

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

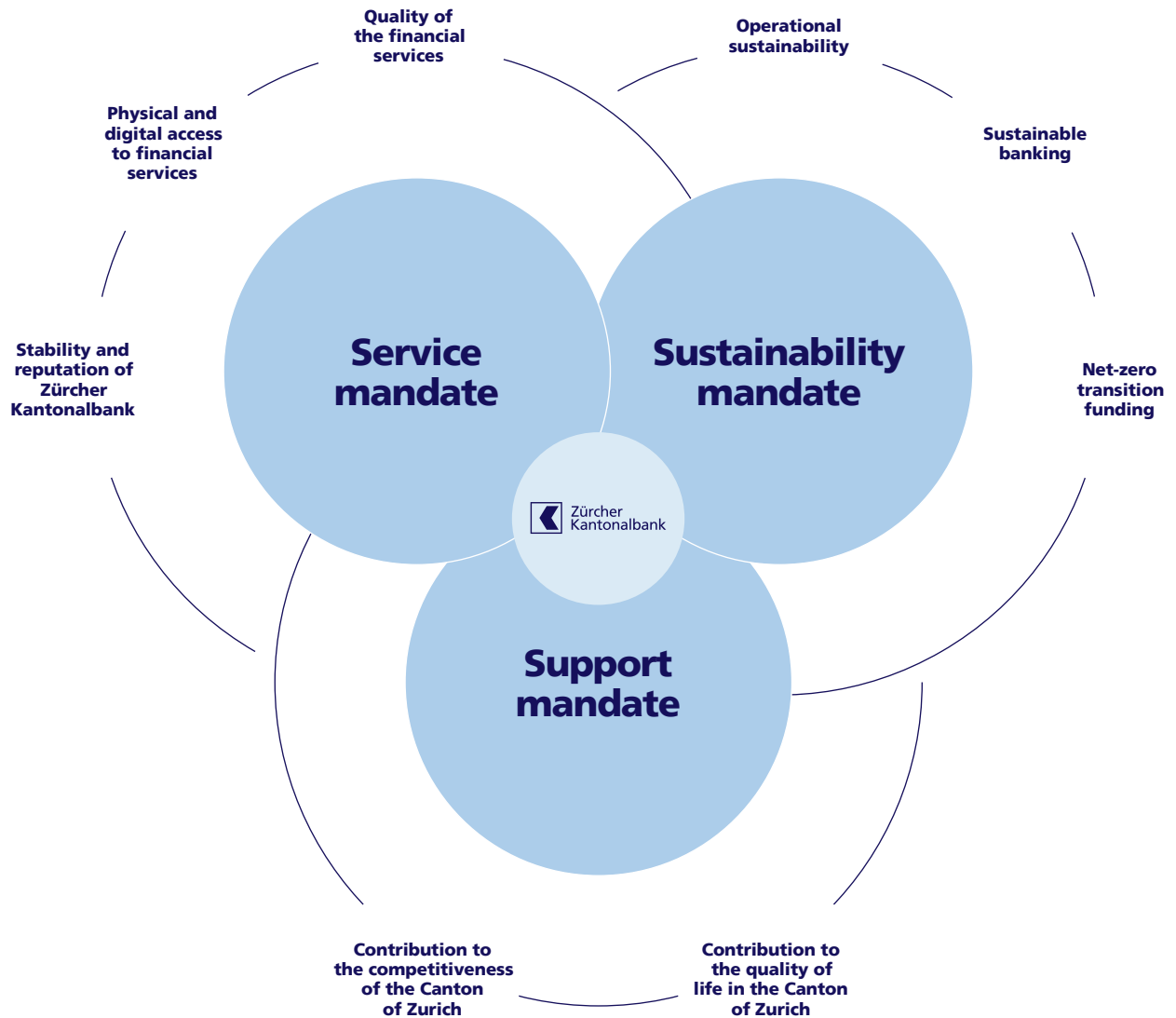
We pursue a business policy geared towards sustainability and continuity.

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.

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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

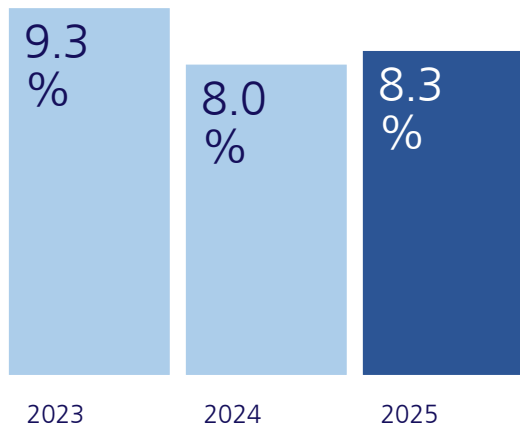
The consolidated profit before taxes is CHF 1.42 billion (previous year: CHF 1.29 billion).

Participation

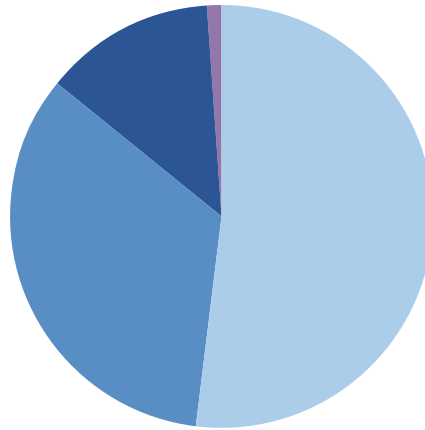
581 mn CHF

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)



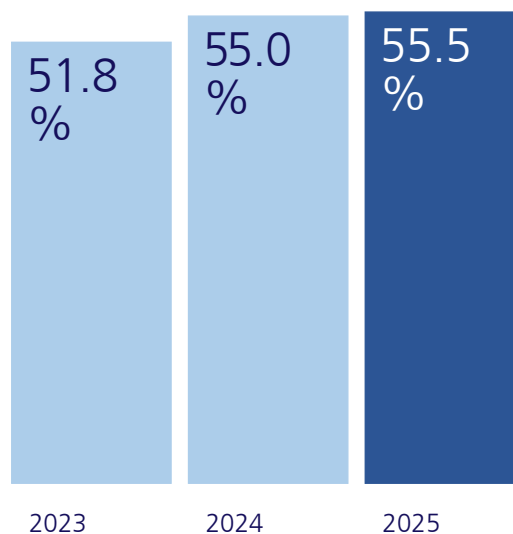
Diversified income



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%).

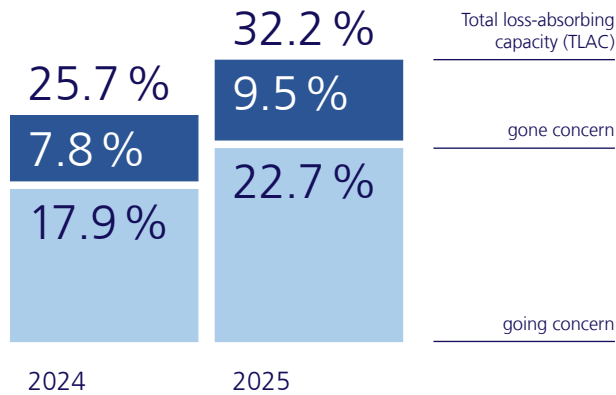
Cost income ratio (CIR)

Target range: $\leq 60\%$



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

Risk-based capital ratio



Group rating

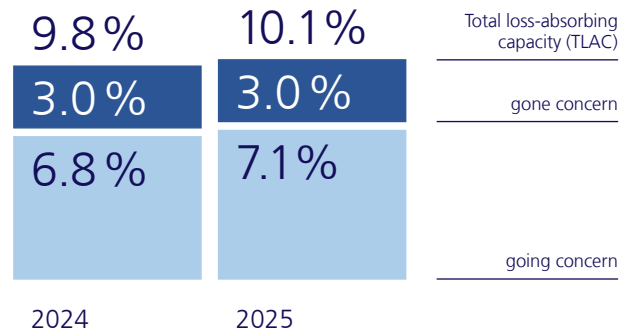
AAA
Aaa

Equity

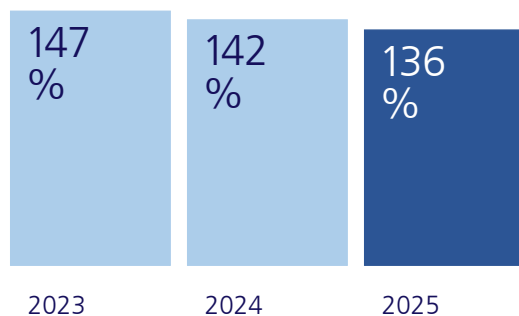
15.7 bn CHF

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

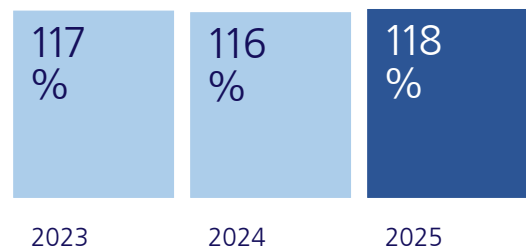
Leverage ratio



Liquidity coverage ratio (LCR)



Net stable funding ratio (NSFR)



Leader in the Greater Zurich Area

Market penetration



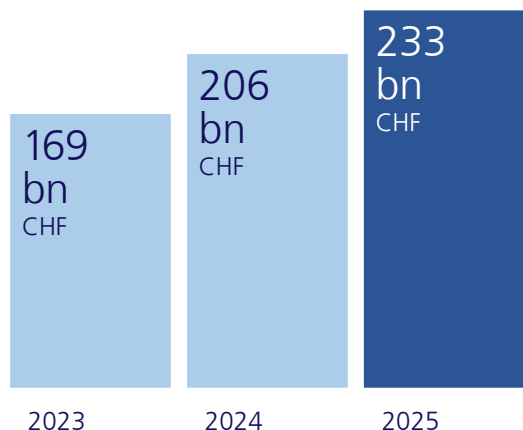
Nearly half of the people of Zurich and of the companies domiciled in the Canton of Zurich are clients of Zürcher Kantonalbank.

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



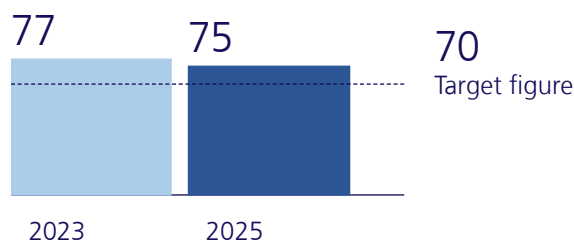
Attractive employer

Number of employees

6,655

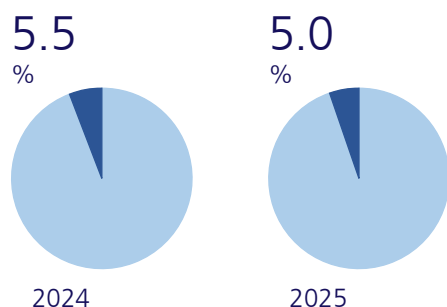
6,655 people work in over 5,809 full-time positions. With 427 apprenticeships, we are one of the largest providers of vocational training in the Canton of Zurich.

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

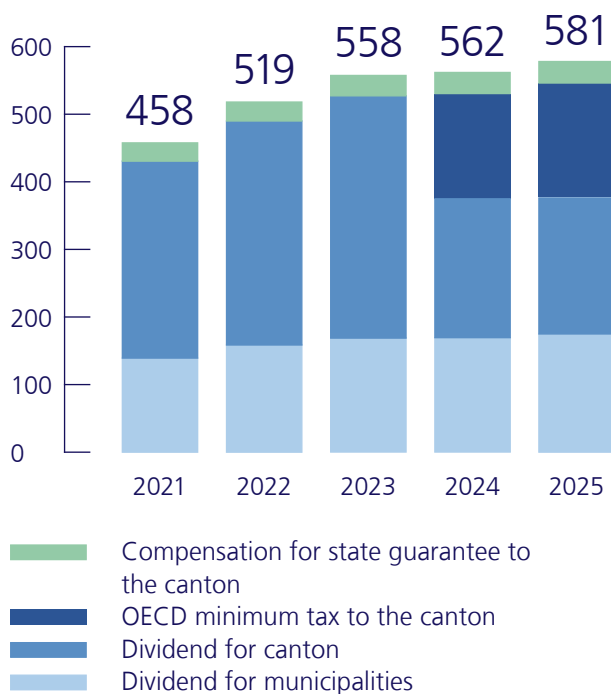
400

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.

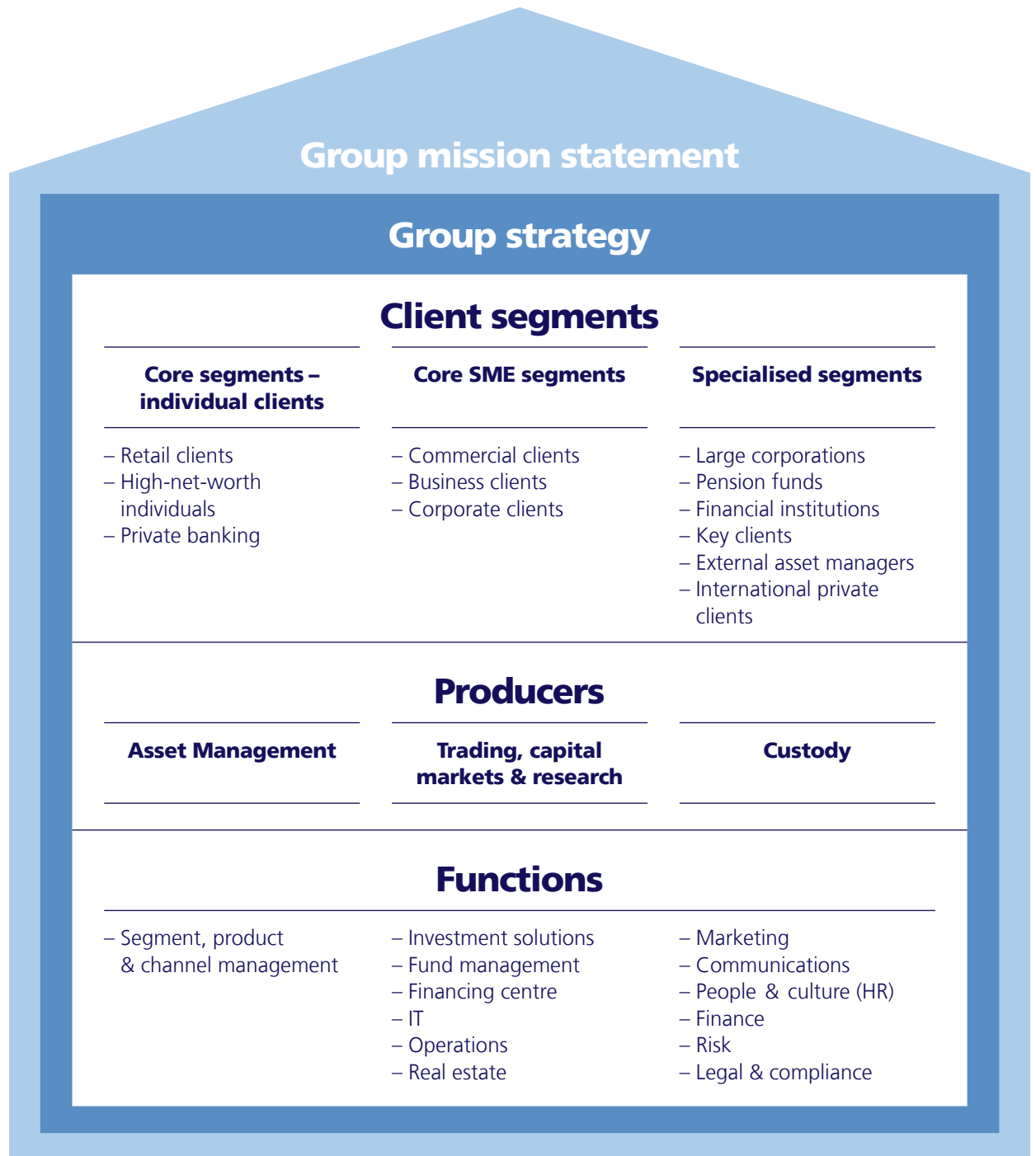
New “Retail Clients” business unit

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 "Open-Wealth 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

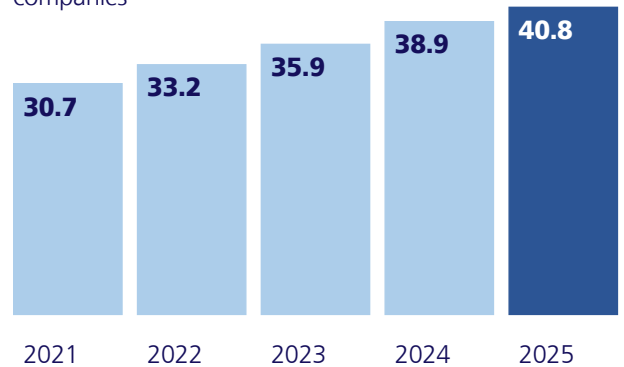
50 %

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

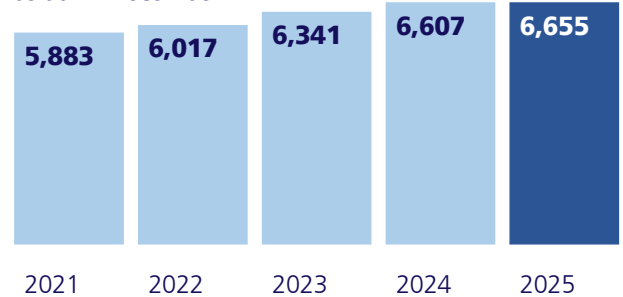
We find it extremely important that our employees continually expand their technical, methodological and social skills. We provide a wide range of internal classes, workshops, podcasts and videos, among other things, as well as the opportunity to attend external training and development courses.

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

Large regional employer

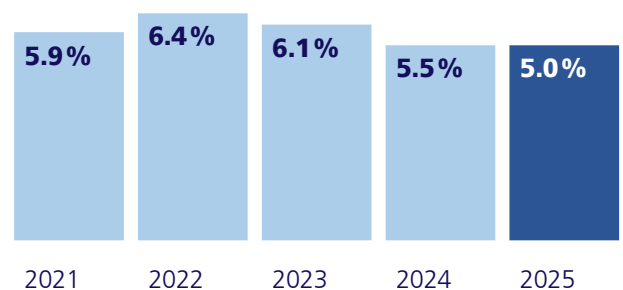
Number of employees in the group

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.

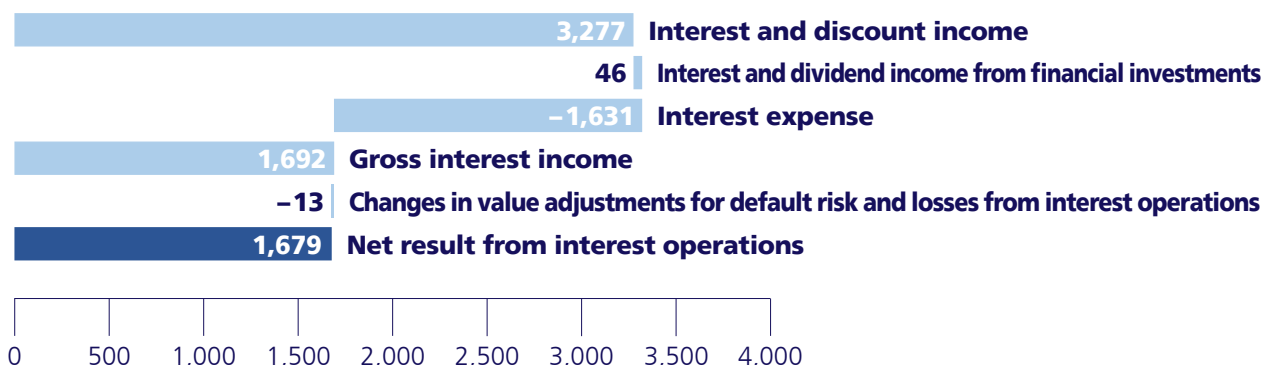
Individual value adjustments recognised were CHF 30 million, in line with the previous year (CHF 32 million), but CHF 19 million of value adjustments for expected losses were released partly due to the ongoing shift from fixed-rate mortgages to SARON mortgages with a shorter average term.

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.

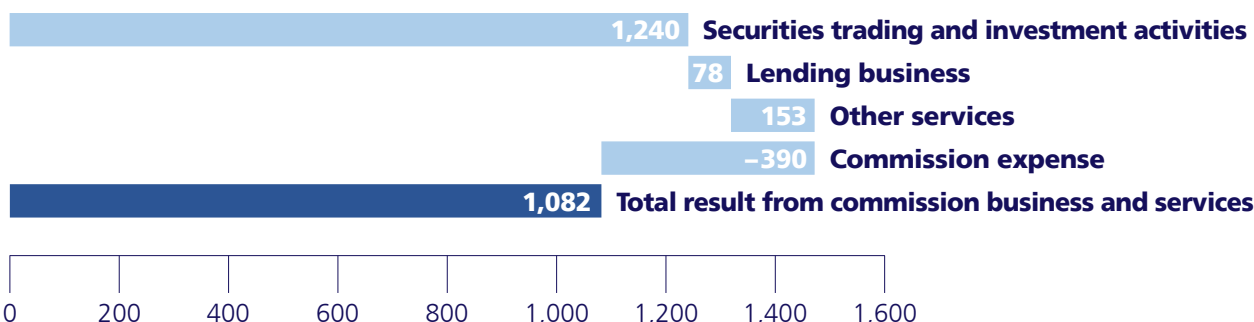
General and administrative expenses totalled CHF 541 million, 6.5 percent higher than the previous year (CHF 508 million). At CHF 33 million, office space expenses are on a par with the previous year. By contrast, costs for information and communications technology were significantly higher, rising from 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.

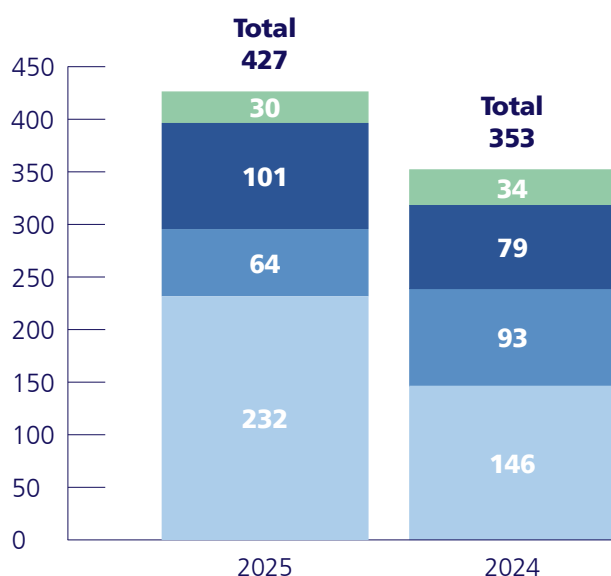
Value adjustment and amortisation expenses decline

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.

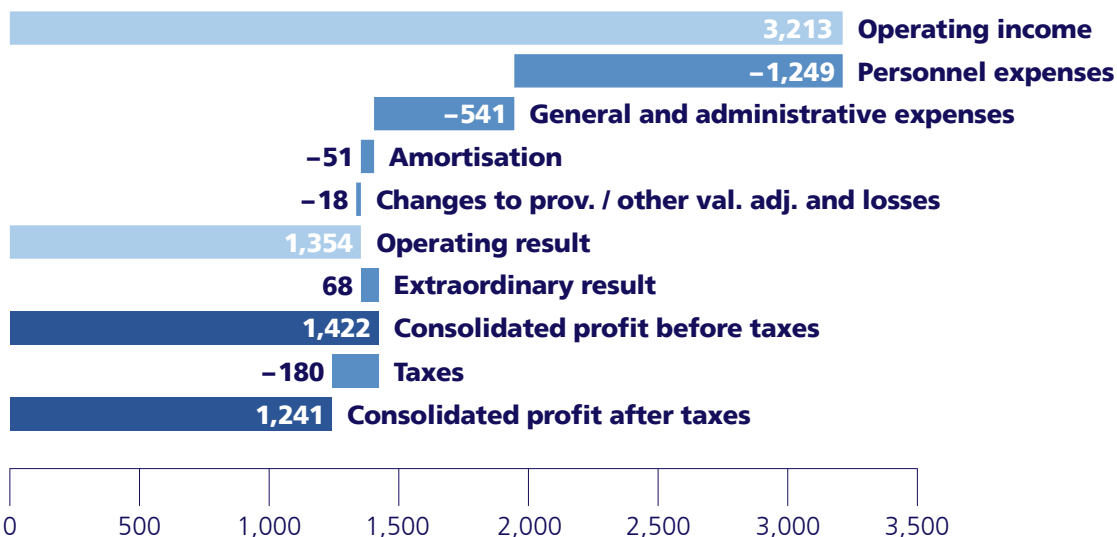
Debt securities are generally held to maturity. Fixed-interest securities that qualify as high-quality liquid assets (HQLA) under the Liquidity Ordinance may be counted towards liquidity. At the end of 2025, the portfolio of securities in financial investments that were eligible to be regarded as HQLA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