order to serve the important corporate client segment in a consolidated manner in one unit, the Corporate Clients division has also broadened its organisation. From November 2025, all commercial clients were transferred to the “Corporate Clients” business unit. At the same time, the existing “Switzerland Market” unit was strengthened and repositioned. This harmonised focus supports the continued successful development of the corporate client business.

Our strategy house



Reports on:

- > Retail clients: p. 41 ff.
- > Private Banking: p. 43 ff.
- > Corporate clients: p. 45 ff.
- > Institutional & multinational clients: p. 48 ff.
- > Custody, Research, Trading and capital markets, Asset Management: p. 50 ff.

Business Environment and Risk Assessment

The year under review was strongly characterised by significant political change in the US, renewed geopolitical conflicts and a recalibration of monetary policy in the major economies. The financial centre remains an important pillar of the Swiss economy, but the conditions are challenging. The risk profile of Zürcher Kantonalbank has not changed significantly compared to the previous year and remains robust as at the end of the 2025 financial year.

Overall economy

Protectionist US trade policy

Donald Trump's re-election in November 2024 heralded a new wave of protectionist trade policies. Broad-based tariffs on US imports from key trading partners, such as China, Mexico, Canada and the EU, caused concern among investors. In the wake of "Liberation Day", on which Donald Trump announced the country-specific import tariffs, there were sharp price falls on the equity markets at the beginning of April 2025. The subsequent partial withdrawal of tariffs by the White House and the assurance of further fiscal support, however, helped to stabilise sentiment on the equity markets. The customs revenue was intended to support the implementation of Donald Trump's One Big Beautiful Bill Act, which includes political priorities such as tax cuts, cuts to social benefits and the healthcare system, and strengthen national defence. Dwindling investor confidence in the US government was reflected in rising yields on US government bonds with long maturities and a weak US dollar.

Resilient global economy

In view of the unpredictable trade and security policy under US President Donald Trump and various geopolitical conflicts, the global economy ultimately proved to be unexpectedly resilient in 2025. The fact that trading partners largely refrained from taking countermeasures and that companies were highly adaptable ensured that the significant increase in US import tariffs had less of a negative impact than feared. Growth was also supported by the global interest rate cuts by central

banks and the ongoing investment boom in the field of artificial intelligence. The boom came to stay and continued its trend, from which tech companies in particular benefited greatly.

Solid private consumption provided significant support for US economic growth of 1.9 percent, and the weak dollar played into the hands of American exporters. The estimated Swiss economic growth of 1.2 percent was significantly influenced by US customs policy. Front-loading effects in foreign trade supported growth at the start of the year. The economy cooled noticeably over the course of the year. In November, Switzerland and the US agreed on a joint declaration to reduce the high tariffs to the level of the most important competitor countries.

Heterogeneous growth in the euro zone

Thanks to rising real incomes and a stable labour market, growth in the euro zone proved to be resilient but heterogeneous at an estimated 1.4 percent despite various political uncertainties. The expected economic acceleration in Germany has so far been a long time coming, as the structural weakness of industry and the loss of competitiveness in the export sector have slowed the economy down. In the emerging markets outside of China, economic momentum was respectable with a tailwind in foreign trade and dynamic domestic demand. Meanwhile, China's economy grew faster than expected at 5.0 percent.

Inflation developed unevenly over the course of the year. In most countries, inflation rates were close to the central banks' target values, giving the monetary

authorities the necessary room for manoeuvre for further interest rate cuts. The Swiss National Bank (SNB) even lowered the key interest rate to zero. The most important exception was the US, where the erratic policy of the US government initially caused the Fed to take a wait-and-see approach. After a nine-month pause in interest rates, the Fed resumed its cycle of interest rate cuts in September even though inflation was rising. Despite the situation with the US tariffs, the most important equity markets developed positively, in some cases even reaching new highs. Gold continued to soar due to high demand and reached new highs over the course of the year.

Switzerland as a banking centre

With around 230 banks, the Swiss banking centre makes an important contribution to the Swiss economy. Banking services (including fund management) account for around 5 percent of the domestic value chain. Switzerland is still the world's number one for cross-border private banking.

Swiss banks cautious due to uncertainty

Margins remain under pressure in many business areas, especially as the Swiss market is highly competitive. The pressure on interest operations increased in the reporting year due to the SNB's interest rate cuts.

The structural changes for the local banking centre as a result of the merger of the two big banks will continue over the next few years. There were also changes in terms of regulation with the introduction of Basel III final.

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.

Falling key interest rates burden interest operations

The SNB lowered the key CHF interest rate in several steps, from 0.5 to 0.0 percent, during the year under review. As a result, margins came under further pressure, and interest operations continued to decline. So far, there have not been any major defaults in the Swiss lending business. In contrast, banks' income from the commission business increased. The trading business benefited from the volatile markets 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. Geographical 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 during the reporting year 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 supported by its representatives, either directly or together with financial-centre associations.

Continued expansion of supervisory law

In the 2025 spring session, Parliament began the substantive debate on the Credit Suisse case and adopted all of the proposals in the Parliamentary Inquiry Committee report. Parliament sees the main priorities as follows:

- Parliament sees the main responsibility for the crisis in the management of the failed major bank. As a result, false incentives in remuneration and distribution systems must be prevented and opportunities created to hold management accountable retrospectively, e.g. by stopping payment or reclaiming bonuses already paid (clawback). This also includes a senior management system that covers at least the top management.
- The creation of an efficient system of emergency liquidity in the form of a public liquidity back-

stop (PLB). Additional liquidity procurement is also to be promoted. This is to be done using mortgages (LGHS) or securities (LGWS) and possibly other assets as collateral.

- The tightening of capital adequacy requirements, including 100 percent capital backing for foreign subsidiaries and the possibility of capital surcharges in the event of increased risks.

At the beginning of June 2025, the Federal Council published the cornerstones for banking regulation. These cornerstones are largely based on the measures set out in the Federal Council's 2024 report and form the basis for the dispatch to be submitted to Parliament. At the same time, the Federal Council launched the consultation on the revision of the Capital Adequacy Ordinance (CAO) and the revision of the Withholding Tax Act (VStG) regarding too-big-to-fail financial instruments (extension of the exemption from tax on such instruments). At the end of September 2025, the Federal Council also published the consultation on capital adequacy requirements for foreign holdings of systemically important banks (100 percent capital adequacy requirements for foreign subsidiaries). The consultation on the amendments to the Banking Act is expected to begin in 2026. Parliament will then be able to debate the bill in its final form from 2027. New rules are not expected to come into force until 2029 at the earliest.

In mid-September 2025, the Federal Council published the dispatch on the revision of the Financial Market Supervision Act (FINMASA). Among other things, it aims to enable internationally active financial services providers to improve the exchange of information with foreign authorities, bodies authorised by these authorities and other bodies, without the direct involvement of FINMA. Without well-functioning rules, numerous foreign-related business models in the financial sector would be made considerably more difficult or even impossible.

At the end of October 2025, the Federal Council published the consultation on the revision of the FinIA and other laws to promote "crypto currencies". Solutions need to be found here that simultaneously take into account the three pillars of promoting innovation, safeguarding existing financial structures such as banks and protecting financial stability, similar to existing regulations, e.g. in the EU, the UK and the US.

Data and digitalisation becoming increasingly important

In mid-February 2025, the Federal Council published its outline for the regulation of artificial intelligence (AI), partially in response to the EU AI Act, which is already in force. The Federal Council wants to harness the potential of AI for Switzerland as a centre of business

and innovation while keeping the risks for society as low as possible. To this end, the Federal Council signed the Council of Europe Convention on AI at the end of March 2025 and announced a corresponding legislative proposal. This proposal focuses on central and fundamental areas such as data protection and is otherwise intended to be primarily sector-specific.

On 28 September 2025, the Swiss population voted in favour of the legal regulation of an individual digital identity (e-ID). This regulation is of great importance for the legal certainty of digital business models and is therefore an important component of the federal government's digital strategy.

Various initiatives have been launched in the EU that directly or indirectly affect the Swiss economy. These include guidelines on the management of IT and security risks under the EU Digital Operational Resilience Act (DORA), the tightening of existing regulation to strengthen IT cyber security and the new EU Cloud and AI Development Act.

Sustainability and sustainable finance

Simplification of sustainability legislation is underway in the EU. This includes the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). In addition to an increase in the threshold values for the reporting obligations, the due diligence obligations will be adjusted and the dates of application will be postponed. Proposals to revise the European Sustainability Reporting Standards (ESRS) were then submitted to the EU Commission at the end of 2025. The information required on this basis is to be reduced. In addition, the European Commission published at the end of the year proposals for a simplification of the Sustainable Finance Disclosure Regulation (SFDR). Overall, a clear easing of obligations can be observed at EU level.

In Switzerland, following a consultation on the amendment to the Code of Obligations (transparency on sustainability aspects) in 2024, the associated ordinance on reporting on climate issues was also revised at the beginning of 2025. The aim is to harmonise Swiss legislation internationally. In the consultation drafts, further tightening of the existing rules had still been envisaged. However, due to developments in the EU, both revision projects (Swiss Code of Obligations and Ordinance on Climate Disclosures) have been paused until there is clarity on regulatory developments in the EU. The dossiers are to be resumed from spring 2026.

At the same time, Switzerland has tightened its legal provisions (Unfair Competition Act, UCA) to combat greenwashing. Since January 2025, it has been considered unfair to make false or unsubstantiated statements about the climate impact of products and services. Companies must support all environmental claims with object-

ive and verifiable data (reversal of the burden of proof). In addition, the Federal Department of the Environment, Transport, Energy and Communications (DETEC) is working until June 2026 on proposals for the revised CO₂ Act and a framework law for the expansion of CO₂ removal and storage.

In June 2025, the Responsible Business Initiative 2.0 entitled “For Responsible Businesses – to Protect Human Rights and the Environment” was launched, which aims to ensure that large Swiss companies protect human rights and the environment in their foreign activities. The Federal Council intends to submit an indirect counter-proposal to the popular initiative by the end of March 2026, which should not go beyond the future provisions of the EU and should take recognised international standards (regulations on content) into account.

Other relevant regulatory topics at federal level

The Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners (LETA) and the new money laundering regulations for advisory activities in the area of company structuring and real estate transactions were adopted at the end of September 2025. These are intended to strengthen the Swiss anti-money-laundering framework.

In connection with the 2027 relief package (EP27), the Finance Committee of the Council of States dealt in the reporting year with the taxation of cantonal banks at the federal level. According to a report by the committee, taxing all cantonal banks after deductions would result in around CHF 169 million in additional revenue for the federal government each year. At the end of October, the committee heard representations from the Conference of Cantonal Finance Directors (FDK).

Developments at cantonal level

In May, the Cantonal Parliament provisionally supported a parliamentary initiative with 98 votes in favour, demanding that the Board of Directors of Elektrizitätswerke des Kantons Zürich (EKZ) and the Board of Directors of ZKB should no longer be elected openly but by secret ballot. As a next step, the Executive Committee of the Cantonal Parliament will refer the parliamentary initiative to a committee for a report and proposal.

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.

Zürcher Kantonalbank’s risk profile remained robust as at the end of the reporting year, even though the past year was characterised by increased uncertainty due to military and trade conflicts as well as geopolitical realignment. The robust risk profile is an expression of the diversified business model of Zürcher Kantonalbank, its sustainable strategy and a cautious risk policy.

Credit risks

The corporate loan portfolio, whose volume is slightly lower than a year ago, remains stable in terms of default risks. In 2025, the uncertainties surrounding US tariffs and the strength of the Swiss franc against the US dollar posed a particular challenge for many export-oriented Swiss companies. However, these have so far proved very resilient to the challenges that have arisen, meaning that no significant negative developments in the form of additional value adjustments or provisions have been recorded for the exposures of Zürcher Kantonalbank at portfolio level. Against a backdrop of intensifying geopolitical tensions, considerable uncertainties remain with regard to future economic development.

The mortgage portfolio of Zürcher Kantonalbank grew by a total of 4.3 percent in 2025. Credit risk management ensures that the portfolio growth maintains a balanced risk profile.

Zurich real estate market

Owner-occupied residential property prices in Zurich continued their long-term growth in 2025 with an increase of 3.2 percent. Despite the return to a zero interest rate environment, however, growth did not ac-

celerate. We attribute this stagnation to the fact that the supply which built up during the phase of higher interest rates has not yet been fully reduced. For once, the “Lake” region, consisting of the city of Zurich and the lake municipalities, did not record the largest price increase in the ZWEX Index, rather the “Country” region did, thus slightly catching up. However, the most surprising development on the market for owner-occupied homes was the clear “yes” to the imminent abolition of the imputed rental value. Overall, the result of this vote is unlikely to have any impact on price trends, as in the current interest rate environment the advantages of the elimination of the imputed rental value and the disadvantages of no longer being able to deduct costs balance each other out for most prospective buyers. However, the change in the tax regime is likely to lead to greater price differentiation between new and old buildings. The ongoing shortage on the rental property market is likely to continue to support demand for residential property in the future. At the same time, the high price level is leading to a certain saturation of demand, as fewer and fewer tenants can afford to buy their own home. Overall, the Zurich market for owner-occupied homes is in a stable situation.

Market and liquidity risks

In April, the risk profile for trading showed higher risk figures in the short term as a result of the tariff shock, which temporarily led to significantly higher volatility on the financial markets. As the year progressed and particularly in the final quarter, stable and favourable markets and structurally reduced risks resulted in very low utilisation of risk limits.

The bank managed the risks of its balance sheet structure to achieve the targeted interest rate sensitivity in line with interest rate trends as well as changes in client requirements when choosing mortgage and account products. The low interest rate environment tended to lead to an increase in client demand for rollover mortgages, shorter terms for fixed-rate mortgages and a shift from fixed-term deposits to account balances in the deposit business.

Zürcher Kantonalbank continues to have a good liquidity situation, which is reflected in solid liquidity risk ratios. All regulatory liquidity requirements were comfortably met at all times.

Operational and compliance risks

The bank’s risk profile for operational risks did not change fundamentally compared with the previous year. The countermeasures taken to manage the operational risk profile are appropriate. As society and the economy continue to become digitally connected and complexity increases, we continue to pay close attention to the management of these risks.

The bank’s risk profile for compliance risks also remained stable. The persistently high regulatory pressure and the dynamic development of regulatory and legal requirements also required a considerable amount of resources in the 2025 reporting year. In the year under review the bank again prioritised efforts to combat money laundering and terrorist financing as well as to ensure consistent compliance with and implementation of sanctions. Developments in investor protection, data protection, financial and banking supervisory law, sustainability issues and sustainable finance also played an important role. Compliance and legal risks were comprehensively addressed through appropriate measures.

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 a holistic client experience and support our clients with their needs and questions about financial well-being, often throughout their lives.

We ensure 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 2025. With our branches, ATMs and other special 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-oriented Swiss companies (see locations on p. 214).

We create additional proximity with a variety of cutting-edge digital channels, services and self-service options. We are continuously developing services that are provided via our mobile channels in particular, as they are becoming increasingly relevant. This enables our clients to carry out their banking activities easily 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 ZKB eBanking, ZKB 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 cutting-edge functions that are fit for the future.

At the end of 2025, we had active relationships with around 796,000 individual clients in our core individual client segments (2024: around 770,000). In the Corporate Clients segment, our clients included around 78,000 active legal entities, of which 62,000 were companies (mostly SMEs) and around 15,000 were other legal entities such as associations and foundations (2024: around 75,000 legal entities, of which 60,000 were companies and 15,000 were other legal entities).

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 showed that client loyalty remained consistently high in all areas – Private Banking, Corporate Clients and Direct Banking – compared with the 2022 survey. The index, which expresses client loyalty, stood at 77 index points out of a possible 100 points



Three questions for: **Daniel Previdoli,** **Head of Products** **& Services**

Which trends are dominating digitalisation in the financial business?

There are many triggers for innovation and further development: market developments, changing client needs, technological progress or new regulations. For clients, for example, the immediate and intuitive use of products and services is a key priority. Digital assets, crypto currencies and tokenisation offer opportunities for innovative financial products. And artificial intelligence holds great potential for increasing efficiency, personalisation and automation.

What is ZKB's response?

We focus specifically on innovations that strengthen both client benefits and our business model in the long term and make it more efficient. In this context we have recently realised a number of successful innovation projects. They extend from the introduction of voice biometrics in telephone customer service and digital onboarding, to the Digital Asset Hub and Instant Payment, through to the integration of real estate as a topic area in eBanking and Mobile Banking. We are also standardising sales processes to enable data and AI-supported efficiency gains.

How important is data security?

Cyber security and fraud prevention, i.e. protection against digital attacks, are of central importance to us. Stability and security are top priorities for Zürcher Kantonalbank. This is the only way we can maintain trust in our services and strengthen our market position in the long term.

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.

The next client satisfaction survey will be conducted in 2026.

Further development of digitalisation and innovation

At Zürcher Kantonalbank, all business units are working on new solutions that offer added value for our clients. 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 and contribute to strengthening our business model. 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. 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 will continue in the next few years to focus on key investments for the future, the implementation of our cyber security roadmap and support for our business portfolios. Through automation and standardisation, we increase not only efficiency and security, but also our impact for the bank.

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.

Instructions exchanged via blockchain

Zürcher Kantonalbank collaborated with UBS at the beginning of 2025 to implement the first-ever blockchain-based exchange of instructions for the subscription and redemption of fund units on behalf of Zürcher Kantonalbank clients. Blockchain technology enables financial institutions to organise their processes more efficiently. The use of distributed ledger technology (DLT) ensures real-time data availability on the current status of orders in the fund context. This promotes greater transparency in fund orders. The Swiss financial centre is

playing a pioneering role in technological development, and the potential applications of blockchain technology are becoming increasingly relevant in the financial sector. The latest transactions are one of several initiatives with which Zürcher Kantonalbank is exploring the numerous possible applications of DLT technology in order to make it usable for clients.

Digital onboarding now even faster

Zürcher Kantonalbank has enabled new clients with a biometric passport to open an account completely digitally since the reporting year. Thanks to the introduction of the qualified electronic signature (QES), basic or credit card contracts can be executed online in a secure and legally binding manner – without paper and without the need to visit a branch. For our clients, this means quick and easy access to banking transactions: Within a few minutes, they gain access to eBanking and Mobile Banking. At the same time, they benefit from a seamless and user-friendly process. The QES is the highest security level for electronic signatures and is legally equivalent to a handwritten signature. It forms the basis for further digital and modular solutions that we would also like to offer to existing clients and companies in the future. With the introduction of QES, we are focusing on innovation, efficiency and client focus in order to make our services even more modern and future-oriented.

Multibanking introduced for retail clients

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

In the year under review, ZKB was one of the first banks in the Swiss financial centre to introduce multibanking for retail clients. Multibanking makes it possible in a secure and centralised manner for clients to integrate and manage in ZKB eBanking their own bank accounts from other Swiss banks participating in the Swiss Bankers Association's (SBA) industry initiative "Multibanking for natural persons". The connection to third-party banks is made via the secure bLink platform from SIX.

Corporate clients and trustees can connect their company accounts held with Zürcher Kantonalbank online to a wide range of business software solutions via the SIX bLink platform 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 and expanded so that they can continuously improve and automate their advisory services, including direct stock exchange trading with Zürcher Kantonalbank.

Modernisation of all locations by 2030

ZKB Mobile Banking

9 million logins per month

High client loyalty

according to the 2024 client satisfaction survey

ZKB's universal bank model at a glance

As a universal bank, we provide all client segments with comprehensive banking services. The broad diversification contributes to the stability and security of the bank.

Client segments

Individual clients

Private Banking

Companies

Institutional & Multinationals

Core business

Pay and save



Just under half of Zurich residents have an account with Zürcher Kantonalbank. In ZKB Banking, accounts, cards and various personal and digital services are free of charge. The "ZKB inclusive" packages include additional services, such as credit cards.

Financing



We are a leader in financing in the Canton of Zurich. We attach great importance to quality when it comes to mortgages. We are a reliable provider of loans to SMEs – from business start-ups to succession planning. We finance larger companies throughout Switzerland.

Trading and capital markets



In Switzerland, we are one of the leading providers in the trading business – i.e. trading in securities and foreign exchange – as well as in debt and equity capital market services. We act only in connection with client orders.

Investing and retirement planning



We offer a wide range of products and solutions for asset management – from advisory services and investment management to research on equities, real estate funds and bonds. We are also the second-largest asset manager in Switzerland.

Income types

Interest income

Commission and service income

Trading income

Now also send instant payments

Since March 2025, private individuals and companies with individual signatory rights have been able to send instant payments via ZKB Mobile Banking. The Instant Payment service was further expanded as a result. The receipt of instant payments has already been possible since August 2024. Further expansion of the offering is planned, in particular the possibility for private individuals and companies with joint signatory authority to send instant payments via eBanking.

Retail clients

We advise and support retail clients physically in our branches or digitally via our direct bank. While everyday banking transactions are increasingly being carried out digitally via self-service channels, our client advisors are also available in person as competent partners, which is a popular option for financially important events and decisions such as entering working life, starting a family, buying a home, retirement and inheritances.

This segment corresponds to the core business of our statutory public service mandate and is focussed mainly on our home market of Zurich, where we aim to expand our leading position. For our around 700,000 retail clients, we also offer our free everyday banking service (ZKB Banking) and our digital pension solution (frankly) throughout Switzerland. The expansion of our digital self-service solutions is of great importance.

The direct bank also acts 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 875,000 incoming calls in 2025 (2024: around 880,000).

Modernisation of all branches in the Canton of Zurich

In future, Zürcher Kantonalbank will continue to focus on its local roots and strengthen its local presence. To this end, the branches are being comprehensively modernised to create a uniform and contemporary client experience that reflects the brand. The focus here is on personal advice and individual support for key decisions in private or business life. In addition, employees help clients on site to familiarise themselves with the digital offerings and promote the use of self-service solutions.

In the year under review, the branches in Wetzikon, Pfäffikon, Neumünster, Oberwinterthur and Egg were completed and reopened in line with the new

concept. A total of nine branches are now being operated under the new concept. The modernisation of the remaining locations is proceeding according to plan, meaning that all locations will be converted in stages over the coming years.

Another increase in cashless transactions

2025 saw a continuation of the trend towards cashless payments. In the reporting year, we recorded a 5.5 percent decrease in cash transactions. By contrast, cashless transactions (ZKB Visa debit card, credit card or TWINT) increased by 12.4 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 9 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 apps – ZKB Mobile Banking, ZKB TWINT, ZKB Access and frankly – receive excellent ratings from our clients. A nationwide comparison with apps from other financial services providers has revealed us as the leader who consistently achieves high client ratings. This emphasises our claim to offer innovative and user-friendly digital solutions.

More bank for young adults: Further expansion of free everyday banking

Since the beginning of 2024, we have been offering all existing and future retail clients simple and fee-free access to everyday banking services with our free everyday banking (ZKB Banking) and the new ZKB Banking Young service launched in November 2024. These include private accounts in CHF and debit cards without annual fees. Young clients aged between 14 and 30 also benefit from a free credit card and advantages such as the ZKB Nachtschwärmer (free public transport on Friday and Saturday night) and, since November 2025, the new STUcard, which automatically credits cashback in the form of discounts on purchases made at STU partners. In the reporting year, we recorded around 27,000 additional active retail clients, which we attribute in part to the launch of these offerings.

Market penetration

50[%]

in the Canton of Zurich for private individuals

New clients

27,000

for private individuals

Pension assets

12^{bn} CHF

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

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 4.6 billion to CHF 111.2 billion in the year under review. This corresponds to an increase of 4.3 percent, whereas the market as a whole (only banks, excluding mortgage investment companies and insurers) grew by 2.9 percent. At the end of the year under review, ZKB rollover mortgages based on SARON accounted for 23 percent of the mortgage portfolio (2024: 21 percent). The share of fixed-rate mortgages (including ZKB starter mortgages and ZKB environmental loans) in the total mortgage portfolio was 76 percent at the end of the year.

→ Our implementation in the financing business in the Sustainability Report 2025: p. 29 ff., 40 ff., 56 ff.

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.

New real estate content and functions available online

Zürcher Kantonalbank launched new real estate services and functions in 2025 in eBanking and Mobile Banking. These services include investment and renovation planning. This service combines digital self-service functions with personalised advice, creating a cross-channel advisory offering. The new tools enable our clients to use many functions independently and to incorporate or reuse the information from them in their personal advice. This hybrid approach promotes flexibility, creates transparency and strengthens trust. Clients can be even more actively involved in the planning and decision-making process and personal advice can be tailored even more specifically to individual needs.



Three questions for: **Susanne Thellung,** **Head of Retail Clients**

Why did ZKB create a new Retail Clients business unit this year?

Previously we looked after retail clients in two separate organisational units. With the new business unit, we can now offer them a comprehensive service from a single source. For them, this means a clear focus on their individual needs and an even better quality of service and support. At the same time, we can implement our public service mandate more efficiently and strengthen our role as a bank for the Canton of Zurich.

Where do you see your key priorities as the new head of the business unit?

Our clients want innovative digital offerings as well as personal advice. Our aim is to combine both: the latest technology for efficiency and convenience as well as personal proximity and continuity, which we actively practise in our 51 branches. This means they benefit from the best of both worlds – digital and personal – and receive the support they want.

What can retail clients expect in the future?

Our retail clients' individual needs will be addressed even more effectively. We want to deepen the relationship and support them with important issues such as wealth building, pensions or the financing of lifelong dreams such as owning a home. We support our retail clients at all stages of their lives – from opening their first account to planning their retirement.

Growth and product expansion for pension savings

Private pension savings in pillar 3a and vested benefits foundations were also further developed in 2025. For pillar 3a, the conditions have been created for making subsequent purchases from 1 January 2026. The ZKB Vested Benefits Foundation II was integrated into frankly. The frankly pension solution had assets of CHF 5.4 billion at the end of 2025 (2024: CHF 3.8 billion) and over 140,000 clients (2024: 120,000).

Advisory service on estate planning extended

In the year under review, we further developed and completed our estate planning advisory service. With our new advisory offering, we fully cover our clients' needs. Our offering extends from the free assessment ZKB Inheritance Check and the newly introduced flat-rate expert service ZKB Inheritance Advice Classic, to the individualised ZKB Inheritance Advice Premium service, which is specially tailored to each client's situation and replaces the previous advice on property and inheritance law.

Private Banking clients

As a financial partner in touch with the realities of life, we support and advise our Private Banking clients with assets exceeding CHF 1 million during major life events. 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. In doing so, we focus on interdisciplinary cooperation. Our experts in the fields of investments, financing, financial planning and tax and inheritance advice work together to develop strategies that are tailored to the wishes and priorities of our clients.

Our Private Banking division operates from Zurich in our home market as well as throughout Switzerland and in selected core markets abroad. As part of our public service mandate, we also support Swiss nationals abroad in certain countries.

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

→ Responsible investing in the Sustainability Report 2025: p. 30, 47, 57

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.

Business volume

124^{bn CHF}

in Private Banking

Supported NPOs and foundations

1,000

Partner for UHNWI & Family Offices

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 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 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.

Ideally positioned among key clients

The combination of the strengths of a universal bank and highly individualised customer service provided by relationship managers with a very high level of expertise and excellent internal and external networks is proving to be a recipe for success – particularly in the client segment of the wealthiest private individuals, who are served within the UHNWI (ultra-high-net-worth individuals) & Family Offices division of the Private Banking business unit.

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 of entities – from charitable organisations to extremely large, complex foundations. Over 1,000 organisations were 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 Spheriq (formerly StiftungSchweiz) 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.

Operations of the ZKB Philanthropy Foundation off to a good start

The ZKB Philanthropy Foundation, which was established in 2024, has also been operational since the beginning of 2025. The foundation's first awards have supported, for example, an organisation that is building an ecosystem for social entrepreneurship. In addition, funding was also provided via relevant organisations to support people with mental health conditions or to promote a healthy work-life balance. The ZKB Philanthropy Foundation is also attracting interest as an umbrella foundation for new sub-foundations: Initial discussions with donors on the topic of setting up a foundation were held in the reporting year.

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.

Private Banking International – anchored in Europe and a comprehensive range of services for Swiss citizens living abroad

Zürcher Kantonalbank has fulfilled all the requirements to actively engage in cross-border marketing in Germany since 2023. Around a dozen events were organised in various regions of Germany in the reporting year. In addition, the bank provides passive services from Zurich to clients in selected European countries.

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 Swiss citizens who move abroad to remain or become clients of the bank. The Private Banking International division served for the first time more than 6,500 Swiss citizens living in countries around the world during the year under review.

We have a dedicated team of around 100 experts available to support our international clients and our Swiss clients living abroad.

Corporate clients

Our employees assist companies of all sizes 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. We support this client segment in all aspects of financial corporate management, for example in the areas of payment transactions, financing, investments and pensions.

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). Through our consistent lending policy, we are meeting our increased responsibility for a functioning 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

In the Canton of Zurich, we achieve a market penetration of over 50 percent among companies.

Our credit exposure to companies increased to CHF 41 billion in the year under review, a 5.3 percent

increase year-over-year (2024: CHF 38.9 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 2025: p. 29, 40 ff., 45 f., 54 ff.

Coronavirus loans continue to be repaid

Covid-19 emergency loans in the year under review amounted to CHF 83 million. Of this amount, CHF 78 million were Covid-19 loans and CHF 3 million were Covid-19 plus loans from the federal programme. After peaking at CHF 1 billion in 2020, CHF 654 million has meanwhile been fully repaid and active limits have been reduced by a further CHF 312 million as at the end of 2025. The loans from the cantonal programme as well as those which Zürcher Kantonalbank granted at its own risk have been almost completely repaid.

ZH SME: Support for more customer enthusiasm

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 (zkb.ch/kmu-zh, available only in German).

In 2025 the focus was on generating customer enthusiasm among SMEs. In two ZH SME practical seminars, Zürcher Kantonalbank conducted five one-day sessions covering concrete solutions for employer attractiveness and customer enthusiasm. ZH SME also brought together givers and seekers of advice – free of charge – under the title of “SME knowledge”. The platform promotes dialogue with and between entrepreneurs.

Offer for sustainably successful SMEs

In 2025, we were also able to successfully arrange numerous “eco-checks” for SMEs. An eco-check 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 2025, Zürcher Kantonalbank provided CHF 38.8 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 “ahead”, a start-up and innovation centre based in Zurich, and provides start-up advice and microloans to support first steps towards entrepreneurship.

Start-ups and Pioneer portfolio

——> Promoting start-ups in the Sustainability Report 2025: p. 13, 27, 55 f., 59

Zürcher Kantonalbank is one of the largest investors in start-ups in Switzerland. A total of CHF 20.7 million (2024: CHF 19.7 million) in risk capital financing was approved for 59 promising start-ups and scale-ups in 2025 (2024: 52). Through the Pioneer programme, CHF 274 million in support has flowed to 314 innovative young companies since 2005.

In the reporting year, we successfully sold our stake in Ikerian AG to another company and completed the initial public offering of the start-up BioVersys.

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 2025: p. 40 ff., 57

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 41 assessments and personally accompanied 110 entrepreneurs on the path to generational change. In the year under review, the bank granted 54 acquisition loans totalling just under 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 3,100 noncost-covering microloans of less than CHF 200,000 to SMEs in the year under review (2024: over 3,200).

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 2,900 leasing contracts with a volume of over CHF 365 million were concluded (2024: around 3,100 leasing contracts with a volume of around CHF 360 million). The portfolio at the end of 2025 contained around 12,900 contracts with a volume of over CHF 800 million (2024: around 13,000 contracts with a volume of around CHF 758 million). The joint distribution network with other cantonal banks continues to prove successful.

Market penetration

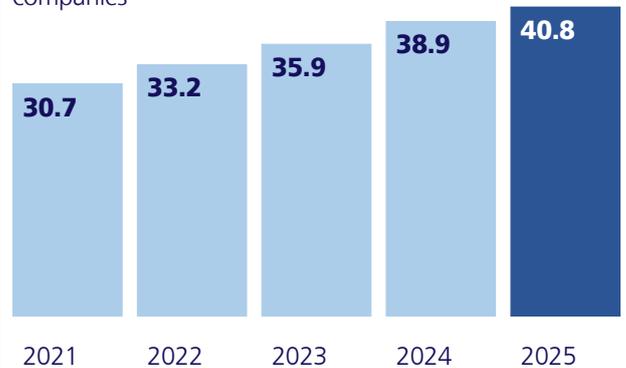
50 %

in the Canton of Zurich for companies

Credit exposure

41 bn CHF

Credit exposure to companies



Start-up promotion

CHF 21 million for 59 start-ups and scale-ups

CHF 274 million for 314 start-ups and scale-ups since 2005

Institutional & multinational clients

In our capacity as a universal bank, we also meet the needs of large Swiss corporations with international operations, trading companies, international organisations and financial services providers, such as banks, insurance companies, pension funds, asset managers, investment funds and brokers. By being active in this wide range of specialised segments, we further 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.

Sustainability and ESG criteria remain highly important in the financing business. In the past, Zürcher Kantonalbank has already developed a customised training programme in collaboration with the ZHAW to specifically strengthen the skills of its employees in this area.

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. 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 expertise, 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 just under CHF 10 billion at the end of 2025.

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 25 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 underscore the competence of Zürcher Kantonalbank.

Since 2024, Zürcher Kantonalbank has been operating a sales office in Lausanne in order to cater specifically to the needs of pension funds in French-speaking Switzerland and further expand its business in the region.

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 for both Switzerland and 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, 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 modern foreign trade and export financing software, we continue to provide a wide range of services and 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, safekeeping of securities and crypto currencies, and trading. The partner banks benefit from our bank's expertise and innovativeness.

Cooperation with our partner banks was further intensified in 2025. The expansion of the distribution of Swisscanto products should be mentioned, which also includes the sustainable product category Swisscanto ETFs introduced in the first half of 2025, which are authorised for third-party distribution. The positive development in the private labelling business also underscores the high demand for our individual fund solutions. These successes confirm our role as a reliable partner for financial services providers and strengthen our position in the market in the long term.

Relationships with foreign bank groups

200

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

Syndicated loans

10^{bn} CHF

with Zürcher Kantonalbank as lead bank

Partner for financial services providers in Switzerland

Custody

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, investment 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 in this regard is on the digitalisation of business services, i.e. the development of application programming interfaces (APIs) for connecting third-party systems as well as the enhancement of user interfaces on the web.

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. Following the merger of the two major banks, a number of custody clients felt prompted 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 2024, 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. Thanks to this acquisition, we were able to further strengthen our expertise and further expand our entire range of services.

Research

Leading provider to Swiss companies

Zürcher Kantonalbank's research covers 188 public companies, real estate funds and investment foundations nationwide, as well as 179 bond issuers – more than any other institution in Switzerland. That means our 30 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). Zürcher Kantonalbank's research team issues ratings that cover 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. The share recommendations of our analysts once again achieved a pleasing outperformance against their respective benchmarks this year.

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 68 listed Swiss companies and real estate funds as well as over 350 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. This year's bondholder event, at which the 24th edition of the "Swiss Rating Guide" was also presented, focused on the topic of "mortgage bonds" and once again met with great interest. The more than 100 participants were given in-depth insights into the long-term development of the Swiss capital market and the creditworthiness of borrowers.

Trading and capital markets

Strong annual results

We are one of Switzerland's leading providers 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.

The year 2025 was characterised by a generally stable stock market situation, moderate economic growth and a continuation of the SNB's loose monetary policy, which lowered interest rates further in March and has kept the key interest rate at a very low level since June. Global tensions and the US tariff announcements led to a sharp temporary decline on the stock markets in the first half of the year, which was more than offset over the course of the year. At the same time, gold and silver reached new record highs.

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

In the equity capital markets business, we acted as lead manager for 19 transactions of issuers listed on the SIX Swiss Exchange and in other functions and/or on other exchanges for another 11 transactions, making us the market leader in Switzerland.

On debt capital markets, Zürcher Kantonalbank managed the issue of 105 bonds worth CHF 16.5 billion. Additionally, 48 transactions worth CHF 14.5 billion were carried out for the Central Mortgage Bond Institution of the Swiss Cantonal Banks. The structured products business developed favourably and once again recorded a significant increase in income compared to the previous year. Business with interest rate instruments declined and a strong result was achieved in trading with foreign exchange and precious metals. In the securities lending, repo and money market business, income remained stable compared with the previous year. The result from trading activities (excluding commission and interest income) amounted to CHF 427 million in the year under review, 21 percent above the previous year's level.

Leading provider

#1 in research

#2 in capital markets

#2 in asset management

Bond issues

153

Over CHF 31 billion and 19 equity market transactions as lead manager.

Assets under management at ZKB Asset Management

326

 bn CHF

Strengthening of the capital market business through purchase of the digital brokerage platform cosmofunding

In the year under review, Zürcher Kantonalbank entered into an agreement with Vontobel to purchase the cosmofunding platform, the leading fully automated portal for the public and private debt market.

With this acquisition, Zürcher Kantonalbank is consolidating its leading market position in the Swiss bond business, significantly expanding its position in private placements and strengthening the digitalisation of its conventional offerings in this segment in the medium term.

Asset Management

Steady gain in market share

——> Responsible investing in the Sustainability Report 2025: p. 30, 47, 57

With over 280 specialists, Zürcher Kantonalbank's Asset Management is the competence centre in charge of the development and management of investment solutions, such as investment funds and individual, institutional mandates. As such, Asset Management also 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 net new asset growth and a positive market trend, assets under management increased by 9.7 percent over the course of 2025. They amounted to CHF 325.7 billion at the end of the year. According to the analysis service Swiss Fund Data, the Asset Management division increased its share in the Swiss funds market to 11.29 percent in 2025 (2024: 10.9 percent).

Institutional business performed particularly well. According to the Asset Management Guide 2025 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 14th among the largest providers in the institutional sector in Europe (2024: 16th place).

Our positioning in the area of sustainability has also developed positively. According to Morningstar's Global Sustainable Fund Flows Report, we ranked fourth among the world's largest asset managers in terms of sustainable assets under management in the third quarter of 2025. In this context, it should also be emphasised that six Swisscanto Sustainable Funds were once again awarded the FNG seal, an independent label of the Forum Nachhaltige Geldanlagen (FNG). This prestigious award is regarded as a mark 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.

New expansion step in the European 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 of central importance for Asset Management, both in Switzerland and abroad. Abroad, the fund management company Swisscanto Asset Management International S.A. is already represented by established sales teams in Germany and Italy. The bank expanded this presence in the year under review by setting up a new sales organisation in Spain with a branch office in Madrid. This strategic expansion will make existing products accessible to a significantly larger target group.

Launch of new sustainable ETFs

The Asset Management product range was also expanded in the reporting year. Four new exchange traded funds (ETFs) were launched in April of this year. With these "ESGeneration SDG ETFs", the sustainable offering of Asset Management has undergone a significant expansion, which also emphasises its increasing strategic importance. The newly launched equity ETFs focus on the market regions of Switzerland, the euro zone, the US and the global markets. The new ETFs are a targeted addition to the existing ETF product range, which previously focused on precious metals such as gold, silver, palladium and platinum, and add a sustainable dimension. The three ETFs with a regional focus outside Switzerland were launched in Ireland, their country of domicile, and are classified as Article 9 funds in accordance with the European Union's Sustainable Finance Disclosure Regulation (SFDR). This categorisation underscores the high sustainability standards of the products and their alignment with the strict ESG criteria of the EU.

Investments in innovative growth opportunities

With our private equity fund products, investors can invest in unlisted companies and thus gain access to innovative business ideas and pioneering technologies. The Swisscanto Private Equity Fund with a focus on decarbonisation solutions and the Swiss Growth Fund I make this possible. The launch of the Swiss Growth Fund II ("Swisscanto (CH) Private Equity Switzerland Growth II L-QIF KmGK") marked another important milestone in the reporting year. Thanks to the successful underwriting performance, the first close was made in 2025 with a volume of over CHF 170 million. The Swiss Growth

Fund II is aimed at qualified investors with a long-term investment horizon. It invests directly in companies in the growth phase and is diversified across the ICT & digitalisation, industrial tech & robotics and life tech & healthcare sectors. In our view, this focus offers attractive opportunities in fast-growing, innovative sectors.

Responsible voting behaviour and engagement

The Swisscanto fund management company actively exercises its voting rights for the shares included in our active and passive investment funds. Our sustainable voting policy is updated on an annual basis. Our aim is to ensure that we regularly support relevant shareholder proposals at annual general meetings and promote best practice standards related to the environment, society and good governance (ESG). Transparency is very important to us: 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:

- Direct dialogue: Through direct dialogue, we promote responsible corporate governance at companies in which we have significant investments.
- Collaborative engagements: By collaborating via investor initiatives, we are helping to promote the UN Sustainable Development Goals (SDGs).
- International and thematic engagement: We support the principles of the UN Global Compact and promote their implementation.

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.

The group's headcount rose by 30 in 2025, from 5,779 to 5,809 full-time equivalents (FTE). 10 full-time equivalents were filled by temporary employees. The group employs a total of 6,655 people. 340 employees were at the parent company on an apprenticeship or high school internship.

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 2025 p. 61 ff.

High level of identification with the company

We have a high level of employee commitment and low staff turnover (2025: 5 percent, 2024: 5.5 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, most recently in the 2025 reporting year. The response rate, which serves as an indicator of employees' willingness to provide direct feedback, was

at a very high level again in 2025: 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 75 out of 100 points, this score remained at nearly the same high level, clearly exceeding the target value of 70 points.

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

Further development of corporate culture

In order to achieve our ambition of becoming the most highly appreciated bank in Switzerland, one of our six strategic priorities was defined as the further development of our corporate culture – in other words, the way in which collaboration is organised. This also includes the individual contribution of employees to the success of the company. These two dimensions took centre stage in 2025, particularly as part of the further development of the management principles.

Zürcher Kantonalbank has created a clear and binding understanding of leadership that provides orientation and lays the foundation for a strong leadership culture. In close cooperation between the Executive Board and People & Culture (Human Resources), management principles were developed that were operationalised through specific behavioural anchors. These behavioural anchors clarify how the management principles should be put into practice in everyday life. In 2025, over 100 workshops were held for all our managers to internalise the leadership principles and highlight the importance of the focus topics.

Performance & Development

In order to keep pace with the changes in our environment as Zürcher Kantonalbank and to implement our understanding of leadership in everyday life, we have revised Performance & Development (P&D). The aim of the further development of P&D is to simplify processes, standardise dealings with employees within the bank and make them more binding.

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.

Talent management

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. In 2025, the High Potential Community was launched to provide new impetus across all areas, to network and to learn from each other. 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.

Employees with special potential, excellent performance levels and exemplary conduct are offered special opportunities. 30 employees were given the opportunity in the year under review to proceed with their personal and professional development in tailored support programmes.

Promotion of training and further education

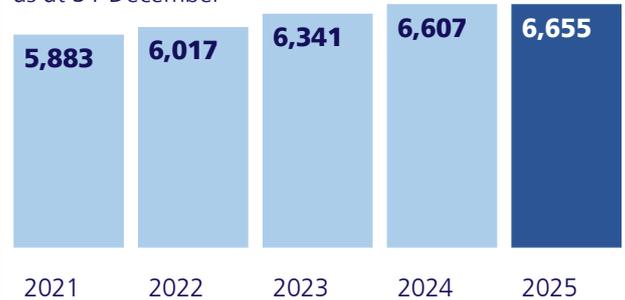
We find it extremely important that our employees continually expand their technical, methodological and social skills. We provide a wide range of internal classes, workshops, podcasts and videos, among other things, as well as the opportunity to attend external training and development courses.

We invested CHF 14.8 million in basic training and further education in the year under review (2024: CHF

Large regional employer

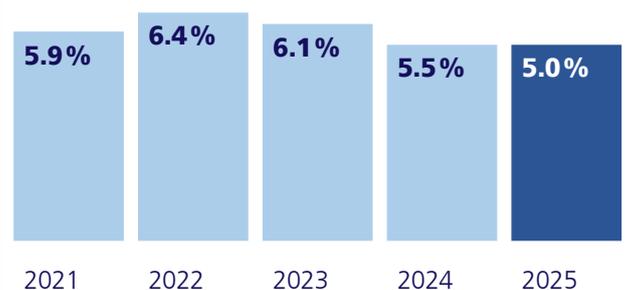
Number of employees in the group

as at 31 December



Loyal employees

Turnover rate



Apprenticeships

427

One of the largest training centres in the canton

12.3 million). Each employee spent an average of 10.4 hours on internal training and further education (2024: 14 hours). 913 employees (16.3 percent) are currently taking part in a training course (2024: 914 employees, 16.7 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.

Wide range of offers for young professionals

With 427 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

79 apprentices began their apprenticeships in 2025 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 100 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.

72 commercial bank apprentices and 14 IT apprentices graduated, with 44 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, 90 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. There were 51 interns and 87 trainees working at the bank in 2025. 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 177 young people, including 55 girls.

In its third iteration, the summer internship programme for students proved popular once again. The increased presence has led to a significant rise in both the quantity and quality of interested parties and applicants. This emphasises the attractiveness of Zürcher Kantonalbank as an employer for university graduates. A total of 1,348 applications were received for the 20 positions. The ten-week programme gave students an insight into the bank, enabling them to gain some initial professional experience and build a network. We were able to recruit several participants for further employment with us.

Employer commitment

Equal opportunities

Zürcher Kantonalbank aims to achieve equal opportunity for all employees and is committed to a shared understanding. 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 or sexual identity, disability, ethnic origin, nationality or religion. We have the following networks: Women's Network, Queers & Peers, the Mensch* network (founded by employees with disabilities, but open to all) and a Co-Lead Network (job sharing in management). As an employer, Zürcher Kantonalbank was awarded the LGBTI label for the third time in a row in the reporting year.

The concept of equal opportunity was enshrined in the 2030 public service mandate (see p. 7) as a component of corporate sustainability.

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 measures in order to achieve the bank's gender diversity targets, which are monitored by a Diversity Steering Committee. 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.

This focus has proven effective, and the proportion of women is gradually increasing: At the end of the reporting year, this was 22.8 percent at the second most senior level of management and 28.1 percent at the third most senior level. Gender parity among junior staff has been achieved across all categories, with the achievement of the target for commercial apprenticeships being particularly noteworthy. At the end of

the year under review, women generally made up 37.1 percent of the workforce (2024: 36.9 percent). The percentage of women in middle management was 38.4 percent (2024: 38.2 percent), with 20.5 percent in senior management (2024: 19 percent).

Externally, we are a member of the Advance gender equality network.

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 2025 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. Around 600 children of employees visited the bank in 2025. The special "Madchen 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.

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 and the provision of flexible working time models is becoming increasingly important for both men and women.

In total, 29.6 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.

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. 107 fathers took the two-week paternity leave.

Political engagement

Zürcher Kantonalbank supports employees if they choose to hold a political office. A total of 116 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.

Foundation of the Employee Care Team

With the new Employee Care Team, we ensure standardised and needs-based support for parental leave, long-term absences and employees with disabilities. A dedicated team can professionalise the legal, medical and organisational aspects by pooling expertise. The provision and management of workplace health promotion programmes and prevention measures are also part of the remit.

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.

Our systematic health-related offers include financial support for health checks, free flu vaccinations in collaboration with the health organisation Swica, and support for sporting activities such as the health-promoting Switzerland-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 7.4 lost days per employee as a result of sickness or occupational and non-occupational accidents (2024: 7.1 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 2025, 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 2025

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 (HR) management so that they can be incorporated into the bank's concepts, directives and decision-making principles.

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 6,179 active insured persons and 2,308 retirees. As at 31 December 2025, it managed assets of approximately CHF 6 billion and had a coverage ratio of 117.6 percent (unaudited). For further information on occupational pensions and employee benefits, please see Note 13.

Business Development

2025 – A very successful financial year, characterised by geopolitical unrest, volatile markets and further interest rate cuts by the Swiss National Bank.

Consolidated profit before taxes was excellent, rising 10.3 percent to CHF 1,422 million (previous year: CHF 1,289 million).

Despite a challenging interest rate environment, the net result from interest operations of CHF 1,679 million was on a par with the previous year (CHF 1,680 million).

The commission business and services reported outstanding results. At CHF 1,082 million they achieved a new record and, with a 33.7 percent share of operating income, made a correspondingly positive contribution to the bank's overall result.

The trading result of CHF 427 million was well ahead of last year's figure of CHF 353 million. The most significant contribution to this encouraging performance came from trading in currencies and precious metals; high customer activity and market opportunities effectively seized had a positive impact on the result.

Operating expenses increased by 3.4 percent or CHF 59 million to CHF 1,790 million compared to the previous year. Extraordinary income totalling CHF 68 million, which is attributable among other things to the sale of Zürcher Kantonalbank Österreich AG, also had a positive impact on the result. After deducting taxes, the group result after taxes was a pleasing CHF 1,241 million (up 10.8 percent).

Analysis of earnings

Stable net result from interest operations

The gross result from interest operations amounted to CHF 1,692 million, corresponding to a 2.6 percent or CHF 45 million lower result than in the previous year. Interest operations were characterised in particular by the Swiss National Bank's (SNB) two interest rate reduction. Although volume growth in the lending and mortgage business developed favourably, interest income in the lending business declined slightly. In the deposit business, interest expenses fell due to the lower interest rate level while client deposits noticeably increased.

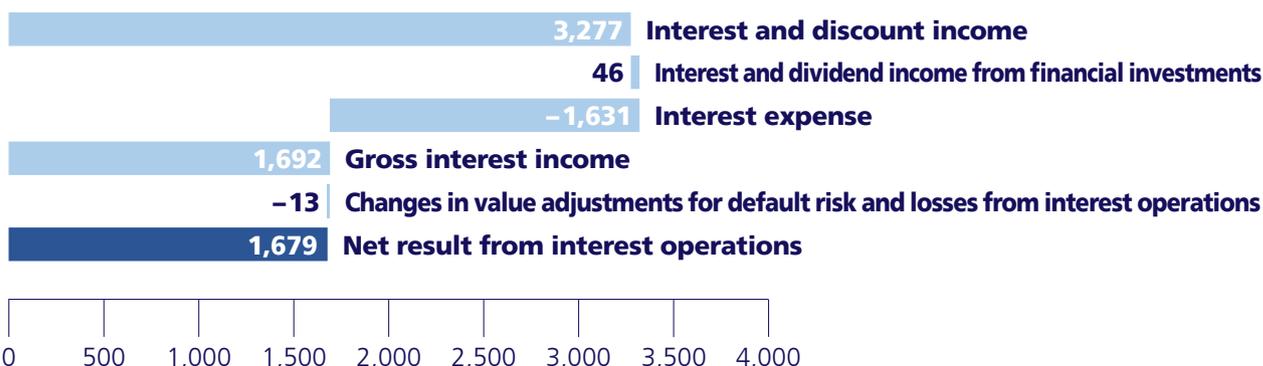
Individual value adjustments recognised were CHF 30 million, in line with the previous year (CHF 32 million), but CHF 19 million of value adjustments for expected losses were released partly due to the ongoing shift from fixed-rate mortgages to SARON mortgages with a shorter average term.

Overall, this led to a net result from interest operations totalling CHF 1,679 million, which is CHF 1 million or 0.1 percent lower than the previous year's figure.

Outstanding result from commission business and services

At CHF 1,082 million, the result from commission business and services increased by 5.7 percent or CHF 58 million year-on-year, thereby reaching a record high. The largest income stream again proved to be commission income from securities trading and investment activities,

01 Breakdown of result from interest operations in CHF million



which rose by 7.6 percent to CHF 1,240 million compared to the previous year (CHF 1,152 million). The main drivers in securities trading and investment activities are income from the fund and asset management business. This pleasing development is based on a positive market performance and net new money inflows.

At CHF 78 million, commission income from lending activities was on a par with the previous year (CHF 77 million). Commission income from other services also made a positive contribution at CHF 153 million (previous year: CHF 148 million).

In line with the higher volume of business, commission expenses were also 10.4 percent higher than the previous year at CHF 390 million.

Very encouraging trading result

The result from trading hit a very encouraging level at CHF 427 million (previous year: CHF 353 million). This was particularly driven by volatile markets and opportunities in the currencies and precious metals market; the result from trading in foreign exchange, bank notes and precious metals came to CHF 232 million, 58.9 percent higher than the previous year. The result from trading in equities and structured products, at CHF 101 million, exceeded the previous year's result by 28.5 percent. In both instances the result was boosted by high customer activity. By contrast, both the result from trading in bonds, interest rate and credit derivatives at CHF 64 million (previous year: CHF 93 million) and the result from other trading activities at CHF 30 million (previous year: CHF 34 million) were lower than the previous year.

Please see Note 32 in the Financial Report.

Other result from ordinary activities

The other result from ordinary activities stands at CHF 25 million, up CHF 7 million or 20.5 percent over the previous year. In particular, the CHF 6 million lower income from the disposal of financial investments led to this decrease. In the previous year, income of CHF 4 million was realised from the sale of properties acquired as

part of mortgage liquidations. At CHF 14 million, income from participations in 2025 accounted for the largest share of the result under the item Other result from ordinary activities.

Operating expenses increase in line with expectations

Operating expenses of CHF 1,790 million increased 3.4 percent or CHF 59 million compared to the previous year. Growth in both personnel and general and administrative expenses is therefore within the expected range. Around CHF 26 million of the increase is attributable to personnel expenses, which rose 2.1 percent year on year to CHF 1,249 million. This is mainly due to the higher headcount.

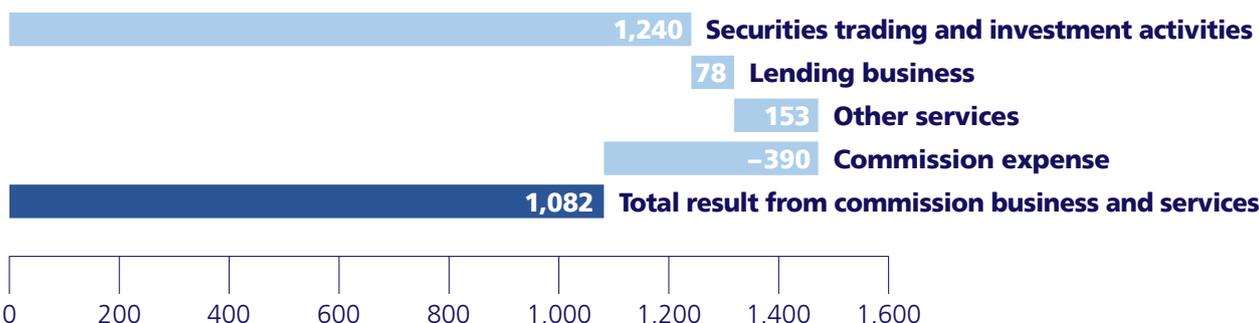
General and administrative expenses totalled CHF 541 million, 6.5 percent higher than the previous year (CHF 508 million). At CHF 33 million, office space expenses are on a par with the previous year. By contrast, costs for information and communications technology were significantly higher, rising from CHF 193 million the previous year to CHF 209 million. This increase can be put down to the strengthening of the IT infrastructure and higher licensing costs due to the larger number of employees. The higher business volume also pushed up other operating expenses, which rose 6.6 percent to CHF 290 million.

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

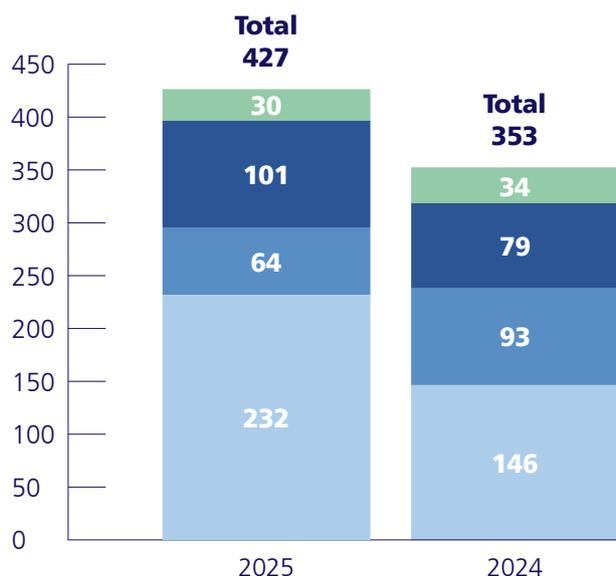
Value adjustment and amortisation expenses decline

Expenses in connection with value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets in the year under review amounted to a total of CHF 51 million, considerably lower than the previous year (CHF 72 million). The difference is mainly due to goodwill amortisation of CHF 12 million during the prior year. Value adjustments

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



03 Breakdown of result from trading activities in CHF million



- Result from other trading activities
- Result from trading in equities and structured products
- Result from trading in bonds, interest rate and credit derivatives
- Result from trading in foreign exchange, bank notes and precious metals

on participations, depreciation and amortisation of tangible fixed assets and depreciation on bank buildings and other real estate are declining. The largest share of this item in the income statement relates to depreciation on bank buildings and other real estate, which amounted to CHF 37 million.

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 2025, this item shows a creation of CHF 18 million (previous year: CHF 8 million). The change in provisions for default risks on credit limits granted, which are CHF 6 million higher than in the previous year (CHF 4 million) due to the trend in various risk parameters, contributed significantly to the development. The other provisions are CHF 3 million higher than in the previous year.

Extraordinary result thanks to the sale of a subsidiary

The extraordinary result totalling CHF 68 million includes primarily the gain on the sale of Zürcher Kantonalbank Österreich AG in January 2025. The bank

transferred 100 percent of the share capital and full control to Liechtensteinische Landesbank AG. It also includes the proceeds from the sale of properties totalling CHF 3 million as well as reversals of impairments on participations of CHF 6 million.

Consolidated profit after taxes

The tax expenses for 2025 amount to CHF 180 million, of which CHF 169 million is attributable to the OECD minimum tax in Switzerland. The OECD minimum tax is credited in full to the canton when determining the dividends to the canton and municipalities in accordance with the Minimum Taxation 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 Financial Report. After taking taxes into account, this results in an outstanding consolidated profit of CHF 1,241 million, which corresponds to an increase of CHF 121 million or 10.8 percent compared to the previous year.

Analysis of the asset and financial position

Stable balance sheet structure

Total assets stood at CHF 206.2 billion as at the end of 2025 and were therefore higher than in the previous year. The most important balance sheet items on the assets side continue to be mortgage loans with a share of 53.9 per cent (previous year: 52.6 percent) and cash and cash equivalents at 17.6 percent (previous year: 16.2 percent). On the liabilities side, client deposits account for 55.4 percent (previous year: 52.8 percent) and amounts due to banks for 15.4 percent (previous year: 19.6 percent), together making up the majority. The balance sheet structure therefore remains largely unchanged compared to previous years.

Liquidity position comfortable

High-quality liquid assets (HQLA) amount to CHF 54.1 billion, of which CHF 36.3 billion are cash and cash equivalents. With a liquidity coverage ratio (LCR) of 136 percent (previous year: 142 percent), and a net stable funding ratio (NSFR) of 118 percent (previous year: 116 percent), the bank continues to comply comfortably with regulatory liquidity requirements.

Development of the interbank and securities financing business

On the assets side, amounts due from banks amounted to CHF 2.5 billion and were therefore lower than in the previous year (CHF 3.4 billion). The situation is similar for amounts due from securities financing transactions, which stood at CHF 20.2 billion as at the reporting date, corresponding to a decline of 20.3 percent. On the liabilities side, liabilities from securities financing transactions amounted to CHF 9.5 billion, an

increase of CHF 1.5 billion compared to the prior year. The changes in the items are due, among other things, to active balance sheet management. Please see Note 1 in the Financial Report.

Positive development in volume of loans

Mortgage loans in the amount of CHF 111.2 billion were outstanding at the end of 2025 (previous year: CHF 106.6 billion). This corresponds to a net increase of 4.3 percent or CHF 4.6 billion. At year-end, the value adjustments for impaired mortgage loans amounted to CHF 38 million (previous year: CHF 35 million) and for expected losses on mortgage loans to CHF 362 million (previous year: CHF 383 million). Amounts due from clients amounted to CHF 12.7 billion and these recorded net growth of 9.0 percent or CHF 1.0 billion. Individual value adjustments on these amounts due totalled CHF 238 million (previous year: CHF 222 million) and the value adjustments for expected losses were only slightly higher than in the previous year at around CHF 56 million (previous year: CHF 53 million).

Development of the trading business and financial instruments

The trading business is strongly client-focussed and portfolios are dependent on the reporting date. On the assets side, the trading portfolio fell by 1.9 percent to CHF 13.2 billion. The positive replacement values of derivative financial instruments fell by CHF 2.7 billion to CHF 1.0 billion. On the liabilities side, trading portfolio liabilities declined by CHF 404 million or 14.1 percent to CHF 2.5 billion year on year. The situation is different for the negative replacement values of derivative finan-

cial instruments, which rose by CHF 100 million or 10.0 percent to CHF 1.1 billion compared to the previous year. Liabilities from other financial instruments at fair value amount to CHF 4.7 billion (previous year: CHF 4.4 billion). With regard to liabilities from other financial instruments at fair value, please see Notes 3 and 4 in the financial report on trading activities and Note 14 in the financial report.

Information on market risk management can be found in section 1.6 of the Risk Report.

Portfolio of financial investments increased

Financial investments increased by 48.6 percent year on year to CHF 7.7 billion. At CHF 7.1 billion (previous year: CHF 4.8 billion), debt securities accounted for the majority of financial investments, representing 91.6 percent. The increase was due in particular to market opportunities.

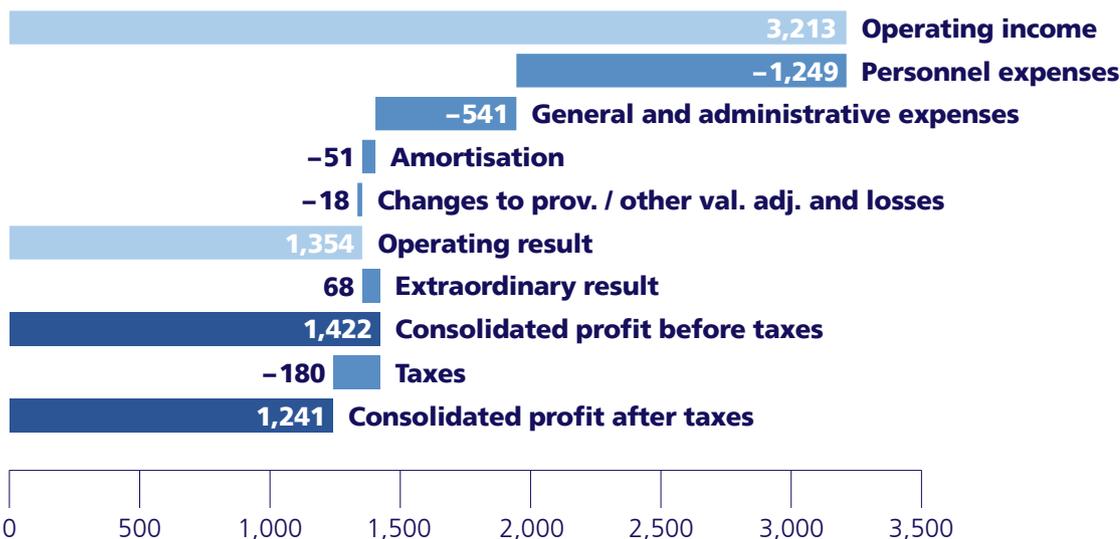
Debt securities are generally held to maturity. Fixed-interest securities that qualify as high-quality liquid assets (HQLA) under the Liquidity Ordinance may be counted towards liquidity. At the end of 2025, the portfolio of securities in financial investments that were eligible to be regarded as HQLA totalled CHF 6.9 billion.

The remaining portfolio mainly consists of precious metals (CHF 499 million).

Participations and tangible fixed assets

At CHF 158 million, non-consolidated participations were slightly up on the previous year (CHF 155 million). For further information, please see Notes 6 and 7 to the Financial Report. Tangible fixed assets largely comprise bank buildings with a book value of CHF 455

04 Consolidated profit after taxes in CHF million



million (previous year: CHF 472 million); two bank buildings were sold in the first half of the year. The change in tangible fixed assets was influenced by depreciation of CHF 49 million in combination with (replacement) investments in the amount of CHF 29 million. Overall, the portfolio of tangible fixed assets totalled CHF 474 million at the end of the year, compared to CHF 497 million the previous year. Further details on tangible fixed assets can be found in Note 8 to the Financial Report.

Funding position

The challenging interest rate environment was also reflected in the balance sheet. Overall, amounts due to customers deposits fell by 6.9 percent to CHF 114.3 billion. This item includes savings accounts as well as other customer accounts at sight and on time. While client deposits at sight increased due to the low interest rates, time deposits decreased by CHF 7.9 billion. As in the previous year, holdings of cash bonds and money-market instruments decreased further and totalled CHF 208 million at the end of the year (previous year: CHF 260 million) or zero (previous year: CHF 50 million). Bonds outstanding totalled CHF 11.9 billion at the end of the year, an increase of CHF 896 million or 8.2 percent compared to the end of the previous year. By issuing a EUR 500 million bond with Swiss withholding tax on the eurozone capital market, Zürcher Kantonalbank was able to successfully expand its investor base and thus strategically diversify its refinancing sources. There was also an increase in mortgage-covered loans, which totalled CHF 12.0 billion at the end of the year (previous year: CHF 11.2 billion), an increase of CHF 879 million or 7.9 percent. 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.

Client assets up

Client assets amounted to CHF 579.0 billion as at 31 December 2025 (previous year: CHF 520.8 billion), of which CHF 498.6 billion relates to assets under management (previous year: CHF 457.3 billion). The CHF 41.3 billion increase in assets under management is mainly due to the market performance (CHF 33.6 billion) and net new money inflow (CHF 13.6 billion). The sale of Zürcher Kantonalbank Österreich AG in January 2025 led to the disposal of assets under management totalling CHF 4.8 billion. For further information, please see Notes 31 a) and 31 b) to the Financial Report.

Capital base stable at a high level

Shareholders' equity reported before appropriation of profit increased by CHF 866 million or 5.8 percent over the previous year. This figure contains the bank's capital of CHF 2.4 billion provided by the Canton



Three questions for: **Martin Bardenhewer,** **Chief Financial Officer**

How secure is the Swiss financial market?

Thanks to proportionate yet effective regulation, Switzerland has a strong financial centre. It has been further strengthened by the adequate implementation of international standards over the past few years. This must be safeguarded. It is important to learn the right lessons from the Credit Suisse crisis and to continue to develop regulation with a sense of proportion. This will ensure the stability of the financial centre – also for the future.

What makes ZKB stable?

It has many pillars. Firstly, our diversified business model: Interest operations are and remain the most important part of our services, but the proportion of investment activities in particular has grown significantly in recent years and we are continuing to expand it. Careful risk management is of central importance to us. We also have a very large financial risk buffer: We clearly exceed the existing equity requirements and hold almost a quarter of our balance sheet as a liquidity buffer – this is, in effect, our insurance policy.

Would ZKB still be one of the safest banks in the world without the state guarantee?

Yes. The decisive factors have already been mentioned: our very good balance sheet figures, the fact that we exceed the regulatory requirements as well as our well-diversified, broad-based business model. Consequently, even without the state guarantee, ZKB is ideally positioned to continue its sustainable success in the future. And that makes us one of the safest universal banks in the world.

of Zurich as equity, which has an indefinite time limit. Other elements include retained earnings in the amount of CHF 11.7 billion, reserves for general banking risks (CHF 379 million) and the consolidated profit (CHF 1,241 million). At year-end, the bank's equity totalled CHF 15.7 billion (previous year: CHF 14.9 billion).

Development of regulatory capital adequacy situation

The risk-based total loss absorbing capacity (risk-based TLAC ratio) amounted to 32.2 percent as at 31 December 2025 (previous year: 25.7 percent). The risk-based capital ratio included in this figure on a going concern basis was 22.7 percent as at the end of the year. This means that both the TLAC (20.7 percent) and going concern (13.8 percent) requirements are significantly exceeded.

The strong increase in the risk-based capital ratio is due, on the one hand, to the more risk-sensitive calculation of risk-weighted assets (RWA) with the introduction of the Basel III final framework as of 1 January 2025, which resulted in a reduction in RWA. On the other hand, retention of profits strengthens the equity base.

On an unweighted basis, the total loss absorbing capacity (TLAC leverage ratio) is 10.1 percent (previous year: 9.8 percent), meaning that the requirements of 6.8 percent are comfortably met. The leverage ratio (going concern), at 7.1 percent (previous year: 6.8 percent), is likewise well above the requirement of 4.5 percent. These figures confirm Zürcher Kantonalbank's strong capitalisation.

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 stand-alone rating of aa- (Standard & Poor's).

Zürcher Kantonalbank

**Corporate
Governance
2025**

Contents

68	Corporate Governance
71	Internal organisation
76	Activity reports
76	Chairperson's Committee
76	Board of Directors
77	Audit Committee
78	Risk Committee
78	Compensation and Personnel Committee
79	IT Committee
80	Chairperson's Committee, Board of Directors and Executive Board
81	Chairperson's Committee
82	Board of Directors
85	Executive Board

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 2025.

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.

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 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.

Members of the Board of Directors and its committees as at 31.12.2025 (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	(July 2007 – Nov 2008)	(Oct 2010 – June 2011)	since July 2019	(Nov 2008 – June 2019)
Roger Liebi	Deputy Chairman Member of the Board of Directors	since 01.07.2019 since 01.07.2018	(July 2018 – June 2019)	since Feb 2022		(July 2018 – Jan 2022)
Mark Roth	Deputy Chairman Member of the Board of Directors	since 01.02.2022 since 01.09.2013	(July 2015 – Jan 2022) (Sept 2013 – June 2015)			since Feb 2022 (Sept 2013 – June 2015)
Amr Abdelaziz	Member of the Board of Directors	since 01.07.2015	since July 2015		since July 2015	
Sandra Berberat Kecerski	Member of the Board of Directors	since 01.03.2022	since Jan 2025 (Mar 2022 – Dec 2024)	(Mar 2022 – Dec 2023)	(Jan – Dec. 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	(July 2019 – Dec 2023)	since Jan 2024		since July 2019
René Huber	Member of the Board of Directors	since 01.11.2014	since Nov 2014	(July 2015 – Dec 2024)	since Jan 2025	
Gregor Kreuzer	Member of the Board of Directors	since 01.01.2024	(Jan – Dec 2024)			since Jan. 2025 (Jan – Dec. 2024)
Dr York-Peter Meyer	Member of the Board of Directors	since 01.01.2025	since Jan 2025	since Jan 2025		
Kristine Schulze	Member of the Board of Directors	since 01.01.2025		since Jan 2025		since Jan 2025
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 2025	(Jan – Dec 2024)	since Jan 2024	

Legend: Chair

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 70th birthday. If a member of the Chairperson's Committee reaches their 65th 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 69.

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 and the regulations governing the compensation paid to members of the Board of Directors; accepting the bank's annual financial statements, annual report and sustainability report; and discharging the bank's governing bodies.

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 2025, 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.

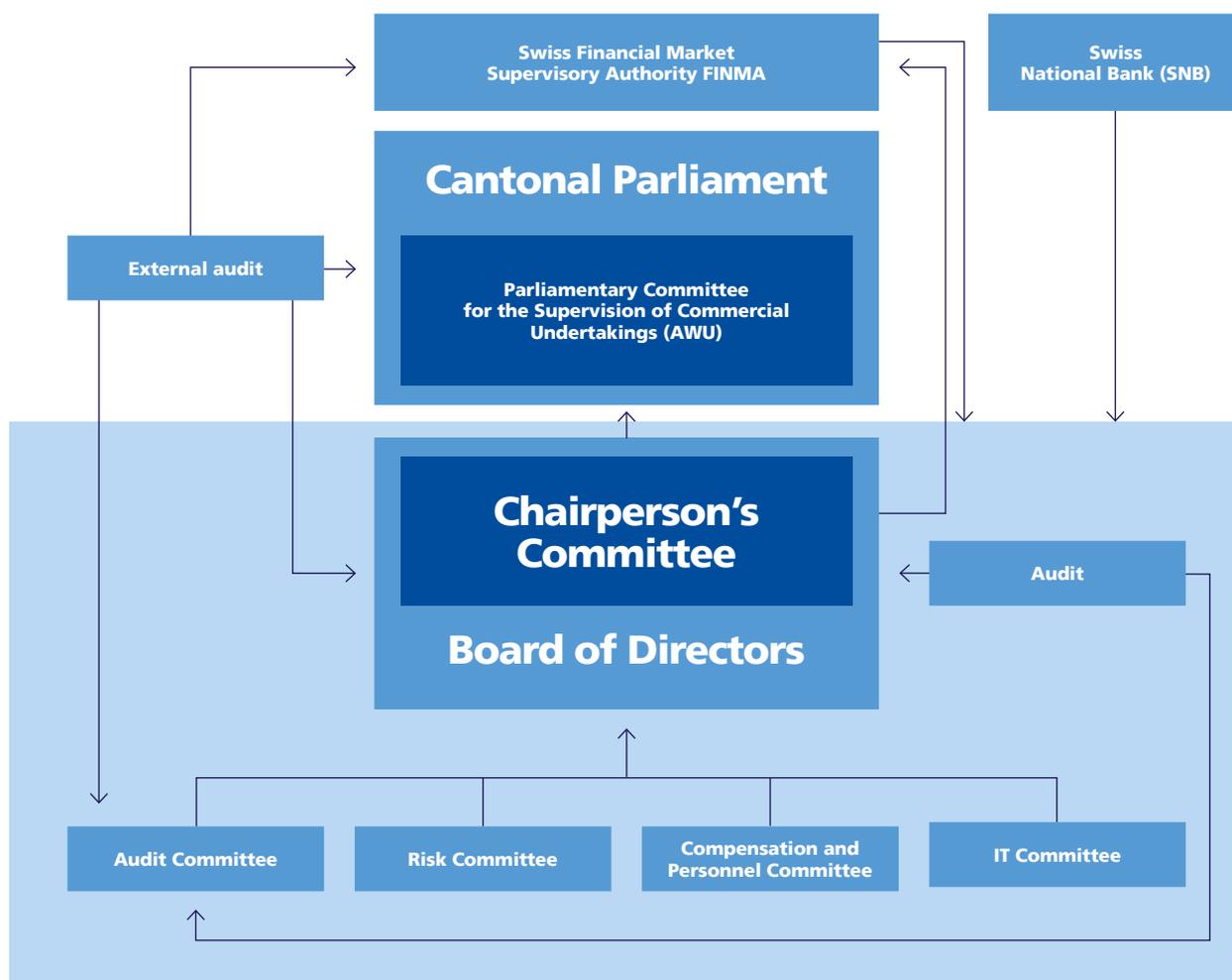
Moreover, Zürcher Kantonalbank has an Audit unit that reports directly to the Board of Directors and is independent of the Executive Board. Audit assists the Chairperson's Committee and the Board of Directors in fulfilling their supervisory and control tasks, and has unlimited rights of inspection and 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.

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, which also accounts for the bank's fulfilment of the public service mandate.

AWU members as at 31.12.2025

Stefanie Huber, GLP	Chairperson
Thomas Anwander, Die Mitte	Member of the Committee
André Bender, SVP	Member of the Committee
Astrid Furrer, FDP	Member of the Committee
Andrea Grosse-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
Silvia Rigoni, Grüne	Member of the Committee
Manuela Tremonte, SP	Member of the Committee
René Truninger, SVP	Member of the Committee

Corporate Governance at Board of Directors level



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. 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 Adrian Bruhin.

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).

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 the contingency and stabilisation plan
- 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

The Board of Directors follows a structured annual cycle and examines the group strategy and the associated strategic risks. This includes the related planning, the determination of risk policy requirements, as well as controlling and periodic reporting activities. Other topics that are regularly addressed include the financial reporting, risk reporting and 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.

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 effectiveness of the internal control system and appraises the audit plan and reports issued by Audit and the external auditors.

As at 31 December 2025, the Audit Committee consisted of Sandra Berberat Kecerski (Chairwoman), Amr Abdelaziz, René Huber, York-Peter Meyer and Claudia Zimmermann. The Head of Audit attended all meetings of the Audit Committee as a permanent guest. The Chairperson's Committee and the CFO participated 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 2025, this Committee consisted of Adrian Bruhin (Chairman), Bettina Furrer, Roger Liebi, York-Peter Meyer and Kristine Schulze. 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 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 2025, the Compensation and Personnel Committee comprised Hans-Ueli Vogt (Chairman), Amr Abdelaziz, René Huber, 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 2025, the IT Committee comprised Gregor Kreuzer (Chairman), Bettina Furrer, Mark Roth and Kristine Schulze. The Head of the IT, Operations & Real Estate business unit and the Head of IT Audit participate in each meeting of the IT Committee.

Audit

Audit is responsible for the group's internal audit. It is headed by Jörg Steinger and at the end of 2025 had 52.6 full-time equivalents (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).

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 26 May 2025, the Cantonal Parliament confirmed the appointment of EY (since 1998) as external auditors for 2025 and 2026.

Eveline Hunziker has been the lead auditor for the financial audit since 2025. Patrick Schwaller has been the lead auditor for the regulatory audit since 2020.

In the year under review, EY charged CHF 4.3 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 (2024: CHF 4.1 million). EY did not charge any costs for additional consulting services in 2025 (2024: CHF 0.03 million), whereas it charged CHF 0.2 million for audit-related services (2024: CHF 0.1 million). Furthermore, EY charged CHF 3.5 million (2024: CHF 3.5 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 nine members. It is headed by Urs Baumann (Chief Executive Officer, CEO). Under § 17 of the Cantonal Banking 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

Members of the Executive Board as at 31.12.2025

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
Dr Mario Cramer	Member of the Executive Board	since 01.06.2025
Daniel Previdoli	Member of the Executive Board	since 01.12.2007
Florence Schnydrig Moser	Member of the Executive Board	since 01.01.2021
Hjalmar Schröder	Member of the Executive Board	since 01.04.2024
Susanne Thellung	Member of the Executive Board	since 01.06.2025

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 2025, the Executive Board comprised the persons listed in the table on page 74.

For further information about the individual members of the Executive Board, please see p. 85 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 2025 annual results were announced on 6 February 2026, and the annual report and sustainability report are set to be approved by the Cantonal Parliament on 1 June 2026. The bank's half-yearly results are expected to be published at the end of August 2026.

Activity reports

Chairperson's Committee

In addition to addressing strategic, planning, organisational 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. It decided on all appointments of directors and deputy directors. 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 implementation of the organisational structure adopted by the Board of Directors, with the new Retail Clients business unit and with the change of management in the IT, Operations & Real Estate business unit. It also prepared for the replacement of the heads of the Institutionals & Multinationals business units in 2026. Moreover, the Chairperson's Committee addressed in general the succession planning for the members of the Executive Board and for all of the bank's key management personnel. The Chairperson's Committee also prepared the onboarding of the two 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.

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 the Non-Financial Risk Management project as well as other important bank projects.

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. 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 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

Eleven 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. At one meeting, an exchange took place with representatives of FINMA. In addition, the Board of Directors organised a two-day Board of Directors seminar on strategic topics. 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 about developments on the financial markets. In 2025, the focus was 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. During its two-day seminar, the Board of Directors dealt in depth with analysing the strengths and weaknesses, opportunities and threats of Zürcher Kantonalbank, the strategic implications of disruptive changes and the development of our bank's regulatory environment. It was also informed about developments in quantum and crypto technology by an external speaker and the bank's innovation activities. Training sessions were performed during which it dealt with market conduct rules and antitrust law.

In the year under review, the Board of Directors approved the acquisition of cosmofunding, a debt market portal, and the establishment of Swisscanto Private Equity CH Growth II Ltd (Komplementär AG) as a subsidiary of Swisscanto Fund Management Ltd. It also decided

to expand the bank's organisational structure to include the new Retail Clients business unit. It elected Susanne Thellung as the head of this newly created unit. Due to the departure of the Head of the IT, Operations & Real Estate business unit, Remo Schmidli (since 2019), the Board of Directors also appointed Mario Cramer as the new Head. In preparation for Stephanino Isele's retirement in mid-2026, the Board of Directors elected Roger Reist as his designated successor as Head of the Institutionals & Multinationals business unit and Florence Schnydrig Moser as the future Deputy Chief Executive Officer. The Board of Directors also elected the new managers for the branches in Meilen, Männedorf, Stäfa and Hombrechtikon, the Zurich City branch and the Wollishofen branch, as well as the branches in Zurich-Altstetten, Dietikon and Schlieren.

The Board of Directors also 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 approved the annual updates to the contingency plan and the stabilisation plan, as well as amendments to the organisational regulations, the credit regulations and other regulations. The Board of Directors was also informed about the implementation of FINMA Circular 2023/1 "Operational risks and resilience – banks" and the progress of the Non-Financial Risk Management project. The annual assessment letter was discussed this year for the first time with FINMA representatives at a meeting of the Board of Directors. The Board of Directors also took note of the reporting on human resources, finances, risks and the internal control system (ICS), operational resilience, IT, 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, as well as the activities of the Public and Regulatory Affairs specialist unit and the Art specialist unit.

Audit Committee

The Audit Committee held a total of ten meetings in 2025 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 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 sometimes participated in the meetings. The relevant management decision-makers were also involved in the discussions where needed. The Chairwoman 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 48 internal and 19 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. The Audit Committee paid particular attention to ensuring risk-oriented coverage of all relevant audit areas in coordination with the external auditors.

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 the findings of and comments on FINMA's on-site inspections and other key contacts with the supervisory bodies
- discussion of reports on the course of business of the group companies and participations
- assessment of the issue of new bonds and participation in capital increases by companies in which the bank holds an interest
- assessment of Audit's performance
- assessment of the performance, compensation and independence of the external auditors

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 ratings were 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, the raising of capital, the update of the stabilisation and contingency plan, as well as 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 credit market and in the field of data management, and regarding risks in the derivatives business.

Risk Committee

The Risk Committee held nine ordinary meetings in the year under review. 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, the 20 largest exposures and regulatory developments.

In the reporting year, it was also informed in detail about the following topics and business areas of the bank: progress and results of the Non-Financial Risk Management project, implementation of FINMA Circular 2023/1 "Operational risks and resilience—banks", adjustment of the Exceptions-to-Policy (EtP) reporting rating model for private individuals, implementation of EtP limits for investment properties, FINMA regulation of climate and nature-related (financial) risks, loan application process for bank financing, risk analysis of the corporate portfolio, risk framework for international Private Banking activities, takeover financing, corporate financing dashboard, as well as on the commodity trade finance and trade finance business. In addition, the Risk Committee elected the successor to the current committee secretary as of 1 March 2026.

Compensation and Personnel Committee

The Compensation and Personnel Committee met for ten ordinary meetings and one extraordinary meeting in the year under review. Depending on the topic, the following additional people also participated in the meetings: members of Chairperson's Committee, the CEO, CFO, the Head of Institutionals & Multinationals and other representatives of the specialist units, and external advisors.

As is standard, the Compensation and Personnel Committee attended to succession planning for the Executive Board and key management personnel, the implementation of the human resources strategy and, in this context, matters related to compensation and its evaluation (including equal pay), promotions, as well as staff training and development. As part of the annual reporting process, it reviewed the Compensation Report and examined the compensation of the Executive Board (with a benchmark comparison), the variable compensation for Trading, the implementation of the group-wide salary and profit-sharing system, and the parameters for the 2025–2027 long-term deferred compensation. It also received a report on the compensation system of the subsidiaries.

The Compensation and Personnel Committee dealt with numerous election proposals during the reporting year. These proposals, which it prepared for the attention of the Board of Directors, related to the following positions: Head of the new Private Clients business unit, Interim Head and new Head of the IT, Operations & Real Estate business unit, Head of the Institutionals & Multinationals business unit, Deputy CEO, Deputy Head of the IT, Operations & Real Estate business unit, Deputy Head of the Finance business unit, Deputy Head of Audit, Deputy Head of the Product, Services & Direct Banking business unit, Deputy Head of the new Retail Clients business unit and the successor to the general secretary. The Compensation and Personnel Committee also initiated the nomination process for the successor to the Head of the Product, Services & Direct Banking business unit and elected a new committee secretary with effect from 1 March 2026. Further election proposals related to the branch managers of the branches in Zurich City, Zurich-Altstetten, Dietikon, Schlieren, Meilen, Männedorf, Stäfa and Hombrechtikon. In addition, the Committee discussed the proposal to the Cantonal Parliament for approval of the new regulations on the compensation of members of the Board of Directors, the response letter to FINMA on Zürcher Kantonalbank's compensation system, the new guideline on part-time activities of members of the Executive Board, and the proposal to approve the revision of the Personnel and Compensation Regulations. It was also informed about the employee satisfaction survey 2025, the new departmental objectives of the

People & Culture department (HR), the updated talent development programmes and the revised promotion model.

IT Committee

The IT Committee held seven ordinary meetings in the year under review. At all meetings, it dealt with the report of the Head of the IT, Operations & Real Estate business unit and, on a quarterly basis, in detail with the strategic IT reporting of the centralised Controlling function of the Finance business unit. 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: deployment management, report on secure software development with a focus on testing, Microsoft 365 (cloud migration) and the status of the transformation of IT assets to the cloud. Specific projects were also addressed, such as the gradual introduction of the new centralised application for service and sales management (SESAM). Following the successful initial launch in the direct bank in 2024, the second stage of the overall deployment in the core segments began in June 2025 and will be completed in the first half of 2026.

The IT Committee's meetings dealt with IT operations, year-end processing and IT incident management. In-depth topics relating to IT risk management and IT security were also regularly on the agenda. Such topics included dealing with the risk of partners and suppliers, data encryption, compliance with backup & recovery targets and identity & access management (IAM).

The IT Committee dealt with all audit reports relevant to IT and was regularly updated about the rectification status of the findings of Internal Audit, the external audit firm and the implementation of FINMA requirements (particularly those set out in Circular 2023 / 1 "Operational risks and resilience – banks").

The Committee also examined the complexity in IT and the deployment of new technologies and innovations. These included the use of large language models (LLM) and the SCION Internet, an ETH Zurich innovation for highly secure data exchange. 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



Gregor Kreuzer
Member of the
Board of Directors



York-Peter Meyer
Member of the
Board of Directors



Kristine Schulze
Member of the
Board of Directors



Hans-Ueli Vogt
Member of the
Board of Directors



**Claudia
Zimmermann**
Member of the
Board of Directors

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 the ZKB Philanthropy Foundation, Zurich
- › 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
- › Executive Board of Musikkollegium Winterthur, Winterthur

Roger Liebi was elected to the Chairperson's Committee in June 2019. He has been a member of the Board of Directors since 2018. He began his career at Union Bank of Switzerland, where he worked in commerce, retail client business and as a foreign exchange / money market dealer. He rose to the rank of vice-director in international private banking, working, for instance, for the 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 Ruti 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 (LL.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
- › Member of the Board of Directors of Allreal Holding AG, Glattpark (Opfikon)
- › 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 March 2022. She has

managed Goldenberg Immobilien GmbH since 2014. She has been a member of the Board of Directors and the Audit Committee of Allreal Holding AG since April 2025, and since 2022 a member of the Executive Board of EXPERTsuisse, the expert association for auditing, tax and fiduciary services in Switzerland. Her professional career took her to Deloitte AG in 2005 as Manager Audit & Advisory in Zurich and in 2011 to UBS AG as a specialist for financial reporting, equity and going concern risks. 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 chairs the Audit 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 she held a management position with the rank of Vice President at UBS AG. She was subsequently employed by the Zurich University of Applied Sciences, Winterthur, where she served as a lecturer (2004–2011) as well as a professor and Head of the Institute for 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 transport authority (Verkehrsbetriebe Glattal AG (VBG)), Glattbrugg

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. He was a member of the Board of Directors of Seitzmeir Immobilien AG, Zurich, until 2025. 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 both the Audit Committee and the Compensation and Personnel 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 professional 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 chairs the IT Committee of the Board of Directors of Zürcher Kantonalbank.

York-Peter Meyer
Member of the Board of Directors

Dr. oec. HSG and MBA
Swiss / German national;
born in 1968

Key mandates:

› none

Dr York-Peter Meyer was elected to the Board of Directors in November 2024 to replace Walter Schoch, who resigned his position. Dr York-Peter Meyer holds three university degrees in finance, including a doctorate from the University of St. Gallen (HSG) and an MBA from the University of Chicago Booth School of Business. He has more than 24 years of professional experience in the financial sector. He began his professional career at the investment bank Salomon Brothers in sales of equity derivatives. He then held senior positions in the sale of derivatives and structured products at Citigroup, Leonteq and most recently at Bank Vontobel. He is a member of both the Audit Committee and the Risk Committee of the Board of Directors of Zürcher Kantonalbank.

Kristine Schulze
Member of the Board of Directors

University degree in economics (dipl. rer. pol.)
Swiss / German national;
born in 1963

Key mandates:

› none

Kristine Schulze was elected to the Board of Directors in December 2024 to replace Henrich Kisker, who resigned his position. Kristine Schulze holds a university degree (dipl. rer. pol.) in economics from the Technical University of Hanover, two CAS in Sustainable Finance and Social Management, and an MAS in Applied Ethics from the University of Zurich. She has over 30 years of professional experience with banks, insurance companies and in management consultancy. She began her career at Deutsche Bank, followed by positions in the Swiss financial centre at Credit Suisse and Coop Bank. In 2012, Kristine Schulze moved to the insurance industry and took over as Head of Corporate Responsibility at the Helvetia Group. From 2022 to 2025, she was responsible for sustainability at the Swiss Insurance Association (SIA). Kristine Schulze has been advising companies focussing on sustainability and sustainable finance since 2025. She is a member of both the Risk Committee and 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 (Zurich/New York)
Swiss national; born in 1969

Key mandates:

- › Member of the Board of Directors of SRG SSR, Berne
- › Member of the Board of Trustees of the HIG Real Estate Investment Foundation, Zurich

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. He has been a member of the Board of Trustees of HIG Real Estate Investment Foundation since December 2024. From 2015 to 2021 he was a member of the National Council, where he played a key role, as he did previously as an expert for the management of the Federal Administration, in shaping the revision of company law on 19 June 2020. 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 of SKAT Consulting AG, St. Gallen
- › Member of the Board of Directors of Auwiesen Immobilien AG, Winterthur
- › Member of the Board of Directors of 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 at international companies in the fields of ICT, private equity, financial and strategy consulting, as well as in industry. She is a member of the Audit 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)



Stephanino Isele
Head of Institution-
als & Multinationals,
Deputy Chief
Executive Officer



Susanne Thellung
Head of Retail
Clients



**Florence
Schnydrig Moser**
Head of Private
Banking



Jürg Bühlmann
Head of Corporate
Banking



**Martin
Bardenhewer**
Chief Financial
Officer (CFO)



Mario Cramer
Head of IT, Opera-
tions & Real Estate



Daniel Previdoli
Head of Products
& Services



Hjalmar Schröder
Chief Risk Officer
(CRO)

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, which he led until March 2022 as CEO. Urs Baumann has a Master of Arts from the University of St. Gallen and an MBA from the University of Chicago Booth School of Business. 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 Chairman 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 the Institutionals & Multinationals business unit 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.

Susanne Thellung

Head of Retail Clients

lic. oec. HSG

Swiss national; born in 1974

Key mandates:

- › Chairwoman of the IFZ Institute for Financial Services Zug, Rotkreuz

Susanne Thellung joined Zürcher Kantonalbank on 1 June 2025 as a member of the Executive Board and took over as Head of the Retail

Clients business unit in November 2025. She previously worked at UBS for 21 years, where her roles included Regional Director for Central Switzerland and a management position in the corporate and institutional business. From 2021, she was Chief Executive Officer of Schwyzer Kantonalbank, which she successfully reoriented during her tenure. Susanne Thellung studied Finance, Accounting and Controlling at the University of St. Gallen (HSG). She has many years of management experience, extensive sales experience in retail banking and proven expertise in data-driven banking.

Florence Schnydrig Moser

Head of Private Banking

Masters in Mathematics EPFL

Swiss national; born in 1972

Key mandates:

- › Chairwoman of the Board of Directors of Spheriq AG, Basel
- › Member of the Board of Trustees of the ZKB Philanthropy Foundation, Zurich
- › Member of the Board of Trustees of the Hasler Foundation, Berne
- › Member of the Board of Trustees of ESAG (Swiss Archaeological School in Greece)

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 devel-

opment and marketing of products for Swiss private clients and, as a member of the Executive Board, had overarching responsibility with- in 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).

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.

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 Ltd., Zurich
- › Member of the Executive Board of esisuisse, 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.

Mario Cramer
Head of IT, Operations & Real Estate

Dr inform.
Swiss / Liechtenstein national;
born in 1972

Key mandates:

- › Member of the Advisory Board of the Institute of Computer Science, University of Zurich

Mario Cramer has been Head of IT, Operations & Real Estate and a member of the Executive Board since 1 June 2025. He was the founder and partner of a consulting boutique for digital transformation for financial service providers. Previously he worked for around 20 years in management-level IT and business positions at Credit Suisse, including as CIO and Head of IT & Operations at Swiss Universal Bank, and as Head of Direct Banking and as a member of the Executive Board of Credit Suisse Switzerland. He also worked as CIO at Julius Baer for four years. Mario Cramer holds a doctorate in computer science from the University of Zurich.

Daniel Previdoli
Head of Products & Services

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.

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.

Hjalmar Schröder
Chief Risk Officer (CRO)

Master 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

Zürcher Kantonalbank

**Compen-
sation
Report
2025**

Contents

92	Foreword by the Board of Directors to the Compensation Report
93	Competences and compensation policy
95	Compensation groups
96	Components of compensation
98	Compensation in 2025

Foreword by the Board of Directors to the Compensation Report

New Retail Clients business unit

Zürcher Kantonalbank realigned its organisation for the future in the 2025 financial year to reflect changing client needs and market conditions. As part of this realignment, the bank in November 2025 established the new Retail Clients business unit, which supports and renders standardised services to retail clients with assets of up to CHF 1 million. At the same time, the client segments were restructured and the organisational structures in the Private Banking, Corporate Clients and Products & Services business units were adjusted accordingly.

As the bank that is close to you, Zürcher Kantonalbank is therefore gearing its advice, products and services even more specifically to the needs of its clients. At the same time, it is ensuring the long-term fulfilment of its statutory public service mandate and is remaining a reliable partner for the population and the economy.

Expanded Executive Board

As part of this realignment, the Executive Board was expanded to include a new member, the Head of the Retail Clients business unit, who joined Zürcher Kantonalbank in mid-2025. A change of management also took place in the IT, Operations & Real Estate business unit. As a result, the Executive Board, including the CEO, had 9.1 full-time positions in 2025. In comparison, it consisted of eight full-time positions in 2024. The tenure of members joining and leaving is recognised on a pro rata temporis basis.

Total compensation capped

The total compensation of the Executive Board, including the CEO, has been capped for three years at the level of the 2022 financial year. This ceiling is a fixed maximum amount for the CEO. For the other members of the Executive Board, it means that their average total compensation may not exceed the average value for 2022. If the number of members of the Executive Board changes, the ceiling is adjusted accordingly. The compensation of the new Head of the Retail Clients business unit is based on the existing compensation guidelines of Zürcher Kantonalbank, which are in line with the market and performance-oriented.

Competences 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. These apply throughout the group. The procedures for determining compensation are structured and documented by the individual 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.

The Board of Directors issues additional regulations, including the Personnel and Compensation Regulations at Zürcher Kantonalbank. When doing so, as is the case in all of 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.

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. 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

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 Officer	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

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. Every two years, Zürcher Kantonalbank engages an external body to analyse the bank's equal pay status. When necessary, appropriate adjustments are made. The analysis, which was performed again in the 2025 financial year, confirmed the positive trend that has prevailed since the first equal pay analysis was carried out in 2011. Base salary was once again within the statutory tolerance threshold of 5 percent, at 3.1 percent.

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. 96):

- 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 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. 95 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 other misconduct 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.96 f), "Deferred compensation exposed to risk" (p.97) and "Penalty clause" (p. 94) for further details on possible reductions).

As stated in the section "Competencies" (p. 93), 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

Variable compensation is not or only partially paid out at the bank's discretion if employees 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. These regulations are essentially unchanged compared with those prevailing in 1989 (Chairperson's Committee) and 1994 (Board of Directors) and have never been 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. 73) 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 part-time 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 of the Trading, Sales & Capital Markets OU whose variable compensation exceeds a defined threshold.

A total of 92 employees were assigned to this group during the financial year, ten 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, reputation, etc.) and therefore on the group result and the implementation of the strategy. Senior management accounts for approximately 1.6 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. This 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 risk-adjusted 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. 94) 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) has been split equally between a value-oriented and a debt-oriented portion since the 2024 financial year.

The value-oriented long-term deferred compensation is linked to the performance of the group's eco-

conomic 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 valid 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 clauses	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 over the term in the event of a cumulative 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 during the term). 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 2025

As part of the annual revision of the base salaries, Zürcher Kantonalbank decided to increase the total amount of the base salaries for 2025 by CHF 2 million (+0.5 percent) compared to the previous year for employees subject to the bank's Agreement on Conditions of Employment. This increase aims primarily to bring employees' base salary closer to market standards and to pay higher salaries to employees who have taken on more responsibility.

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.

Due to the 10 percent increase in the pre-tax group result, variable compensation has risen in total. The total amount of variable compensation was CHF 300.1 million, with a part-time-adjusted headcount of 5,618 as at the end of the year (previous year: 5,489), of which CHF 15.7 million was for deferred compensation (for further information, see the parent company financial statements, breakdown of personnel expenses, Note 34).

The Chairperson's Committee did not approve any sign-on or severance payments in the financial year.

Details of variable compensation (parent company)

	2025		2024	
	Number of employees ¹	in CHF million	Number of employees ¹	in CHF million
Total amount of variable compensation	5,618	300.1	5,489	284.6
of which deferred compensation	92	15.7	77	14.4

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. These regulations are essentially 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. These rates also apply to other function-related activities. 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 2025 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 2025.

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 2025 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	2025	342,650	–	14,040	90,418	447,108	1,200,000
	2024	342,650	–	14,040	88,688	445,378	1,200,000
Roger Liebi	2025	311,500	–	14,040	80,440	405,980	–
	2024	311,500	–	14,040	78,710	404,250	–
Mark Roth	2025	311,500	–	14,040	82,949	408,489	–
	2024	311,500	–	14,040	81,139	406,679	–
Part-time members of the Board of Directors							
Amr Abdelaziz ⁴	2025	30,000	28,700	6,000	12,884	77,584	–
	2024	30,000	30,100	6,000	4,964	71,064	–
Sandra Berberat Kecerski	2025	24,000	32,550	6,000	10,408	72,958	–
	2024	30,000	31,150	6,000	10,964	78,114	–
Adrian Bruhin	2025	24,000	35,000	6,000	2,408	67,408	–
	2024	24,000	28,700	6,000	2,408	61,108	–
Bettina Furrer ⁵	2025	30,000	23,800	6,000	4,708	64,508	388,000
	2024	30,000	23,450	6,000	4,964	64,414	388,000
René Huber	2025	30,000	29,750	6,000	1,925	67,675	4,409,500
	2024	30,000	28,700	6,000	1,925	66,625	4,419,500
Henrich Kisker ⁶	2024	24,000	32,900	6,000	6,440	69,340	–
Gregor Kreuzer	2025	24,000	26,600	6,000	3,712	60,312	–
	2024	30,000	24,150	6,000	3,188	63,338	–
York-Peter Meyer ⁷	2025	30,000	29,050	6,000	4,604	69,654	–
Walter Schoch ⁶	2024	24,000	32,550	6,000	6,440	68,990	–
Kristine Schulze ⁷	2025	30,000	24,850	6,000	4,604	65,454	–
Hans-Ueli Vogt	2025	24,000	26,250	6,000	3,520	59,770	–
	2024	24,000	25,900	6,000	3,520	59,420	–
Claudia Zimmermann	2025	30,000	37,100	6,000	4,660	77,760	–
	2024	30,000	29,400	6,000	4,914	70,314	–
Total	2025	1,241,650	293,650	102,120	307,240	1,944,660	5,997,500
	2024	1,241,650	287,000	102,120	298,264	1,929,034	6,007,500

- 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 Pension and other compensation incl. child and family allowances (Agreement on Conditions of Employment for Bank Staff) for 3 months over CHF 7,920
- 5 Loans: Heirs of Dr Dieter Furrer: CHF 388,000; Bettina Furrer alone: CHF 0.
- 6 Henrich Kisker and Walter Schoch until 31 December 2024
- 7 York-Peter Meyer and Kristine Schulze from 1 January 2025

Compensation for members of the Executive Board

The reporting of total compensation consistently distinguishes 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. In 2025, the expansion of the Executive Board (see foreword, p. 92) led to an increase in the total compensation of the Executive Board by CHF 955,003, bringing it to CHF 18,917,767 (previous year: CHF 17,962,764).

The deferred compensation allocated for the 2022 financial year totalling CHF 3,283,133 (previous year: CHF 2,700,000) for members of the Executive Board (including former members) for whom the three-year performance cycle ended on 31 December 2025 was realised according to the economic success achieved with a factor of 1.5 (previous year: 1.5). This results in an amount to be paid out for deferred compensation related to the 2023–2025 period totalling CHF 4,924,702 (previous year: CHF 4,050,000). This will be paid out in March of the following year and is not included in the table below. Explanations of the associated model can be found in the 2022 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 2025 financial year.

Total loans and mortgage lending as at 31 December 2025 to the members of the Executive Board amounted to CHF 6,667,500 (of which CHF 6,667,500 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

	Year	Full-time positions	Base salary	Performance-related factors		Total direct compensation	Pensions and other compensation ³	Total compensation
				Variable cash compensation	Deferred compensation ²			
Highest compensation (CEO)	2025	1	1,000,000	802,500	802,500	2,605,000	221,207	2,826,207
	2024	1	1,000,000	802,500	802,500	2,605,000	215,688	2,820,688
Other members of the Executive Board	2025	8.1	6,258,333	4,052,500	4,052,500	14,363,333	1,728,227	16,091,560
	2024	7	5,500,000	3,846,250	3,846,250	13,192,500	1,949,576	15,142,076
Total	2025⁵	9.1	7,258,333	4,855,000	4,855,000	16,968,333	1,949,434	18,917,767
	2024 ⁴	8	6,500,000	4,648,750	4,648,750	15,797,500	2,165,264	17,962,764

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 2024, the Executive Board including the CEO consisted of eight full-time positions taking into account members joining and leaving pro rata temporis.

5 In 2025, the Executive Board, including the CEO, had 9.1 full-time positions. The tenure of members joining and leaving was recognised pro rata temporis according to their joining or leaving date. The increase in the number of full-time positions is due to two factors: first, the Executive Board was expanded when the Retail Clients business unit was established in the financial year (the designated Head of Retail Clients started on 1 June 2025), and second, the handover to the new Head of the IT, Operations & Real Estate business unit took place at the beginning of April, while the former Head did not leave until the end of September 2025.

Zürcher Kantonalbank

**Financial
— Report
2025**

Contents

103	Consolidated financial statements
104	Consolidated income statement
105	Consolidated balance sheet
106	Consolidated cash flow statement
108	Consolidated statement of changes in equity
109	Notes to the consolidated financial statements
109	a) Portrait
109	b) Accounting and valuation principles
118	c) Explanations on risk management
118	d) Explanation on the methods used for identifying default risks and determining the need for value adjustments
118	e) Explanation of the valuation of collateral
119	f) Explanation on the bank's business policy regarding the use of derivative financial instruments and the use of hedge accounting
120	g) Explanation on material events occurring after the balance sheet date
121	i) Information on the balance sheet
139	j) Information on off-balance-sheet transactions
141	k) Information on the income statement
146	l) Risk report
177	m) Multi-year comparison
179	Report of the statutory auditor on the consolidated financial statements
184	Financial statements of the parent company
185	Income statement
186	Appropriation of profit
187	Balance sheet
188	Statement of changes in equity
189	Notes to the financial statements of the parent company
190	i) Information on the balance sheet
198	j) Information on off-balance-sheet transactions
200	k) Information on the income statement
203	Pawnbroking agency
204	Report of the statutory auditor on the financial statements

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	2025	2024	Change	Change in %
› Result from interest operations					
Interest and discount income		3,277	4,339	-1,062	-24.5
Interest and dividend income from financial investments		46	40	6	14.9
Interest expense		-1,631	-2,642	1,011	-38.3
Gross result from interest operations	33	1,692	1,737	-45	-2.6
Changes in value adjustments for default risk and losses from interest operations		-13	-57	44	-76.8
Subtotal net result from interest operations		1,679	1,680	-1	-0.1
› Result from commission business and services					
Commission income from securities trading and investment activities		1,240	1,152	88	7.6
Commission income from lending activities		78	77	1	1.6
Commission income from other services		153	148	5	3.7
Commission expense		-390	-353	-37	10.4
Subtotal result from commission business and services		1,082	1,024	58	5.7
› Result from trading activities					
Result from trading activities and the fair value option	32	427	353	75	21.2
› Other result from ordinary activities					
Result from the disposal of financial investments		4	10	-6	-62.3
Income from participations		14	14	0	1.5
– of which, participations valued using the equity method		1	1	0	11.6
– of which, from other non-consolidated participations		13	13	0	0.5
Result from real estate		6	5	1	9.8
Other ordinary income		12	9	3	27.3
Other ordinary expenses		-10	-6	-4	60.6
Subtotal other result from ordinary activities		25	32	-7	-20.5
Operating income		3,213	3,088	125	4.0
› Operating expenses					
Personnel expenses	34	-1,249	-1,223	-26	2.1
General and administrative expenses	35	-541	-508	-33	6.5
Subtotal operating expenses		-1,790	-1,731	-59	3.4
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-51	-72	21	-29.0
Changes to provisions and other value adjustments and losses		-18	-8	-10	115.8
Operating result		1,354	1,277	77	6.0
Extraordinary income	36	68	12	56	464.1
Extraordinary expenses	36	-0	-0	-0	21.5
Changes in reserves for general banking risks	36	-	-	-	-
Consolidated profit before taxes		1,422	1,289	133	10.3
Taxes	39	-180	-168	-12	7.1
Consolidated profit		1,241	1,120	121	10.8

Consolidated balance sheet

in CHF million	Notes	2025	2024	Change	Change in %
› Assets					
Liquid assets		36,317	32,733	3,584	10.9
Amounts due from banks		2,525	3,405	-881	-25.9
Amounts due from securities financing transactions	1	20,205	25,349	-5,144	-20.3
Amounts due from clients	2	12,662	11,621	1,041	9.0
Mortgage loans	2	111,174	106,600	4,574	4.3
Trading portfolio assets	3	13,178	13,437	-259	-1.9
Positive replacement values of derivative financial instruments	4	1,022	2,669	-1,647	-61.7
Other financial instruments at fair value	3	-	-	-	-
Financial investments	5	7,737	5,206	2,530	48.6
Accrued income and prepaid expenses		449	513	-64	-12.5
Non-consolidated participations	6,7	158	155	3	2.1
Tangible fixed assets	8	474	497	-23	-4.6
Intangible assets	9	3	3	0	8.2
Other assets	10	274	405	-131	-32.4
Total assets		206,177	202,594	3,583	1.8
Total subordinated claims		294	333	-38	-11.5
- of which, subject to conversion and/or debt waiver		130	128	2	1.6
› Liabilities					
Amounts due to banks		31,784	39,691	-7,907	-19.9
Liabilities from securities financing transactions	1	9,492	8,008	1,484	18.5
Amounts due in respect of customer deposits		114,324	106,980	7,344	6.9
Trading portfolio liabilities	3	2,458	2,862	-404	-14.1
Negative replacement values of derivative financial instruments	4	1,105	1,005	100	10.0
Liabilities from other financial instruments at fair value	3,14	4,729	4,421	308	7.0
Cash bonds	15	208	260	-52	-19.9
Certificate of deposits	15	-	50	-50	-100.0
Bond issues	15	11,891	10,994	896	8.2
Central mortgage institution loans	15	12,041	11,162	879	7.9
Accrued expenses and deferred income		1,437	1,287	149	11.6
Other liabilities	10	795	834	-39	-4.7
Provisions	16	185	177	8	4.7
Reserves for general banking risks	16	379	379	-	-
Bank's capital	21	2,425	2,425	-	-
Retained earnings reserve	21	11,684	10,952	731	6.7
Foreign currency translation reserve	21	-1	-15	13	-90.5
Consolidated profit	21	1,241	1,120	121	10.8
Shareholders' equity	21	15,727	14,862	866	5.8
Total liabilities		206,177	202,594	3,583	1.8
Total subordinated liabilities		3,807	3,346	461	13.8
- of which, subject to conversion and/or debt waiver		3,807	3,346	461	13.8
› Off-balance-sheet transactions					
Contingent liabilities	2,28	3,916	4,056	-140	-3.4
Irrevocable commitments	2	13,249	14,045	-796	-5.7
Obligations to pay up shares and make further contributions	2	367	349	18	5.2
Credit commitments	2,29	-	-	-	-

Consolidated cash flow statement

in CHF million

	Cash inflow 2025	Cash outflow 2025	Cash inflow 2024	Cash outflow 2024
› Cash flow from operating activities (internal financing)				
Result of the period	1,241	-	1,120	-
Change in reserves for general banking risks	-	-	-	-
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	51	-	72	-
Provisions and other value adjustments	127	119	119	116
Changes in value adjustments for default risks and losses	318	319	301	259
Accrued income and prepaid expenses	64	-	131	-
Accrued expenses and deferred income	149	-	-	83
Other items	0	5	-	2
Previous year's dividend	-	375	-	528
Balance	1,134	-	756	-
› Cash flow from equity transactions				
Share capital/participation capital/cantonal banks' endowment capital etc.	-	-	-	-
Recognised in reserves	0	1	1	-
Balance	-	1	1	-
› Cash flow from transactions in respect of non-consolidated participations, tangible fixed assets and intangible assets				
Non-consolidated participations	0	-	0	3
Real estate	2	20	2	10
Other tangible fixed assets	1	9	0	8
Intangible assets	0	1	-	15
Mortgages on own real estate	-	-	-	-
Balance	-	27	-	34

Consolidated cash flow statement (continued)

in CHF million

› Cash flow from banking operations

Medium and long-term business (> 1 year):

	Cash inflow 2025	Cash outflow 2025	Cash inflow 2024	Cash outflow 2024
Amounts due to banks	-	601	1	-
Amounts due in respect of customer deposits	-	185	28	-
Liabilities from other financial instruments at fair value	192	-	421	-
Cash bonds	54	106	51	78
Bond issues	1,915	1,050	700	300
Central mortgage institution loans	2,183	1,304	1,527	1,923
Loans from central issuing institutions	-	-	-	-
Other obligations (other liabilities)	-	39	-	955
Amounts due from banks	112	-	-	80
Amounts due from customers	-	289	259	-
Mortgage loans	-	4,556	-	5,744
Other financial instruments at fair value	-	-	-	-
Financial investments	-	476	-	473
Other accounts receivable (other assets)	131	-	122	-
Balance	-	4,018	-	6,444

Short-term business:

Amounts due to banks	-	7,306	4,286	-
Liabilities from securities financing transactions	1,484	-	-	6,087
Amounts due in respect of customer deposits	7,528	-	5,500	-
Trading portfolio liabilities	-	404	-	363
Negative replacement values of derivative financial instruments	100	-	-	1,453
Liabilities from other financial instruments at fair value	116	-	0	-
Certificate of deposits	-	50	563	1,144
Amounts due from banks	771	-	76	-
Amounts due from securities financing transactions	5,144	-	390	-
Amounts due from customers	-	771	-	652
Trading portfolio assets	291	-	-	1,510
Positive replacement values of derivative financial instruments	1,647	-	-	1,702
Other financial instruments at fair value	-	-	-	-
Financial investments	-	2,056	844	-
Balance	6,496	-	-	1,251

Liquidity:

Liquid assets	-	3,584	6,972	-
Balance	-	1,107	-	723
Total	1,134	1,134	757	757

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
› 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
› 2025						
Total equity as at 31.12.2024	2,425	10,952	379	1,120	-15	14,862
Effect of any restatement	-	-	-	0 ¹	-	0
Capital increase	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-
Increase in scope of capital consolidation	-	-	-	-	-	-
Decrease in scope of capital consolidation	-	-14	-	-	14	-
Other contributions/ other capital paid in	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-1	-1
Dividends and other distributions	-	-	-	-375	-	-375
Allocation to (transfers from) the reserves for general banking risks	-	-	-	-	-	-
Allocation to (transfers from) the retained earnings reserve	-	745	-	-745	-	-
Consolidated profit	-	-	-	1,241	-	1,241
Total equity as at 31.12.2025	2,425	11,684	379	1,241	-1	15,727

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 the bank’s 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.

b) Accounting and valuation principles

Changes in accounting and valuation principles

Foreign exchange translation

Bank notes in foreign currencies are translated at the average exchange rate on the balance sheet date. Previously they were translated at the bid rate.

Value adjustments and provisions for expected losses

In order to offset the effects of the introduction of the Basel III Final requirements on the regulatory parameters (IRB approach) in accounting as at 1 January 2025, the bank introduced offsetting risk factors for the LGD (loss given default) and EAD (exposure at default) of loan commitments.

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 (ReIV-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.

They 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, Swisscanto Private Equity Growth 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, and ZKB Securities (UK) Ltd., which is active in equity brokerage and research. Complementa AG, which specialises in investment reporting services, is also included in the scope of consolidation.

Entities not included in the scope of consolidation are the subsidiaries and sub-subsidiaries Zürcher Kantonalbank Representações Ltda. and Complementa GmbH, which are immaterial for accounting purposes, and the immaterial majority holding in Spheriq AG (formerly Philanthropy Services AG). Please refer to the section "Non-consolidated participations" for further information.

The changes in the scope of consolidation relate to the elimination of Zürcher Kantonalbank Österreich AG (as a result of the sale in January 2025).

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. The bank translates assets and liabilities as at the balance sheet date at the average rate on the balance sheet date.

Translation gains and losses are recognised under "Result from trading activities and the fair value option". The financial statements of ZKB Securities (UK) Ltd. are prepared 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 "Foreign currency translation reserve".

	2025		2024	
	Rates on the balance sheet date	Average annual rates	Rates on the balance sheet date	Average annual rates
EUR	0.9305	0.9356	0.9384	0.9518
GBP	1.0656	1.0927	1.1350	1.1267
USD	0.7923	0.8283	0.9063	0.8818

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. An offsetting of expenses and income may be performed 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. Liquid assets also include cash holdings in Swiss francs, foreign bank notes and 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 deducted directly from the corresponding assets (see also the section "Value adjustments for default risks in respect of impaired loans/receivables", and "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:

- Loans/receivables 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 loans/receivables can be recovered through the expected payments, 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/receivables 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 Kanton-albank 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. In order to offset the effects of the introduction of the Basel III Final requirements on the regulatory parameters (IRB approach) in the accounting as at 1 January 2025, the bank introduced offsetting risk factors for the LGD and EAD of loan commitments.

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 amort-

ised 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 likewise 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 "Result 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 immaterial majority stake in Spheriq AG (formerly Philanthropy Services Ltd.) are stated in accordance with the equity method in proportion to the equity held as at 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	max. 80
– Building envelope	max. 30
Installations (fitting out, technical installations)	max. 25
Fittings in rented properties	remaining duration of rental agreement¹
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. 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. Since 1 January 2025, Zürcher Kantonalbank Finance (Guernsey) Ltd. has also been subject to OECD minimum taxation. 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, while their branches are subject to the tax regime of Luxembourg, Germany, Italy and Spain in accordance with their domiciles. The subsidiary ZKB Securities (UK) Ltd. is subject to UK corporation tax. Its taxable income is taxed at a fixed rate of 19 percent. While Complementa AG is subject to cantonal and federal taxes, Complementa GmbH is subject to the German tax regime.

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. 146 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. 157 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

On 30 October 2025, Zürcher Kantonalbank executed an agreement to purchase the cosmo-funding platform, a fully automated portal for the public and private debt capital market. After all conditions on both sides were met, the closing took place on 30 January 2026. As of this date, the benefits and risks of ownership have been transferred to Zürcher Kantonalbank. The effect of this purchase on the 2025 annual financial statements was the recognition of an off-balance-sheet irrevocable commitment (see Note 28 for further details).

i) Information on the balance sheet

1 Breakdown of securities financing transactions

in CHF million

	2025	2024
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	20,205	25,349
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	9,492	8,008
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	5,973	4,162
– of which, with unrestricted right to resell or pledge	5,973	4,162
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	77,614	72,700
– of which, repledged securities	9,826	8,506
– of which, resold securities	51,971	43,746

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			Total
	Mortgage collateral	Other collateral	Unsecured	
› Loans (before netting with value adjustments)				
Amounts due from customers	22	2,137	10,797	12,955
Mortgage loans				
– Residential property	91,380	8	9	91,397
– Office and business premises	13,140	–	4	13,144
– Commercial and industrial premises	2,807	–	20	2,827
– Other	4,201	–	4	4,206
Total mortgage loans	111,528	8	38	111,574
Total loans 2025 (before netting with value adjustments)	111,550	2,145	10,834	124,529
Total loans 2024 (before netting with value adjustments)	106,999	2,159	9,755	118,913
Total loans 2025 (after netting with value adjustments)	111,188	2,142	10,507	123,836
Total loans 2024 (after netting with value adjustments)	106,616	2,156	9,449	118,221
› Off-balance-sheet				
Contingent liabilities	31	164	3,720	3,916
Irrevocable commitments	3,567	40	9,641	13,249
Obligations to pay up shares and make further contributions	–	–	367	367
Credit commitments	–	–	–	–
Total off-balance-sheet transactions 2025	3,599	205	13,728	17,532
Total off-balance-sheet transactions 2024	3,676	540	14,234	18,450

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
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› Impaired loans

2025	564	248	315	289
2024	516	222	294	271

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

› Assets

	2025	2024
Debt securities, money market securities/transactions	4,470	6,600
– of which, listed ¹	4,053	5,915
Equity securities	5,884	4,208
Precious metals and commodities	2,822	2,628
Other trading portfolio assets	1	0
Total trading transactions	13,178	13,437
Debt securities	–	–
Structured products	–	–
Other	–	–
Total other financial instruments at fair value	–	–
Total assets	13,178	13,437
– of which, determined using a valuation model	418	685
– of which, securities eligible for repo transactions in accordance with liquidity requirements	1,547	2,375

in CHF million

› Liabilities

	2025	2024
Debt securities, money market securities/transactions	2,422	2,830
– of which, listed ¹	2,365	2,699
Equity securities	29	25
Precious metals and commodities	5	5
Other trading portfolio liabilities	2	2
Total trading portfolio liabilities	2,458	2,862
Debt securities	–	–
Structured products	4,729	4,421
Other	–	–
Total liabilities from other financial instruments at fair value	4,729	4,421
Total liabilities	7,187	7,282
– of which, determined using a valuation model	4,786	4,552

1 Listed = traded on a recognised exchange.

4 Derivative financial instruments (assets and liabilities)

in CHF million	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume ¹	Positive replacement values	Negative replacement values	Contract volume ¹
› Interest rate instruments						
Forward contracts including FRAs	2	2	5,902	–	–	–
Swaps	10,984	10,697	807,422	456	136	21,505
Futures	–	–	39,253	–	–	–
Options (OTC)	77	54	4,396	–	–	–
Options (exchange-traded)	–	–	–	–	–	–
Total	11,062	10,753	856,973	456	136	21,505
› Foreign exchange/precious metals						
Forward contracts	2,293	2,082	449,491	–	–	–
Combined interest rate/currency swaps	289	377	1,666	25	71	3,243
Futures	–	–	491	–	–	–
Options (OTC)	79	93	10,578	–	–	–
Options (exchange-traded)	1	1	68	–	–	–
Total	2,661	2,554	462,294	25	71	3,243
› Equity securities/indices						
Forward contracts	–	–	–	–	–	–
Swaps	49	50	2,592	–	–	–
Futures	–	–	3,584	–	–	–
Options (OTC)	62	33	3,298	–	–	–
Options (exchange-traded)	208	375	18,707	–	–	–
Total	319	458	28,182	–	–	–
› Credit derivatives						
Credit default swaps	8	11	489	–	–	–
Total return swaps	–	–	–	–	–	–
First-to-default swaps	–	–	–	–	–	–
Other credit derivatives	–	–	–	–	–	–
Total	8	11	489	–	–	–
› Other²						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures	–	–	408	–	–	–
Options (OTC)	–	–	–	–	–	–
Options (exchange-traded)	1	1	14	–	–	–
Total	1	1	421	–	–	–
› Total before netting agreements						
2025	14,051	13,776	1,348,360	482	207	24,748
– of which, determined using a valuation model	14,051	13,776	–	482	207	–
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	–

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 agreements³

2025	1,022	1,105
2024	2,669	1,005

› Breakdown by counterparty

Positive replacement values
(after netting agreements) Central clearing houses Banks and securities firms Other customers

2025	68	372	582
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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

	2025	2024	2025	2024
Debt securities	7,090	4,719	7,161	4,797
– of which, intended to be held to maturity	7,090	4,719	7,161	4,797
– of which, not intended to be held to maturity (available for sale)	–	–	–	–
Equity securities	145	134	272	261
– of which, qualified participations ¹	8	5	12	8
Precious metals	499	349	499	349
Real estate	4	4	4	4
Cryptocurrencies	–	–	–	–
Total financial investments	7,737	5,206	7,936	5,411
– of which, securities eligible for repo transactions in accordance with liquidity requirements	6,913	4,668	6,985	4,746

¹ At least 10 percent of the capital or voting rights.

in CHF million

› Counterparties by rating

	Aaa – Aa3	A1 – A3	Baa1 – Baa3	Ba1 – Ba3	Lower than Ba3	Unrated
Moody's						
Standard & Poor's, Fitch	AAA – AA-	A+ – A-	BBB+ – BBB-	BB+ – B-	Below B-	Unrated

Debt securities: Book values						
2025	5,641	69	–	–	–	1,380

The 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 2024	Reclassifications	Additions	Disposals (incl. any FC differences)	Value adjustments	Changes in book value for participations using the equity method/ depreciation reversals	Book value end of 2025	Market value end of 2025
Participations valued using the equity method										
– with market value	–	–	–	–	–	–	–	–	–	–
– without market value	46	–25	21	–	–	–	–2	1	20	–
Other participations	–	–	–	–	–	–	–	–	–	–
– with market value	–	–	–	–	–	–	–	–	–	–
– without market value	144	–10	134	–	–	–0	–0	4	138	–
Total participations¹	190	–35	155	–	–	–0	–2	5	158	–

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

Company name	Registered office	Business activity	Currency company's capital	Company's capital in CHF million	Zürcher Kantonalbank share capital (in %)	Zürcher Kantonalbank 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	Luxembourg	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 Private Equity Growth II AG	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	■	
ZKB Securities (UK) Ltd.	London	Financial services	GBP	15	100.0	100.0	■	
› Reported under non-consolidated participations:³								
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 schweizerischen Kantonalbanken Ltd.	Zurich	Pfandbrief institution	CHF	2,225 ⁴	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., of Swisscanto Private Equity CH II Ltd. and of Swisscanto Private Equity Growth 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 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.

4 Of which CHF 445 million have been paid in. The Annual General Meeting of the Central Mortgage Bank Institution held on 4 February 2026 approved a capital increase of CHF 600 million, which resulted in 20 percent of the capital ratio held being paid up.

7 Disclosures on companies in which the bank holds a permanent direct or indirect significant participation (continued)

Company name	Registered office	Business activity	Currency company's capital	Company's capital in CHF million	Zürcher Kantonalbank share capital (in %)	Zürcher Kantonalbank voting rights	Held directly	Held indirectly
Subsidiaries not fully consolidated								
Complementa LLC ⁵	München	Financial services	EUR	0	100.0	100.0		■
Spheriq Ltd. ^{6,7}	Basel	Services	CHF	1	82.2	82.2	■	
Zürcher Kantonalbank Representações Ltda. ⁸	São Paulo	Representative office	BRL	0	100.0	100.0	■	

5 Total assets as at 31.12.2024: EUR 483 thousand, earnings for the period 2024: EUR 72 thousand.

6 Change of company name from Philanthropy Services AG to Spheriq AG as of 03.10.2025.

7 Total assets as at 31.12.2024: CHF 1,788 thousand (2023: CHF 2,517 thousand), 2024 loss for the period: CHF 1,287 thousand (2023 loss for the period: CHF 1,914 thousand).

8 Total assets as at 31.12.2024: CHF 201 thousand (2023: CHF 282 thousand), 2024 earnings for the period: CHF 26 thousand (2023 earnings for the period: CHF 0 thousand).

8 Presentation of tangible fixed assets

in CHF million	Cost value	Accumulated depreciation	Book value at end 2024	Change to scope of consolidation	Additions	Disposals	Depreciation	Reversals	Book value at end 2025
Bank real estate	1,307	-835	472	-1	0	-1	-37	-	455
Other real estate	2	-2	1	-	-0	-0	-0	-	0
Proprietary or separately acquired software	1	-1	-	-	0	-	-0	-	-
Other tangible fixed assets	171	-147	24	-1	9	-0	-12	-	20
Tangible assets acquired under finance leases	-	-	-	-	-	-	-	-	-
– of which, bank real estate	-	-	-	-	-	-	-	-	-
– of which, other real estate	-	-	-	-	-	-	-	-	-
– of which, other tangible fixed assets	-	-	-	-	-	-	-	-	-
Total tangible fixed assets	1,482	-984	497	-2	29	-1	-49	-	474

The insurance value of the real estate within tangible fixed assets amounted to CHF 1,293 million.

The insurance value of the other tangible fixed assets amounted to CHF 239 million.

Operating leases

in CHF million

Leasing obligations not recognised in the balance sheet

	2025	2024
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 2024	Changes to scope of consolidation	Reclassifications	Additions	Disposals	Amortisation	Reversals	Book value end of 2025
Goodwill	15	-12	3	-	-	1 ¹	-	-1	-	3
Patents	-	-	-	-	-	-	-	-	-	-
Licences	48	-48	0	-0	-	0	-	-0	-	0
Other intangible assets	-	-	-	-	-	-	-	-	-	-
Total intangible assets	62	-60	3	-0	-	1	-	-1	-	3

1 In connection with the earn-out payment made to Complementa AG.

10 Other assets and liabilities

in CHF million	Other assets		Other liabilities	
	2025	2024	2025	2024
Compensation account	0	0	137	159
Deferred income taxes recognised as assets	0	2	-	-
Amount recognised as assets in respect of employer contribution reserves	0	-	-	-
Amount recognised as assets relating to other assets from pension schemes	-	-	-	-
Negative goodwill	-	-	-	-
Settlement accounts	243	371	600	550
Indirect taxes	25	25	45	113
Other	5	6	14	13
Total	274	405	795	834

11 Assets pledged or assigned to secure own commitments, and assets under reservation of ownership

in CHF million	2025		2024	
	Book value	Effective commitment	Book value	Effective commitment
› Pledged/assigned assets				
Liquid assets	250	250	245	245
Amounts due from banks	1,117	1,103	2,931	2,913
Amounts due from customers	881	837	1,114	1,044
Mortgage loans	14,618	12,041	13,715	11,162
Trading portfolio assets	503	494	597	597
Financial investments	579	525	380	332
Total pledged/assigned assets	17,947	15,249	18,984	16,294

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

Liabilities to own pension schemes from balance-sheet transactions

	2025	2024	Change
Amounts due in respect of customer deposits	55	53	2
Cash bonds	0	0	0
Negative replacement values of derivative financial instruments ¹	22	0	22
Accrued expenses and deferred income	0	0	0
Other liabilities	0	0	0
Total	77	53	24

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 principle¹. 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 principle¹. 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 31.12.2025 (not yet audited)	Coverage ratio as at 31.12.2024 (audited)
Zürcher Kantonalbank pension fund	118	116
Marienburg Foundation of Zürcher Kantonalbank (solution for senior management)	110	109

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.

Swisscanto Asset Management International SA 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 employer pays in the savings contributions. The employee can pay partially deductible contributions. 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 general regulations on contributions to supplementary pension schemes in Italy stipulate that the pension contribution for employees comprises employee contributions, employer contributions and severance payments (so-called TFR ratio). Contributions are also paid into a pension plan for the employees of the branch in Spain, which are defined by law. The employee has the option to contribute a tax-free portion.

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)

	Nominal value	Waiver of use	Net amount		Influence of ECR on personnel expenses	
	End 2025	End 2025	End 2025	End 2024	2025	2024
in CHF million						
GEMINI Sammelstiftung c/o Avadis Vorsorge AG	0	–	0	0	–	–
Total	0	–	0	0	–	–

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	Contribu- tions paid	Pension expenses in personnel expenses	
		2025	2024			2025	2025
	End 2025						
Employer-sponsored funds/em- ployer-sponsored pension schemes	-	-	-	-	-	-	-
Pension plans without overfunding/underfunding	-	-	-	-	1	1	3
Pension plans with overfunding	82	-	-	-	122	122	117
Pension plans with underfunding	-	-	-	-	-	-	-
Pension schemes without own assets	-	-	-	-	-	-	-
Total	82	-	-	-	122	122	120

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	-	92	-	-	92
	Without oDC	-	-	-	-	-
Equity securities	With own debenture component	-	4,496	-	-	4,496
	Without oDC	-	-	-	-	-
Foreign currencies	With own debenture component	-	138	-	-	138
	Without oDC	-	-	-	-	-
Commodities/precious metals	With own debenture component	-	4	-	-	4
	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 2025		-	4,729	-	-	4,729
Total 2024		-	4,421	-	-	4,421

15 Presentation of bonds outstanding and mandatory convertible bonds (incl. cash bonds, certificate of deposits and central mortgage institution loans)

		Outstanding amount in CHF million		Weighted average interest rate		Maturities		
› Cash bonds								
31.12.2025		208		0.64		2026–2035		
31.12.2024		260		0.80		2025–2034		
Maturity structure	in CHF million	2026	2027	2028	2029	2030	after 2030	Total
Cash bonds		53	34	32	23	25	42	208
		Outstanding amount in CHF million		Weighted average interest rate		Maturities		
› Certificate of deposits								
31.12.2025		–		–		–		
31.12.2024		50		0.80		2025		
Maturity structure	in CHF million	2026	2027	2028	2029	2030	after 2030	Total
Certificate of deposits		–	–	–	–	–	–	–
		Outstanding amount in CHF million		Weighted average interest rate		Maturities		
› Bonds and mandatory convertible bonds								
31.12.2025 (Issuer: Zürcher Kantonalbank)		11,891		0.68		2026–2044		
– of which, non-subordinated		8,084		3.37		2027–2033		
– of which, subordinated without PONV clause ¹		2,281		2.73		2028–perpetual		
– of which, subordinated with PONV clause ¹		1,526		0.59		2025–2044		
31.12.2024 (Issuer: Zürcher Kantonalbank)		10,994		3.44		2027–2033		
– of which, non-subordinated		7,648		2.74		2028–perpetual		
– of which, subordinated without PONV clause ¹		1,809		0.59		2025–2044		
– of which, subordinated with PONV clause ¹		1,537		3.44		2027–2033		
Maturity structure	in CHF million	2026	2027	2028	2029	2030	after 2030	Total
Bond issues		1,516	1,330	1,538	1,100	1,667	4,740	11,891
		Outstanding amount in CHF million		Weighted average interest rate		Maturities		
› Central mortgage institution loans								
31.12.2025		12,041		0.82		2026–2043		
31.12.2024		11,162		0.76		2025–2040		
Maturity structure	in CHF million	2026	2027	2028	2029	2030	after 2030	Total
Central mortgage institution loans ²		780	1,143	1,742	1,576	1,092	5,708	12,041

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 2024	Changes to scope of consolidation	Use in conformity with designated purpose and reversals	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income statement	Balance at end of 2025
Provisions for deferred taxes	–	–	–	–	–	–	0	–	0
Provisions for pension benefit obligations	–	–	–	–	–	–	–	–	–
Provisions for default risks	148	–0	–3	–	–	–	122	–112	155
– of which, provisions for expected loss	58	–0	–	–	–	–	82	–79	60
Provisions for other business risks ¹	14	–1	–0	–	–	–	2	–0	15
Provisions for restructuring	–	–	–	–	–	–	–	–	–
Other provisions ²	15	–2	–2	–	–	–	5	–1	16
Total provisions	177	–2	–5	–	–	–	129	–113	185
Reserves for general banking risks	379	–	–	–	–	–	–	–	379
Value adjustments for default and country risks	718	–0	–11	–	–0	2	316	–308	718
– of which, value adjustments for default risks in respect of impaired loans/receivables ³	271	–	–11	–	–	2	86	–58	289
– of which, value adjustments for expected loss	447	–0	–	–	–0	–	230	–249	428

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 (2025: CHF 0 million/2024: CHF 3 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 196).

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	
	2025	2024	2025	2024
Holders of qualified participations	13	21	629	734
Group companies	-	-	0	1
Linked companies	194	323	858	604
Transactions with members of governing bodies	10	12	27	31
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 786 million (2024: CHF 906 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 197).

21 Disclosure of own shares and composition of equity capital

in CHF million

	2025	2024
Reserves for general banking risks	379	379
Bank's capital	2,425	2,425
Retained earnings reserve	11,684	10,952
Foreign currency translation reserve	-1	-15
Consolidated profit	1,241	1,120
Total shareholders' equity	15,727	14,862

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 198).

23 Maturity structure of financial instruments

in CHF million	At sight	Cancel- lable	Due					Total
			within 3 months	within 3 to 12 months	after 1 to 5 years	after 5 years	No maturity	
› Assets/financial instruments								
Liquid assets	36,067	250	–	–	–	–	–	36,317
Amounts due from banks	409	0	788	1,089	105	134	–	2,525
Amounts due from securities financing transactions	5	11,666	8,320	214	–	–	–	20,205
Amounts due from customers	70	2,038	5,617	1,845	2,312	779	–	12,662
Mortgage loans	96	25,212	6,431	11,375	45,228	22,831	–	111,174
Trading portfolio assets	13,178	–	–	–	–	–	–	13,178
Positive replacement values of derivative financial instruments	1,022	–	–	–	–	–	–	1,022
Other financial instruments at fair value	–	–	–	–	–	–	–	–
Financial investments	643	–	825	1,525	2,632	2,108	4	7,737
Total assets/financial instruments 2025	51,491	39,166	21,980	16,049	50,276	25,852	4	204,819
Total assets/financial instruments 2024	49,931	35,885	25,385	14,237	48,374	27,204	4	201,021
› Debt capital/financial instruments								
Amounts due to banks	5,833	87	20,709	5,062	93	–	–	31,784
Liabilities from securities financing transactions	0	3,268	6,224	–	–	–	–	9,492
Amounts due in respect of customer deposits	60,410	41,666	9,137	1,913	517	682	–	114,324
Trading portfolio liabilities	2,458	–	–	–	–	–	–	2,458
Negative replacement values of derivative financial instruments	1,105	–	–	–	–	–	–	1,105
Liabilities from other financial instruments at fair value	4,729	–	–	–	–	–	–	4,729
Cash bonds	–	–	18	35	113	42	–	208
Certificate of deposits	–	–	–	–	–	–	–	–
Bond issues	–	3,807	345	1,171	3,555	3,013	–	11,891
Central mortgage institution loans	–	–	39	741	5,553	5,708	–	12,041
Total debt capital/financial instruments 2025	74,536	48,828	36,472	8,922	9,831	9,445	–	188,033
Total debt capital/financial instruments 2024	61,260	46,309	49,066	10,103	9,855	8,841	–	185,434

24 Assets, liabilities and off-balance-sheet positions by domestic and foreign origin in accordance with the domicile principle

in CHF million

› Assets

Liquid assets	
Amounts due from banks	
Amounts due from securities financing transactions	
Amounts due from clients	
Mortgage loans	
Trading portfolio assets	
Positive replacement values of derivative financial instruments	
Other financial instruments at fair value	
Financial investments	
Accrued income and prepaid expenses	
Participations	
Tangible fixed assets	
Intangible assets	
Other assets	
Total assets	

	2025	
	Domestic	Foreign
	36,317	-
	140	2,384
	9,082	11,123
	10,257	2,405
	111,174	0
	6,265	6,912
	663	359
	-	-
	7,044	692
	428	22
	157	1
	474	1
	3	-
	189	85
	182,193	23,984

	2024	
	Domestic	Foreign
	32,410	323
	270	3,135
	12,265	13,084
	9,756	1,866
	106,599	0
	7,258	6,178
	2,249	421
	-	-
	4,644	563
	484	30
	154	1
	495	3
	3	0
	168	236
	176,755	25,839

› Liabilities

Amounts due to banks	
Liabilities from securities financing transactions	
Amounts due in respect of customer deposits	
Trading portfolio liabilities	
Negative replacement values of derivative financial instruments	
Liabilities from other financial instruments at fair value	
Cash bonds	
Certificate of deposits	
Bond issues	
Central mortgage institution loans	
Accrued expenses and deferred income	
Other liabilities	
Provisions	
Reserves for general banking risks	
Bank's capital	
Retained earnings reserve	
Foreign currency translation reserve	
Consolidated profit	
Total liabilities	

	2,038	29,746
	67	9,425
	107,750	6,574
	1,009	1,449
	656	450
	2,704	2,025
	208	-
	-	-
	11,891	-
	12,041	-
	1,407	30
	694	101
	185	0
	379	-
	2,425	-
	11,532	152
	-1	-
	1,235	7
	156,219	49,958

	3,319	36,372
	27	7,981
	100,512	6,468
	1,118	1,744
	545	460
	2,550	1,871
	260	-
	50	-
	10,994	-
	11,162	-
	1,258	29
	718	116
	175	3
	379	-
	2,425	-
	10,803	150
	-15	-
	1,102	18
	147,383	55,211

› Off-balance-sheet transactions

Contingent liabilities	
Irrevocable commitments	
Obligations to pay up shares and make further contributions	
Credit commitments	

	2,121	1,796
	12,013	1,236
	367	-
	-	-

	2,243	1,813
	12,595	1,450
	349	-
	-	-

25A Assets by country or group of countries

	2025		2024	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	182,193	88.4	176,755	87.2
Rest of Europe	14,113	6.8	15,142	7.5
– of which, Germany	2,354	1.1	3,280	1.6
– of which, France	1,165	0.6	1,132	0.6
– of which, United Kingdom	3,719	1.8	4,834	2.4
– of which, Guernsey	86	0.0	10	0.0
Americas	8,310	4.0	8,675	4.3
– of which, USA	6,340	3.1	6,466	3.2
Asia and Oceania	1,481	0.7	1,955	1.0
Africa	80	0.0	67	0.0
Total assets	206,177	100.0	202,594	100.0

25B Liabilities by country or group of countries

	2025		2024	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	156,219	75.8	147,383	72.7
Rest of Europe	26,355	12.8	27,650	13.6
– of which, Germany	4,106	2.0	4,025	2.0
– of which, France	4,433	2.2	3,779	1.9
– of which, United Kingdom	6,265	3.0	5,520	2.7
– of which, Guernsey	2,389	1.2	2,187	1.1
Americas	13,374	6.5	18,016	8.9
– of which, USA	3,654	1.8	7,381	3.6
Asia and Oceania	8,682	4.2	8,194	4.0
Africa	1,547	0.8	1,350	0.7
Total liabilities	206,177	100.0	202,594	100.0

25C Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions by country or group of countries

	2025		2024	
	in CHF million	Share as %	in CHF million	Share as %
Switzerland	14,500	82.7	15,187	82.3
Rest of Europe	2,196	12.5	2,322	12.6
– of which, Germany	227	1.3	196	1.1
– of which, France	261	1.5	247	1.3
– of which, United Kingdom	234	1.3	148	0.8
– of which, Guernsey	33	0.2	36	0.2
Americas	94	0.5	109	0.6
– of which, USA	76	0.4	84	0.5
Asia and Oceania	725	4.1	810	4.4
Africa	16	0.1	22	0.1
Total	17,532	100.0	18,450	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	2025 Net foreign exposure		2024 Net foreign exposure	
		in CHF million	Share as %	in CHF million	Share as %
A	Aaa/Aa1/Aa2/Aa3	21,865	86.1	26,504	86.5
B	A1/A2/A3	1,405	5.5	1,812	5.9
C	Baa1/Baa2/Baa3	630	2.5	516	1.7
D	Ba1/Ba2	1,061	4.2	1,268	4.1
E	Ba3	172	0.7	7	0.0
F	B1/B2/B3	104	0.4	340	1.1
G	Caa1/Caa2/Caa3/Ca/C	145	0.6	179	0.6
Total		25,380	100.0	30,626	100.0

27 Balance sheet by currencies

Currencies translated in CHF million

	CHF	USD	EUR	Other	Total
› Assets					
Liquid assets	36,283	1	31	2	36,317
Amounts due from banks	141	1,907	418	58	2,525
Amounts due from securities financing transactions	9,169	6,013	5,023	–	20,205
Amounts due from clients	9,236	1,254	1,766	406	12,662
Mortgage loans	110,987	–	186	–	111,174
Trading portfolio assets	8,232	3,759	991	195	13,178
Positive replacement values of derivative financial instruments	663	85	248	25	1,022
Other financial instruments at fair value	–	–	–	–	–
Financial investments	7,538	0	199	0	7,737
Accrued income and prepaid expenses	391	36	21	1	449
Non-consolidated participations	157	–	1	0	158
Tangible fixed assets	474	–	–	–	474
Intangible assets	3	–	–	–	3
Other assets	158	53	15	48	274
Total assets shown in balance sheet	183,435	13,108	8,899	735	206,177
Delivery entitlements from spot exchange, forward forex, forex options and precious metal transactions	155,301	170,105	89,035	42,996	457,438
Total assets	338,736	183,214	97,934	43,732	663,615
› Liabilities					
Amounts due to banks	6,854	18,794	4,308	1,828	31,784
Liabilities from securities financing transactions	–	1,431	4,442	3,619	9,492
Amounts due in respect of customer deposits	103,676	3,953	5,779	917	114,324
Trading portfolio liabilities	1,436	812	190	20	2,458
Negative replacement values of derivative financial instruments	811	189	95	11	1,105
Liabilities from other financial instruments at fair value	3,095	1,062	539	33	4,729
Cash bonds	208	–	–	–	208
Certificate of deposits	–	–	–	–	–
Bond issues	9,111	–	2,780	–	11,891
Central mortgage institution loans	12,041	–	–	–	12,041
Accrued expenses and deferred income	1,202	165	59	10	1,437
Other liabilities	693	32	32	38	795
Provisions	185	–	–	–	185
Reserves for general banking risks	379	–	–	–	379
Bank's capital	2,425	–	–	–	2,425
Retained earnings reserve	11,691	–	–	–7	11,684
Foreign currency translation reserve	–	–	–	–1	–1
Consolidated profit	1,241	–	–	0	1,241
Total liabilities shown in the balance sheet	155,050	26,438	18,223	6,467	206,177
Delivery obligations from spot exchange, forward forex, forex options and precious metal transactions	183,755	157,388	79,231	37,081	457,454
Total liabilities	338,805	183,826	97,453	43,548	663,632
Net position per currency in 2025	–69	–612	481	184	–16
Net position per currency in 2024	182	–404	44	152	–26

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

	2025	2024
Guarantees to secure credits and similar	385	466
Performance guarantees and similar	2,378	2,171
Irrevocable commitments arising from documentary letters of credit	1,153	1,419
Other contingent liabilities	-	-
Total contingent liabilities	3,916	4,056
Contingent assets arising from tax losses carried forward	-	-
Other contingent assets	-	-
Total contingent assets	-	-

In connection with the intended sale of the debt market portal cosmofunding the seller, Bank Vontobel AG, receives a fixed price. This promise to pay represents an irrevocable commitment as at 31 December 2025 and an earn-out payment in 2027 that will depend on the income generated from private placement transactions. The earn-out payment in the first quarter of 2027 cannot be reliably quantified at present.

29 Breakdown of credit commitments

There are no credit commitments as of 31 December 2025 and 31 December 2024.

30 Breakdown of fiduciary transactions

in CHF million

	2025	2024
Fiduciary investments with third-party companies	1,021	1,066
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 ¹	-	-
Other fiduciary transactions	-	-
Total	1,021	1,066

¹ According to FINMA Guidance 03/2025, recognising cryptobased assets (cryptocurrencies held for clients on a fiduciary basis) as fiduciary transactions as described in margin no. 214 of FINMA Circular 2020/1 is no longer appropriate. From financial year 2025 onwards, cryptobased assets will be disclosed in Note 31a as a footnote, along with the prior-year figure.

31 Breakdown of managed assets and presentation of their development

a) Breakdown of managed assets

in CHF million

› Type of managed assets

	2025	2024
Assets in collective investment schemes managed by the bank	193,896	170,958
Assets under discretionary asset management agreements	104,197	104,045
Other managed assets ³	200,504	182,274
Total managed assets (including double counting)^{1/3}	498,598	457,276
– of which, double counting	98,826	94,150
Assets with Custody Services²	80,352	63,534
Total client assets (including double counting)³	578,950	520,811

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 Of which cryptobased assets: CHF 55 million (previous year: CHF 19 million).

b) Presentation of the development of managed assets

in CHF million

	2025	2024
Total managed assets (including double counting) at beginning	457,276	395,786
+/- net new money inflow or net new money outflow ⁴	13,590	29,817
+/- price gains/losses, interest, dividends and currency gains/losses ⁴	33,615	32,841
+/- other effects	-5,883 ⁵	-1,167
Total managed assets (including double counting) at end	498,598	457,276

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.

5 The other effects include a decline in assets under management totalling CHF 4,750 million in connection with the sale of Zürcher Kantonalbank Österreich AG in January 2025.

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

	2025	2024
Result from trading in foreign exchange, bank notes and precious metals	232	146
Result from trading in bonds, interest rate and credit derivatives	64	93
Result from trading in equities and structured products	101	79
Result from other trading activities ¹	30	34
Total	427	353

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

	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
	2025						
Result from trading in foreign exchange, bank notes and precious metals	232	225	14	0	-6	-	-
Result from trading in bonds, interest rate and credit derivatives	64	-0	-	-10	74	0	-
Result from trading in equities and structured products	101	30	-2	0	-20	88	6
Result from other trading activities	30	-0	-0	31	-0	-1	-0
Total	427	254	12	21	48	87	-0
- of which, from fair value option on assets	-	-	-	-	-	-	-
- of which, from fair value option on liabilities	-352	7	-1	-	4	-362	-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 2025, refinancing income from trading activities of CHF –271.1 million (previous year: CHF –369.5 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 1,076.0 million (previous year: CHF 1,141.9 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	2025	2024
Negative interest on lending business (reduction in interest and discount income)	3	0
Negative interest on deposit-taking business (reduction in interest expenses)	4	1

34 Breakdown of personnel expenses

in CHF million	2025	2024
Salaries and benefits	1,008	982
– of which, alternative forms of variable compensation	–	–
AHV, IV, ALV and other social security contributions	204	204
Changes in book value for economic benefits and obligations arising from pension schemes	–	–
Other personnel expenses	37	37
Total	1,249	1,223

35 Breakdown of general and administrative expenses

in CHF million	2025	2024
Office space expenses	33	33
Expenses for information and communications technology	209	193
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	2	2
Fees of audit firms	8	7
– of which, for financial and regulatory audits	7	7
– of which, for other services	0	0
Other operating expenses	290	272
– of which, compensation for state guarantee	34	31
Total	541	508

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

› Extraordinary income

Reversal of impairment on other participations	
Income from sale of other real estate/bank premises	
Income from sale of participations	
Other	
Total	

	2025	2024
	6	2
	3	9
	57 ¹	0
	2	1
	68	12
› Extraordinary expenses		
Losses from sale of other real estate/bank premises	-	-
Losses from disposal of participations	-	-
Other	0	0
Total	0	0
› Changes in reserves for general banking risks		
Creation of reserves for general banking risks	-	-
Release of reserves for general banking risks	-	-
Total	-	-

1 Mainly in connection with the sale of Zürcher Kantonalbank Österreich AG to Liechtensteinische Landesbank (AG).

37 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

in CHF million

Participations	Registered office
CLS Group Holdings AG	Lucerne
TWINT AG	Zurich
Venture Incubator AG	Altendorf
Total	

	2025	2024
	1	0
	1	1
	2	-
	4	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

› Result from interest operations

Interest and discount income	3,279	0
Interest and dividend income from financial investments	46	–
Interest expense	–1,631	–2
Gross result from interest operations	1,694	–2
Changes in value adjustments for default risk and losses from interest operations	–13	–0
Subtotal net result from interest operations	1,681	–2

› Result from commission business and services

Commission income from securities trading and investment activities	1,487	154
Commission income from lending activities	78	–
Commission income from other services	153	0
Commission expense	–647	–131
Subtotal result from commission business and services	1,071	23

› Result from trading activities

Result from trading activities and the fair value option	406	22
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› Other result from ordinary activities

Result from the disposal of financial investments	4	–
Income from participations	14	0
– of which, participations valued using the equity method	1	0
– of which, from other non-consolidated participations	13	–
Result from real estate	8	0
Other ordinary income	33	0
Other ordinary expenses	–10	–
Subtotal other result from ordinary activities	49	0
Operating income	3,206	44

› Operating expenses

Personnel expenses	–1,239	–9
General and administrative expenses	–552	–25
Subtotal operating expenses	–1,792	–35

Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	–51	–0
Changes to provisions and other value adjustments and losses	–18	–0

Operating result	1,345	9
Extraordinary income	68	0
Extraordinary expenses	–0	–
Changes in reserves for general banking risks	–	–

Consolidated profit before taxes	1,413	9
Taxes	–178	–2

Consolidated profit	1,235	7
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	2025		2024	
	Domestic	Foreign	Domestic	Foreign
› Result from interest operations				
Interest and discount income	3,279	0	4,326	17
Interest and dividend income from financial investments	46	–	40	0
Interest expense	–1,631	–2	–2,631	–14
Gross result from interest operations	1,694	–2	1,734	3
Changes in value adjustments for default risk and losses from interest operations	–13	–0	–57	0
Subtotal net result from interest operations	1,681	–2	1,677	3
› Result from commission business and services				
Commission income from securities trading and investment activities	1,487	154	1,334	177
Commission income from lending activities	78	–	77	0
Commission income from other services	153	0	148	0
Commission expense	–647	–131	–581	–124
Subtotal result from commission business and services	1,071	23	977	53
› Result from trading activities				
Result from trading activities and the fair value option	406	22	335	18
› Other result from ordinary activities				
Result from the disposal of financial investments	4	–	10	–
Income from participations	14	0	14	–
– of which, participations valued using the equity method	1	0	1	–
– of which, from other non-consolidated participations	13	–	13	–
Result from real estate	8	0	8	0
Other ordinary income	33	0	34	0
Other ordinary expenses	–10	–	–6	0
Subtotal other result from ordinary activities	49	0	59	0
Operating income	3,206	44	3,048	74
› Operating expenses				
Personnel expenses	–1,239	–9	–1,199	–24
General and administrative expenses	–552	–25	–517	–25
Subtotal operating expenses	–1,792	–35	–1,715	–49
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	–51	–0	–71	–1
Changes to provisions and other value adjustments and losses	–18	–0	–7	–1
Operating result	1,345	9	1,255	22
Extraordinary income	68	0	12	0
Extraordinary expenses	–0	–	–0	–0
Changes in reserves for general banking risks	–	–	–	–
Consolidated profit before taxes	1,413	9	1,267	22
Taxes	–178	–2	–164	–4
Consolidated profit	1,235	7	1,102	18

39 Presentation of current taxes, deferred taxes, and disclosure of tax rate

in CHF million

	2025	2024
Creation of provisions for deferred taxes	-0	-
Reversal of provisions for deferred taxes	-	0
Recognition of deferred taxes on losses carried forward	-	-2
Recognition of other deferred taxes	0	0
Reversal of other deferred taxes	-0	-0
Expenses for current income and capital taxes ¹	-181	-165
Expenses for property gains taxes	0	-2
Total	-180	-168
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 in Switzerland for the current year CHF 170 million (prior year: CHF 156 million).

Average weighted tax rate (basis: operating result): 13.3 % (prior year 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

	2025	2024
Return on equity (RoE)	8.3%	8.0%

in CHF million

	2025	2024
Relevant net annual result for calculating ROE		
Consolidated profit	1,241	1,120
Total	1,241	1,120
Relevant average equity¹ for calculating ROE		
Average bank's capital	2,425	2,425
Average other equity components	12,483	11,647
Total	14,908	14,072

¹ The average bank's capital and other equity components are calculated on a monthly basis.

l) Risk report

1.1.1 Risk profile

Zürcher Kantonalbank continued to have a robust risk profile as at the end of the 2025 financial year. This is despite the fact that the past year was characterised by increased uncertainty due to military and trade conflicts as well as geopolitical realignment. The robust risk profile is an expression of the diversified business model of Zürcher Kantonalbank, its sustainable strategy and cautious risk policy. Risk management is of central importance for maintaining creditworthiness and reputation in a more challenging environment.

On the Swiss real estate market, the return and prospect of a sustained low interest rate environment for the time being has brought relief and confidence to many market participants. The residential real estate market in particular remains in a structural excess demand situation, given the continuing high level of immigration and insufficient housing production. This can be seen at the Canton of Zurich in continuing price growth and rising rents. The mortgage portfolio of Zürcher Kantonalbank grew by 4.3 percent in 2025. Credit risk management ensures that the portfolio growth maintains a balanced risk profile.

The unsecured corporate loan portfolio, where volume is slightly lower than a year ago, remains stable in terms of default risks. In 2025, the uncertainties surrounding US tariffs and the strength of the Swiss franc against the US dollar posed a particular challenge for many export-oriented Swiss companies. However, these have so far proved very resilient, meaning that no significant negative developments in the form of additional value adjustments or provisions have been recorded for the exposures of Zürcher Kantonalbank at portfolio level. The regular assessment of all major unsecured credit exposures has not revealed any extraordinary risks. Against a backdrop of intensifying geopolitical tensions, considerable uncertainties remain with regard to future economic development.

In April, the risk profile for trading showed higher risk figures in the short term as a result of the tariff shock, which temporarily led to significantly higher volatility on the financial markets. As the year progressed and particularly in the final quarter, stable and favourable markets and structurally reduced risks resulted in very low utilisation of risk limits. At year-end, utilisation of value at risk (VaR) stood at 11 percent, while utilisation of internally allocated risk capital (capital at risk, CaR) was 31 percent (previous year: 58 percent).

The bank managed the risks of its balance sheet structure to achieve the targeted interest rate sensitivity in line with interest rate trends as well as changes in client requirements when choosing mortgage and account products. The low interest rate environment tended to lead to an increase in client demand for rollover mortgages, shorter terms for fixed-rate mortgages and a shift from fixed-term deposits to account balances in the deposit business. Taking refinancing and hedging transactions into account, the interest rate sensitivity of the CHF banking book at the end of the year was slightly below that of the previous year.

Zürcher Kantonalbank continues to have a good liquidity situation, which is reflected in solid liquidity risk ratios. 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 did not change fundamentally compared with the previous year. The countermeasures taken to manage the operational risk profile are appropriate. In the combined analysis of loss potential and probability of occurrence, five of the ten operational risk categories are in the key risk area: information technology (IT), processing and execution errors, business interruption, information security (including cyber risks) and data management. As society and the economy continue to become digitally connected and complexity increases, we continue to attach a high level of importance to the management of these risks.

The bank's risk profile for compliance risks also remained stable. The persistently high regulatory pressure and the dynamic development of regulatory and legal requirements also required a considerable amount of resources in the 2025 reporting year. In the year under review the bank again prioritised efforts to combat money laundering and terrorist financing as well as to ensure consistent compliance with and implementation of sanctions. Developments in investor protection, data protection, financial and banking supervisory law, sustainability

issues and sustainable finance also played an important role. Compliance and legal risks were comprehensively addressed through appropriate measures.

In the area of climate-related financial risks, the bank has revised the risk assessment process based on the requirements of the new FINMA circular. The overall assessment remains largely unchanged. Climate-related financial risks influence the risk profile, but are not among the top risks.

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 business processes are carried out properly. To this end, management issues appropriate guidelines and ensures that compliance is monitored. An effective ICS includes control activities that are integrated into workflows, 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. Zürcher Kantonalbank is therefore committed to always conducting its banking business in accordance with the legal and regulatory requirements and the recognised professional and ethical standards of the banking industry based on the following principles: 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 is organisationally independent of the income-driven business units. It prepares an annual assessment of compliance risk on the basis of a risk inventory, including the preparation of a corresponding action plan, which must be approved by the Executive Board.

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.

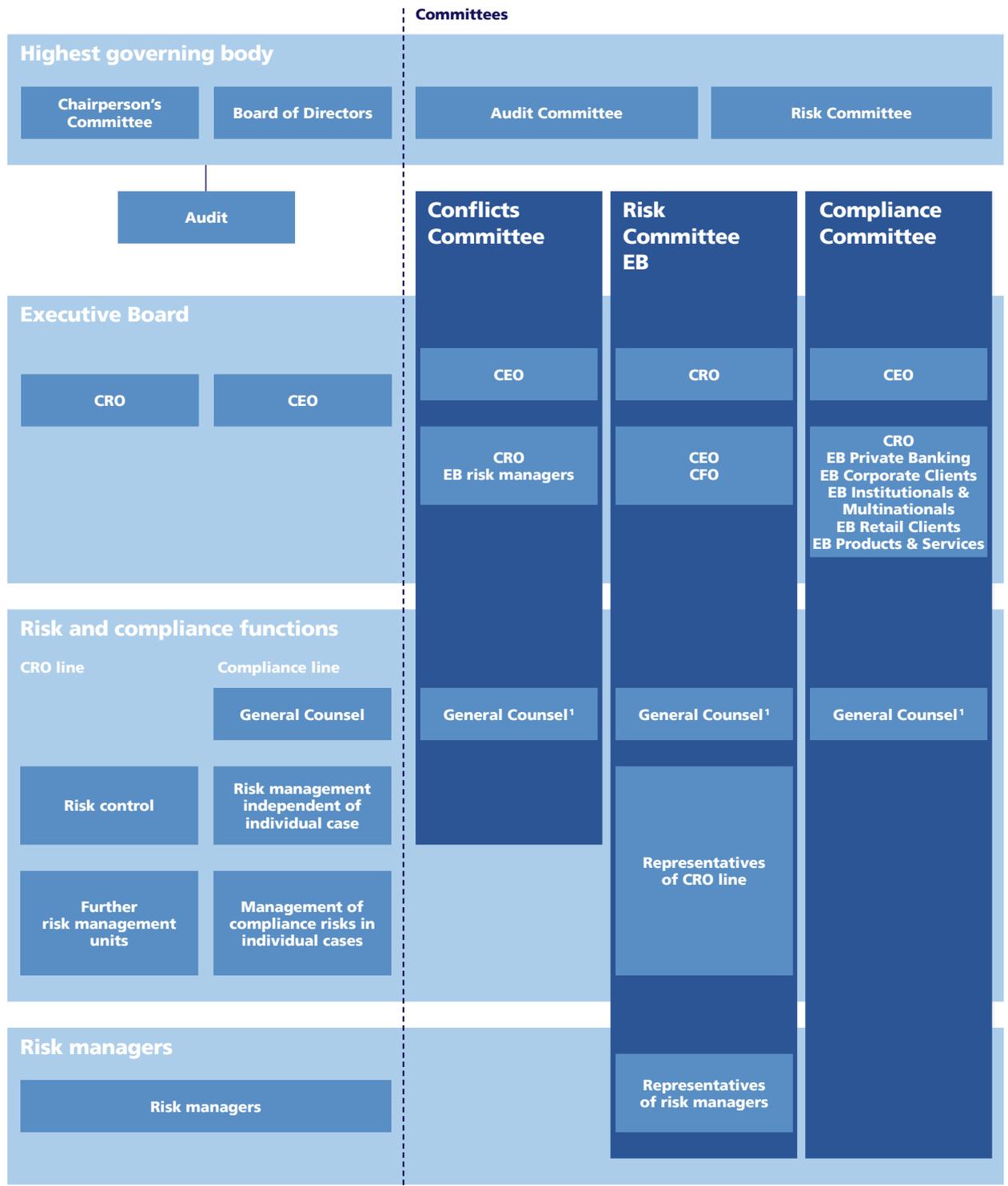
The Chairperson's Committee approves limits and deals with transactions involving particular business policy risks, conflicts of interest or particular effects on the group's reputation where these exceed the remit of the Executive Board and do not fall within the remit of the Board of Directors.

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.

Fig. 1: Risk and compliance organisation



¹ General Counsel has the right of escalation to the Chairperson's Committee at any time.

Executive Board

The Executive Board (EB) issues provisions for the identification, evaluation, control, management, monitoring and reporting of risks in the form of directives.

The EB 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 EB 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 EB in defining risk management processes. The Committee is chaired by the 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.

Compliance Committee of the Executive Board

The Compliance Committee, chaired by the CEO, supports the EB in organising the risk management of compliance risks and the resulting reputational risks. The Compliance Committee has assumed the tasks of the previous International Committee. The Deputy Chairman of the Committee is the General Counsel. The Compliance Subcommittee discusses the business of the Compliance Committee in advance and formulates proposals.

Risk unit

The CRO is a member of the EB and manages the Risk unit. He 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 EB 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.

The other units of the Risk unit analyse and examine transactions before they are executed and systems prior to their deployment in line with existing delineations of power and consultation duties, and define the requirements at individual transaction or system level. They also continuously monitor local risks and support the training of risk managers. The tasks of the Chief Information Security Officer (CISO) have also been part of the Risk unit since 1 January 2026.

Compliance line

The General Counsel reports directly to the CEO and manages the Compliance unit. He is a voting member and Deputy Chairman of the Compliance Committee and a non-voting member of the Risk and Conflicts Committee. The General Counsel has a right of escalation with access to the Chairperson's Committee at any time.

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. The Business Risk Management units of the risk managers provide support in implementing risk management.

Risk reporting

The Risk Control and Compliance functions report on a quarterly basis as part of integrated risk reporting to the EB 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 the Disclosure Ordinance (DisO-FINMA). The other tables on qualitative and quantitative disclosure as at 31 December 2025 will be available online from the end of April 2026 at zkb.ch/disclosure.

A selection of different approaches is available to banks to calculate risk-based capital adequacy requirements for credit, counterparty, CVA, market and operational risks. The capital required for credit risks is calculated primarily using the internal-ratings-based approach (simple IRB approach (F-IRB)). For exposures for which the IRB approach cannot be applied, the required capital for credit risks is calculated using the international standardised approach (SA-BIS). In the case of counterparty credit risks, the standardised approach for measuring counterparty credit risk (SA-CCR) is used to determine the credit equivalents of derivatives and the financial collateral comprehensive method is used to determine the credit equivalents of securities financing transactions. The capital required for the risk of possible credit valuation adjustments to derivatives and securities financing transactions (CVA risk) are calculated using the reduced basic approach (BA-CVA). The capital required for market risk is calculated using the market risk standardised approach. To determine the capital required for operational risks, Zürcher Kantonalbank uses the standardised approach, with the internal loss multiplier calculated on the basis of internal loss data.

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 2025 the group had minimum required capital of CHF 5,789 million, compared with eligible capital of CHF 16,882 million. Both the total capital ratio of 23.3 percent of risk-weighted assets and the leverage ratio of 7.1 percent reflect Zürcher Kantonalbank's solid equity base.

The liquidity coverage ratio (LCR) of 136 percent and the net stable funding ratio (NSFR) of 118 percent point to a comfortable liquidity situation. The regulatory key figures for the group are shown on the following two pages.

The breakdown of the regulatory minimum required capital within the group of CHF 5,789 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 31.12.2025, by risk category

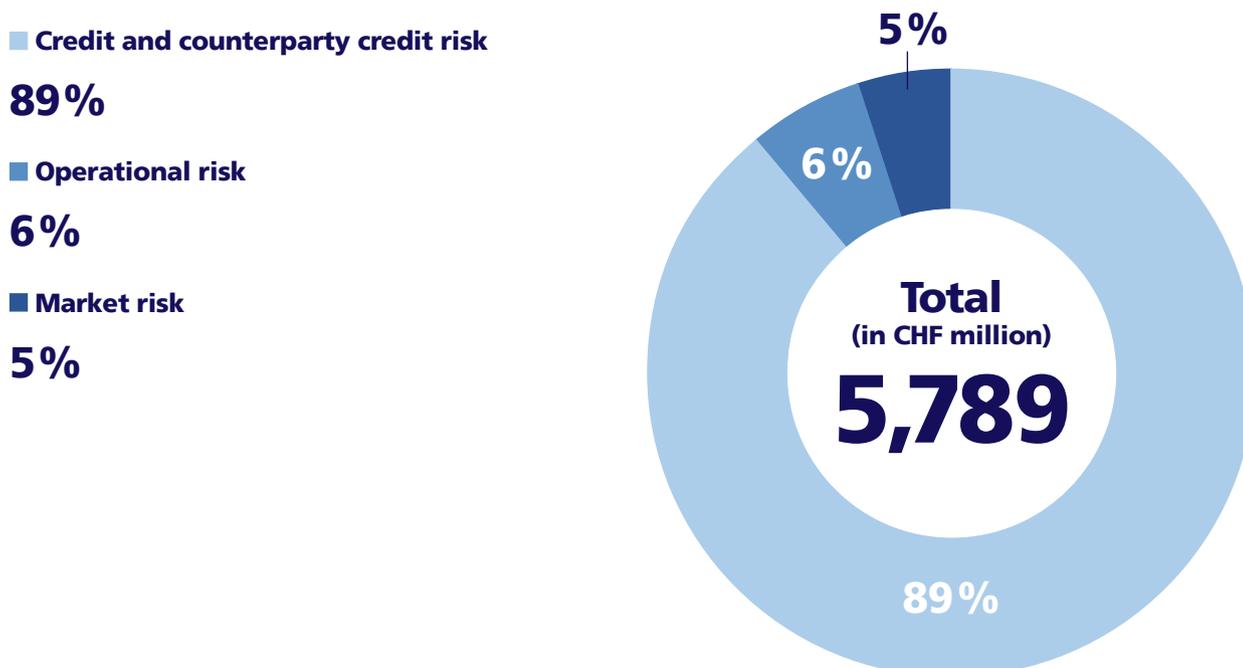


Fig. 2: Table KM1: Key metrics group

Group	a	b	c	d	e
in CHF million (unless indicated otherwise)	31.12.2025	30.9.2025	30.6.2025	31.3.2025	31.12.2024
› Eligible capital					
1 Common equity Tier 1 (CET1)	15,347	14,929	14,792	14,640	14,482
2 Tier 1 capital (T1)	16,400	15,977	15,853	15,701	15,546
3 Total capital ¹	16,882	16,460	16,332 ⁴	16,281 ⁴	16,095
Total Loss Absorbing Capacity (TLAC) ²	23,295	22,867	22,195	22,138	22,198
› Risk-weighted assets (RWA)					
4 RWA	72,359	72,751	71,680 ⁴	73,599 ⁴	86,443
4a RWA pre output floor (Art. 45a para. 3 CAO)	72,359	72,751	71,680 ⁴	73,599 ⁴	n/a
4a Minimum required capital according to FINMA Circular 2016/1	n/a	n/a	n/a	n/a	6,915
› Risk-based capital ratios (as a % of RWA)					
5 CET1 ratio ¹	21.2%	20.5%	20.6% ⁴	19.9% ⁴	16.8%
5b CET1 ratio pre output floor	21.2%	20.5%	20.6% ⁴	19.9% ⁴	n/a
6 Tier 1 capital ratio ¹	22.7%	22.0%	22.1% ⁴	21.3% ⁴	18.0%
6b Tier 1 capital ratio pre output floor	22.7%	22.0%	22.1% ⁴	21.3% ⁴	n/a
7 Total capital ratio ¹	23.3%	22.6%	22.8% ⁴	22.1% ⁴	18.6%
7b Total capital ratio pre output floor	23.3%	22.6%	22.8% ⁴	22.1% ⁴	n/a
TLAC ratio ²	32.2%	31.4%	31.0% ⁴	30.1% ⁴	25.7%
› CET1 buffer requirements (as a % of RWA)					
8 Capital conservation buffer as per the Basel minimum standards (2.5 percent)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer according to Basel minimum requirements: extended countercyclical buffer (Art. 44a CAO)	0.0%	0.0%	0.0% ⁴	0.1%	0.0%
10 Additional capital buffer due to international or national system relevance	–	–	–	–	–
11 Total CET1 specific buffer requirements (rows 8+9+10)	2.5%	2.5%	2.5% ⁴	2.6%	2.5%
12 CET1 available to fulfil the buffer requirements (row 11), after deduction of CET1 to fulfil the minimum requirements and, if applicable, to fulfil requirements for overall loss absorbing capacity (Total Loss Absorbing Capacity, TLAC)	15.3%	14.6%	14.8% ⁴	15.4% ⁴	10.6%
› 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%
› Leverage Ratio as per Basel minimum requirements					
13 Leverage ratio exposure measure (LRD)	229,914	228,766	222,945	227,810	227,125
14 Leverage ratio, Tier 1 in percent of LRD, including the impact of any applicable temporary exemption of central bank reserves	7.1%	7.0%	7.1%	6.9%	6.8%
14b Leverage ratio, excluding the impact of any applicable temporary exemption of central bank reserves	7.1%	7.0%	7.1%	6.9%	6.8%
14c Leverage ratio, including the impact of any applicable temporary exemption of central bank reserves, incorporating mean values for securities financing transactions (SFT assets)	7.1%	7.0%	7.2%	6.9%	n/a
14d Leverage ratio, excluding the impact of any applicable temporary exemption of central bank reserves, incorporating mean values for securities financing transactions (SFT assets)	7.1%	7.0%	7.2%	6.9%	n/a
14e Minimum required capital (Art. 42 CAO)	6,897	6,863	6,688	6,834	n/a
TLAC leverage ratio (TLAC in % of leverage ratio exposure measure) ²	10.1%	10.0%	10.0%	9.7%	9.8%

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 capital buffer in accordance with § 44 CAO.

4 These key figures differ from the figures published for these reporting dates. In the corresponding disclosure reports, RWA as at 30.6.2025 were understated by CHF 1,207 million and as at 31.3.2025 by CHF 1,209 million. These key figures also change as a result of the adjustment of RWA on the two reporting dates.

› **Liquidity coverage ratio (LCR)⁵**

15	LCR numerator: total of high-quality liquid assets (HQLA)	54,096	51,673	50,907	50,495	52,039
16	LCR denominator: total net outflows of funds	39,654	37,464	38,883	36,827	36,521
17	LCR	136 %	138 %	131 %	137 %	142 %

› **Net stable funding ratio (NSFR)**

18	Available stable funding	125,947	124,862	122,179	120,107	121,070
19	Required stable funding	107,170	106,366	106,138	106,312	104,144
20	NSFR	118 %	117 %	115 %	113 %	116 %

5 A simple average of the end-of-day values on business days during the quarter under review.

1.3 Capital allocation within internal risk management

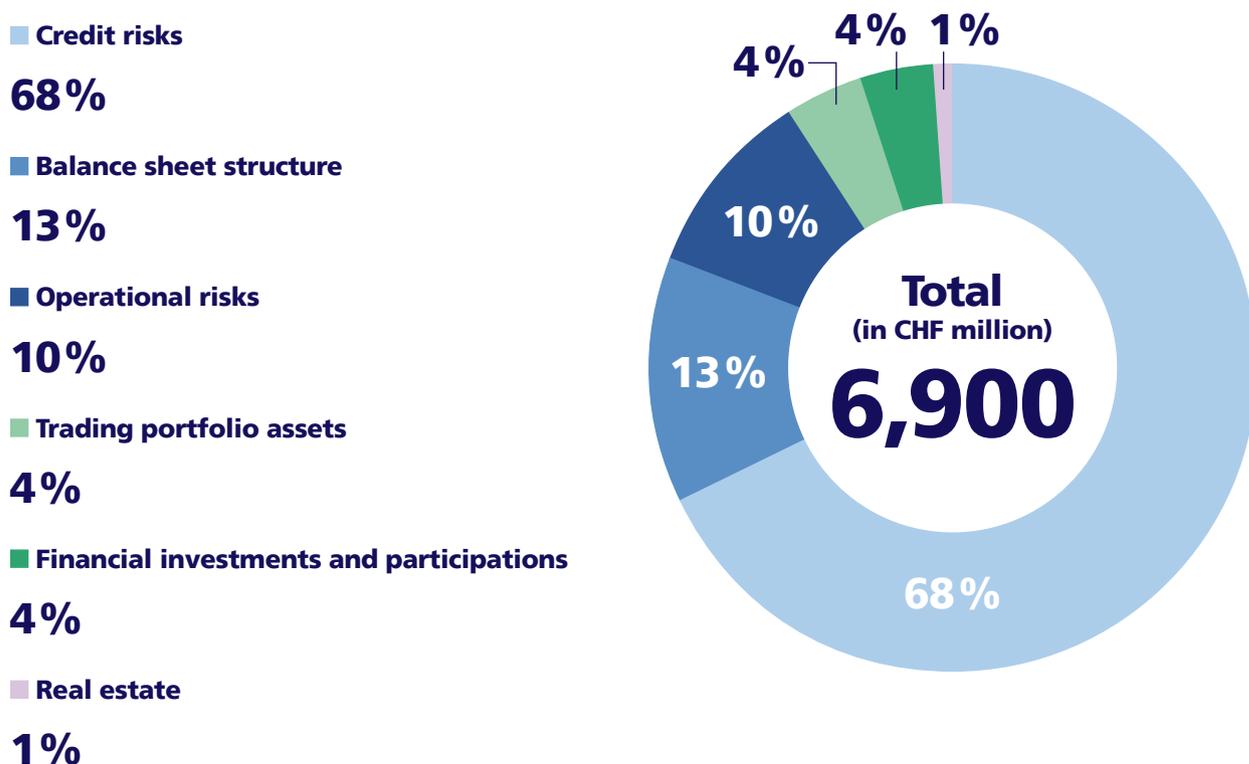
Amongst other things, Zürcher Kantonalbank employs a capital at risk approach to internal risk management. The Board of Directors defines the risk tolerance with the maximum risk capital. The Board of Directors determines the quantitative risk tolerance requirements by allocating risk capital to the risk categories of credit, market and operational risks¹. The models are based on an observation horizon of one year and a maximum tolerated 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 16,095 million in eligible capital (total capital) at the end of 2024, a total of 6,900 million was allocated to the risk business in 2025. 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



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 are divided into the following ten categories: 1) offences (external), 2) physical security, 3) business interruption, 4) processing/execution errors, 5) information technology (IT), 6) third parties, 7) information security (including cyber), 8) data management, 9) models, 10) offences (internal).

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. Compliance risks are divided into the following six categories: 1) employees, 2) unlawful behaviour, 3) legal, 4) financial crime, 5) regulatory compliance, 6) reporting and tax obligations.

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.

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. The sustainability policy of Zürcher Kantonalbank excludes project financing for coal mining, oil and gas extraction and fossil-fuelled power plants. Specific exclusion criteria and conditions are applied for commercial loans to commodity companies and energy producers. The following exclusions are applied in commodity trading finance and in the letter of credit, guarantee and collection business: 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.

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 (zkb.ch/sustainability). 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 2026 at zkb.ch/disclosure. Section 1.10 of this report provides a summary of climate-related financial risks.

Risk management and the risk profile in the risk categories are described in the following sections.

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 EB. 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.

The risk management and risk control functions of the Risk unit are separate from the risk management of the sales units. 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 for indications 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 113.

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

Against the backdrop of the trends in the real estate market and despite the ongoing geopolitical and trade conflicts, Zürcher Kantonalbank’s loan portfolio remained robust as at the end of the year (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 6.1 percent of the volume (2024: 6.0 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 fell by around CHF 860 million (–0.6 percent) compared with the previous year. Credit exposures in relation to "private individuals" consisted almost entirely of receivables secured by mortgages and represented 51 percent (2024: 49 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 cooperative building associations). The share of this client group in total credit exposures was 28 percent (2024: 26 percent), 85 percent (2024: 83 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 9 percent (2024: 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 (2024: 7 percent). "Governments and public entities" – the smallest portfolio, with a share of 5 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. Around 62 percent 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 3.1 percent in 2025. The median gross loan-to-value ratio for all properties in the private individuals client portfolio was 43.2 percent (2024: 43.8 percent).

Unsecured loans

Of the unsecured loans in the corporate clients portfolio (Figure 8), 79 percent (2024: 80 percent) are attributable to clients in the AAA to BBB (investment grade) rating categories, with a lower year-on-year overall volume at CHF 6.1 billion (–5.9 percent). Figure 9 shows the unsecured loans in the corporate clients portfolio broken down by industry. The top three industries are still trade, manufacturing, and information & communication. In the "Banks and securities traders" portfolio (Figure 10), the volume of unsecured loans at about CHF 2.3 billion was significantly lower (–22 percent) than at the end of 2024. 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 86 percent (2024: 88 percent) of the unsecured exposures.

Impaired loans

Impaired loans amounted to CHF 564 million (2024: CHF 516 million). After deducting the estimated liquidation value of collateral, this equals net debt of CHF 315 million (2024: CHF 294 million, see also Note 2 to the balance sheet).

Fig. 6: Credit exposures by rating category

Share as %

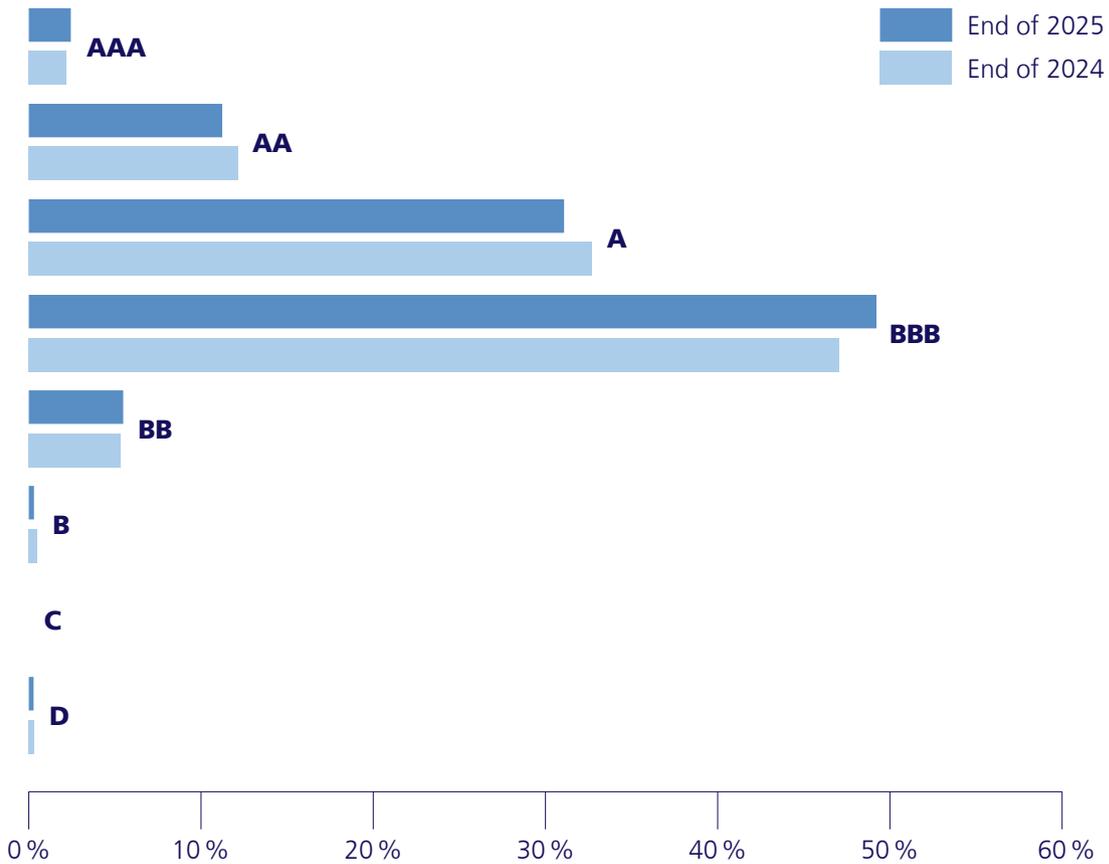


Fig. 7: Credit exposures by client portfolio

in CHF million

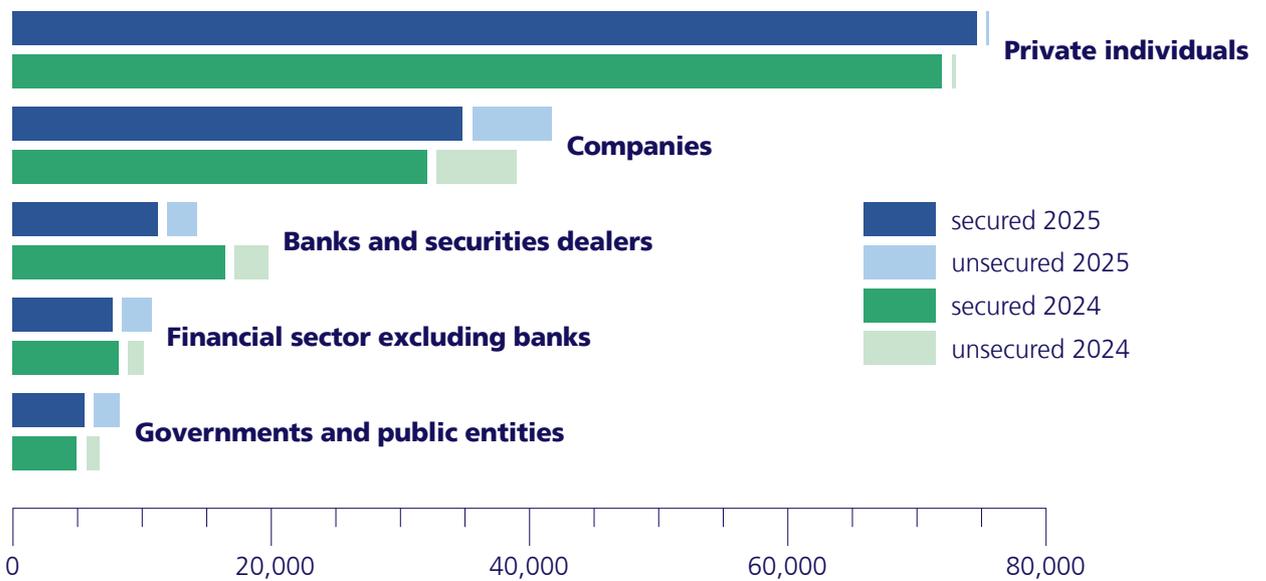
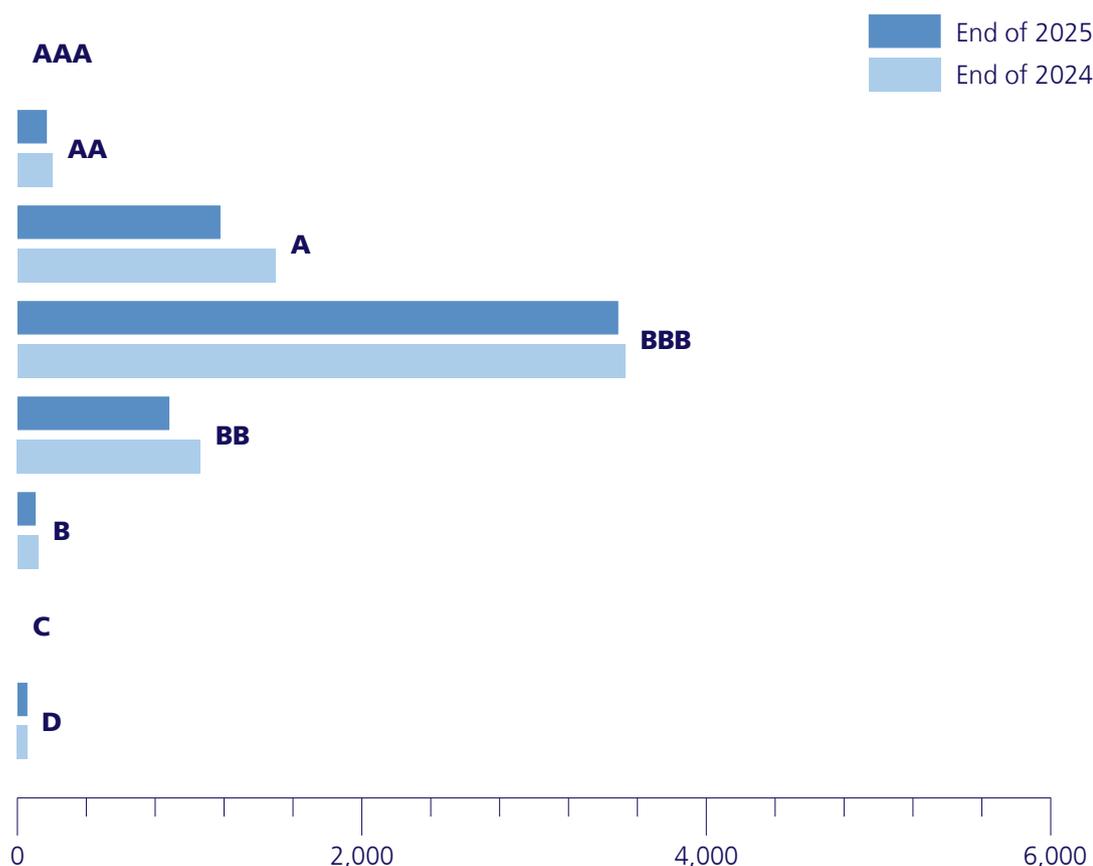


Fig. 8: Unsecured credit exposures to corporate clients by rating category

in CHF million



Non-performing loans/receivables

The nominal value of non-performing loans amounted to CHF 178 million at the end of the reporting period (2024: CHF 147 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 23 million to CHF 384 million in 2025 (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 declined by CHF 16 million year-on-year to CHF 489 million at the end of 2025.

Fig. 9: Unsecured credit exposures to corporate clients by industry
in CHF million

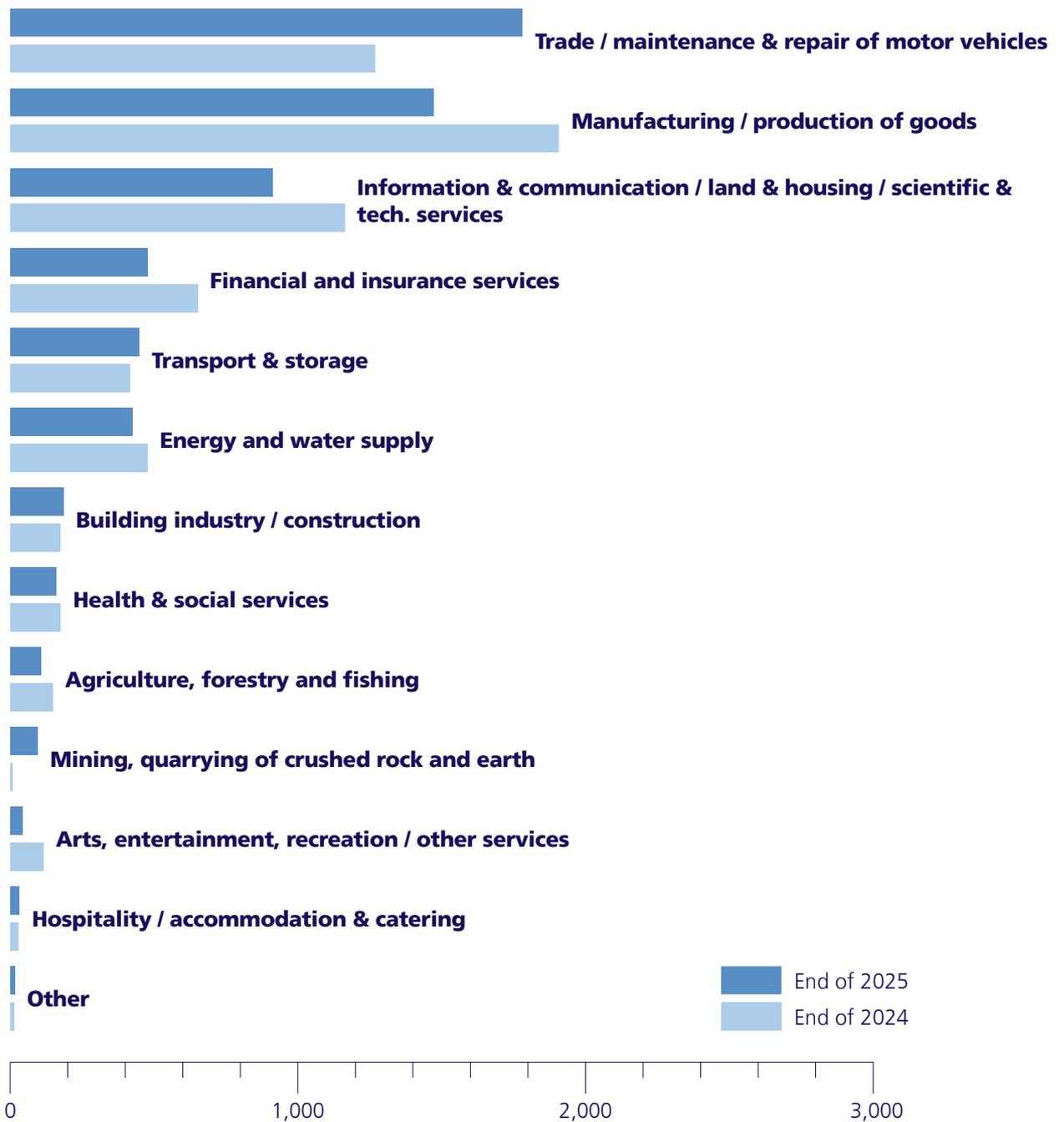
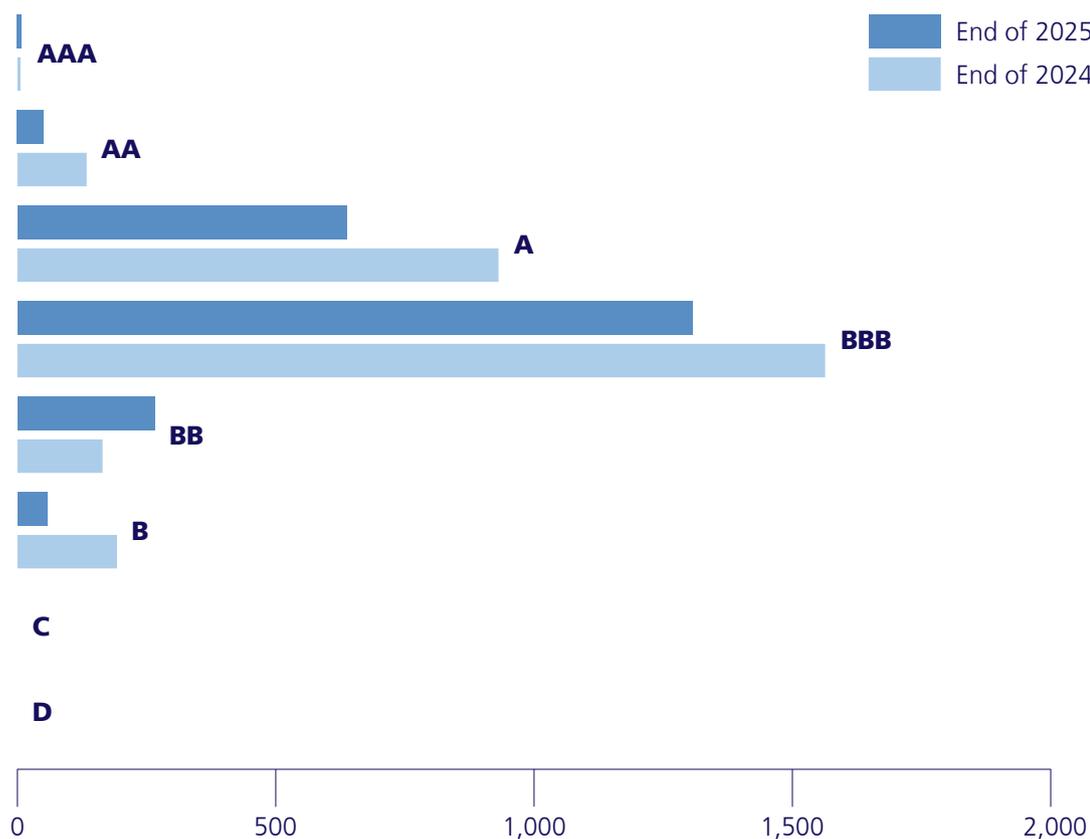


Fig. 10: Unsecured credit exposures to banks and securities traders by rating category
in CHF million



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 EB. These 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. An internal directive contains provisions on whether a position is categorised as a trading position, and in which exceptional cases it is allocated to the trading or banking book. This directive ensures regulatory requirements are implemented by also containing rules on reclassifications and internal risk transfer. The risk management and risk control functions of the Risk unit are separate from the risk management of the sales units at the EB level. The responsibilities of the 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. For equities, 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. 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

Value-at-risk according to internal model (holding period 10 days)	Commodities ¹	Currencies	Interest rates	Equities	Diversification	Modelled total risk	Total risk ²
in CHF million							
As at 31.12.2025	2	0	5	2	-5	5	7
As at 30.09.2025	1	0	6	5	-5	7	10
As at 30.06.2025	0	13	7	2	-4	19	22
As at 31.03.2025	0	7	7	4	-4	14	16
As at 31.12.2024 ³	0	7	7	3	-4	14	18

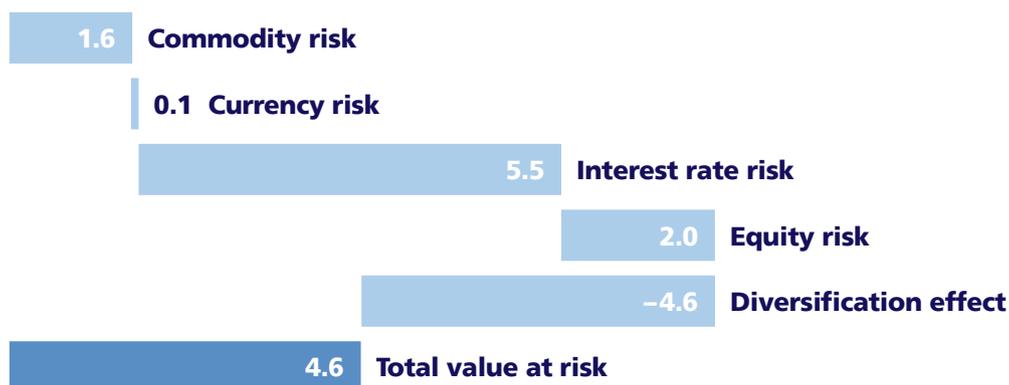
1 Incl. precious metals.

2 Sum of modelled total risk and risk premium for trading products not fully modelled.

3 The key figure for currency risk as at 31.12.2024 was understated by CHF 7 million in last year's risk report and has been corrected. The key figures for overall risk have been adjusted accordingly.

Fig. 12: Components of value at risk as at 31.12.2025

in CHF million



Risk profile

The turmoil on the financial markets led to increased volatility from the beginning of April 2025, resulting in higher value at risk (VaR) values (Figure 11). In the third quarter, VaR decreased significantly due to reduced currency risks. The low VaR at the end of the year reflects both the low risk appetite and the stable and, apart from the precious metal markets, directionless market environment. Interest rate risks dominated in the composition of value at risk at year-end, although commodity risk was up slightly on the previous year (Figure 12).

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.

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. Client deposits and loans 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 by the bank in the event of interest rate changes and the anticipated client behaviour. The model is reviewed and validated every year and is approved by the Risk Committee of the EB 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. The effects of multi-year (stress) scenarios on interest income and margin trends are analysed in depth as part of budget planning and potential loss analysis (within the bank and in accordance with FINMA requirements).

Risk profile¹

The maturity-dependent sensitivity data shown in Figure 13 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 business are represented via replicating portfolios with an average maturity of 20 months. The interest rate exposure of the underlying business decreased year-on-year. On the one hand, the growth in client deposits enabled a selective and moderate increase in floor rates. On the other hand, despite continued mortgage growth, a client preference for shorter terms for fixed-rate mortgages and a shift in client demand from fixed-rate to money market mortgages led to lower interest rate exposure in the underlying business. Newly executed hedging transactions had a positive impact on the interest rate exposure of the banking book. As at 31 December 2025 the interest rate sensitivity of the banking book was CHF 8.2 million per basis point, equivalent to a decrease of 4 percent compared to the previous year.

Fig. 13: Interest rate sensitivity of the banking book CHF

in CHF 1,000

Basis point sensitivity²	up to 12 months	1 to 5 years	over 5 years	Total
Underlying business	-391	2,808	6,967	9,384
Hedge	177	41	-1,369	-1,150
Total as at 31.12.2025	-213	2,849	5,598	8,234
Total as at 31.12.2024	-221	2,452	6,358	8,588

Fig. 14: Present value stress results of the standardised interest rate shock

in CHF million

	31.12.2025	31.12.2024	Change
(i) Upward parallel shift	-1,165	-1,179	13
(ii) Downward parallel shift	1,313	1,337	-24
(iii) Steepener shock	-424	-503	79
(iv) Flattener shock	205	277	-72
(v) Upward shock of short-term interest rates	-242	-186	-56
(vi) Downward shock of short-term interest rates	248	190	58
Tier 1 capital (T1)	16,523	15,689	834
Ratio of largest present value loss to Tier 1 capital (T1) in %	7.1%	7.5%	-0.5%

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.

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 2025.

The present value losses in the regulatory interest rate shock scenarios, as shown in Figure 14, 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 1,165 million. This equates to a present value stress loss that is CHF 13 million lower than in the previous 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 from debt securities in financial investments are managed and limited as part of the interest rate risks in the balance sheet (see previous paragraph).

Strategy, organisation and processes

The background to the investment portfolio is as follows: The debt securities in the financial investments are part of the bank's liquidity buffer. The participations 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 guidelines for the financial investments managed by Treasury are laid down in the risk tolerance requirements approved by the Risk Committee of the EB. Only debt securities with a first-class credit rating that are considered high-quality liquid assets (HQLA) may be purchased. There are rules on climate-related financial risks in line with 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 (CO₂e 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 required 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 7.7 billion as at 31 December 2025 (2024: CHF 5.2 billion). Of this, CHF 7.1 billion related to debt securities (2024: CHF 4.7 billion). The portfolio consists mainly of mortgage bonds and first-class bonds, which are diversified in terms of counterparty groups and countries. At CHF 0.6 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.

An appropriate and effective internal control system (ICS) plays an important part in ensuring that losses from operational risks remain low. The Risk unit specifies the processes and methods, and provides tools for monitoring the ICS. It analyses the risk profile and prepares independent reports, monitors the management of operational risks and is responsible for refining the systems, instruments and methods.

With regard to information security and business continuity management (BCM), an appropriate specialist unit is responsible for defining requirements. The higher the risk or risk classification, the more extensive the security requirements that have to be implemented. Employees are regularly trained in the rules of behaviour relevant to security (security awareness).

In the event of an operational crisis, the bank has an emergency organisation with divisional emergency organisations for Real Estate and IT. These organisations maintain operations even in critical situations and ensure timely recovery in accordance with the business continuity plan.

The corresponding risk inventory constitutes the basis for the management of operational risks. The risks and controls used to minimise risks are centrally documented, assessed (attestation) and independently verified (testing). In addition, the bank monitors the rectification of problems (issues), the implementation of measures and pending issues.

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 ICS.

Operational risks are assessed, managed and monitored in periodic and systematic assessments, on an event-driven basis as well. Operational risks are divided into ten categories (see section 1.4. Risk categories).

Internal reporting to the executive bodies on events, the risk profile and the results of operational risk monitoring is carried out regularly by the risk organisation. It also informs the executive bodies annually in separate reports about its activities and the bank's operational resilience. In addition, the business units and the group companies themselves also report on their ICS.

1.7.2 Risk profile

The bank's risk profile for operational risks (OpRisk) did not change fundamentally compared with the previous year. In principle, the measures taken and planned to manage the operational risk profile are appropriate.

In the combined analysis of loss potential and probability of occurrence, five of the ten operational risk categories mentioned above are in the key risk area and hence are material risks: information technology (IT), processing and execution errors, business interruption, information security (including cyber) and data management. As society and the economy continue to become digitally connected and complexity increases, these risks remain high. The management of these risks therefore continues to receive corresponding attention.

The information technology (IT) risk category includes possible failure of software, hardware and networks. Reasons for this may include incorrect settings, limited capacities or mechanical failures. The risk profile is increasingly shifting from manual specialised processes to automated processes. The importance of tests in change projects is increasing accordingly. The bank reduces the relevant risks by pursuing a strategy to standardise the use of technologies as a means to manage IT complexity, defining clear IT architecture specifications and monitoring of IT.

Risk management of processing and execution risks is primarily performed by the organisational units. In addition, risks along the process chains are reviewed 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.

Data management focuses in particular on the risks associated with critical data used and required for transaction processing and reporting. The corresponding risks relate to data

availability and data quality, which are necessary for the bank to provide its services. To reduce the risks, a data governance system is in place with guidelines on data storage, data erasure and data protection.

To reduce the risk of business interruption, 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 BCM as implemented in accordance with regulatory requirements.

The bank is addressing the challenging environment and dynamics related to information security (including 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.

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 management and use of liquidity with a term of less than one year 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. In addition to the LCR requirements, the bank is also obliged to fulfil the special provisions for systemically important banks (too-big-to-fail regulations, TBTF).

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 contingency 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 2025, which is calculated as a simple average of the end-of-day values of the business days during the quarter under review, lies between 131 percent and 138 percent. The bank was also comfortably in compliance with the special liquidity requirements for systemically important banks. High-quality liquid assets (HQLA) average between CHF 50.5 billion and CHF 54.1 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.

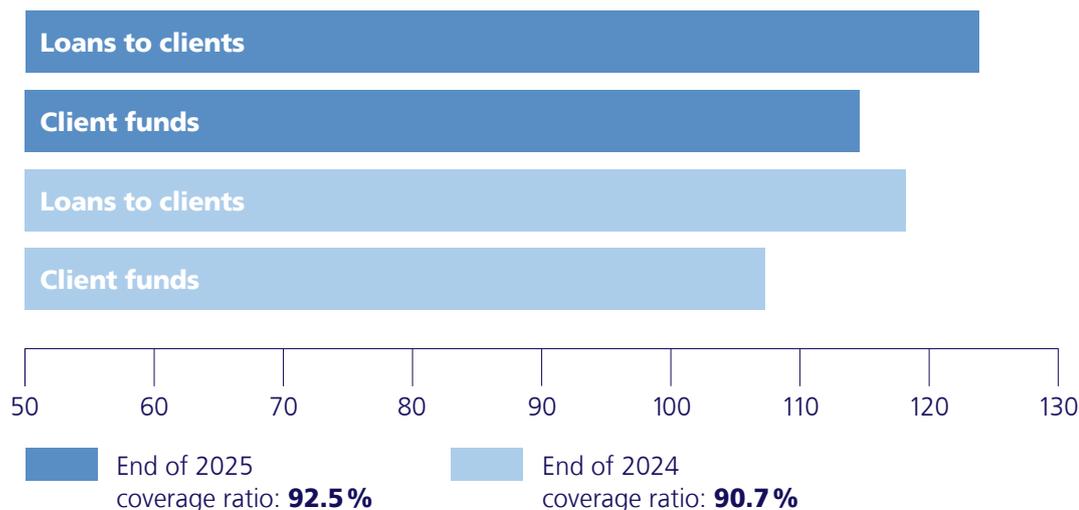
The changes in the LCR and the internal statistical measures of liquidity risk are mainly driven by portfolio changes in non-operational sight deposits, time deposits, money market securities, as well as SLB and repo transactions with banks and major clients.

The quarter-end NSFR values ranged from 113 percent to 118 percent in 2025. The required stable funding ranges between CHF 106.1 billion and CHF 107.2 billion. The available stable funding is between CHF 120.1 billion and CHF 125.9 billion.

Figure 15 shows a year-on-year comparison of the coverage ratio for asset-side client transactions. Loans to clients amounted to CHF 123.8 billion and client funds to CHF 114.5 billion as at 31 December 2025. This results in a coverage ratio of 92.5 percent.

Fig. 15: Coverage ratio of client business

in CHF billion



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

As part of the compliance risk inventory, Zürcher Kantonalbank reviews all relevant legal and regulatory risks and takes appropriate risk prevention measures where necessary. Overall, the bank's risk profile remained stable in 2025.

The regulatory and legal framework for Zürcher Kantonalbank remained demanding and has evolved in several respects. This related in particular to investor protection, the handling of data and regulation in the area of sustainability (ESG), with a special focus on the associated reporting obligations. The management of compliance and legal risks therefore focused on various investigation and implementation activities. In addition, the new regulatory plans for combating money laundering necessitated additional analyses and investigations regarding implementation. Combating money laundering and terrorist financing as well as implementing sanctions once again required continuous efforts in the 2025 reporting year. At the same time, the further development of various technical risk management tools for combating money laundering was driven forward in a targeted manner.

1.10 Climate-related financial risks

Zürcher Kantonalbank is disclosing its climate-related financial risks for the 2025 financial year, taking into account the requirements for systemically important banks under DisO-FINMA. 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 2026 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 requirements, 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-related financial 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 and reports on them transparently. More detailed information on this and on the risk assessment can be found in the disclosure (see zkb.ch/disclosure).

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 EB in all matters relating to the public service mandate.

The EB determines the sustainability policy, which specifies the bank's goals and is also disclosed externally in several ways, including on the bank's homepage (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 CO₂e footprint), and BCM 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 risks.
- The management of market risks with climate-specific specifications for investments in the portfolio of financial investments managed by Treasury.
- Risk management in the investment business.

In the standardised asset management and investment advisory mandates of Investment Solutions, graduated combinations of the ZKB sustainability approaches are used, depending on the variant.

Compliance with the sustainability approaches concerned 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 the investment reports for its clients, Zürcher Kantonalbank transparently discloses portfolio quality in terms of the sustainability approaches.

Under the "Swisscanto, managed by Zürcher Kantonalbank" brand, the Asset Management of Zürcher Kantonalbank uses graduated combinations of sustainability approaches for investment funds, pension products and asset management mandates, depending on the product line. Compliance with the relevant sustainability requirements (e.g. CO₂e footprint reduction) is monitored by independent investment and portfolio controlling. Additional controls are carried out by risk management. The resulting findings are part of risk reporting and the internal risk dialogue.

1.10.2 Risk profile

As part of its commitment to sustainability, Zürcher Kantonalbank aims to minimise climate risks across its entire business operations and establish transparency in this regard. Climate-related financial risks influence the risk profile of Zürcher Kantonalbank, but are not among the top risks.

The direct climate-related financial risks for the bank are low overall. Transition risks are of greater significance than physical risks. Transition risks relate in particular to compliance and reputational risks from business areas in which the bank is confronted with high or at least very different expectations from the various stakeholders regarding how the bank should contribute to achieving the climate targets. As far as business risks are concerned, the financial risk arising from longer-term transition risks from asset management is categorised as "moderate" and therefore material within the meaning of FINMA Circular 2026/1. The legal framework for asset management in the area of sustainability is developing dynamically, which increases complexity and costs. Violations of the law, publicly announced climate targets or contractually agreed sustainability approaches (in particular CO₂e footprint reduction) for individual portfolios may entail reputational risks (including greenwashing accusations), which may materialise for the bank in a reduction in income, particularly from asset management. However, the risk of fluctuations in the value of investments resulting from climate-related risks for investment funds, pension products and asset management mandates is generally borne by the investor.

Figure 16 below summarises the 2025 risk assessment of climate-related financial risks as carried out by the Risk Committee of the EB after detailed discussion of the topic. The assessment is based on traditional risk categories; compliance risks from the investment business are included under business risks.

More detailed information on the risk assessment as at 31 December 2025 will be available online from the end of April 2026 at zkb.ch/disclosure.

Fig. 16: Overview from the qualitative assessment of climate-related financial risks

	Physical risks		Transition risks		Materiality	
	short to medium term	long term	short to medium term	long term	yes/no	Comments
Credit risk						
Mortgage lending	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Low physical risks for the bank, defined reduction paths for residential and office properties.
Commercial lending business	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Risks low. Industry exclusions, conditions and, above all, short maturities of financing in exposed industries.
Market risk						
Trading	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks due to client focus of trading, continuously managed positions with short maturities.
Financial investments (Treasury)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks due to top credit ratings of the bonds in the investment portfolio and exclusion of industry-intensive CO ₂ e issuers.
Operational risk						
Banking operations	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks. Business continuity management for natural hazards already in place, operational environmental programme with CO ₂ e reduction target.
Business risk						
Asset Management	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	yes transit.	Physical risks very low, moderate transition risks from dynamics of the legal framework for investment products and potential failure to hit climate targets.
Investment Solutions business	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Physical risks very low, low transition risks from complexity in investor protection.

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = no risk
 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = very low risk
 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = low risk
 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = moderate risk
 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = significant risk
 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ = very high risk

short term: up to 1 year
 medium term: up to 5 years
 long term: up to 50 years

Fig. 17: Unsecured loans and advances in the corporate clients portfolio by “climate-sensitive” and other industries

Industry designation	31.12.2025		31.12.2024
	Balance sheet exposure in CHF million	as % of unsecured exposure	as % of unsecured exposure
Metal production/processing	8	0.0 %	0.0 %
Chemical products	59	0.1 %	1.1 %
Sewage and waste disposal and elimination of environmental pollution	73	0.2 %	0.1 %
Glass/ceramics/cement	78	0.2 %	0.2 %
Agriculture, hunting and related activities	83	0.2 %	0.2 %
Mining/crushed rock and earth	95	0.2 %	0.0 %
Transport (incl. mountain railways, but excluding rail passenger transport and goods trains)	274	0.7 %	0.7 %
Energy supply	350	0.9 %	1.1 %
Automotive	603	1.5 %	1.3 %
Commodity trade finance (CTF)	667	1.6 %	1.3 %
Total climate-sensitive sectors	2,289	5.5 %	6.1 %
Total other sectors	3,816	9.3 %	10.4 %
Total corporate clients unsecured loans and advances	6,105	14.8 %	16.5 %
Real estate financing	34,394	83.3 %	80.8 %
Other products	776	1.9 %	2.7 %
Total balance sheet exposure companies	41,275	100.0 %	100.0 %

Unsecured loans and advances in the corporate clients portfolio by “climate-sensitive” and other 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 17 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 2025 climate-sensitive sectors accounted for around 5.5 percent (2024: 6.1 percent). This includes the entire energy sector, which, however, consists mostly of financing for sustainable energy sources. In addition to 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.

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.

	2025	2024	2023	2022	2021
Key figures	in %				
Return on equity (RoE)	8.3	8.0	9.3	8.4	7.8
Cost/income ratio (CIR) ¹	55.5	55.0	51.8	57.5	58.7
Common equity Tier 1 ratio (CET1) ²	21.2	16.8	17.4	16.8	17.0
Risk-based capital ratio (going concern) ²	22.7	17.9	18.7	18.2	18.5
Risk-based capital ratio (gone concern) ²	9.5	7.8	8.0	4.3	4.0
Risk-based TLAC ratio ^{2/3}	32.2	25.7	26.8	22.5	22.5
Leverage ratio (going concern) ²	7.1	6.8	6.6	6.2	6.2
Leverage ratio (gone concern) ²	3.0	3.0	2.8	1.5	1.3
TLAC Leverage Ratio ^{2/3}	10.1	9.8	9.4	7.7	7.5
Liquidity coverage ratio (LCR) ⁴	136	142	147	146	160
Net stable funding ratio (NSFR)	118	116	117	124	118
Income statement	in CHF million				
Net result from interest operations	1,679	1,680	1,821	1,403	1,248
Result from commission business and services	1,082	1,024	940	926	926
Result from trading activities and the fair value option	427	353	415	409	347
Other result from ordinary activities	25	32	19	15	24
Operating income	3,213	3,088	3,194	2,752	2,544
Operating expenses	-1,790	-1,731	-1,679	-1,594	-1,517
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-51	-72	-75	-101	-104
Changes to provisions and other value adjustments and losses	-18	-8	28	2	28
Operating result	1,354	1,277	1,469	1,059	951
Extraordinary result	68	12	1	8	0
Changes in reserves for general banking risks	-	-	-225	-	-
Consolidated profit before taxes	1,422	1,289	1,246	1,067	951
Taxes	-180	-168	-7	-8	-9
Consolidated profit	1,241	1,120	1,238	1,059	942
Balance sheet (before appropriation of profit)	in CHF million				
Total assets	206,177	202,594	201,259	199,791	192,105
Mortgage loans	111,174	106,600	100,874	96,838	91,847
Amounts due in respect of customer deposits	114,324	106,980	101,452	103,351	96,777
Shareholders' equity	15,727	14,862	14,268	13,299	12,674

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 A simple average of the end-of-day values on business days during the quarter under review.

	2025	2024	2023	2022	2021
› Participation of the canton and municipalities	in CHF million				
Dividend to cover actual costs to the canton	22	21	18	11	11
Dividend for the canton	181	184	340	320	280
Dividend for municipalities	175	170	170	160	140
OECD minimum tax to the canton	169	156	–	–	–
Compensation for state guarantee	34	31	30	28	27
Total participation of the canton and municipalities	581	562	558	519	458
› Additional services	in CHF million				
Payments from public service mandate	149	140	161 ⁵	140	141
› Further information	Number				
Total customers' assets (managed assets and assets with custody services)	578,950	520,811	450,789	399,965	409,190
Headcount after adjustment for part-time employees, as at the reporting date	5,809	5,779	5,539	5,249	5,145
Branches	51	53 ⁶	53 ⁶	53 ⁶	57 ⁶
› Rating agencies	Rating				
Fitch	AAA	AAA	AAA	AAA	AAA
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA	AAA

5 Includes CHF 25 million for the establishment of the ZKB Philanthropy Foundation.

6 Including branches of Zürcher Kantonalbank Österreich AG in Salzburg and Vienna.

Report of the statutory auditor to the Cantonal Parliament of Zurich
on our audit of the consolidated financial statements
as of 31 December 2025 of

Zurich, 26 February 2026

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 2025, 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 176) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 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 that are relevant to audits of the financial statements of public interest entities. We have also 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 2025, Zürcher Kantonalbank discloses client loans totaling CHF 123.8 billion. As of the balance sheet date, individual value adjustments and provisions for impaired loans amounted to CHF 383.9 million and value adjustments and provisions for expected losses amounted to CHF 488.9 million. With 60.1%, 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 113, 118, 119 as well as on pages 157 to 164 of the bank's annual report. Furthermore, we refer to notes 2 and 16 on pages 121, 122 and 132 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.

Fair value measurement of financial instruments

Area of focus	<p>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.</p> <p>Zürcher Kantonalbank discloses financial instruments at fair value measurement in different balance sheet items. As of 31 December 2025, the fair value of positive replacement values of derivative financial instruments amounts to CHF 1.0 billion, while that of the negative replacement values amounts to CHF 1.1 billion. Furthermore, as of 31 December 2025, Zürcher Kantonalbank discloses liabilities from other financial instruments at fair value measurement totaling CHF 4.7 billion that were determined using a valuation model.</p> <p>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.</p> <p>The corresponding accounting and valuation principles are described by Zürcher Kantonalbank on pages 114, 119, 120 as well as on pages 164 to 168 of its annual report. Furthermore, we refer to notes 3, 4 and 14 on pages 122 to 124 and 130 in the notes to the consolidated financial statements.</p>
Our audit response	<p>We audited the processes and key controls with regard to fair value measurement, validation and application of valuation models.</p> <p>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.</p> <p>Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.</p>



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

Eveline Hunziker
Licensed audit expert
(Auditor in charge)

Bruno Taugner
Licensed audit expert

Financial statements of the parent company

Income statement

in CHF million

	Notes	2025	2024	Change	Change in %
› Result from interest operations					
Interest and discount income		3,279	4,325	-1,046	-24.2
Interest and dividend income from financial investments		46	40	6	15.6
Interest expense		-1,631	-2,631	1,000	-38.0
Gross result from interest operations	33	1,694	1,734	-40	-2.3
Changes in value adjustments for default risk and losses from interest operations		-13	-57	44	-76.9
Subtotal net result from interest operations		1,681	1,677	4	0.2
› Result from commission business and services					
Commission income from securities trading and investment activities		967	874	94	10.7
Commission income from lending activities		78	77	1	1.6
Commission income from other services		123	115	7	6.4
Commission expense		-198	-171	-27	15.5
Subtotal result from commission business and services		970	894	76	8.5
› Result from trading activities					
Result from trading activities and the fair value option	32	405	336	69	20.5
› Other result from ordinary activities					
Result from the disposal of financial investments		4	10	-6	-62.3
Income from participations		38	41	-4	-8.7
Result from real estate		8	8	1	8.0
Other ordinary income		29	30	-1	-1.9
Other ordinary expenses		-10	-6	-4	60.6
Subtotal other result from ordinary activities		69	82	-13	-16.3
Operating income		3,125	2,989	135	4.5
› Operating expenses					
Personnel expenses	34	-1,209	-1,174	-35	3.0
General and administrative expenses	35	-524	-486	-38	7.8
Subtotal operating expenses		-1,733	-1,660	-73	4.4
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-51	-70	19	-27.2
Changes to provisions and other value adjustments and losses		-18	-8	-10	129.5
Operating result		1,322	1,252	71	5.6
Extraordinary income	36	66	18	48	262.4
Extraordinary expenses	36	-0	-0	-0	292.9
Changes in reserves for general banking risks	36	-	-	-	-
Result of the period before taxes		1,388	1,270	118	9.3
Taxes	39	-169	-158	-12	7.3
Result of the period		1,219	1,112	107	9.6

Appropriation of profit

in CHF million

	2025	2024	Change	Change in %
Result of the period	1,219	1,112	107	9.6
Profit carried forward	2	4	-3	-57.3
Distributable profit	1,221	1,117	104	9.3

Appropriation of profit

Dividend paid to cover actual costs for the canton	22	21	1	6.5
Dividend for the canton	181	184	-3	-1.9
Dividend for the municipalities	175	170	5	2.9
Total profit distribution	378	375	3	0.8
Allocation to voluntary retained earnings reserve	840	740	100	13.5
Total profit retained	840	740	100	13.5
Profit carried forward	3	2	1	65.8

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 29 January 2026. Approval of the annual financial statements by the Cantonal Parliament is scheduled for 1 June 2026.

Additional participation

in CHF million

	2025	2024	Change	Change in %
OECD minimum tax to the canton	169	156	13	8.7
Compensation for state guarantee to the canton	34	31	3	9.5
Total additional participation canton	203	187	16	8.8
Total participation canton und municipalities	581	562	19	3.4

Balance sheet

in CHF million

	Notes	2025	2024	Change	Change in %
› Assets					
Liquid assets		36,317	32,410	3,907	12.1
Amounts due from banks		2,517	3,382	-865	-25.6
Amounts due from securities financing transactions	1	20,205	25,349	-5,144	-20.3
Amounts due from clients	2	12,730	11,553	1,177	10.2
Mortgage loans	2	111,174	106,600	4,574	4.3
Trading portfolio assets	3	12,158	11,334	824	7.3
Positive replacement values of derivative financial instruments	4	1,132	2,802	-1,670	-59.6
Other financial instruments at fair value	3	-	-	-	-
Financial investments	5	7,722	5,197	2,525	48.6
Accrued income and prepaid expenses		515	565	-50	-8.9
Participations		421	468	-47	-9.9
Tangible fixed assets		474	494	-21	-4.2
Intangible assets		0	-	0	-
Other assets	10	270	398	-129	-32.3
Total assets		205,634	200,552	5,082	2.5
Total subordinated claims		294	333	-38	-11.5
- of which, subject to conversion and/or debt waiver		130	128	2	1.6
› Liabilities					
Amounts due to banks		31,794	39,731	-7,937	-20.0
Liabilities from securities financing transactions	1	9,492	8,008	1,484	18.5
Amounts due in respect of customer deposits		114,574	106,791	7,784	7.3
Trading portfolio liabilities	3	2,458	2,862	-404	-14.1
Negative replacement values of derivative financial instruments	4	1,106	1,005	100	10.0
Liabilities from other financial instruments at fair value	3,14	3,962	2,550	1,412	55.4
Cash bonds		208	260	-52	-19.9
Certificate of deposits		-	50	-50	-100.0
Bond issues		11,891	10,994	896	8.2
Central mortgage institution loans		12,041	11,162	879	7.9
Accrued expenses and deferred income		1,422	1,269	152	12.0
Other liabilities	10	791	829	-37	-4.5
Provisions	16	188	177	11	6.2
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	6,094	5,354	740	13.8
Profit carried forward	21	2	4	-3	-57.3
Result of the period	21	1,219	1,112	107	9.6
Shareholders' equity	21	15,708	14,863	844	5.7
Total liabilities		205,634	200,552	5,082	2.5
Total subordinated liabilities		3,807	3,346	461	13.8
- of which subject to conversion and/or debt waiver		3,807	3,346	461	13.8
› Off-balance-sheet transactions					
Contingent liabilities	2	3,916	4,054	-138	-3.4
Irrevocable commitments	2	15,351	15,978	-628	-3.9
Obligations to pay up shares and make further contributions	2	367	349	18	5.2
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
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
2025						
Total equity as at 31.12.2024	2,425	1,213	4,755	5,358	1,112	14,863
Capital increase	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-
Other contributions/ other capital paid in	-	-	-	-	-	-
Capital costs of endowment capital	-	-	-	-	-21	-21
Allocation to the canton from previous year's profit	-	-	-	-	-184	-184
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	-	-	-	737	-737	-
Result of the period	-	-	-	-	1,219	1,219
Total equity as at 31.12.2025	2,425	1,213	4,755	6,096	1,219	15,708

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

Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions

Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions

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

– of which, with unrestricted right to resell or pledge

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

– of which, repledged securities

– of which, resold securities

	2025	2024
	20,205	25,349
	9,492	8,008
	5,973	4,162
	5,973	4,162
	77,614	72,700
	9,826	8,506
	51,971	43,746

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			Total
	Mortgage collateral	Other collateral	Unsecured	
Amounts due from customers	22	2,137	10,865	13,024
Mortgage loans				
– Residential property	91,380	8	9	91,397
– Office and business premises	13,140	–	4	13,144
– Commercial and industrial premises	2,807	–	20	2,827
– Other	4,201	–	4	4,206
Total mortgage loans	111,528	8	38	111,574

› Loans (before netting with value adjustments)

Total loans 2025 (before netting with value adjustments)	111,550	2,145	10,902	124,597
Total loans 2024 (before netting with value adjustments)	106,999	2,062	9,784	118,845

Total loans 2025 (after netting with value adjustments)	111,188	2,142	10,575	123,904
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Total loans 2024 (after netting with value adjustments)	106,616	2,059	9,477	118,152
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› Off-balance-sheet

Contingent liabilities	31	164	3,720	3,916
Irrevocable commitments	3,567	40	11,743	15,351
Obligations to pay up shares and make further contributions	–	–	367	367
Credit commitments	–	–	–	–

Total off-balance-sheet transactions 2025	3,599	205	15,830	19,634
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Total off-balance-sheet transactions 2024	3,676	508	16,197	20,381
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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				
2025	564	248	315	289
2024	516	222	294	271

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

› Assets

	2025	2024
Debt securities, money market securities/transactions	3,435	4,473
– of which, listed ¹	3,024	3,810
Equity securities	5,875	4,199
Precious metals and commodities	2,822	2,628
Other trading portfolio assets	26	33
Total trading transactions	12,158	11,334
Debt securities	–	–
Structured products	–	–
Other	–	–
Total other financial instruments at fair value	–	–
Total assets	12,158	11,334
– of which, determined using a valuation model	436	697
– of which, securities eligible for repo transactions in accordance with liquidity requirements	1,108	1,426

› Liabilities

	2025	2024
Debt securities, money market securities/transactions	2,422	2,830
– of which, listed ¹	2,365	2,699
Equity securities	29	25
Precious metals and commodities	5	5
Other trading portfolio liabilities	2	2
Total trading portfolio liabilities	2,458	2,862
Debt securities	–	–
Structured products	3,962	2,550
Other	–	–
Total liabilities from other financial instruments at fair value	3,962	2,550
Total liabilities	6,420	5,412
– of which, determined using a valuation model	4,019	2,681

1 Listed = traded on a recognised exchange.

4 Derivative financial instruments (assets and liabilities)

in CHF million	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume ¹	Positive replacement values	Negative replacement values	Contract volume ¹
› Interest rate instruments						
Forward contracts including FRAs	2	2	5,902	–	–	–
Swaps	11,032	10,714	811,974	456	136	21,505
Futures	–	–	39,253	–	–	–
Options (OTC)	77	54	4,396	–	–	–
Options (exchange-traded)	–	–	–	–	–	–
Total	11,111	10,770	861,525	456	136	21,505
› Foreign exchange/precious metals						
Forward contracts	2,293	2,087	450,086	–	–	–
Combined interest rate/currency swaps	289	377	1,666	25	71	3,243
Futures	–	–	491	–	–	–
Options (OTC)	79	93	10,578	–	–	–
Options (exchange-traded)	1	1	68	–	–	–
Total	2,662	2,558	462,889	25	71	3,243
› Equity securities/indices						
Forward contracts	–	–	–	–	–	–
Swaps	87	58	4,871	–	–	–
Futures	–	–	3,584	–	–	–
Options (OTC)	121	41	5,411	–	–	–
Options (exchange-traded)	208	375	18,707	–	–	–
Total	417	474	32,574	–	–	–
› Credit derivatives						
Credit default swaps	8	11	489	–	–	–
Total return swaps	–	–	–	–	–	–
First-to-default swaps	–	–	–	–	–	–
Other credit derivatives	–	–	–	–	–	–
Total	8	11	489	–	–	–
› Other²						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures	–	–	408	–	–	–
Options (OTC)	–	–	–	–	–	–
Options (exchange-traded)	1	1	14	–	–	–
Total	1	1	421	–	–	–
› Total before netting agreements						
2025	14,198	13,814	1,357,898	482	207	24,748
– of which, determined using a valuation model	14,198	13,814	–	482	207	–
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	–

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 agreements³		
2025	1,132	1,106
2024	2,802	1,005

› Breakdown by counterparty

Positive replacement values (after netting agreements)	Central clearing houses	Banks and securities firms	Other customers
2025	68	372	692

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	
	2025	2024	2025	2024
Debt securities	7,075	4,710	7,147	4,787
– of which, intended to be held to maturity	7,075	4,710	7,147	4,787
– of which, not intended to be held to maturity (available for sale)	–	–	–	–
Equity securities	145	134	272	261
– of which, qualified participations ¹	8	5	12	8
Precious metals	499	349	499	349
Real estate	4	4	4	4
Cryptocurrencies	–	–	–	–
Total financial investments	7,722	5,197	7,921	5,402
– of which, securities eligible for repo transactions in accordance with liquidity requirements	6,900	4,659	6,972	4,737

¹ At least 10 percent of the capital or voting rights.

in CHF million

Counterparties by rating

	Aaa–Aa3	A1–A3	Baa1–Baa3	Ba1–Ba3	Lower than Ba3	Unrated
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						
2025	5,630	69	–	–	–	1,376

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		Other liabilities	
	2025	2024	2025	2024
Compensation account	0	0	137	159
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	239	368	600	549
Indirect taxes	25	24	44	110
Other	5	5	11	10
Total	270	398	791	829

11 Assets pledged or assigned to secure own commitments, and assets under reservation of ownership

in CHF million

	2025		2024	
	Book value	Effective commitment	Book value	Effective commitment
› Pledged/assigned assets				
Liquid assets	250	250	245	245
Amounts due from banks	1,117	1,103	2,931	2,913
Amounts due from customers	881	837	1,114	1,044
Mortgage loans	14,618	12,041	13,715	11,162
Trading portfolio assets	503	494	597	597
Financial investments	579	525	380	332
Total pledged/assigned assets	17,947	15,249	18,984	16,294

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

	2025	2024	Change
› Liabilities to own pension schemes from balance-sheet transactions			
Amounts due in respect of customer deposits	55	53	2
Cash bonds	0	0	0
Negative replacement values of derivative financial instruments ¹	22	0	22
Accrued expenses and deferred income	0	0	0
Other liabilities	0	0	0
Total	77	53	24

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	Contribu- tions paid	Pension expenses in personnel expenses	
		2025	2024			2025	2024
	End 2025						
Employer-sponsored funds/em- ployer-sponsored pension schemes	-	-	-	-	-	-	-
Pension plans without overfunding/underfunding	-	-	-	-	-	-	2
Pension plans with overfunding	78	-	-	-	119	119	115
Pension plans with underfunding	-	-	-	-	-	-	-
Pension schemes without own assets	-	-	-	-	-	-	-
Total	78	-	-	-	119	119	117

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	-	-	-	-	-
	Without oDC	-	-	-	-	-
Equity securities	With own debenture component	-	3,821	-	-	3,821
	Without oDC	-	-	-	-	-
Foreign currencies	With own debenture component	-	138	-	-	138
	Without oDC	-	-	-	-	-
Commodities/precious metals	With own debenture component	-	4	-	-	4
	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 2025		-	3,962	-	-	3,962
Total 2024		-	2,550	-	-	2,550

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 2024	Changes to scope of consolidation	Use in conformity with designated purpose and reversals	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income statement	Balance at end of 2025
Provisions for deferred taxes	–	–	–	–	–	–	–	–	–
Provisions for pension benefit obligations	–	–	–	–	–	–	–	–	–
Provisions for default risks	151	–	–3	–	–	–	123	–112	158
– of which, provisions for expected loss	61	–	–	–	–	–	83	–80	64
Provisions for other business risks ¹	13	–	–0	–	–	–	2	–0	15
Provisions for restructuring	–	–	–	–	–	–	–	–	–
Other provisions ²	13	–	–2	–	–	–	5	–1	15
Total provisions	177	–	–5	–	–	–	130	–114	188
Reserves for general banking risks	4,755	–	–	–	–	–	–	–	4,755
Value adjustments for default and country risks	718	–	–11	–	–	2	317	–308	718
– of which, value adjustments for default risks in respect of impaired loans/receivables ³	271	–	–11	–	–	2	86	–58	289
– of which, value adjustments for expected loss	447	–	–	–	–	–	230	–249	428

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 (2025: CHF 0 million/2024: CHF 2 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 2025	Total par value 2024
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	
	2025	2024	2025	2024
Holders of qualified participations	13	21	629	734
Group companies	341	351	1,577	355
Linked companies	194	323	858	604
Transactions with members of governing bodies	10	12	27	31
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 2,888 million (2024: CHF 2,870 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

	2025	2024
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	6,094	5,354
Profit carried forward	2	4
Result of the period	1,219	1,112
Total equity	15,708	14,863

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	2025 Net foreign exposure		2024 Net foreign exposure	
		in CHF million	Share as %	in CHF million	Share as %
A	Aaa/Aa1/Aa2/Aa3	21,082	85.9	24,349	85.9
B	A1/A2/A3	1,388	5.7	1,603	5.7
C	Baa1/Baa2/Baa3	627	2.6	682	2.4
D	Ba1/Ba2	1,057	4.3	1,254	4.4
E	Ba3	171	0.7	4	0.0
F	B1/B2/B3	93	0.4	319	1.1
G	Caa1/Caa2/Caa3/Ca/C	133	0.5	138	0.5
Total		24,550	100.0	28,350	100.0

j) Information on off-balance-sheet transactions

28 Contingent liabilities and contingent assets

in CHF million

	2025	2024
Guarantees to secure credits and similar	385	466
Performance guarantees and similar	2,378	2,169
Irrevocable commitments arising from documentary letters of credit	1,153	1,419
Other contingent liabilities	-	-
Total contingent liabilities	3,916	4,054
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.

In connection with the intended sale of the debt market portal cosmofunding the seller, Bank Vontobel AG, receives a fixed price. This promise to pay represents an irrevocable commitment as at 31 December 2025 and an earn-out payment in 2027 that will depend on the income generated from private placement transactions. The earn-out payment in the first quarter of 2027 cannot be reliably quantified at present.

30 Breakdown of fiduciary transactions

in CHF million

	2025	2024
Fiduciary investments with third-party companies	1,021	1,066
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 ¹	-	-
Other fiduciary transactions	-	-
Total	1,021	1,066

1 According to FINMA Guidance 03/2025, recognising cryptobased assets (cryptocurrencies held for clients on a fiduciary basis) as fiduciary transactions as described in margin no. 214 of FINMA Circular 2020/1 is no longer appropriate. From financial year 2025 onwards, cryptobased assets will be disclosed in Note 31a as a footnote, along with the prior-year figure.

31 Breakdown of managed assets and presentation of their development

a) Breakdown of managed assets

in CHF million

› Type of managed assets

	2025	2024
Assets in collective investment schemes managed by the bank	193,896	168,799
Assets under discretionary asset management agreements	104,197	103,392
Other managed assets ³	200,504	180,335
Total managed assets (including double counting)^{1/3}	498,598	452,526
– of which, double counting	98,826	92,597
Assets with Custody Services²	80,352	63,534
Total client assets (including double counting)³	578,950	516,060

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 Of which cryptobased assets: CHF 55 million (previous year: CHF 19 million).

b) Presentation of the development of managed assets

in CHF million

	2025	2024
Total managed assets (including double counting) at beginning	452,526	391,543
+/- net new money inflow or net new money outflow ⁴	13,590	29,847
+/- price gains/losses, interest, dividends and currency gains/losses ⁴	33,615	32,333
+/- other effects	-1,133	-1,197
Total managed assets (including double counting) at end	498,598	452,526

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

	2025	2024
Result from trading in foreign exchange, bank notes and precious metals	232	147
Result from trading in bonds, interest rate and credit derivatives	64	93
Result from trading in equities and structured products	80	62
Result from other trading activities ¹	30	34
Total	405	336

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	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
	2025						
Result from trading in foreign exchange, bank notes and precious metals	232	224	14	0	-6	-	-
Result from trading in bonds, interest rate and credit derivatives	64	-0	-	-10	74	0	-
Result from trading in equities and structured products	80	8	-2	0	-17	91	-0
Result from other trading activities	30	-0	-0	31	-0	-1	-0
Total	405	232	12	21	51	90	-0
- of which, from fair value option on assets	-	-	-	-	-	-	-
- of which, from fair value option on liabilities	-291	7	-1	-	-	-297	-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 2025, refinancing income from trading activities of CHF –271.1 million (previous year: CHF –369.5 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 1,076.0 million (previous year: CHF 1,141.9 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	2025	2024
Negative interest on lending business (reduction in interest and discount income)	<u>3</u>	<u>0</u>
Negative interest on deposit-taking business (reduction in interest expenses)	<u>4</u>	<u>1</u>

34 Breakdown of personnel expenses

in CHF million	2025	2024
Salaries and benefits	<u>976</u>	<u>942</u>
– of which, alternative forms of variable compensation	<u>–</u>	<u>–</u>
AHV, IV, ALV and other social security contributions	<u>197</u>	<u>195</u>
Changes in book value for economic benefits and obligations arising from pension schemes	<u>–</u>	<u>–</u>
Other personnel expenses	<u>36</u>	<u>36</u>
Total	<u>1,209</u>	<u>1,174</u>

35 Breakdown of general and administrative expenses

in CHF million	2025	2024
Office space expenses	<u>31</u>	<u>31</u>
Expenses for information and communications technology	<u>206</u>	<u>187</u>
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	<u>2</u>	<u>2</u>
Fees of audit firms	<u>4</u>	<u>4</u>
– of which, for financial and regulatory audits	<u>4</u>	<u>4</u>
– of which, for other services	<u>0</u>	<u>0</u>
Other operating expenses	<u>281</u>	<u>262</u>
– of which, compensation for state guarantee	<u>34</u>	<u>31</u>
Total	<u>524</u>	<u>486</u>

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

› Extraordinary income

Reversal of impairment on other participations	
Income from sale of other real estate/bank premises	
Income from sale of participations	
Other	
Total	

2025	2024
4	8
3	9
57 ¹	0
1	1
66	18
-	-
-	-
0	0
0	0
-	-
-	-
-	-

› Extraordinary expenses

Losses from sale of other real estate/bank premises	
Losses from disposal of participations	
Other	
Total	

› Changes in reserves for general banking risks

Creation of reserves for general banking risks	
Release of reserves for general banking risks	
Total	

¹ Mainly in connection with the sale of Zürcher Kantonalbank Österreich AG to Liechtensteinische Landesbank (AG).

37 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

in CHF million

Participations	Registered office
CLS Group Holdings AG	Lucerne
TWINT Ltd.	Zurich
Venture Incubator AG	Altendorf
Zürcher Kantonalbank Österreich AG	Salzburg
Total	

2025	2024
1	0
1	1
2	-
-	6
4	7

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

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 ¹	
Expenses for property gains taxes	
Total	
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	

2025	2024
-	-
-	-
-	-
-	-
-	-
-169	-156
0	-2
-169	-158
-	-
-	-

Figures in table: minus = expense; plus = income

¹ Of which OECD minimum tax in Switzerland for the current year CHF 169 million (prior year: CHF 156 million).

Average weighted tax rate (basis: operating result): 12.8% (prior year 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	2025	2024	Liabilities	in CHF 1,000	2025	2024
Liquid assets		293	326	Amounts due to banks		7,500	6,000
Amounts due from banks		1,074	538	Surplus from auctions		240	138
Accounts receivable		-	-	Accounts payable		20	1
Loans		7,611	6,241	Provisions		155	125
Inventory		-	-	Reserve fund		1,248	1,248
Furniture, IT system		0	0	Profit carried forward		0	0
Transitory assets/ accrued interest		279	246	Operating profit/-loss		94	-161
Total assets		9,257	7,351	Total assets		9,257	7,351

Income statement

Expenses	in CHF 1,000	2025	2024	Income	in CHF 1,000	2025	2024
Operating expenses		848	879	Interest on loans		896	772
Refinancing expenses		72	114	Other income		158	101
Losses		10	30				
Depreciation and provisions		30	10				
Operating profit		94	-	Operating loss		-	161
Total		1,054	1,034	Total		1,054	1,034

Loan transactions

	Items	in CHF 1,000	Items	in CHF 1,000
Total loans at 31.12.2024			3,846	6,241
New loans in 2025 (incl. renewals)			7,894	15,755
Repayments in 2025	-7,763	-14,249		
Proceeds from auctions incl. inventory receipts	-155	-136		
Total loans at 31.12.2025			3,822	7,611

Report of the statutory auditor to the Cantonal Parliament of Zurich
on our audit of the financial statements as of 31 December 2025 of

Zurich, 26 February 2026

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 2025, 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 185 to 203) 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 that are relevant to audits of the financial statements of public interest entities. We have also 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	<p>Zürcher Kantonalbank discloses loans to clients, consisting of amounts due from customers and mortgage loans, at nominal value less any necessary value adjustments.</p> <p>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.</p> <p>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.</p> <p>As of 31 December 2025, Zürcher Kantonalbank discloses client loans totaling CHF 123.9 billion. As of the balance sheet date, individual value adjustments and provisions for impaired loans amounted to CHF 383.9 million and value adjustments and provisions for expected losses amounted to CHF 492.4 million. With 60.3%, 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.</p> <p>The significant accounting principles for determining value adjustments and provisions for default risks are described by Zürcher Kantonalbank on pages 112 to 113, 118, 119 as well as on pages 157 to 164 of the bank's annual report. Furthermore, we refer to notes 2 and 16 on pages 190, 191 and 196 in the notes to the financial statements.</p>
Our audit response	<p>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.</p> <p>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.</p> <p>Our audit procedures did not lead to any reservations concerning the determination of value adjustments and provisions for default risks on loans to clients.</p>

Fair value measurement of financial instruments

Area of focus	<p>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.</p> <p>Zürcher Kantonalbank discloses financial instruments at fair value measurement in different balance sheet items. As of 31 December 2025, the fair value of positive replacement values of derivative financial instruments amounts to CHF 1.1 billion, while that of the negative replacement values amounts to CHF 1.1 billion. Furthermore, as of 31 December 2025, Zürcher Kantonalbank discloses liabilities from other financial instruments at fair value measurement totaling CHF 4.0 billion that were determined using a valuation model.</p> <p>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.</p> <p>The corresponding accounting and valuation principles are described by Zürcher Kantonalbank on pages 114, 119, 120 as well as on pages 164 to 168 of its annual report. Furthermore, we refer to notes 3, 4 and 14 on pages 191 to 193 and 195 in the notes to the financial statements.</p>
Our audit response	<p>We audited the processes and key controls with regard to fair value measurement, validation and application of valuation models.</p> <p>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.</p> <p>Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.</p>



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

Eveline Hunziker
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).

Clawback

Reclaiming already paid variable compensation components under certain conditions.

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.

CO₂e

CO₂-equivalent (CO₂e) 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 CO₂. Carbon dioxide (CO₂) 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 (CH₄), nitrous oxide (laughing gas, N₂O), fluorinated greenhouse gases (CFCs) and sulphur hexafluoride (SF₆).

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 permanent 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 Tier1). Additional Tier1 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.

Due diligence

Thorough examination of a company or transaction in order to identify legal, financial, tax, operational and strategic risks as well as opportunities that could significantly affect a transaction.

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 per cent.

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 un-weighted 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.

Stablecoin

Digital means of payment or store of value whose value is pegged to a stable reference currency (e.g. CHF). Stablecoins aim to ensure the highest possible retention of value through appropriate security mechanisms.

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 we have the densest network in the Canton of Zurich.



Zürcher Kantonalbank Switzerland und International

- Sales office Lausanne
- Zürcher Kantonalbank Finance (Guernsey) Ltd.
- ZKB Securities (UK) Ltd.

Zürcher Kantonalbank Representative Offices

- São Paolo
- Beijing
- Mumbai
- Singapore

Swisscanto

- Zurich
- Luxembourg
- Frankfurt am Main
- Milan
- Madrid

Complementa

- Zurich
- St. Gallen
- Munich

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

Grünigerstrasse 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

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8048 Zurich

Zurich-City

Bahnhofstrasse 9
8001 Zurich

Zurich-Höngg

Regensdorferstrasse 18
8049 Zurich

Zurich-Klusplatz

Witikonstrasse 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
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