Quantitative and qualitative disclosure of capital adequacy, liquidity and climate related financial risk

Disclosure as at 31 December 2024
Publication date: 29 April 2025

Zürcher
Kantonalbank

Contents

1 Key abbreviations in disclosure

AT1	**Additional Tier 1 capital**
CAO	**Capital Adequacy Ordinance**
CaR	**Capital at risk**
CCB	**Countercyclical buffer** (Art. 44 CAO)
CCF	**Credit conversion factors**
CCP	**Central counterparty**
CCR	**Counterparty credit risk**
CET1	**Common Equity Tier 1 capital**
CRM	**Credit risk mitigation**
CVA	**Credit valuation adjustment**
D-SIB	**Domestic systemically important bank**
EAD	**Exposure at default**
eCCB	**Extended countercyclical capital buffer** (Art. 44a CAO)
EL	**Expected loss**
Δ EVE	**Change in the economic value of equity**
G-SIB	**Global systemically important bank**
Going-concern	**For the continuation of the bank's activities** required capital
Gone-concern	**Additional loss-absorbing, in case of a resolution** required capital
HQLA	**High-quality liquid assets**
IRB	**Internal ratings-based approach**
IRRBB	**Interest rate risk in the banking book**
LCR	**Liquidity Coverage Ratio**
LGD	**Loss given default**l
LRD	**Leverage ratio denominator**
Δ NII	**Change in net interest income**
NSFR	**Net Stable Funding Ratio**
PD	**Probability of Default**
PONV	**Point-of-non-viability**
QCCP	**Qualifying central counterparty**
RWA	**Risk-weighted assets**
RWA density	**RWA divided by total assets and off-balance-sheet exposures** (post-CCF and post-CRM)
SA-BIS	**International standardised approach for credit risk**
SA-CCR	**Standardised approach for measuring counterparty credit risk exposures**
SFT	**Securities financing transactions**
Stressed VaR	**Value at risk under a stress scenario**
T2	**Tier 2 capital**
TCFD	**Task Force on Climate Related Financial Disclosure**
TLAC	**Total loss absorbing capacity**
UNEP-FI	**United Nations Environment Programme Finance Initiative**
UN PRI	**United Nations Principles for Responsible Investment**
VaR	**Value at risk**
VA and P for EL	**Value adjustments (VA) and provisions (P) for expected losses (EL)**

About the figures
The amounts stated in this report have been rounded off.
The total may therefore vary from the sum of the individual values.

The following rules apply to the tables:
0 (0 or 0.0) Figure that is smaller than half the unit of account used
– No data available, not meaningful or not applicable

2 Introduction and material changes

Zürcher Kantonalbank is providing this information as at 31 December 2024 in accordance with its disclosure obligations. The relevant provisions form part of the Capital Adequacy Ordinance (CAO) and the disclosure requirements set out in FINMA Circular 2016/1 "Disclosure – banks" of 28 October 2015, last revised on 8 December 2021.

About the company

Zürcher Kantonalbank is an independent public-law institution of the Canton of Zurich. The endowment capital provided by the Canton of Zurich forms part of Zürcher Kantonalbank's own funds. The canton also provides a state guarantee for all the bank's non-subordinate liabilities should the bank's resources prove inadequate.

The group includes as parent company the largest cantonal bank and the second-largest universal bank in Switzerland. The broadly diversified group continues to include Swisscanto Holding Ltd. with its subsidiaries and sub-subsidiaries (Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd. in liquidation, Swisscanto Private Equity CH I AG, Swisscanto Private Equity CH II AG and Swisscanto Asset Management International SA), which operate primarily in the asset management business. The group also owns Zürcher Kantonalbank Finance (Guernsey) Ltd., a company specialising in the issue of structured investment products; ZKB Securities (UK) Ltd., which is active in equity brokerage and research; and Zürcher Kantonalbank Österreich AG, which renders international private banking services. Complementa AG, which specialises in investment reporting services, and its subsidiary Complementa GmbH have also been part of the group since the end of July 2024. The group also includes the representative office Zürcher Kantonalbank Representações Ltda. as well as a majority stake in Philanthropy Services Ltd.

On 1 July 2024, Zürcher Kantonalbank executed an agreement on the sale of its subsidiary, Zürcher Kantonalbank Österreich AG, to Liechtensteinische Landesbank (AG). The closing took place on 9 January 2025 after all conditions were met by both parties and the necessary approvals were granted by the supervisory and competition authorities. On this date, 100 percent of the share capital and full control of Zürcher Kantonalbank Österreich AG were transferred to Liechtensteinische Landesbank AG. As at 31 December 2024, Zürcher Kantonalbank Österreich AG was still in scope for the consolidation of Zürcher Kantonalbank.

Calculation approaches for risk-based capital requirements

A selection of different approaches is available to banks for the calculation of risk-based capital requirements for credit, market and operational risks.

The capital requirement for credit risk is mainly calculated using the internal ratings-based approach (foundation IRB or F-IRB). For exposures where the IRB approach cannot be used, the capital requirement for credit risks is calculated using the international standardised approach (SA-BIS). The standardised approach for measuring counterparty credit risk exposures (SA-CCR) is used to determine the credit equivalent of derivatives. The capital requirement for the risk of credit value adjustments (CVA risk) due to the counterparty credit risk of derivatives is calculated in accordance with the standardised approach.

The capital requirement for market risk is calculated based on the internal market risk model approach (the value-at-risk model) approved by FINMA. Capital requirements are based on the market risks in the trading book and the exchange rate, precious metals and commodity risks in the banking book. Besides the daily value-at-risk (VaR) figures, daily stressed VaR figures are also included in the calculation of capital requirements. The total risk is also calculated using the model approach, although the value changes in risk factors are based on data that were observed in a period with significant market stress for Zürcher Kantonalbank. The capital requirement for the specific risks of interest rate instruments is calculated using the standardised approach.

Zürcher Kantonalbank uses the basic indicator approach to determine the capital requirement for operational risks.

Risk-based capital requirements for systemically important banks

The risk-based capital adequacy requirements for systemically important banks basically consist of capital adequacy requirements for the bank to continue its activities (going concern) and requirements for additional loss-absorbing capital (gone concern). In addition to these, since July 2012, there has been a countercyclical buffer requirement in Switzerland, which is activated, adjusted or suspended by the Federal Council at the request of the Swiss National Bank (SNB).

The risk-based total going concern requirement consists of a base requirement and additional requirements, calculated on the basis of market share and total exposure. Under Art. 129, para. 2 CAO, the base requirement for Zürcher Kantonalbank is 12.86 percent of risk-weighted assets (RWA). There are currently no additional requirements for Zürcher Kantonalbank as a result of market share or total exposure. On top of this comes the countercyclical buffer (CCB) under Art. 44 CAO. This requires banks to hold an additional 2.5 percent of capital for residential mortgages, corresponding to a requirement of 0.90 percent (parent company: 0.89 percent) of RWA as at the reporting date. The requirement for the extended countercyclical buffer (eCCB) under Art. 44a CAO, which is currently 0.03 percent of RWA, also applies. This results in a risk-based total requirement (going concern) of 13.79 percent for the Group as at 31 December 2024 (parent company: 13.78 percent).

Under Art. 132, para. 2 CAO, the risk-based gone concern requirement is measured based on the total going concern requirement (without CCB, without eCCB) and varies for systemically important banks with and without international operations. For systemically important banks without international operations, such as Zürcher Kantonalbank, the requirements came into effect on 1 January 2019. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 3.84 percent of RWA. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank (without CCB, without eCCB).

In a letter dated 3 September 2019, FINMA set the risk-based gone concern requirement for contingency planning at Zürcher Kantonalbank at 7.86 percent gross from 2026, including the total stipulated in the CAO based on size and market share (mirroring the going concern requirement). Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional risk-based requirement of 2.03 percent as at 31 December 2024. This results in a total risk-based gone concern requirement of 5.87 percent gross as at 31 December 2024. The total risk-based gone concern requirement is being increased gradually to 7.86 percent by 2026, as already mentioned.

Calculation approaches for unweighted capital adequacy requirements (leverage ratio)

When calculating the derivative exposure for the purposes of unweighted capital adequacy requirements (leverage ratio), margin no. 51.1 of FINMA Circular 2015/3 "Leverage Ratio – Banks" allows banks the option of using the standardised approach (SA-CCR). Zürcher Kantonalbank has used this since 31 December 2018 both as required for risk-based capital adequacy requirements and voluntarily for the leverage ratio.

Unweighted capital adequacy requirements (leverage ratio) for systemically important banks

The unweighted capital adequacy requirements for systemically important banks also consist of capital adequacy requirements for the bank to continue its activities (going concern) and additional loss-absorbing capital (gone concern). Any countercyclical buffer (CCB) and extended countercyclical capital buffer (eCCB) requirement is not applicable to the leverage ratio.

The unweighted total going concern requirement consists of a base requirement and additional requirements, calculated on the basis of market share and total exposure. Under Art. 129, para. 2 CAO, the base requirement for Zürcher Kantonalbank is 4.5 percent of total exposure. There are currently no additional requirements for Zürcher Kantonalbank as a result of market share or total exposure. The result as at 31 December 2024 for both the group and parent company is a total going concern requirement of 4.5 percent.

Under Art. 132, para. 2 CAO, the unweighted gone concern requirement is measured based on the total going concern requirement and varies for systemically important banks with and without international operations. For systemically important banks without international operations, such as Zürcher Kantonalbank, the requirements came into effect on 1 January 2019. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 1.26 percent of total exposure. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank.

In a letter dated 3 September 2019, FINMA increased the unweighted gone concern requirement for contingency planning at Zürcher Kantonalbank from 2026 in the same ratio as for the risk-based gone concern requirements. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional unweighted requirement of 0.67 percent as at 31 December 2024. This results in a total unweighted gone concern requirement of 1.93 percent gross as at 31 Decemer 2024. The total unweighted gone concern requirement is being increased gradually to 2.75 percent by 2026.

Material changes in the selection of approaches to calculating the capital ratios

There were no material changes in the selection of approaches to calculating the capital ratios in the quarter under review.

Changes in group regulatory capital and liquidity in comparison with the previous quarter

As at 31 December 2024, the capital base of Zürcher Kantonalbank comfortably exceeded the regulatory requirements on both a risk-based and unweighted basis. The liquidity situation of Zürcher Kantonalbank also remains comfortable.

For explanations of the main reasons that led to the changes compared with the previous quarter, we refer to our comments on table KM1 starting on page 30.

Group risk-weighted assets (RWA) as at 31 December 2024 amounted to CHF 86,443 million (30 September 2024: CHF 82,521 million). They were therefore CHF 3’922 million higher than in the previous quarter.

Risk-based capital adequacy requirements on a going concern basis as a systemically important bank stood at CHF 11,919 million on 31 December 2024 (30 September 2024: CHF 11,409 million), compared to eligible capital on a going concern basis in the group of CHF 15,451 million (30 September 2024: CHF 14,789 million). This is equivalent to surplus cover of CHF 3,532 million (30 September 2024: CHF 3,380 million). The surplus cover therefore increased by CHF 152 million in the fourth quarter of 2024.

The core capital ratio (going concern) on a group basis as at 31 December 2024 was 17.9 percent (30 September 2024: 17.9 percent). It was thus 4.1 percentage points (30 September 2024: 4.1 percentage points) above the 13.8 percent going concern requirement (30 September 2024: 13.8 percent).

Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31 December 2024. As a result, the overall gone concern requirement under current rules is reduced by 0.06 percentage points from 5.87 percent gross to 5.81 percent net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.06 percentage points from 7.86 percent gross to 7.80 percent net. At CHF 6,747 million (7.8 percent of RWA), the eligible additional loss-absorbing capital exceeded the gone concern requirement by CHF 1,723 million as at 31 December 2024 (as at 30 September 2024 the surplus cover was CHF 1,674 million). As at 31 December 2024, Zürcher Kantonalbank already fully met the total gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

The total leverage ratio exposure decreased by CHF 216 million from 30 September 2024 to CHF 227,125 million.

The unweighted total going concern requirement remains unchanged at 4.5 percent. Eligible capital on a going concern basis for the leverage ratio is the same as for the risk-based requirements. This results in surplus cover in the leverage ratio on a going concern basis of 2.3 percentage points as at 31 December 2024 (30 September 2024: 2.0 percentage points), equivalent to CHF 5,230 million (30 September 2024: CHF 4,559 million).

Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31 December 2024. As a result, the overall gone concern requirement under current rules is reduced by 0.03 percentage points from 1.93 percent gross to 1.90 percent net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.02 percentage points from 2.75 percent gross to 2.73 percent net. Eligible capital on a gone concern basis for the leverage ratio is also the same as for the risk-based requirements. At CHF 6,747 million (3.0 percent of total exposure), the eligible additional loss-absorbing capital exceeds the gone concern requirement of CHF 4,325 million as at 31 December 2024. As at 31 December 2024, Zürcher Kantonalbank already fully met the total gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

With the current composition of eligible capital and eligible additional loss-absorbing capital, Zürcher Kantonalbank meets the final rules from 2026 as follows: There is surplus cover of CHF 3,532 million above the risk-based going concern requirement and the risk-based gone concern requirement is met exactly. On an unweighted basis, the surplus cover amounts to CHF 5,230 million above the going concern requirement and CHF 548 million above the gone concern requirement.

Since 1 January 2024, additional liquidity requirements with a stress horizon of 90 days (previously only 30 days) have applied to systemically important banks. All regulatory liquidity requirements, including the net stable funding ratio (NSFR), were comfortably met at all times.

On a group basis, the Liquidity Coverage Ratio (LCR) decreased from the previous quarter and stood at an average of 142 percent in the fourth quarter of 2024 (third quarter of 2024: 154 percent).

On a group basis, the net stable funding ratio (NSFR) amounts to 116 percent as at 31 December 2024 (30 September 2024: 119 percent).

3 Publication frequency of the details on capital and liquidity

The following table gives an overview of the publication frequency of capital and liquidity details which have to be disclosed under current regulations (FINMA Circular 2016/1 "Disclosure – banks"). Tables marked n/a are not applicable for Zürcher Kantonalbank and so are not produced. All other tables are published at the prescribed frequency for domestic systemically important banks reporting financial information semi-annually.

Reference	Table name	QUAL or QC [1]	Disclosure frequency		
			quarterly	semi-annually	annually
n/a	**Disclosure requirements for systemically important banks:** risk-based capital requirements based on capital ratios	QC	◔		
n/a	**Disclosure requirements for systemically important banks:** unweighted capital requirements based on the leverage ratio	QC	◔		
n/a	**Main features of regulatory capital instruments and of other TLAC-eligible instruments** in accordance with the provisions for systemically important banks	QUAL/QC	◔		
KM1	**Key metrics**	QC	◔		
KM2	**Key metrics** – TLAC requirements (at resolution group level)	QC	n/a	n/a	n/a
OVA	**Bank risk management approach**	QUAL			●
OV1	**Overview of RWA**	QC		◑	
LI1	**Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**	QC			●
LI2	**Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements**	QC			●
LIA	**Explanations of differences between accounting and regulatory exposure amounts**	QUAL			●
PV1	**Prudent valuation adjustments (PVA)**	QC			●
CC1	**Composition of regulatory capital**	QC		◑	
CC2	**Reconciliation of regulatory capital to balance sheet**	QC		◑	
CCA	**Main features of regulatory capital instruments and of other TLAC-eligible instruments** in accordance with the provisions of the CAO for non-systemically important banks	QUAL/QC		◑	
TLAC1	**TLAC composition for G-SIBs (at resolution group level)**	QC	n/a	n/a	n/a
TLAC2	**Material subgroup entity** – creditor ranking at legal entity level	QC	n/a	n/a	n/a
TLAC3	**Resolution entity** – creditor ranking at legal entity level	QC	n/a	n/a	n/a
GSIB1	**Disclosure of G-SIB indicators**	QC	n/a	n/a	n/a
CCyB1	**Geographical distribution of credit exposures used in the countercyclical buffer**	QC		◑	
LR1	**Leverage Ratio:** summary comparison of accounting assets vs leverage ratio exposure measure	QC		◑	
LR2	**Leverage Ratio:** leverage ratio common disclosure template	QC		◑	
LIQA	**Liquidity:** liquidity risk management	QUAL/QC			●
LIQ1	**Liquidity:** Liquidity coverage ratio (LCR)	QC		◑	
LIQ2	**Liquidity:** Net stable funding ratio (NSFR)	QC		◑	
CRA	**Credit risk:** general qualitative information about credit risk	QUAL			●
CR1	**Credit risk:** credit quality of assets	QC		◑	
CR2	**Credit risk:** changes in stock of defaulted loans and debt securities	QC		◑	
CRB	**Credit risk:** additional disclosure related to the credit quality of assets	QUAL/QC			●
CRC	**Credit risk:** qualitative disclosure requirements related to credit risk mitigation techniques	QUAL			●
CR3	**Credit risk:** credit risk mitigation techniques – overview	QC		◑	
CRD	**Credit risk:** qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk	QUAL			●
CR4	**Credit risk:** standardised approach – credit risk exposure and credit risk mitigation (CRM) effects	QC		◑	

1 Qualitative (QUAL) or quantitative with comments (QC)

Reference	Table name	QUAL or QC [1]	Disclosure frequency quarterly	semi-annually	annually
CR5	**Credit risk:** standardised approach – exposures by asset classes and risk weights	QC		◑	
CRE	**IRB:** qualitative disclosures related to IRB models	QUAL			●
CR6	**IRB:** Risikoexposition nach Positionskategorien und Ausfallwahrscheinlichkeiten	QC		◑	
CR7	**IRB:** effect on RWA of credit derivatives used as CRM techniques	QC		◑	
CR8	**IRB:** RWA flow statements of credit risk exposures under IRB	QC		◑	
CR9	**IRB:** back-testing of PD per portfolio	QC			●
CR10	**IRB:** specialised lending and equities under the simple risk weight method	QC		◑	
CCRA	**Counterparty credit risk:** qualitative disclosure related to counterparty credit risk	QUAL			●
CCR1	**Counterparty credit risk:** analysis of counterparty credit risk (CCR) exposure by approach	QC		◑	
CCR2	**Counterparty credit risk:** credit valuation adjustment (CVA) capital charge	QC		◑	
CCR3	**Counterparty credit risk:** standardised approach of CCR exposures by regulatory portfolio and risk weights	QC		◑	
CCR4	**IRB:** CCR exposures by portfolio and PD scale	QC		◑	
CCR5	**Counterparty credit risk:** composition of collateral for CCR exposure	QC		◑	
CCR6	**Counterparty credit risk:** credit derivatives exposures	QC		◑	
CCR7	**Counterparty credit risk:** RWA flow statements of CCR exposures under the Internal Model Method (IMM)	QC		◑	
CCR8	**Counterparty credit risk:** exposures to central counterparties	QC		◑	
SECA	**Securitisations:** qualitative disclosure requirements related to securitisation exposures	QUAL			●
SEC1	**Securitisations:** exposures in the banking book	QC		◑	
SEC2	**Securitisations:** exposures in the trading book	QC		◑	
SEC3	**Securitisations:** exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	QC		◑	
SEC4	**Securitisations:** exposures in the banking book and associated capital requirements – bank acting as investor	QC		◑	
MRA	**Market risk:** general qualitative disclosure requirements related to market risk	QUAL			●
MR1	**Market risk:** market risk under SA	QC		◑	
MRB	**Market risk:** qualitative disclosures for banks using the Internal Model Approach (IMA)	QUAL			●
MR2	**Market risk:** RWA flow statements of market risk exposures under IMA	QC		◑	
MR3	**Market risk:** IMA values for trading portfolios	QC		◑	
MR4	**Market risk:** comparison of VaR estimates with gains/losses	QC		◑	
IRRBBA	**Interest rate risk:** interest rate risk in the banking book (IRRBB) risk management objective and policies	QUAL/QC			●
IRRBBA1	**Interest rate risk:** quantitative information on exposure structure and repricing	QC			●
IRRBB1	**Interest rate risk:** quantitative information on IRRBB	QC			●
REMA	**Remuneration:** policy	QUAL	n/a	n/a	n/a
REMA1	**Remuneration:** remuneration awarded during the financial year	QC	n/a	n/a	n/a
REMA2	**Remuneration:** special payments	QC	n/a	n/a	n/a
REMA3	**Remuneration:** deferred remuneration	QC	n/a	n/a	n/a
ORA	**Operational risk:** Qualitative disclosure requirements related to operational risks	QUAL			●
Annex 4	**Corporate Governance**	QUAL	◔		
Annex 5	**Climate-related financial risks**	QUAL/QC			●

1 Qualitative (QUAL) or quantitative with comments (QC)

4 Disclosure requirements for systemically important banks

Special disclosure obligations for systemically important financial groups and banks

Zürcher Kantonalbank has been deemed a D-SIB since November 2013.

4.1 Risk-based capital requirements based on capital ratios (group and parent company)

31.12.2024				Group
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Risk-weighted assets (RWA)	**86,443**		**86,443**	
› Risk-based capital requirements (going concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total [1]	**11,919**	**13.8 %**	**11,919**	**13.8 %**
of which CET1: minimum capital	3,890	4.5 %	3,890	4.5 %
of which CET1: buffer capital	3,510	4.1 %	3,510	4.1 %
of which CET1: countercyclical buffer	803	0.9 %	803	0.9 %
of which Additional Tier 1: minimum capital	3,025	3.5 %	3,025	3.5 %
of which Additional Tier 1: buffer capital	692	0.8 %	692	0.8 %
› Eligible capital (going concern)	CHF million	in % RWA	CHF million	in % RWA
Core capital	**15,451**	**17.9 %**	**15,451**	**17.9 %**
of which CET1	11,734	13.6 %	11,734	13.6 %
of which CET1 to cover additional Tier 1 requirements	2,653	3.1 %	2,653	3.1 %
of which additional Tier 1 high-trigger CoCos	1,064	1.2 %	1,064	1.2 %
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Risk-based requirements for additional loss-absorbing capital (gone concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total according to size and market share incl. additional requirement FINMA [2/3]	5,072	5.9 %	6,794	7.9 %
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO [4]	–48	–0.1 %	–48	–0.1 %
Total (net) [4]	**5,024**	**5.8 %**	**6,747**	**7.8 %**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % RWA	CHF million	in % RWA
Total	**6,747**	**7.8 %**	**6,747**	**7.8 %**
of which CET1 used to meet gone concern requirements	95	0.1 %	95	0.1 %
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [5]	469	0.5 %	469	0.5 %
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,809	2.1 %	1,809	2.1 %
of which other eligible additional loss-absorbing capital [6]	1,000	1.2 %	1,000	1.2 %
of which state guarantee or similar mechanism [7]	3,373	3.9 %	3,373	3.9 %

1 The risk-based capital requirements on a going concern basis are calculated as a percentage of risk-weighted assets (RWA). Under Article 129 CAO, the total risk-based requirement for Zürcher Kantonalbank is 12.86 %. On top of this come the requirements for the countercyclical buffer (CCB) under Art. 44 CAO, currently 0.90 %, and the extended countercyclical buffer (eCCB) under Art. 44a CAO, currently 0.03 % of RWA. As at 31.12.2024 this results in a risk-based total requirement (going concern) of 13.79 %.

2 Under Article 132, para. 2 CAO, the risk-based requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Article 129 CAO. Based on the transitional provisions in Article 148j CAO, the gone concern requirement in 2024 is 3.84 % of RWA. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank (excluding the CCB).

3 In a letter dated 3.9.2019, FINMA set the risk-based requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank at 7.86 % gross from 2026, including the total according to size and market share. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional risk-based requirement of 2.03 % in 2024. This results in a total risk-based gone concern requirement of 5.87 % gross as at 31.12.2024 (under current rules).

4 Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31.12.2024. As a result, the overall gone concern requirement under current rules is reduced by 0.06 percentage points to 5.81 % net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.06 percentage points to 7.80 % net. As at 31.12.2024, Zürcher Kantonalbank already fully met the total risk-based gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

5 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

6 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

7 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 31.12.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.80 % of RWA.

30.9.2024				Group
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Risk-weighted assets (RWA)	**82,521**		**82,521**	
› Risk-based capital requirements (going concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total [1]	**11,409**	**13.8 %**	**11,409**	**13.8 %**
of which CET1: minimum capital	3,713	4.5 %	3,713	4.5 %
of which CET1: buffer capital	3,350	4.1 %	3,350	4.1 %
of which CET1: countercyclical buffer	797	1.0 %	797	1.0 %
of which Additional Tier 1: minimum capital	2,888	3.5 %	2,888	3.5 %
of which Additional Tier 1: buffer capital	660	0.8 %	660	0.8 %
› Eligible capital (going concern)	CHF million	in % RWA	CHF million	in % RWA
Core capital	**14,789**	**17.9 %**	**14,789**	**17.9 %**
of which CET1	11,240	13.6 %	11,240	13.6 %
of which CET1 to cover additional Tier 1 requirements	2,484	3.0 %	2,484	3.0 %
of which additional Tier 1 high-trigger CoCos	1,064	1.3 %	1,064	1.3 %
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Risk-based requirements for additional loss-absorbing capital (gone concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total according to size and market share incl. additional requirement FINMA [2/3]	4,842	5.9 %	6,486	7.9 %
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO	–	–	–	–
Total (net)	**4,842**	**5.9 %**	**6,486**	**7.9 %**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % RWA	CHF million	in % RWA
Total	**6,516**	**7.9 %**	**6,516**	**7.9 %**
of which CET1 used to meet gone concern requirements	–	–	–	–
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [4]	471	0.6 %	471	0.6 %
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,802	2.2 %	1,802	2.2 %
of which other eligible additional loss-absorbing capital [5]	1,000	1.2 %	1,000	1.2 %
of which state guarantee or similar mechanism [6]	3,243	3.9 %	3,243	3.9 %

1 The risk-based capital requirements on a going concern basis are calculated as a percentage of risk-weighted assets (RWA). Under Article 129 CAO, the total risk-based requirement for Zürcher Kantonalbank is 12.86 %. On top of this come the requirements for the countercyclical buffer (CCB) under Art. 44 CAO, currently 0.93 %, and the extended countercyclical buffer (eCCB) under Art. 44a CAO, currently 0.04 % of RWA. As at 30.9.2024 this results in a risk-based total requirement (going concern) of 13.83 %.

2 Under Article 132, para. 2 CAO, the risk-based requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Article 129 CAO. Based on the transitional provisions in Article 148j CAO, the gone concern requirement in 2024 is 3.84 % of RWA. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank (excluding the CCB).

3 In a letter dated 3.9.2019, FINMA set the risk-based requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank at 7.86 % from 2026, including the total according to size and market share. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional risk-based requirement of 2.03 % in 2024. This results in a total risk-based gone concern requirement of 5.87 % as at 30.9.2024 (under current rules). As at 30.9.2024, Zürcher Kantonalbank already fully met the total risk-based gone concern requirement of 7.86 %, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

4 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

5 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

6 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 30.9.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.86 % of RWA.

31.12.2024			Parent company	
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Risk-weighted assets (RWA)	**87,023**		**87,023**	
› Risk-based capital requirements (going concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total [1]	**11,995**	**13.8%**	**11,995**	**13.8%**
of which CET1: minimum capital	3,916	4.5%	3,916	4.5%
of which CET1: buffer capital	3,533	4.1%	3,533	4.1%
of which CET1: countercyclical buffer	804	0.9%	804	0.9%
of which Additional Tier 1: minimum capital	3,046	3.5%	3,046	3.5%
of which Additional Tier 1: buffer capital	696	0.8%	696	0.8%
› Eligible capital (going concern)	CHF million	in % RWA	CHF million	in % RWA
Core capital	**15,576**	**17.9%**	**15,576**	**17.9%**
of which CET1	11,834	13.6%	11,834	13.6%
of which CET1 to cover additional Tier 1 requirements	2,678	3.1%	2,678	3.1%
of which additional Tier 1 high-trigger CoCos	1,064	1.2%	1,064	1.2%
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Risk-based requirements for additional loss-absorbing capital (gone concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total according to size and market share incl. additional requirement FINMA [2/3]	5,106	5.9%	6,840	7.9%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO [4]	−57	−0.1%	−57	−0.1%
Total (net) [4]	**5,049**	**5.8%**	**6,783**	**7.8%**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % RWA	CHF million	in % RWA
Total	**6,783**	**7.8%**	**6,783**	**7.8%**
of which CET1 used to meet gone concern requirements	113	0.1%	113	0.1%
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [5]	469	0.5%	469	0.5%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,809	2.1%	1,809	2.1%
of which other eligible additional loss-absorbing capital [6]	1,000	1.1%	1,000	1.1%
of which state guarantee or similar mechanism [7]	3,392	3.9%	3,392	3.9%

1 The risk-based capital requirements on a going concern basis are calculated as a percentage of risk-weighted assets (RWA). Under Article 129 CAO, the total risk-based requirement for Zürcher Kantonalbank is 12.86 %. On top of this come the requirements for the countercyclical buffer (CCB) under Art. 44 CAO, currently 0.89 %, and the extended countercyclical buffer (eCCB) under Art. 44a CAO, currently 0.03 % of RWA. As at 31.12.2024 this results in a risk-based total requirement (going concern) of 13.78 % (rounded number).

2 Under Article 132, para. 2 CAO, the risk-based requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Article 129 CAO. Based on the transitional provisions in Article 148j CAO, the gone concern requirement in 2024 is 3.84 % of RWA. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank (excluding the CCB).

3 In a letter dated 3.9.2019, FINMA set the risk-based requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank at 7.86 % gross from 2026, including the total according to size and market share. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional risk-based requirement of 2.03 % in 2024. This results in a total risk-based gone concern requirement of 5.87 % gross as at 31.12.2024 (under current rules).

4 Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31.12.2024. As a result, the overall gone concern requirement under current rules is reduced by 0.07 percentage points to 5.80 % net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.07 percentage points to 7.79 % net. As at 31.12.2024, Zürcher Kantonalbank already fully met the total risk-based gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

5 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

6 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

7 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 31.12.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.79 % of RWA.

30.9.2024				Parent company
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Risk-weighted assets (RWA)	**83,075**		**83,075**	

› Risk-based capital requirements (going concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total [1]	**11,481**	**13.8%**	**11,481**	**13.8%**
of which CET1: minimum capital	3,738	4.5%	3,738	4.5%
of which CET1: buffer capital	3,373	4.1%	3,373	4.1%
of which CET1: countercyclical buffer	798	1.0%	798	1.0%
of which Additional Tier 1: minimum capital	2,908	3.5%	2,908	3.5%
of which Additional Tier 1: buffer capital	665	0.8%	665	0.8%

› Eligible capital (going concern)	CHF million	in % RWA	CHF million	in % RWA
Core capital	**14,945**	**18.0%**	**14,945**	**18.0%**
of which CET1	11,373	13.7%	11,373	13.7%
of which CET1 to cover additional Tier 1 requirements	2,508	3.0%	2,508	3.0%
of which additional Tier 1 high-trigger CoCos	1,064	1.3%	1,064	1.3%
of which additional Tier 1 low-trigger CoCos	–	–	–	–

› Risk-based requirements for additional loss-absorbing capital (gone concern) based on capital ratios	CHF million	in % RWA	CHF million	in % RWA
Total according to size and market share incl. additional requirement FINMA [2/3]	4,874	5.9%	6,530	7.9%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO	–	–	–	–
Total (net)	**4,874**	**5.9%**	**6,530**	**7.9%**

› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % RWA	CHF million	in % RWA
Total	**6,538**	**7.9%**	**6,538**	**7.9%**
of which CET1 used to meet gone concern requirements	–	–	–	–
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [4]	471	0.6%	471	0.6%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,802	2.2%	1,802	2.2%
of which other eligible additional loss-absorbing capital [5]	1,000	1.2%	1,000	1.2%
of which state guarantee or similar mechanism [6]	3,265	3.9%	3,265	3.9%

1 The risk-based capital requirements on a going concern basis are calculated as a percentage of risk-weighted assets (RWA). Under Article 129 CAO, the total risk-based requirement for Zürcher Kantonalbank is 12.86%. On top of this come the requirements for the countercyclical buffer (CCB) under Art. 44 CAO, currently 0.92%, and the extended countercyclical buffer (eCCB) under Art. 44a CAO, currently 0.04% of RWA. As at 30.9.2024 this results in a risk-based total requirement (going concern) of 13.82% (rounded number).

2 Under Article 132, para. 2 CAO, the risk-based requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Article 129 CAO. Based on the transitional provisions in Article 148j CAO, the gone concern requirement in 2024 is 3.84% of RWA. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank (excluding the CCB).

3 In a letter dated 3.9.2019, FINMA set the risk-based requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank at 7.86% from 2026, including the total according to size and market share. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional risk-based requirement of 2.03% in 2024. This results in a total risk-based gone concern requirement of 5.87% as at 30.9.2024 (under current rules). As at 30.9.2024, Zürcher Kantonalbank already fully met the total risk-based gone concern requirement of 7.86%, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

4 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

5 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

6 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 30.9.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.86% of RWA.

4.2 Unweighted capital requirements based on the leverage ratio (group and parent company)

31.12.2024				Group
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Leverage ratio exposure measure (leverage ratio denominator, LRD)	**227,125**		**227,125**	
› Unweighted capital requirements (going concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total [1]	**10,221**	**4.5%**	**10,221**	**4.5%**
of which CET1: minimum capital	3,407	1.5%	3,407	1.5%
of which CET1: buffer capital	3,407	1.5%	3,407	1.5%
of which Additional Tier 1: minimum capital	3,407	1.5%	3,407	1.5%
› Eligible capital (going concern)	CHF million	in % LRD	CHF million	in % LRD
Core capital	**15,451**	**6.8%**	**15,451**	**6.8%**
of which CET1	11,734	5.2%	11,734	5.2%
of which CET1 to cover additional Tier 1 requirements	2,653	1.2%	2,653	1.2%
of which additional Tier 1 high-trigger CoCos	1,064	0.5%	1,064	0.5%
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Unweighted requirements for additional loss-absorbing capital (gone concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total according to size and market share incl. additional requirement FINMA [2/3]	4,373	1.9%	6,247	2.8%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO [4]	−48	−0.0%	−48	−0.0%
Total (net)	**4,325**	**1.9%**	**6,199**	**2.7%**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % LRD	CHF million	in % LRD
Total	**6,747**	**3.0%**	**6,747**	**3.0%**
of which CET1 used to meet gone concern requirements	95	0.0%	95	0.0%
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [5]	469	0.2%	469	0.2%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,809	0.8%	1,809	0.8%
of which other eligible additional loss-absorbing capital [6]	1,000	0.4%	1,000	0.4%
of which state guarantee or similar mechanism [7]	3,373	1.5%	3,373	1.5%

1 The unweighted capital requirements (going concern) are calculated as a percentage of the leverage ratio exposure measure. Under Art. 129 CAO, the unweighted total requirement for Zürcher Kantonalbank is 4.5%.

2 Under Art. 132, para. 2 CAO, the unweighted requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Art. 129 CAO. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 1.26% of the leverage ratio exposure measure. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank.

3 In a letter dated 3.9.2019, FINMA increased the unweighted requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank from 2026 in the same ratio as for the risk-based gone concern requirements. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional unweighted requirement of 0.67% in 2024. This results in a total unweighted gone concern requirement of 1.93% gross as at 31.12.2024 (under current rules).

4 Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31.12.2024. As a result, the overall gone concern requirement under current rules is reduced by 0.03 percentage points to 1.90 percent net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.02 percentage points from 2.75 percent gross to 2.73 percent net. As at 31.12.2024, Zürcher Kantonalbank already fully met the total unweighted gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

5 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

6 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

7 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 31.12.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.80% of RWA.

30.9.2024				Group
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Leverage ratio exposure measure (leverage ratio denominator, LRD)	**227,341**		**227,341**	
› Unweighted capital requirements (going concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total [1]	**10,230**	**4.5%**	**10,230**	**4.5%**
of which CET1: minimum capital	3,410	1.5%	3,410	1.5%
of which CET1: buffer capital	3,410	1.5%	3,410	1.5%
of which Additional Tier 1: minimum capital	3,410	1.5%	3,410	1.5%
› Eligible capital (going concern)	CHF million	in % LRD	CHF million	in % LRD
Core capital	**14,789**	**6.5%**	**14,789**	**6.5%**
of which CET1	11,240	4.9%	11,240	4.9%
of which CET1 to cover additional Tier 1 requirements	2,484	1.1%	2,484	1.1%
of which additional Tier 1 high-trigger CoCos	1,064	0.5%	1,064	0.5%
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Unweighted requirements for additional loss-absorbing capital (gone concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total according to size and market share incl. additional requirement FINMA [2/3]	4,377	1.9%	6,253	2.8%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO	–	–	–	–
Total (net)	**4,377**	**1.9%**	**6,253**	**2.8%**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % LRD	CHF million	in % LRD
Total	**6,516**	**2.9%**	**6,516**	**2.9%**
of which CET1 used to meet gone concern requirements	–	–	–	–
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [4]	471	0.2%	471	0.2%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,802	0.8%	1,802	0.8%
of which other eligible additional loss-absorbing capital [5]	1,000	0.4%	1,000	0.4%
of which state guarantee or similar mechanism [6]	3,243	1.4%	3,243	1.4%

1 The unweighted capital requirements (going concern) are calculated as a percentage of the leverage ratio exposure measure. Under Art. 129 CAO, the unweighted total requirement for Zürcher Kantonalbank is 4.5%.

2 Under Art. 132, para. 2 CAO, the unweighted requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Art. 129 CAO. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 1.26% of the leverage ratio exposure measure. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank.

3 In a letter dated 3.9.2019, FINMA increased the unweighted requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank from 2026 in the same ratio as for the risk-based gone concern requirements. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional unweighted requirement of 0.67% in 2024. This results in a total unweighted gone concern requirement of 1.93% as at 30.9.2024 (under current rules). As at 30.9.2024, Zürcher Kantonalbank already fully met the total unweighted gone concern requirement of 2.75%, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

4 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

5 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

6 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 30.9.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.86% of RWA.

31.12.2024	Current rules		Parent company Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Leverage ratio exposure measure (leverage ratio denominator, LRD)	**227,040**		**227,040**	
› Unweighted capital requirements (going concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total [1]	**10,217**	**4.5%**	**10,217**	**4.5%**
of which CET1: minimum capital	3,406	1.5%	3,406	1.5%
of which CET1: buffer capital	3,406	1.5%	3,406	1.5%
of which Additional Tier 1: minimum capital	3,406	1.5%	3,406	1.5%
› Eligible capital (going concern)	CHF million	in % LRD	CHF million	in % LRD
Core capital	**15,576**	**6.9%**	**15,576**	**6.9%**
of which CET1	11,834	5.2%	11,834	5.2%
of which CET1 to cover additional Tier 1 requirements	2,678	1.2%	2,678	1.2%
of which additional Tier 1 high-trigger CoCos	1,064	0.5%	1,064	0.5%
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Unweighted requirements for additional loss-absorbing capital (gone concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total according to size and market share incl. additional requirement FINMA [2/3]	4,371	1.9%	6,244	2.8%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO [4]	−57	−0.0%	−57	−0.0%
Total (net)	**4,314**	**1.9%**	**6,188**	**2.7%**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % LRD	CHF million	in % LRD
Total	**6,783**	**3.0%**	**6,783**	**3.0%**
of which CET1 used to meet gone concern requirements	113	0.0%	113	0.0%
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [5]	469	0.2%	469	0.2%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,809	0.8%	1,809	0.8%
of which other eligible additional loss-absorbing capital [6]	1,000	0.4%	1,000	0.4%
of which state guarantee or similar mechanism [7]	3,392	1.5%	3,392	1.5%

1 The unweighted capital requirements (going concern) are calculated as a percentage of the leverage ratio exposure measure. Under Art. 129 CAO, the unweighted total requirement for Zürcher Kantonalbank is 4.5%.

2 Under Art. 132, para. 2 CAO, the unweighted requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Art. 129 CAO. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 1.26% of the leverage ratio exposure measure. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank.

3 In a letter dated 3.9.2019, FINMA increased the unweighted requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank from 2026 in the same ratio as for the risk-based gone concern requirements. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional unweighted requirement of 0.67% in 2024. This results in a total unweighted gone concern requirement of 1.93% gross as at 31.12.2024 (under current rules).

4 Under Art. 132, para. 4 CAO, the gone concern gross requirement is reduced if a systemically important bank holds additional funds in the form of core capital. This is the case as at 31.12.2024. As a result, the overall gone concern requirement under current rules is reduced by 0.03 percentage points to 1.90 percent net, and the overall gone concern requirement set by FINMA as part of its contingency planning is reduced by 0.02 percentage points from 2.75 percent gross to 2.73 percent net. As at 31.12.2024, Zürcher Kantonalbank already fully met the total unweighted gone concern requirement, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

5 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

6 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

7 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 31.12.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.79% of RWA.

30.9.2024			Parent company	
	Current rules		Definitive rules from 2026	
› Basis of assessment	CHF million		CHF million	
Leverage ratio exposure measure (leverage ratio denominator, LRD)	**227,208**		**227,208**	
› Unweighted capital requirements (going concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total [1]	**10,224**	**4.5%**	**10,224**	**4.5%**
of which CET1: minimum capital	3,408	1.5%	3,408	1.5%
of which CET1: buffer capital	3,408	1.5%	3,408	1.5%
of which Additional Tier 1: minimum capital	3,408	1.5%	3,408	1.5%
› Eligible capital (going concern)	CHF million	in % LRD	CHF million	in % LRD
Core capital	**14,945**	**6.6%**	**14,945**	**6.6%**
of which CET1	11,373	5.0%	11,373	5.0%
of which CET1 to cover additional Tier 1 requirements	2,508	1.1%	2,508	1.1%
of which additional Tier 1 high-trigger CoCos	1,064	0.5%	1,064	0.5%
of which additional Tier 1 low-trigger CoCos	–	–	–	–
› Unweighted requirements for additional loss-absorbing capital (gone concern) based on the leverage ratio	CHF million	in % LRD	CHF million	in % LRD
Total according to size and market share incl. additional requirement FINMA [2/3]	4,374	1.9%	6,249	2.8%
Reduction based on holdings in additional capital in the form of CET1 or contingent capital as per Art. 132 para. 4 CAO	–	–	–	–
Total (net)	**4,374**	**1.9%**	**6,249**	**2.8%**
› Eligible additional loss-absorbing capital (gone concern)	CHF million	in % LRD	CHF million	in % LRD
Total	**6,538**	**2.9%**	**6,538**	**2.9%**
of which CET1 used to meet gone concern requirements	–	–	–	–
of which additional Tier 1 used to meet gone concern requirements	–	–	–	–
of which Tier 2 high-trigger CoCos	–	–	–	–
of which Tier 2 low-trigger CoCos	–	–	–	–
of which Tier 2 with PONV [4]	471	0.2%	471	0.2%
of which non-Basel III compliant Tier 1	–	–	–	–
of which non-Basel III compliant Tier 2	–	–	–	–
of which bail-in bonds	1,802	0.8%	1,802	0.8%
of which other eligible additional loss-absorbing capital [5]	1,000	0.4%	1,000	0.4%
of which state guarantee or similar mechanism [6]	3,265	1.4%	3,265	1.4%

1 The unweighted capital requirements (going concern) are calculated as a percentage of the leverage ratio exposure measure. Under Art. 129 CAO, the unweighted total requirement for Zürcher Kantonalbank is 4.5%.

2 Under Art. 132, para. 2 CAO, the unweighted requirements for additional loss-absorbing capital (gone concern) are calculated using the total going concern requirement under Art. 129 CAO. Based on the transitional provisions in Art. 148j CAO, the gone concern requirement in 2024 is 1.26% of the leverage ratio exposure measure. This will increase in stages until 2026, when the gone concern requirement will be equal to 40 percent of the total going concern requirement for Zürcher Kantonalbank.

3 In a letter dated 3.9.2019, FINMA increased the unweighted requirements for additional loss-absorbing capital (gone concern) for contingency planning at Zürcher Kantonalbank from 2026 in the same ratio as for the risk-based gone concern requirements. Under the transitional provisions in Art. 148j CAO, this is equivalent to an additional unweighted requirement of 0.67% in 2024. This results in a total unweighted gone concern requirement of 1.93% as at 30.9.2024 (under current rules). As at 30.9.2024, Zürcher Kantonalbank already fully met the total unweighted gone concern requirement of 2.75%, as defined by FINMA for contingency planning at Zürcher Kantonalbank.

4 Any write-downs are triggered by FINMA when they declare a threat of insolvency (PONV = point of non-viability).

5 By resolution of the cantonal parliament, the endowment capital reserve (CHF 1,000 million) was reserved in full for the Bank's contingency planning and accordingly qualifies as eligible additional loss-absorbing capital on a gone concern basis. As a result, the endowment capital reserve can now only be called on by order of FINMA or a FINMA-appointed restructuring official.

6 Zürcher Kantonalbank, as a systemically important bank without international operations, has an explicit cantonal state guarantee. As at 30.9.2024, the amount of the state guarantee that can be recognised under Art. 132b, letter a CAO is half of the risk-based gone concern total requirement of 7.86% of RWA.

4.3 Main features of regulatory capital instruments and of other TLAC-eligible instruments in accordance with the provisions for systemically important banks

31.12.2024		Endowment capital	CHF Tier 1 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	n/a	CH 036 153 294 5
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a
› Regulatory treatment			
4	During the Basel III transitional phase	Common equity Tier 1 (CET1) Eligible capital (going concern)	Additional Tier 1 (AT1) Eligible capital (going concern)
5	Under Basel III rules not taking into account transitional treatment	Common equity Tier 1 (CET1) Eligible capital (going concern)	Additional Tier 1 (AT1) Eligible capital (going concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 2,425 million	CHF 750 million
9	Par value of instrument	CHF 2,425 million	CHF 750 million
10	Accounting classification	Bank's capital	Liability – notional
11	Original date of issuance	15.2.1870	30.6.2017
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	n/a	n/a
14	Issuer call option (subject to prior supervisory authority approval)	No	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	n/a	Next possible call date 30.10.2025. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	Annually on interest date of 30 Oct
› Dividend/coupon			
17	Fixed or floating dividend/coupon	Floating	Fixed to floating
18	Coupon rate and related index, if applicable	n/a	Fixed at 3.6 % until 30.10.2028; thereafter reset every 5 years based on 5-year mid-swap (minimum 0 %) plus 2.125 % risk premium
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	n/a	Yes
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	No	Yes
31	If write-down feature: write-down trigger(s)	n/a	Common equity Tier 1 (CET1) capital ratio falls below 7 % and/or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	n/a	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	n/a	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 1 bonds	Tier 2 bond
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

31.12.2024		CHF Tier 1 bond	EUR Tier 2 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 053 689 332 1	CH 117 056 575 3
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Additional Tier 1 (AT1) Eligible capital (going concern)	Tier 2 with PONV Eligible additional loss-absorbing capital (gone concern)
5	Under Basel III rules not taking into account transitional treatment	Additional Tier 1 (AT1) Eligible capital (going concern)	Tier 2 with PONV Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 314 million	CHF 469 million
9	Par value of instrument	CHF 315 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	16.10.2020	13.4.2022
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	n/a	13.4.2028
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	First possible call date 16.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 13.4.2027. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	Thereafter every five years on 16 April	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 1.75 % until 16.4.2027; thereafter reset every five years based on 5-year SARON-mid-swap (minimum 0 %) plus 1.75 % risk premium	Fixed at 2.02 % until 13.4.2027; thereafter reset based on 3-month Euribor plus 0.90 % risk premium (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	Yes	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	n/a
23	Convertible/non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Common equity Tier 1 (CET1) capital ratio falls below 7 % and/or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.	FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.	Always fully if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation specify instrument type immediately senior to instrument)	Tier 2 bond	Bail-in bonds
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

31.12.2024		CHF Bail-in bond	EUR Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 123 946 470 9	CH 126 684 714 9
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a
› Regulatory treatment			
4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 425 million	CHF 469 million
9	Par value of instrument	CHF 425 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	19.4.2023	8.6.2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	19.4.2028	8.6.2029
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 19.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 8.6.2028. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a
› Dividend/coupon			
17	Fixed or floating dividend/coupon	Fixed	Fixed to floating
18	Coupon rate and related index, if applicable	2.75 %	Fixed at 4.156 % until 8.6.2028; thereafter reset based on relevant market rate according to the prospectus plus margin 1.15 % (minimum 0%)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders' claims or the Issuer's obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

31.12.2024		EUR Bail-in bond	CHF Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 129 022 239 2	CH 129 022 249 1
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 469 million	CHF 147 million
9	Par value of instrument	EUR 500 million	CHF 150 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	15.9.2023	1.11.2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	15.9.2027	1.11.2030
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 15.9.2026. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 1.11.2029. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 4.467 % until 15.9.2026; thereafter reset based on relevant market rate according to the prospectus plus margin 1.00 % (minimum 0 %)	Fixed at 2.625 % until 1.11.2029; thereafter reset based on relevant market rate according to the prospectus plus margin 0.98 % (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders' claims or the Issuer's obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

31.12.2024		CHF Bail-in bond	CHF Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 131 996 855 3	CH 131 996 856 1
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 100 million	CHF 199 million
9	Par value of instrument	CHF 100 million	CHF 200 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	22.3.2024	22.3.2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	22.3.2030	22.3.2033
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 22.3.2029. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 22.3.2032. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 2 % until 22.3.2029; thereafter reset based on relevant market rate according to the prospectus plus margin 0.83 % (minimum 0 %)	Fixed at 2.125 % until 22.3.2032; thereafter reset based on relevant market rate according to the prospectus plus margin 0.98 % (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders' claims or the Issuer's obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

30.9.2024		Endowment capital	CHF Tier 1 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	n/a	CH 036 153 294 5
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Common equity Tier 1 (CET1) Eligible capital (going concern)	Additional Tier 1 (AT1) Eligible capital (going concern)
5	Under Basel III rules not taking into account transitional treatment	Common equity Tier 1 (CET1) Eligible capital (going concern)	Additional Tier 1 (AT1) Eligible capital (going concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 2,425 million	CHF 749 million
9	Par value of instrument	CHF 2,425 million	CHF 750 million
10	Accounting classification	Bank's capital	Liability – notional
11	Original date of issuance	15.2.1870	30.6.2017
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	n/a	n/a
14	Issuer call option (subject to prior supervisory authority approval)	No	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	n/a	Next possible call date 30.10.2024. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	Annually on interest date of 30 Oct

› Dividend/coupon

17	Fixed or floating dividend/coupon	Floating	Fixed to floating
18	Coupon rate and related index, if applicable	n/a	Fixed at 3.6 % until 30.10.2028; thereafter reset every 5 years based on 5-year mid-swap (minimum 0 %) plus 2.125 % risk premium
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	n/a	Yes
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	No	Yes
31	If write-down feature: write-down trigger(s)	n/a	Common equity Tier 1 (CET1) capital ratio falls below 7 % and/or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	n/a	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	n/a	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 1 bonds	Tier 2 bond
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

30.9.2024		CHF Tier 1 bond	EUR Tier 2 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 053 689 332 1	CH 117 056 575 3
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Additional Tier 1 (AT1) Eligible capital (going concern)	Tier 2 with PONV Eligible additional loss-absorbing capital (gone concern)
5	Under Basel III rules not taking into account transitional treatment	Additional Tier 1 (AT1) Eligible capital (going concern)	Tier 2 with PONV Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 315 million	CHF 471 million
9	Par value of instrument	CHF 315 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	16.10.2020	13.4.2022
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	n/a	13.4.2028
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	First possible call date 16.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 13.4.2027. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	Thereafter every five years on 16 April	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 1.75 % until 16.4.2027; thereafter reset every five years based on 5-year SARON-mid-swap (minimum 0 %) plus 1.75 % risk premium	Fixed at 2.02 % until 13.4.2027; thereafter reset based on 3-month Euribor plus 0.90 % risk premium (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	Yes	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	n/a
23	Convertible/non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Common equity Tier 1 (CET1) capital ratio falls below 7 % and/or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.	FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.	Always fully if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation specify instrument type immediately senior to instrument)	Tier 2 bond	Bail-in bonds
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

30.9.2024		CHF Bail-in bond	EUR Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 123 946 470 9	CH 126 684 714 9
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 421 million	CHF 471 million
9	Par value of instrument	CHF 425 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	19.4.2023	8.6.2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	19.4.2028	8.6.2029
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 19.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 8.6.2028. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed	Fixed to floating
18	Coupon rate and related index, if applicable	2.75 %	Fixed at 4.156 % until 8.6.2028; thereafter reset based on relevant market rate according to the prospectus plus margin 1.15 % (minimum 0%)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders' claims or the Issuer's obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

30.9.2024		EUR Bail-in bond	CHF Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 129 022 239 2	CH 129 022 249 1
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 470 million	CHF 146 million
9	Par value of instrument	EUR 500 million	CHF 150 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	15.9.2023	1.11.2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	15.9.2027	1.11.2030
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 15.9.2026. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 1.11.2029. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 4.467 % until 15.9.2026; thereafter reset based on relevant market rate according to the prospectus plus margin 1.00 % (minimum 0 %)	Fixed at 2.625 % until 1.11.2029; thereafter reset based on relevant market rate according to the prospectus plus margin 0.98 % (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders' claims or the Issuer's obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

30.9.2024		CHF Bail-in bond	CHF Bail-in bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 131 996 855 3	CH 131 996 856 1
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	–	–
5	Under Basel III rules not taking into account transitional treatment	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)	Bail-in bonds Eligible additional loss-absorbing capital (gone concern)
6	Eligible at single-entity, group/single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 100 million	CHF 194 million
9	Par value of instrument	CHF 100 million	CHF 200 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	22.3.2024	22.3.2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	22.3.2030	22.3.2033
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and/or regulatory event) / redemption amount	One-time possible call date 22.3.2029. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 22.3.2032. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	n/a

› Dividend/coupon

17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 2 % until 22.3.2029; thereafter reset based on relevant market rate according to the prospectus plus margin 0.83 % (minimum 0 %)	Fixed at 2.125 % until 22.3.2032; thereafter reset based on relevant market rate according to the prospectus plus margin 0.98 % (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	No	No
20	Coupon/Dividend payment fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible [1]	Non-convertible [1]
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Write-down triggered by FINMA on a contractual basis [1]	Write-down triggered by FINMA on a contractual basis [1]
32	If write-down feature: fully or partially	may be written down partially	may be written down partially
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-subordinated liabilities	Non-subordinated liabilities
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

1 In the event that FINMA, in a restructuring proceeding concerning the Issuer pursuant to the Banking Act and, if applicable, other National Regulations, orders the partial or complete reduction of the bondholders’ claims or the Issuer’s obligations under the Bonds in the restructuring plan, the bondholders shall be entitled to the granting of a Recovery Certificate without par value for each Bond affected after the restructuring plan has been approved by FINMA.

5 Overview total risk

5.1 KM1: Key metrics (group)

The following table is intended for non-systemically important banks. It does not fully reflect the special requirements for national systemically important institutions (D-SIBs) such as Zürcher Kantonalbank. Please see Chapter 4 "Disclosure requirements for systemically important banks" in this respect.

Group		a	b	c	d	e
in CHF million (unless stated otherwise)		**31.12.2024**	30.9.2024	30.6.2024	31.3.2024	31.12.2023
› Eligible capital						
1	Common equity Tier 1 (CET1)	**14,482**	13,725	13,739	13,738	13,734
2	Tier 1 capital (T1)	**15,546**	14,789	14,803	14,795	14,797
3	Total capital [1]	**16,095**	15,332	15,350	15,445	15,427
	Total loss absorbing capacity (TLAC) [2]	**22,198**	21,305	21,315	21,384	21,128
› Risk-weighted assets (RWA)						
4	RWA	**86,443**	82,521	82,023	83,300	78,952
› Minimum required capital						
4a	Minimum required capital	**6,915**	6,602	6,562	6,664	6,316
› Risk-based capital ratios (in % of RWA)						
5	CET1 ratio [1]	**16.8%**	16.6%	16.8%	16.5%	17.4%
6	Tier 1 capital ratio [1]	**18.0%**	17.9%	18.0%	17.8%	18.7%
7	Total capital ratio [1]	**18.6%**	18.6%	18.7%	18.5%	19.5%
	TLAC ratio [2]	**25.7%**	25.8%	26.0%	25.7%	26.8%
› CET1 buffer requirements (in % of RWA)						
8	Capital conservation buffer as per the Basel minimum standards (2.5% from 2019)	**2.5%**	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer (Art. 44a CAO) in accordance with the Basel minimum standards	**0.0%**	0.0%	0.0%	0.0%	0.0%
10	Additional capital buffer due to international or national system relevance	**–**	–	–	–	–
11	Total of bank CET1 specific buffer requirements	**2.5%**	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements	**10.6%**	10.6%	10.7%	10.5%	11.5%
› Capital target ratios as per Annex 8 to the CAO (in % of RWA) [3]						
12a	Capital conservation buffer in accordance with Annex 8 to the CAO	**–**	–	–	–	–
12b	Countercyclical buffers (Art. 44 and Art. 44a CAO)	**–**	–	–	–	–
	Countercyclical buffer (Art. 44 CAO)	**0.9%**	0.9%	0.9%	0.9%	0.9%
12c	CET1 target ratio in accordance with Annex 8 to the CAO plus the countercyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
12d	T1 target ratio in accordance with Annex 8 to the CAO plus counter-cyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
12e	Total capital target ratio in accordance with Annex 8 to the CAO plus countercyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
› Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	**227,125**	227,341	225,875	229,724	223,870
14	Basel III leverage ratio (Tier 1 capital in % of leverage ratio exposure measure)	**6.8%**	6.5%	6.6%	6.4%	6.6%
	TLAC leverage ratio (TLAC in % of leverage ratio exposure measure) [2]	**9.8%**	9.4%	9.4%	9.3%	9.4%
› Liquidity coverage ratio (LCR) [4]						
15	LCR numerator: total high-quality liquid assets (HQLA)	**52,039**	52,780	53,171	50,994	46,388
16	LCR denominator: total net outflows of funds	**36,521**	34,314	36,434	34,548	31,511
17	Liquidity coverage ratio (LCR)	**142%**	154%	146%	148%	147%
› Net stable funding ratio (NSFR)						
18	Available stable funding	**121,070**	121,187	118,512	120,855	116,118
19	Required stable funding	**104,144**	101,867	100,873	102,128	98,921
20	Net stable funding ratio, (NSFR)	**116%**	119%	117%	118%	117%

1 In accordance with the provisions of the CAO for non-systemically important banks.
2 In accordance with the provisions for systemically important banks. TLAC includes core capital (going concern) and eligible additional loss-absorbing capital (gone concern). For details on the composition of the eligible additional loss-absorbing capital (gone concern), please refer to the section "Disclosure of systemically important banks".
3 Systemically important banks can forego the information in rows 12a to 12e, as Annex 8 to the CAO does not apply to them. In this instance, they must nevertheless provide information on the countercyclical buffer in accordance with Art. 44 CAO.
4 Simple average of the closing values on the business days during the quarter under review.

Common Equity Tier 1 (CET1), Tier 1 capital (T1) and Total capital in accordance with the provisions of the CAO for non-systemically important banks increased as at 31 December 2024, mainly due to the planned retained profit of CHF 745 million.

The total loss-absorbing capacity (TLAC) includes not only the core capital (going concern) in accordance with the provisions for systemically important banks, but also the eligible additional loss-absorbing capital (gone concern), which rose by CHF 231 million compared with 30 September 2024.

Total RWA rose CHF 3,992 million from 30 September 2024 to CHF 86,443 million. The main drivers for this were higher RWA from derivative and securities financing transactions as at 31 December 2024, which also resulted in higher RWA from the credit valuation adjustment (CVA). The largest countermovement was due to lower holdings in brokerage and corporate accounts.

The combination of higher capital in accordance with the provisions of the CAO for non-systemically important banks and higher RWA as at 31 December 2024 resulted in a light rise of 0.2 percentage points in the CET1 ratio and 0.1 percentage point in the Tier 1 capital ratio compared with 30 September 2024. The total capital ratio also rose slightly, but remained at a rounded 18.6 percent. The TLAC ratio in accordance with the provisions for systemically important banks sank by 0.1 percentage point to 25.7 percent.

The requirement from the extended countercyclical buffer (eCCB) under Art. 44a CAO as at 31 December 2024 is 0.03 percent of RWA (30 September 2024: 0.04 percent). Hence the eCCB has no material impact on the CET1 buffer requirements under the Basel minimum standards. The available CET1 ratio after meeting the Basel minimum standard has not changed compared to the previous quarter.

The requirement from the countercyclical buffer (CCB) under Art. 44 CAO has not changed significantly since its reactivation as of 30 September 2022.

Total exposure for the leverage ratio has not changed significantly in the previous quarter, it sank by CHF 216 million (rounded number) to CHF 227,125 million. However, there were shifts within the various exposures. Only on-balance-sheet exposures decreased (– CHF 7’051 million). Derivative exposures (+ CHF 3,403 million), securities financing transaction exposures (+ CHF 3,199 million) and off-balance-sheet exposures (+ CHF 232 million) increased. In combination with the increase in Tier 1 capital, this resulted in a leverage ratio 0.3 percentage points higher at 6.8 percent as at 31 December 2024 (30 September 2024: 6.5 percent). The TLAC leverage ratio in accordance with the provisions for systemically important banks also increased, by 0.4 percentage points to 9.8 percent.

The LCR on a group basis decreased compared with the previous quarter and averaged 142 percent in the fourth quarter of 2024 (third quarter of 2024: 154 percent). As a systemically important bank, Zürcher Kantonalbank is subject to stricter liquidity requirements; it satisfies these comfortably.

The NSFR on a group basis decreased lightly compared with the end of the previous quarter, amounting to 116 percent as at 31 December 2024 (30 September 2024: 119 percent).

At this point, we would like to point out that additional, stricter liquidity requirements with a stress horizon of 90 days apply to systemically important banks. For further information, please refer to the “Liquidity risks” section on page 47.

5.2 KM1: Key metrics (parent company)

The group's regulatory ratios are largely driven by the figures at the parent company. Hence the comments and explanations for the parent company are essentially identical to those for the group (section 5.1) and will not be repeated for the following table.

Parent company		**a**	**b**	**c**	**d**	**e**
in CHF million (unless stated otherwise)		**31.12.2024**	30.9.2024	30.6.2024	31.3.2024	31.12.2023
› Eligible capital						
1	Common equity Tier 1 (CET1)	**14,625**	13,881	13,880	13,879	13,879
2	Tier 1 capital (T1)	**15,689**	14,945	14,944	14,936	14,942
3	Total capital [1]	**16,238**	15,488	15,491	15,585	15,572
	Total loss absorbing capacity (TLAC) [2]	**22,359**	21,483	21,478	21,546	21,294
› Risk-weighted assets (RWA)						
4	RWA	**87,023**	83,075	82,586	83,821	79,509
› Minimum required capital						
4a	Minimum required capital	**6,962**	6,646	6,607	6,706	6,361
› Risk-based capital ratios (in % of RWA)						
5	CET1 ratio [1]	**16.8 %**	16.7 %	16.8 %	16.6 %	17.5 %
6	Tier 1 capital ratio [1]	**18.0 %**	18.0 %	18.1 %	17.8 %	18.8 %
7	Total capital ratio [1]	**18.7 %**	18.6 %	18.8 %	18.6 %	19.6 %
	TLAC ratio [2]	**25.7 %**	25.9 %	26.0 %	25.7 %	26.8 %
› CET1 buffer requirements (in % of RWA)						
8	Capital conservation buffer as per the Basel minimum standards (2.5 % from 2019)	**2.5 %**	2.5 %	2.5 %	2.5 %	2.5 %
9	Countercyclical buffer (Art. 44a CAO) in accordance with the Basel minimum standards	**0.0 %**	0.0 %	0.0 %	0.0 %	0.0 %
10	Additional capital buffer due to international or national system relevance	**–**	–	–	–	–
11	Total of bank CET1 specific buffer requirements	**2.5 %**	2.5 %	2.5 %	2.5 %	2.5 %
12	CET1 available after meeting the bank's minimum capital requirements	**10.7 %**	10.6 %	10.8 %	10.6 %	11.6 %
› Capital target ratios as per Annex 8 to the CAO (in % of RWA) [3]						
12a	Capital conservation buffer in accordance with Annex 8 to the CAO	**–**	–	–	–	–
12b	Countercyclical buffers (Art. 44 and Art. 44a CAO)	**–**	–	–	–	–
	Countercyclical buffer (Art. 44 CAO)	**0.9 %**	0.9 %	0.9 %	0.9 %	0.9 %
12c	CET1 target ratio in accordance with Annex 8 to the CAO plus the countercyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
12d	T1 target ratio in accordance with Annex 8 to the CAO plus counter-cyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
12e	Total capital target ratio in accordance with Annex 8 to the CAO plus countercyclical buffers in accordance with Art. 44 and 44a CAO	**–**	–	–	–	–
› Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	**227,040**	227,208	225,756	229,653	223,907
14	Basel III leverage ratio (Tier 1 capital in % of leverage ratio exposure measure)	**6.9 %**	6.6 %	6.6 %	6.5 %	6.7 %
	TLAC leverage ratio (TLAC in % of leverage ratio exposure measure) [2]	**9.8 %**	9.5 %	9.5 %	9.4 %	9.5 %
› Liquidity coverage ratio (LCR) [4]						
15	LCR numerator: total high-quality liquid assets (HQLA)	**51,961**	52,709	53,108	50,942	46,343
16	LCR denominator: total net outflows of funds	**36,618**	34,412	36,564	34,698	31,607
17	Liquidity coverage ratio (LCR)	**142 %**	153 %	145 %	147 %	147 %
› Net stable funding ratio (NSFR)						
18	Available stable funding	**120,312**	120,352	117,615	120,023	115,412
19	Required stable funding	**104,246**	101,797	100,707	102,052	98,865
20	Net stable funding ratio, (NSFR)	**115 %**	118 %	117 %	118 %	117 %

1 In accordance with the provisions of the CAO for non-systemically important banks.
2 In accordance with the provisions for systemically important banks. TLAC includes core capital (going concern) and eligible additional loss-absorbing capital (gone concern). For details on the composition of the eligible additional loss-absorbing capital (gone concern), please refer to the section "Disclosure of systemically important banks".
3 Systemically important banks can forego the information in rows 12a to 12e, as Annex 8 to the CAO does not apply to them. In this instance, they must nevertheless provide information on the countercyclical buffer in accordance with Art. 44 CAO.
4 Simple average of the closing values on the business days during the quarter under review.

5.3 OVA: Bank risk management approach

Ongoing operations at a universal bank such as Zürcher Kantonalbank require comprehensive and systematic risk management, with monitoring and controlling units acting independently of the risk managers.

Principles of risk management

The objective of risk management is to support the bank in generating added value while maintaining a first-class credit rating and reputation. Zürcher Kantonalbank's approach to risk management is based on the following principles:

- Risk culture: The bank fosters a risk culture that is geared towards responsible behaviour. Risk managers bear responsibility for profits and losses generated from the risks entered into. In addition, they have primary responsibility for identifying transactions and structures that entail particular business policy risks, conflicts of interest or particular effects on the bank's reputation.
- Separation of functions: For significant risks and to avoid conflicts of interest, the bank has established control processes that are independent of management.
- Risk identification and monitoring: The bank enters into transactions only if the risks are in accordance with its business strategy and can be appropriately identified, restricted, managed and monitored.
- Risk and return: The bank seeks to achieve a balanced relationship between risk and return for all transactions. Assessment of the risk/return profile takes account of quantifiable as well as non-quantifiable risks.
- Transparency: Risk reporting and disclosure are guided by high industry standards in terms of objectivity, scope, transparency and timeliness.

These principles constitute the basis for determining the organisational structure and processes of group-wide risk management.

Risk management and internal control system (ICS)

Zürcher Kantonalbank defines "risk management" and "internal control system (ICS)" as follows:

Risk management: As part of risk management, the bank sets its risk tolerance within its risk capacity. Risk management encompasses organisational structures, methods and processes. Zürcher Kantonalbank's risk management process consists of six steps: risk identification, assessment, control, management, monitoring and reporting. The decisions in risk management are implemented in the internal control system (ICS).

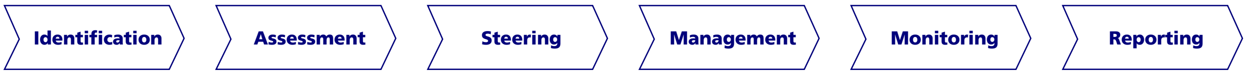
Internal control system (ICS): The ICS ensures that processes are carried out properly. To this end, management issues appropriate guidelines and ensures that compliance is monitored. An effective ICS includes risk-based control activities, suitable risk management and compliance processes, and appropriate supervisory bodies for the size, complexity and risk profile of the institution, in particular an independent risk control and compliance function.

Identifying and reducing the inherent risks involved in the business model are also an important aspect of the internal control system. For more information on the underlying processes, please see table CRA (Credit risk, page 71), table CCRA (Counterparty credit risk, page 100), table MRA (Market risk, page 112) and table ORA (Operational risks, page 124).

For reporting on the effectiveness of the ICS, please see section "Internal risk reporting" on page 43.

Risk management process

Zürcher Kantonalbank divides the risk management process into the following stages:



Identification	The risks relevant to the group are identified on an ongoing basis, either through regular, systematic observation of the corporate environment and risk profile, or as the potential result of one of the following steps.
Assessment	Assessment of an identified risk includes qualitative assessment and quantification (measurement/valuation). In order to counter the limits to quantification of different types of risk, models or expert assessments are used depending on the type of risk to calculate the potential size of the loss, the probability of occurrence and the correlation with other risks.
Steering	Risk steering is assured via risk tolerance requirements. Risk tolerance includes both quantitative and qualitative considerations concerning the main risks the group is willing to accept to achieve its strategic business objectives given its capital and liquidity planning. Qualitative risk requirements are primarily issued in the form of regulations, directives or instructions, but also cover risk policy and aspects of strategy. Quantitative requirements are issued in the form of limits and benchmarks. At group level, these are chiefly the risk policy rules from the Board of Directors and the rules to limit risk set by the Risk Committee of the Executive Board.
Management	Units managing risk perform their tasks within the risk tolerance set by the officer responsible. As part of the ICS, this includes taking countermeasures to avoid or limit risks or loss.
Monitoring	Risk monitoring takes the form of limit monitoring and ongoing monitoring of risk exposures by units independent of the risk manager. The risk organisation and the Compliance function are examples of such units.
Reporting	Risk reporting supports all levels of the hierarchy and stakeholders in assessing and monitoring risks.

Principles of compliance

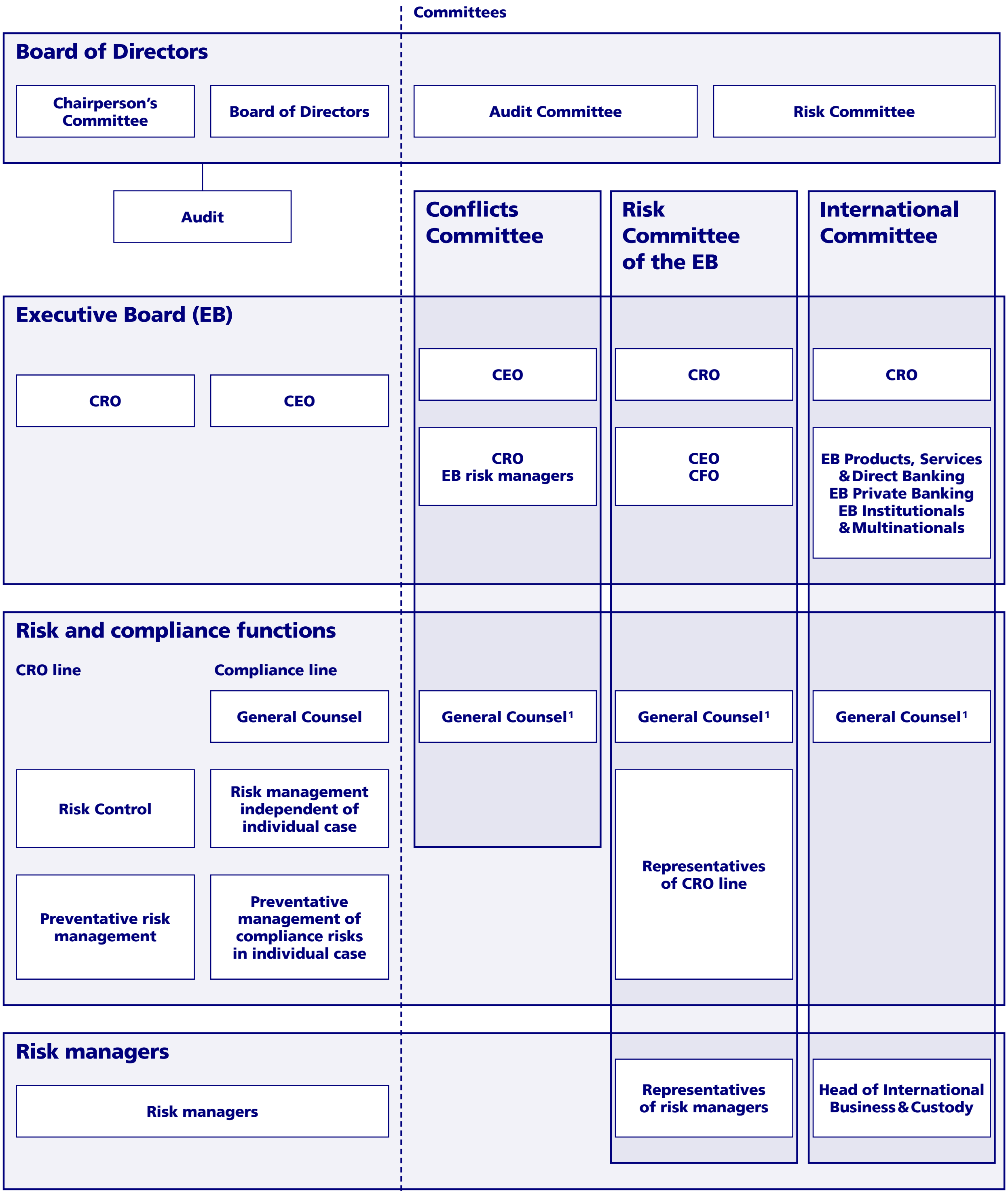
The objective of compliance is to ensure that Zürcher Kantonalbank conducts its business operations in accordance with legal and ethical norms. The principles of the compliance policy are as follows:

- relevant legal and ethical norms;
- ethical and performance-related basic values in a code of conduct;
- duty of all employees and members of governing bodies to comply with laws, regulations, internal rules, industry standards;
- a secure and confidential procedure for reporting possible violations of the rules (whistleblowing).

Primary responsibility for compliance lies with the Executive Board. The specialist Legal & Compliance group function prepares an annual assessment of compliance risk and a corresponding action plan based on a risk inventory. The Compliance function is organisationally independent of the income-driven business units. The most important principle of all is that Zürcher Kantonalbank conducts its banking operations in accordance with the statutory and regulatory provisions as well as recognised professional and ethical principles within the banking industry.

Risk organisation

Risk organisation at Zürcher Kantonalbank is arranged so that the profit-oriented functions of taking and managing risk are always structurally separate at Executive Board level from the preventive risk management and risk control functions.



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

Board of Directors

The Board of Directors approves the principles for risk management and compliance, the Code of Conduct and Ethics, the framework for group-wide risk management and the risk tolerance regulations at group level. It is responsible for the regulation, organisation and monitoring of an effective risk management system as well as the management of overall risks. The Board of Directors is responsible for ensuring that there is a suitable risk and control environment within the group and arranges for an effective internal control system. It also approves transactions involving major financial exposure. The Risk Committee and Audit Committee of the Board of Directors support the Board in its tasks and duties in the areas of risk management and the internal control system.

Chairperson's Committee

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

Audit

Audit supports the Board of Directors in fulfilling its statutory supervisory and control tasks and discharges the monitoring tasks assigned to it by the Board of Directors. In particular, Audit independently and objectively evaluates the appropriateness and effectiveness of the internal control and risk management processes as well as the management and monitoring processes and contributes towards their improvement. Audit works independently of day-to-day business activities and does not take on any operational tasks or control activities. Audit has unlimited rights of inspection, information and access within the entire group. Audit has no authority to issue instructions, but has the right to make recommendations. Audit reporting is independent and not bound by instructions.

Executive Board

The Executive Board issues provisions for the identification, evaluation, control, management, monitoring and reporting of risks in the form of directives. The Executive Board also approves transactions that entail particular business policy risks, conflicts of interest or particular effects on the reputation of Zürcher Kantonalbank, unless they are assigned to another governing body under the applicable regulations.

Conflicts Committee

Based on the responsibilities delegated to them, the members of the Executive Board who sit on the Conflicts Committee take decisions regarding transactions that entail particular business policy risks, conflicts of interest and particular effects on the group's reputation. The Conflicts Committee is chaired by the CEO; its escalation body is the Chairperson's Committee.

Risk Committee of the Executive Board and committees

The Risk Committee assists the Executive Board in defining risk management processes. The Committee is chaired by the Chief Risk Officer (CRO) and approves the methods of risk measurement on the basis of the responsibilities delegated to it. The risk managers on the four separate subcommittees (credit, trading, treasury and operational risk) and members of the risk and compliance organisation discuss the Risk Committee's business and formulate proposals for its attention.

International Committee

The International Committee is chaired by the CRO. It defines the specific business policy requirements for transactions with an international dimension, monitors and reports on such transactions, approves the business framework for foreign activities for the Executive Board and approves individual transactions and types of transactions outside the approved business framework.

Risk unit

The CRO is a member of the Executive Board and heads the Risk unit and also has a right of intervention that permits measures to be assigned to the risk managers if required by the risk situation or to protect the bank. The CRO also enjoys direct access to the Chairperson's Committee at all times. The business unit consists of the Credit Risk, Market Risk, Operational Risk and Risk Control organisational units.

The risk control function, which monitors portfolio-level risks and the Board of Directors' risk tolerance requirements, reports to the Executive Board and the Board of Directors. The risk control function is responsible for defining methods of risk measurement, model validation, as well as execution and quality assurance in relation to the risk measurement implemented.

Preventative risk management examines transactions before they are finalised and systems prior to their deployment in line with existing delineations of power and consultation duties, and defines the requirements at individual transaction or system level. It also continuously monitor local risks and supports the training of risk managers.

Preventive risk management of operational risks is carried out outside the Risk business unit by the process chain managers and in the IT, Operations & Real Estate business unit, which is responsible for issuing guidelines and managing the group's security (Cyber Security and Physical Security specialist unit) and business continuity management.

Compliance line/Compliance function

The General Counsel reports directly to the CEO and manages the Compliance unit. As a member of the Risk, Conflicts and International Committee of the Executive Board, the General Counsel has a right of escalation to the Chairperson's Committee and also enjoys direct access to the Chairperson's Committee at all times.

The specialist Legal & Compliance group function has the following duties, among others: examining the compliance risk inventory on an annual basis and preparing the action plan with focal points relating to the management of compliance risks, formulating proposals and carrying out defined monitoring and control duties (e. g. as pre-deal or post-deal control), as well as defining risk management tools. The Compliance function also defines risk management measures for compliance risk independently of the individual case, such as the editing of directives when implementing new ordinances as well as conducting training courses. The Compliance function is further responsible for providing forward-looking legal advice with the objective of avoiding or minimising individual identified risks and threats arising from legal requirements. Legal advice is provided in the context of existing mandatory consultations, as a pre-deal consultation or on request.

Risk managers

The risk managers bear responsibility for profits and losses generated on the risks entered into. They are responsible for the continuous, active management of risks and for compliance with internal risk tolerance regulations, relevant laws, ordinances, circulars and standards. The sales units are responsible for credit risks as risk managers and the Trading and Capital Markets organisational unit for market risks in the trading book. Interest rate risks in the banking book and liquidity risks are the responsibility of Treasury in the Finance unit. All units of the bank are responsible for managing operational and compliance risks.

Risk Committee of the Board of Directors

The Risk Committee of the Board of Directors focuses on credit, market and liquidity risks, operational and compliance risks, and reputation risks. It performs the tasks set out in FINMA Circular 2017/1 "Corporate governance – banks". These are, in summary:

- Review and annual assessment of risk policy and the principles of institution-wide risk management set in the framework concept;
- To give preliminary consideration to the risk policy rules;
- To acknowledge and discuss risk reporting;
- To monitor implementation of the risk strategies to ensure they are compatible with the risk tolerance and risk limits set;
- To review the capital and liquidity planning;
- To assess measures taken as a result of audit recommendations;

- To assess the bank's compensation system for risk-related issues.

The Risk Committee of the Board of Directors also provides preliminary advice on major transactions that fall within the remit of the Board of Directors. The committee is also kept informed of transactions that fall within the remit of the Committee of the Board. The tasks, powers and responsibilities of the committee are defined in the organisational regulations.

Audit Committee of the Board of Directors

The Audit Committee is an audit committee as defined in FINMA Circular 2017/1 "Corporate governance – banks" and supports the Board of Directors at group and parent company level in monitoring internal and external audit, the internal control system and the audit of the annual financial statements. The duties and powers of the Audit Committee of the Board of Directors include:

- analysing and discussing the financial planning;
- assessing the proper functioning of the ICS and informing the Board of Directors about this;
- receiving and discussing the activity reports of the Compliance function and Risk Control.

The tasks, powers and responsibilities of the committee are defined in the organisational regulations.

IT Committee of the Board of Directors

The IT Committee supports the Board of Directors in defining and monitoring the aspects of Group strategy relevant to IT. It advises the Board of Directors on all matters relating to IT at Zürcher Kantonalbank and makes appropriate recommendations.

Crisis organisation

In the event of a crisis, in addition to the above committees, a Risk Crisis Team is set up, supported by divisional crisis teams. It has the task of ensuring that decisions are taken in an efficient and coordinated manner in the event of a crisis. The crisis team provides support to the Executive Board during crises affecting the group, such as systemic and financial market crises, which the emergency organisation cannot cover. The divisional crisis teams (banks, liquidity) cross reporting lines, with the aim of working with all units affected to identify and implement necessary and appropriate measures in their area of responsibility.

Business Continuity Management (BCM)

The emergency organisation supports the bank in dealing with major disruptions and crises caused by operational risks that cannot be resolved by the normal line organisation. Such disruptions include, for example, a total IT/data failure, the loss of a critical number of employees, central locations or critical suppliers/partners. It is important to distinguish crisis management from the associated advance planning measures (which are part of business continuity management).

The emergency response organisation consists of two tiers. The first tier is the divisional emergency response organisations, comprising the Real Estate emergency organisation and the IT emergency organisation. The divisional emergency response organisations support the Zürcher Kantonalbank emergency response organisation as a second tier in crisis management. The emergency response organisation is chaired by the Head of the business unit IT, Operations & Real Estate. Other members include the representatives of the other business units, Corporate Communications and the emergency organisation staff. In the event of a pandemic, the Pandemic Task Force can be deployed as a partial contingent of the emergency organisation to support the operational organisation.

In the event of a crisis affecting the entire Swiss financial sector, the Swiss National Bank's Interbank Alarm and Crisis Organisation (IAKO) ensures that measures are coordinated among the various institutions.

Risk categories

Zürcher Kantonalbank divides risks into the following categories:

Credit risk

Definition	Credit risk constitutes the risk of financial losses that can arise if clients or counterparties do not fulfil contractual obligations that are falling due or do not fulfil them on time. Loans, promises of payment and trading transactions all involve credit risks.
Sub-categories	Counterparty risks refer to credit risks in trading transactions (e. g. OTC derivatives and SLB transactions). Trading transactions usually include mutual claims, which also depend on market parameters. Counterparty risks are also referred to as counterparty default risks. Settlement risks are fulfilment risks. This is the risk of losses in connection with transactions involving mutual payment and delivery obligations, where the bank must meet its delivery obligation without first being able to ensure that counter-payment will be made. Country risks: The risk of losses as the result of country-specific events, such as transfer risks (payment of a liability is restricted or prevented by a country) and risks arising from political and/or macroeconomic events.
Management	Sales units, Trading
Independent monitoring	Risk unit

Market risk

Definition	Market risks comprise the risk of financial losses on securities and derivatives in the bank's own portfolio as a result of changes in market factors, such as share prices, interest rates, volatilities or exchange rates (general market risks), as well as for issuer specific reasons (specific market risks).
Sub-categories	Balance sheet interest rate risk is the risk that changes in market interest rates will impact negatively on the financial situation of the banking book. As well as affecting current interest income, changes in interest rates have implications for future results. The interest rate risk is managed based on the market interest method. Market liquidity risk is the risk that a product can no longer be easily sold (or purchased) on a market. The higher the market liquidity, the greater the chance of purchasing or selling a product for an appropriate price at the desired time. Issuer (default) risk is the risk of a loss arising from a change in fair value resulting from a credit event affecting an issuer to which the bank is exposed through marketable securities or derivatives from this issuer.
Management	Trading, Treasury
Independent monitoring	Risk unit

Liquidity risk

Definition	Liquidity refers to the bank's capacity to settle its liabilities promptly and without restrictions. Liquidity risk is the risk that this capacity to pay will be impaired under institution or market-related stress conditions.
Sub-categories	(Re-)financing risk: Refinancing refers to the procurement of funds for the financing of assets. Refinancing risk is the risk that the bank is not in a position to procure sufficient funds at appropriate conditions for the ongoing financing of its lending business. Short-term liquidity ensures that the bank is able to make payments over a short period of time in the event of a systemic or institution-specific liquidity crisis by holding a sufficiently large inventory of high-quality liquid and unencumbered assets as a financial precaution against a temporary liquidity gap. Often, 30 and 90 calendar days are used as the definition period. The regulatory indicator for short-term 30-day liquidity is the liquidity coverage ratio (LCR), supplemented by the special liquidity requirements with a 90-day horizon for systemically important banks. Structural liquidity has a medium-term horizon and ensures that refinancing as per the liquidity profile of the assets takes place with stable liabilities. Structural liquidity requirements specify that illiquid assets such as loans to private individuals and companies, as well as parts of the trading portfolio, are to be refinanced through long-term liabilities. The regulatory indicator for structural liquidity is the net stable funding ratio (NSFR).
Management	Treasury and Money Trading
Independent monitoring	Risk unit

Operational risk

Definition	Operational risks are the risk of financial losses that occur as a result of the inadequacy or failure of internal processes or systems, inappropriate human behaviour, human error, or as a result of external events.
Sub-categories	IT risks refer to the potential damage caused by the loss of confidentiality, integrity and availability of data and functions in IT systems. Cyber risks comprise the risk of attacks from the Internet or similar networks (referred to as hacker attacks) on the confidentiality, integrity and availability of data and functions in IT systems.
Management	All employees, in line with their duties, competences and responsibilities in the group.
Independent monitoring	Risk unit

Compliance risk

Definition	Compliance risks are behavioural risks. These are risks that are caused by breaches of the law, regulations or contracts and can result in legal and regulatory sanctions, financial losses and reputational damage. Compliance is the observance of legal, regulatory and internal regulations as well as the adherence to industry standards and codes of conduct by the group, its employees and members of governing bodies. This also includes compliance with organisational measures and processes.
Management	Group board members and all employees
Independent monitoring	Compliance function

Strategic risk

Definition	Strategic risks are all possible factors of influence, events and decisions that have the potential to endanger the long-term success of the company.
Management	Board of Directors and Executive Board
Independent monitoring	None (Board of Directors and EB act as the manager)

Business risk

Definition	Business risk is the risk that lower business volumes and margins will reduce the group's operating result if the decline in operating income is not offset by a simultaneous drop in operating expenses. Business risks also include unplanned additional costs in the absence of correspondingly higher income. Business risks materialise when actual income falls short of the budgeted income. This can occur on a one-off and a recurring basis. Typical examples of business risks are unexpectedly decreasing margins and a lack of client demand following an economic downturn.
Management	All group employees, in line with their duties, competences and responsibilities.
Independent monitoring	Finance unit

Reputation risk

Definition	Reputation risk involves the risk of damage to the good reputation of the company, the brand or a person, or, in extreme cases, losing it altogether. Conducting business activities in compliance with the law and in accordance with the company's core values is the best guarantee for maintaining its good reputation. At the same time, it is important to avoid negative reputational consequences for the bank. Reputation denotes the image that a company enjoys among its stakeholders, i. e. the bank's standing in terms of its integrity, competency, performance and reliability from the perspective of stakeholders. Reputational damage occurs when the perception of a stakeholder group differs from its expectations. The trustworthiness and credibility of the bank as aspects of its reputation are negatively influenced by this difference. Reputation is determined by constantly comparing perceptions and expectations over a period of time and is reflected in the company's values and identity.
Management	Group board members and all employees
Independent monitoring	Group administrative department, Corporate Communication

Sustainability risks are events or conditions related to the environment, society or governance (ESG), the occurrence of which may have actual or potential negative effects on the bank's assets, finances and earnings, as well as on its reputation. Sustainability risks are a component of the risk categories listed above. The management of sustainability risks is an integral part of the bank's risk management processes. Climate-related financial risks are part of sustainability risks and are discussed in detail in chapter 18.

Risk tolerance

Risk tolerance includes both qualitative and quantitative considerations concerning the main risks the group is willing to accept to achieve its strategic business objectives, given its capital and liquidity planning. Risk tolerance is set for each risk category and at group level.

The qualitative elements of risk tolerance are mainly set in the form of regulations, directives and instructions. These are reviewed regularly and adjusted if necessary, but are largely medium and long-term in nature and at the strategic level, going well beyond the horizon of annual quantitative risk policy requirements.

At the Board of Directors level (strategic), the qualitative risk tolerance requirements include in particular the risk management principles set down in the risk regulations, the legal and compliance regulations and the code of conduct and ethics, the business policy rules in the group strategy and the business policy rules in the special regulations on the individual business areas.

At the Executive Board level (operational), the qualitative requirements include in particular the policies for the individual business areas. Examples include the credit policy rules from the Executive Board (credit policy) or the trading mandates for the individual trading desks.

As part of the annual risk policy process the Board of Directors ensures that the risk limits and benchmarks it sets (quantitative risk tolerance) are consistent with the bank's risk capacity.

Risk capacity refers to the maximum possible total risk the bank can take without endangering its own credit rating target in a period of heavy stress lasting several years. Risk capacity in capital allocation refers to the maximum risk capital the Board of Directors can allocate on a one-year horizon. Risk capacity sets the framework for determining quantitative risk tolerance.

Risk tolerance refers to the total risk defined for all relevant business types the bank is willing to enter into, bearing in mind the strategic business objectives and the capital and liquidity planning. Risk tolerance is set annually by the Board of Directors, which approves the risk policy requirements for the following year. The Board of Directors ensures that risk tolerance is consistent with risk capacity. The allocation of capital at risk (CaR) to individual risk managers (e. g. Trading) is a key management instrument. Quantitative risk tolerance is set by the Board of Directors, mainly by allocating capital at risk to credit risk, market risk and operational risk; capital at risk for operational risk also covers compliance risk. The risk managers request risk capital from the Board of Directors based on the current risk profile, planned business activities and potential negative trends in the risk profile.

Of the CHF 15,427 million in eligible capital (total capital) at the end of 2023, a total of CHF 6,340 million was allocated to the risk business in 2024. The percentage breakdown by risk category of the allocated capital is shown in the following table.

Credit risks

68 %

Balance sheet structure

14 %

Operational risks

10 %

Trading business

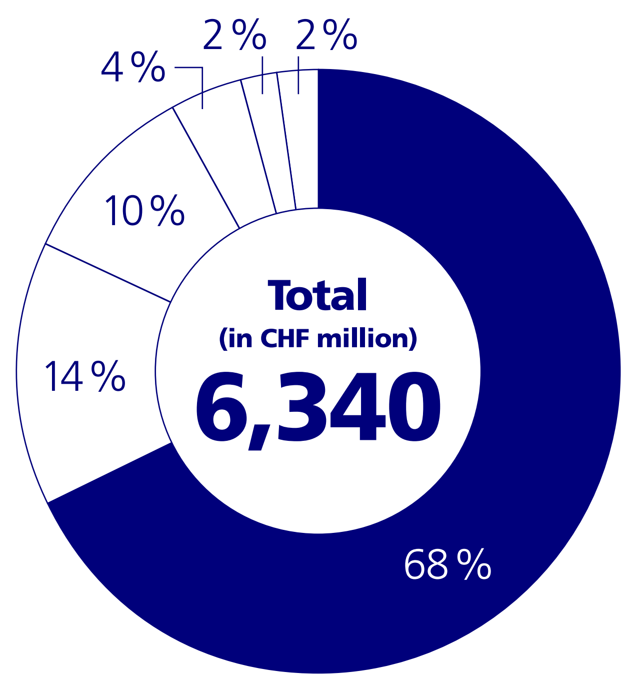
4 %

Financial investments and participations

2 %

Real estate

2 %



The figure shows that the risk profile of Zürcher Kantonalbank is strongly influenced by credit risks.

In the case of operational risks, there is no internal allocation of the cost of capital. For credit risks the Board of Directors makes an allocation to the wholesale, commercial and private portfolios in Sales by annually setting sub-portfolio limits.

Provided the total capital at risk requested (CaR limits) is below the previously determined risk capacity (maximum capital at risk), the Board of Directors can set risk tolerance at the level of the capital at risk requested. The process for allocating capital at risk ensures that the quantitative elements of risk tolerance and the capital strategy are mutually compatible.

In addition to capital at risk, the Board of Directors also sets every year the cost of capital rates for internal charging and other quantitative risk tolerance rules, including a limit for liquidity risk and the benchmark for the strategic investment of equity (equity benchmark).

The risk profile refers to the risk exposure taken at a given point in time, in the relevant risk categories and aggregated at bank level. The risk profile is reflected in a series of quantitative risk measurement variables and qualitative risk aspects. Limit utilisation is a major measurement and assessment criterion. Ongoing monitoring of the risk profile ensures that it remains within the risk tolerance.

For more information on how the business model interacts with the overall risk profile, please see table CRA (credit risk, page 71), table CCRA (counterparty credit risk, page 100), table MRA (market risk, page 112) and table ORA (operational risks, page 124).

Internal risk reporting

Internal and external risk reporting is guided by high industry standards in terms of objectivity, scope, transparency and timeliness. Risk transparency is fundamental if the recipients of reports are to assess risk properly. Reporting transparency is supported by having a risk reporter organisationally independent from the units managing risk. Risk reporting covers the entire Zürcher Kantonalbank group.

Reporting to the Executive Board and Board of Directors covers all risk categories. The internal reports are produced by the independent monitoring units. The main reports are:

- The quarterly report from the CRO covering events, the risk profile and monitoring of credit, market and liquidity risk, operational risk, compliance risk reported by the General Counsel and reputation risk reported by Corporate Communications.
- The quarterly report from the CFO on the group results and strategic metrics, revenue items (interest, commission and trading business) and cost items, client development and response, change (development steps), employees and capital.
- The annual report on the suitability and effectiveness of the internal control system and the activities of Risk Control and the Compliance function.

When special developments or events occur, the Executive Board and Board of Directors are informed of changes in the risk profile in additional reports and analyses.

Monitoring reports support risk monitoring in the Risk unit and management controls in the organisational units managing risk. Monitoring reports are produced at higher frequencies for higher risk categories.

Risk data aggregation and systems

The group structure at Zürcher Kantonalbank, with a relatively small number of subsidiaries and the parent bank regionally focused on the Canton of Zurich, means that risk data aggregation is much simpler than, for example, major banks with global activities. Relative size means that the risk profile of the Zürcher Kantonalbank group is dominated by the risks at the parent bank. Where risks at subsidiaries are material for the risk profile of the group, daily or real-time data updates to the parent bank systems ensure that a reliable and up-to-date picture of the group's risk profile is available at all times.

Risk systems for credit risks

- Limit monitoring
  The system is the group's application for managing counterparty limits and risk management structures for market and default risk. The limit monitoring system contains all credit risk-relevant exposures, including counterparty risks from trading transactions, which are calculated in a separate application. This application contains functions for

calculating, aggregating, limit monitoring and analysing trading exposure in real time and has the ability to carry out pre-deal checks. The application uses a simulation-based approach and takes into account both netting and collateralisation according to predefined rules. Another application calculates daily breaches for private and corporate clients and includes an early warning score that is calculated on the basis of transaction data. This application categorises the breaches and early warning scores by materiality. This results in binding tasks for the risk managers in sales, their superiors and the analysis units, taking into account the rules and regulations.

– Risk measurement: Credit Risk Portfolio Management System
Credit risks at portfolio level are measured in the Credit Risk Portfolio Management System. It calculates, among other things, capital at risk (CaR) and expected loss (EL). Based on these, the cost of capital and the standard risk cost are determined. Exposure data is provided to the system by the limit monitoring system. This data is then enhanced with collateral information. EL calculations are run at individual client level, CaR is calculated at portfolio level. Exposure data is updated daily. It is possible with the corresponding special rights to make flexible changes to portfolio data, e.g. for stress tests, impact analyses or scenario analyses. There is also an option to use a pre-deal check to add new positions to a portfolio to see the effect on CaR.

– Reporting and analyses: Credit risk assessment platform
The application brings together data from various sources into a single database. The data is available to the Risk business unit as raw data at the individual transaction and limit level, and can be viewed both as a current portfolio and reflecting applications. In addition to exposures and limits, the platform also contains data on collateral down to the level of individual security, property, guarantee, etc. and information on clients' group structure. The data is used for regular reports and ad hoc assessments. It is normally downloaded monthly from upstream systems, but is also available for other reporting dates, including retrospectively. The assessments themselves are carried out using database query tools.

Risk systems for market risks

– Measurement of trading P&L and market risk measurement
A business intelligence solution is used to support the risk organisation in its independent P&L and risk analysis of trading positions. P&L and risk data (valuation of trading positions, P&L attributions and risk sensitivities) and the relevant market data (interest rates, exchange rates, etc.) are obtained from the front office application used by Trading. The system used offers a full plausibilisation, analysis and reporting infrastructure for currencies and securities.
The same application measures the following key market risk ratios: capital at risk (CaR), value at risk (VaR) and stressed VaR for trading positions. This is calculated at various levels of aggregation (desk, trading area, portfolio, etc.). The application obtains a model-based valuation of all trading instruments under different market risk scenarios from the front-office application used by Trading. The market movements for the risk metrics come from a Monte Carlo simulation.

– Interest rate risk measurement on the balance sheet
The ALM system is the application for managing the balance sheet structure in Treasury and in the Risk unit. Exposures in the banking book which are interest rate-sensitive are updated weekly, and the interest rate position is calculated based on this. The Treasury system is used by Treasury to manage interest rate risk under the market interest rate method and regulatory reporting. In terms of risk control, the ALM system is the basis for measuring interest rate risk from both the net present value and profit perspectives.

Risk systems for liquidity risks

- Liquidity risk system
  The system is a scenario-based risk system customised for Zürcher Kantonalbank to measure liquidity risk. In the system, the data for all the bank's transactions that are relevant to liquidity risk measurement are processed and categorised as per the model. Their impact on the the liquidity situation and thus also their compliance with internal requirements is simulated. The regulatory liquidity ratios (incl. TBTF-requirements) are calculated based on the accounting system.

Risk systems for operational risk and compliance risk

- Operational risk and compliance risk application
  This application supports the business units plus Operational Risk and the Compliance function in defining and managing operational and compliance risks. The application is the central location for documenting risk scenarios and the associated countermeasures (such as control activities). It is also a monitoring instrument for dealing with control activities, compliance measures and outstanding audit items.

Risk systems for reputation risk, business risk and strategic risk

- No specific systems are used to measure reputation, business or strategic risk. The Finance unit mainly uses SAP systems for accounting and controlling.

Stress testing

Stress tests are used to analyse the impact of shock events, changes to individual business parameters or longer lasting crisis scenarios on key target indicators. They are a way of analysing the ability to survive such stress events.

Zürcher Kantonalbank uses stress tests to:

- analyse the effect on the income statement, capital and liquidity of exceptional disruptions on financial markets or in the broader economy;
- perform plausibility checks and optimise capital and liquidity planning;
- develop crisis scenarios and plans to manage risk in stress situations;
- communicate risks for the group using a stress perspective.

Stress scenarios are based on one or more of the following methodologies:

- extreme historic events;
- hypotheses/scenarios formulated by experts;
- sensitivity analyses for area-specific risk factors;
- insolvency scenarios (reverse stress).

Stress testing is an integral part of risk management at Zürcher Kantonalbank. When setting the risk tolerance, Risk Control ensures that the risk limits requested from the Board of Directors are consistent with the results of stress tests.

The stress test universe at Zürcher Kantonalbank mainly consists of two components:

- Group stress test: Checking risk has been identified across all categories, taking into account the interactions between the different categories.
- Area-specific stress tests for market, liquidity and credit risk which are an integral part of individual risk measurement, for example to complement VaR as a largely model-free way of measuring market risk.

Group stress test: potential loss analysis

In the annual potential loss analysis, the Finance and Risk units jointly examine the potential impact of crisis scenarios lasting several years on profitability and the capital position. The aim of the analysis is to check the vulnerability of Zürcher Kantonalbank to crisis scenarios that are unlikely but possible. When measuring potential loss, the focus is on balance sheet and income statement items as well as the regulatory capital situation.

The starting point for the potential loss analysis is the development of scenarios by Economic Research in collaboration with the specialist areas. They draw up macro-economic scenarios which have as wide a range of impacts as possible on individual business areas. The scenarios are to an extent realistic and economically consistent, but exaggerate some trends in order to give the desired severity. Central macro-economic parameters are forecast for each scenario over a period of several years.

Based on these figures, the specialist areas estimate the impact on the group. This stage includes an analysis of the effects on the risk profile and a model-based or expert assessment of potential losses. The analyses and loss estimates produced by the specialist areas are combined in a report and validated. Finally, based on the figures from the annual financial planning, the impact on the income statement and capital is calculated and analysed over the entire horizon of the scenario. In medium-term planning, the scenario selected is used to critically review the stress reserves and capital position overall and define any action required.

In addition to the group's own potential loss analysis, FINMA regularly provides stress scenarios for review and compares the impact between the different banks. The processing of this "regulatory potential loss analysis (PLA)" is coordinated with the internal potential loss analysis whenever possible. The results of the regulatory PLA are discussed with FINMA and integrated into internal risk reporting.

Area-specific stress tests

Zürcher Kantonalbank uses stress testing as a management and monitoring tool, among others, in the following areas:

- Credit risk stress test
  Risk Control runs sensitivity and scenario analyses as part of the process for setting the risk tolerance (CaR) for credit risk. The parameters in the credit risk portfolio model are varied to differing degrees and the impact on the estimated portfolio loss and risk capital requirement is analysed. Other stress tests are carried out on an ad hoc basis to analyse the credit risk profile of sub-portfolios.

- Market risk stress test
  Market risk in trading: stress testing is an integral part of measuring market risk. Losses on trading positions caused by extraordinary market movements are calculated, analysed and monitored. A distinction is drawn between scenarios relevant to the benchmark, scenario analyses and regulatory scenarios. The scenarios relevant to the benchmark are based on macroeconomic narratives (e. g. a financial crisis). All relevant risk factors (share prices, interest rates, etc.) are considered at the same time and consistently. The amount considered is calibrated based on actual developments in historical narratives; in hypothetical narratives it is based on key risk factors at the 99.9 percent quintile of 10-day returns. In the absence of extreme or comparable historic data, expert estimates are used. In addition to the value at risk calculated every day based on current market conditions, a stressed VaR is also calculated. Stressed VaR is based on the same model as VaR, but is calibrated on the basis of changes in the value of the risk factors observed in a period of significant market stress (e. g. 2007 to 2009). The CaR method used for market risk in trading is also based on stressed VaR. The stress period used is reviewed every year to ensure it is appropriate and submitted to the Risk Committee of the EB. Additional analysis scenarios are used to measure market risk in trading; however, unlike the scenarios relevant for the benchmark, these have no limiting function. They are used solely for risk analysis. Since they focus on individual risk factors (e. g. interest rates), they are helpful for investigating the risk profile from different perspectives.

- Interest rates risks on the balance sheet
  From the net present value perspective, the aim of stress testing is to limit potential losses in net present value resulting from a sudden and extreme interest rate scenario. The scenarios used are abrupt interest rate shocks and cover all relevant movements in the yield curve (parallel shifts, twists and steepening). As well as the scenarios relevant for benchmarks mentioned above, use is also made of the regulatory scenarios in FINMA

Circular 2019/2 “Interest rate risk – Banks”. From the income perspective, stress testing is based on extreme interest rate scenarios with a horizon of one year. The respective structural contribution over the simulation horizon is calculated for each scenario. The stress test indicator is calculated as the difference between the lowest structural contribution of all scenarios and that in the steady state scenario, in which the yield curve is kept unchanged across the entire simulation horizon.

– Liquidity risk
  Since 2024, special regulatory requirements for systemically important banks (TBTF requirements) apply in addition to the requirements of the Liquidity Ordinance for the short-term liquidity ratio (LCR, 30-day horizon). Over a 90-day stress or restructuring horizon, the TBTF requirements must satisfy both basic and additional institution-specific requirements, so that a minimum level of liquidity or high-quality liquid assets (HQLA) is still available on day 90. In addition to the regulatory stress scenarios, Zürcher Kantonalbank uses internal stress scenarios based on the measurement of the liquidity risk measurement system LRS. The risk measure for measuring short-term liquidity is the LRS minimum liquidity reserve on day 30 or day 90. The standard stress scenario models a bank-specific bank run with a serious deterioration in liquidity and is selected from a set of different stress scenarios. The starting point for the calculation is the existing buffer of HQLA. Based on this, for each successive day, the internal model calculates inflows and outflows for various product groups, which increase or reduce the liquidity reserve. The scenario includes, for example, the loss of maturing funding, an outflow of liquidity from all liability items that threatens the existence of the bank and no renewals of term deposits. The minimum liquidity reserve left after the 30th or 90th calendar day of the scenario is the internal risk measurement. The Board of Directors sets the risk tolerance for liquidity risks with the regulatory LCR and TBTF requirements. The EB supplements this specification with limits for the LRS minimum liquidity reserve.

For more information on risk management, strategies and processes, internal reporting and the internal control system, please see table CRA (credit risk, page 71), table CCRA (counterparty credit risk, page 100), table MRA (market risk, page 112) and table ORA (operational risks, page 124).

5.4 OV1: Overview of RWA

in CHF million		a RWA 31.12.2024	b RWA 30.6.2024	c Minimum capital requirements 31.12.2024
1	Credit risk (excluding CCR – counterparty credit risk) [1]	59,483	58,953	4,759
2	of which standardised approach (SA) [1]	7,787	8,622	623
3	of which foundation internal ratings-based (F-IRB) approach	32,755	31,655	2,620
4	of which supervisory slotting approach	–	–	–
5	of which advanced internal ratings-based (A-IRB) approach [2]	18,941	18,676	1,515
6	Counterparty credit risk (CCR)	12,199	9,009	976
7	of which standardised approach for counterparty credit risk (SA-CCR)	5,679	3,617	454
7a	of which simplified standard approach (SSA-CCR)	–	–	–
7b	of which current exposure method	–	–	–
8	of which internal model method (IMM)	–	–	–
9	of which other CCR [3]	6,520	5,392	522
10	Credit valuation adjustment (CVA)	3,276	2,152	262
11	Equity positions under the simple risk weight approach	639	607	51
12	Investments in funds – look-through approach	255	–	20
13	Investments in funds – mandate-based approach	–	–	–
14	Investments in funds – fall-back approach	154	862	12
14a	Investments in funds – simplified approach	–	–	–
15	Settlement risk	1	0	0
16	Securitisation exposures in banking book	–	–	–
17	of which securitisation internal ratings-based approach (SEC-IRBA)	–	–	–
18	of which securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	–	–	–
19	of which securitisation standardised approach (SEC-SA)	–	–	–
20	Market risk	3,662	3,852	293
21	of which standardised approach (SA)	1,847	1,923	148
22	of which internal model approaches (IMA)	1,816	1,929	145
23	Capital charge for switch between trading book and banking book	–	–	–
24	Operational risk	5,718	5,533	457
25	Amounts below the thresholds for deduction (subject to 250 % risk weight)	1,055	1,055	84
26	Floor adjustment	–	–	–
27	**Total**	**86,443**	**82,023**	**6,915**

1 According to FINMA Circ. 16/1, non-counterparty-related risks are also to be taken into account in this row.
2 Zürcher Kantonalbank essentially uses the foundation IRB approach (F-IRB approach). For the IRB segment Retail, however, only the advanced IRB approach (A-IRB approach) exists, so the RWA and minimum capital requirements for the IRB segment Retail are disclosed in this row.
3 Zürcher Kantonalbank uses the comprehensive approach for credit risk mitigation and the calculation of the credit equivalent for securities financing transactions (SFT).

RWA rose by CHF 4,420 million to CHF 86,443 million overall compared with 30 June 2024. In particular, RWA for counterparty credit risk (+CHF 3,190 million), for the credit valuation adjustment (CVA) (+CHF 1,124 million) and, on a smaller scale, for credit risk (+ CHF 530 million) rose. The largest countermovement was due to the first-time application of the look-through approach for calculating RWA for investments in funds (until 30 June 2024 only the fall-back approach was used), which led to RWA being lower (–CHF 453 million) in this segment. RWA for the other risk categories remained essentially unchanged compared with 30 June 2024. For further information on the reasons for the changes please see the relevant detailed tables.

6 Linkages between accounting and regulatory exposure amounts

6.1 LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

31.12.2024 in CHF million	a and b [1/2] Carrying values under the scope of accounting and regulatory consolidation	c Carrying values of items subject to credit risk framework	d Carrying values of items subject to counterparty credit risk framework	e Carrying values of items subject to securitisation framework	f Carrying values of items subject to market risk framework	g Not subject to capital requirements or subject to deduction from capital
› Assets						
Liquid assets	32,733	32,733	–	–	–	–
Amounts due from banks	3,405	3,093	312	–	–	–
Amounts due from securities financing transactions	25,349	–	25,349	–	–	–
Amounts due from customers	11,621	11,197	424	–	–	–
Mortgage loans	106,600	106,600	–	–	–	–
Trading portfolio assets	13,437	9	–	–	13,428	–
Positive replacement values of derivative financial instruments	2,669	–	2,669	–	2,669	–
Other financial instruments at fair value	–	–	–	–	–	–
Financial investments	5,206	4,858	–	–	349	–
Accrued income and prepaid expenses	513	513	–	–	53	–
Non-consolidated participations	155	155	–	–	–	–
Tangible fixed assets	497	497	–	–	–	–
Intangible assets	3	–	–	–	–	3
Other assets	405	402	–	–	–	2
Total assets	**202,594**	**160,057**	**28,755**	**–**	**16,499**	**5**
› Liabilities						
Amounts due to banks	39,691	–	56	–	–	39,635
Liabilities from securities financing transactions	8,008	–	8,008	–	–	–
Amounts due in respect of customer deposits	106,980	–	19	–	–	106,962
Trading portfolio liabilities	2,862	–	–	–	2,862	–
Negative replacement values of derivative financial instruments	1,005	–	1,005	–	1,005	–
Liabilities from other financial instruments at fair value	4,421	–	–	–	4,421	–
Cash bonds	260	–	–	–	–	260
Certificate of Deposits	50	–	–	–	–	50
Bond issues	10,994	–	–	–	–	10,994
Central mortgage institution loans	11,162	–	–	–	–	11,162
Accrued expenses and deferred income	1,287	–	–	–	56	1,232
Other liabilities	834	–	–	–	–	834
Provisions	177	–	–	–	–	177
Total liabilities	**187,732**	**–**	**9,088**	**–**	**8,344**	**171,305**

1 If a bank's scope of accounting consolidation and its scope of regulatory consolidation are exactly the same, columns a and b should be merged. This is applicable to Zürcher Kantonalbank.

2 Where a single item attracts capital charges according to more than one risk category framework, it should be reported in all columns that it attracts a capital charge. As a consequence, the sum of amounts in columns c to g may be greater than the amount in column a and b.

31.12.2023 in CHF million	a and b [1/2] Carrying values under the scope of accounting and regulatory consolidation	c Carrying values of items subject to credit risk framework	d Carrying values of items subject to counterparty credit risk framework	e Carrying values of items subject to securitisation framework	f Carrying values of items subject to market risk framework	g Not subject to capital requirements or subject to deduction from capital
› Assets						
Liquid assets	39,706	39,706	–	–	–	–
Amounts due from banks	3,401	3,106	296	–	–	–
Amounts due from securities financing transactions	25,740	–	25,740	–	–	–
Amounts due from customers	11,252	10,522	730	–	–	–
Mortgage loans	100,874	100,874	–	–	–	–
Trading portfolio assets	11,880	7	–	–	11,873	–
Positive replacement values of derivative financial instruments	968	–	968	–	968	–
Other financial instruments at fair value	–	–	–	–	–	–
Financial investments	5,577	5,390	–	–	187	–
Accrued income and prepaid expenses	644	644	–	–	–	–
Non-consolidated participations	154	154	–	–	–	–
Tangible fixed assets	534	534	–	–	–	–
Intangible assets	3	–	–	–	–	3
Other assets	527	523	–	–	–	4
Total assets	**201,259**	**161,461**	**27,733**	**–**	**13,027**	**6**
› Liabilities						
Amounts due to banks	35,404	–	264	–	–	35,140
Liabilities from securities financing transactions	14,095	–	14,095	–	–	–
Amounts due in respect of customer deposits	101,452	–	4	–	–	101,448
Trading portfolio liabilities	3,224	–	–	–	3,224	–
Negative replacement values of derivative financial instruments	2,458	–	2,458	–	2,458	–
Liabilities from other financial instruments at fair value	4,000	–	–	–	4,000	–
Cash bonds	288	–	–	–	–	288
Certificate of Deposits	632	–	–	–	–	632
Bond issues	10,547	–	–	–	–	10,547
Central mortgage institution loans	11,558	–	–	–	–	11,558
Accrued expenses and deferred income	1,371	–	–	–	–	1,371
Other liabilities	1,789	–	–	–	–	1,789
Provisions	174	–	–	–	–	174
Total liabilities	**186,992**	**–**	**16,820**	**–**	**9,682**	**162,947**

1 If a bank's scope of accounting consolidation and its scope of regulatory consolidation are exactly the same, columns a and b should be merged. This is applicable to Zürcher Kantonalbank.

2 Where a single item attracts capital charges according to more than one risk category framework, it should be reported in all columns that it attracts a capital charge. As a consequence, the sum of amounts in columns c to g may be greater than the amount in column a and b.

6.2 LI2: Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements

	31.12.2024 in CHF million	**a** Total	**b** Positions subject to credit risk framework	**d** Positions subject to counterparty credit risk framework	**c** Positions subject to securitisation framework	**e** Positions subject to market risk framework [1]
1	Asset carrying value amount under regulatory scope of consolidation (as per Table LI1)	205,311	160,057	28,755	–	16,499
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Table LI1)	17,432	–	9,088	–	8,344
3	Total net amount under regulatory scope of consolidation	187,879	160,057	19,666	–	8,155
4	Off-balance sheet amounts [2]	18,450	11,073	–	–	–
5	Revocable commitments [2]	32,660	16,846	–	–	–
6	Differences due to consideration of value adjustments and provisions	462	461	1	–	–
7	Amounts below the thresholds for deduction (subject to 250 % risk weight)	−422	−422	–	–	–
8	Net position of central mortgage institution bonds and loans	−3,293	−3,293	–	–	–
9	Consideration of financial collateral	−760	−760	–	–	–
10	Differences due to the calculation of credit equivalents for derivatives	10,391	–	10,391	–	–
11	Differences due to the use of the comprehensive approach for credit risk mitigation (for SFTs)	−7,098	–	−7,098	–	–
12	Other differences	−8,209	−60	–	–	−8,149
13	**Exposure amounts considered for regulatory purposes**	**206,869**	**183,903**	**22,960**	**–**	**6**

1 Exposure at default is only calculated for securitisation exposures in the trading book, resulting in a difference between carrying values and exposure amounts considered for regulatory purposes.
2 According to FINMA Circ. 16/1, off-balance sheet original exposures are to be disclosed in column a and the amounts after application of the credit conversion factors (CCFs) in columns b to e. Hence, the total amount in column a does not equal the sum of positions from columns b to e. The same method is applied for revocable commitments.

	31.12.2023 in CHF million	**a** Total	**b** Positions subject to credit risk framework	**d** Positions subject to counterparty credit risk framework	**c** Positions subject to securitisation framework	**e** Positions subject to market risk framework [1]
1	Asset carrying value amount under regulatory scope of consolidation (as per Table LI1)	202,221	161,461	27,733	–	13,027
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Table LI1)	26,503	–	16,820	–	9,682
3	Total net amount under regulatory scope of consolidation	175,718	161,461	10,912	–	3,345
4	Off-balance sheet amounts 2	18,292	11,069	–	–	–
5	Revocable commitments 2	30,064	15,900	–	–	–
6	Differences due to consideration of value adjustments and provisions	429	426	2	–	–
7	Amounts below the thresholds for deduction (subject to 250 % risk weight)	−420	−420	–	–	–
8	Net position of central mortgage institution bonds and loans	−3,018	−3,018	–	–	–
9	Consideration of financial collateral	−599	−599	–	–	–
10	Differences due to the calculation of credit equivalents for derivatives	9,822	–	9,822	–	–
11	Differences due to the use of the comprehensive approach for credit risk mitigation (for SFTs)	−2,245	–	−2,245	–	–
12	Other differences	−3,356	−44	–	–	−3,312
13	**Exposure amounts considered for regulatory purposes**	**203,300**	**184,776**	**18,492**	**–**	**33**

1 Exposure at default is only calculated for securitisation exposures in the trading book, resulting in a difference between carrying values and exposure amounts considered for regulatory purposes.
2 According to FINMA Circ. 16/1, off-balance sheet original exposures are to be disclosed in column a and the amounts after application of the credit conversion factors (CCFs) in columns b to e. Hence, the total amount in column a does not equal the sum of positions from columns b to e. The same method is applied for revocable commitments.

6.3 LIA: Explanations of differences between accounting and regulatory exposure amounts

Differences between accounting and regulatory exposure amounts

Table LI2 shows the main differences between accounting and regulatory exposure amounts, which can be summarised as follows:

- Off-balance sheet amounts (row 4)
- Revocable commitments (row 5)
- Differences due to consideration of value adjustments and provisions (row 6)
- Amounts below the thresholds for deduction (subject to 250 % risk weight) (row 7)
- Net position of central mortgage institution bonds and loans (row 8)
- Consideration of financial collateral (row 9)
- Differences due to the calculation of credit equivalents for derivatives (row 10)
- Differences due to the use of the comprehensive approach for credit risk mitigation (for SFTs) (row 11)
- Other differences (row 12)

Trading portfolio assets and liabilities

These exposures are actively managed to benefit from market price movements, i. e. there is an ongoing willingness to increase, reduce, close out or hedge the risk position. The intention to make an arbitrage profit also counts as a trading portfolio asset. When a transaction is executed, it must be classified as a trading portfolio asset and documented accordingly.

Trading portfolio assets are always measured and recognised at fair value. Where, as an exception, no fair value is ascertainable, valuation and recognition must follow the principle of the lower of cost or market value.

The group handbook specifies the following rules for measuring balance sheet exposures which may contain trading portfolio assets measured at fair value:

Balance sheet item	Content	Valuation rules
Trading portfolio assets	All securities and precious metals (physical or in an account) held and owned by the bank for trading purposes. Money market receivables held for trading.	Recognised at fair value.
Positive replacement values of derivative financial instruments	Derivative financial instruments must be treated as trading portfolio assets unless used with structured products or for hedging.	Derivative financial instruments are valued at fair value and, in principle, represent trading portfolio assets. Hedging transactions are also measured at fair value, except for the derivative financial instruments used to hedge interest rate risk within the scope of asset and liability management. In this case, value changes are recognised in the Compensation account with no income effect.
Other financial instruments at fair value	Assets related to own issues of structured products with own debt instruments which satisfy the conditions for using the fair value option.	All recognised at fair value provided all the conditions in Accounting Ordinance (RelV-FINMA) and FINMA Circular 2020/1 "Accounting – banks" are met.
Trading portfolio liabilities	Short positions.	Recognised at fair value.
Negative replacement values of derivative financial instruments	Derivative financial instruments must be treated as trading portfolio assets unless used with structured products or for hedging.	Derivative financial instruments are valued at fair value and, in principle, represent trading portfolio assets.
Liabilities from other financial instruments at fair value	Liabilities related to own issues of structured products with own debt instruments which satisfy the conditions for using the fair value option.	All recognised at fair value provided all the conditions in Accounting Ordinance (RelV-FINMA) and FINMA Circular 2020/1 "Accounting – banks" are met.

The fair value used can either be a price set on a price-efficient and liquid market or a theoretical price determined based on a valuation model. In the latter case, all the following conditions for price calculation must be met:

- the bank's internal valuation and risk measurement models take appropriate account of all relevant risks;
- the input factors for the bank's internal valuation and risk measurement models are complete and appropriate;
- the bank's internal valuation and risk measurement models, including the inputs used, are scientifically sound, robust and consistently applied;
- controls are effective, especially the controls on model, measurement and the calculation of daily profit or loss carried out by an internal risk control unit that is independent from trading;
- the traders, independent controller and risk manager are close to the market and familiar with them.

Systems and controls in connection with the valuation of trading portfolio assets

The Trading unit enters trading portfolio assets in the Frontarena system. Settlement and position management is carried out in a designated position management system (the back office system WSA), which sources transactions from Frontarena. Accounting (secondary ledger) for all trading transactions is in SAP CFM.

Prices are checked for plausibility in the front office systems by Market Risk to calculate the ongoing trading P&L and reconcile the front office and back office systems every day.

Trading portfolio assets are valued using the prices and valuations in Frontarena. The valuation parameters for calculating the trading P&L are checked independently by Market Risk. For financial reporting, the prices supplied by Frontarena are checked for plausibility by Accounting and monitored using consistency controls. Every month, the accounting gain or loss on trading is reconciled with the reported P&L by the Risk Control unit.

Positions in the trading book are priced using the data and data sources applied in Market Risk. These pricing rules are set by type of instrument, by Market Risk.

The following figure provides an overview of the valuation methods used for trading portfolio assets by type of instrument.

Instrument	Valuation/price
Bonds CHF/EUR	Market price
Swap CHF/non-CHF	Theoretical
Credit default swaps (CDS)	Theoretical
Equity securities/indices	Market price
Futures	Market price
Equity/index options	Theoretical
Commodities	Market price
PM futures	Market price
PM and commodity options	Theoretical
Gold and fund ETFs	Theoretical
FX options/warrants	Theoretical
Structured products	Theoretical

For further information on market risk management, please see table MRA starting from page 112.

6.4 PV1: Prudential valuation adjustments (PVA)

Zürcher Kantonalbank made no prudential value adjustments either in the previous reporting period or as at the reporting date.

7 Composition of regulatory capital

7.1 CC1: Presentation of regulatory capital

in CHF million		a **Amounts** **31.12.2024**	a Amounts 30.6.2024	b References
› Common equity (CET1)				
1	Issued and paid-in capital, fully eligible	**2,425**	2,425	J
2	Retained earnings reserves, including reserves for general banking risks / profit (loss) carry forwards and profit (loss) for the period	**12,452**	11,932	
	of which voluntary retained earnings reserve	**10,952**	10,952	
	of which reserves for general banking risks	**379**	379	
	of which profit (loss) for the current period [1]	**1,120**	601	
	of which planned dividend	**375**	–	
	of which planned retained profit	**745**	–	
3	Capital reserves and foreign currency translation reserve (+/-) and other reserves	**–15**	–14	
4	Issued and paid in capital, subject to phase-out	**–**	–	
5	Minority interests, eligible as CET1 capital	**–**	–	L
6	Common Equity Tier 1 capital before regulatory adjustments	**14,487**	13,743	
	CET1: regulatory adjustments			
7	Prudential valuation adjustments	**–**	–	
8	Goodwill (net of related tax liability)	**–3**	–	A, F
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	**–0**	–1	B, G
10	Deferred tax assets that rely on future profitability	**–2**	–3	D
11	Cash flow hedge reserve (-/+)	**–**	–	
12	IRB shortfall of provisions to expected losses	**–**	–	
13	Securitisation gain on sale	**–**	–	
14	Gains or losses due to changes in own credit risk	**–**	–	
15	Defined-benefit pension fund net assets (net of related tax liability)	**–**	–	
16	Net long position in own CET1 instruments	**–**	–	
17	Reciprocal cross-holdings in common equity (CET1 instruments)	**–**	–	
17a	Qualified participations where a controlling influence is exercised together with other owners (CET1 instruments)	**–**	–	
17b	Immaterial participations (CET1 instruments)	**–**	–	
18	Non-qualified participations (max. 10 %) in the financial sector (amount above Threshold 1) (CET1 instruments)	**–**	–	
19	Other qualified participations in the financial sector (amount above Threshold 2) (CET1 instruments)	**–**	–	
20	Mortgage servicing rights (amount above Threshold 2)	**–**	–	C, H
21	Other deferred tax assets arising from temporary differences (amount above Threshold 2)	**–**	–	E
22	Amount exceeding Threshold 3 (15 %)	**–**	–	
23	of which other qualified participations	**–**	–	
24	of which mortgage servicing rights	**–**	–	
25	of which other deferred tax assets arising from temporary differences	**–**	–	
26	Expected losses on equity investments treated under the PD / LGD approach	**–**	–	
26a	Other adjustments in the case of financial statements prepared in accordance with internationally recognised accounting standards	**–**	–	
26b	Other deductions	**–**	–	
27	Amount by which the AT1 deductions exceed the AT1 capital	**–**	–	
28	Total regulatory adjustments to CET1	**–5**	–4	
29	**Common Equity Tier 1 capital (net CET1)**	**14,482**	**13,739**	

› Additional Tier 1 capital (AT1)

30	Issued and paid in instruments, fully eligible	**1,065**	1,065	
31	of which classified as equity under applicable accounting standards	**–**	–	K
32	of which classified as liabilities under applicable accounting standards	**1,065**	1,065	
33	Issued and paid in instruments, subject to phase out	**–**	–	
34	Minority interests eligible as AT1	**–**	–	M
35	of which subject to phase out	**–**	–	
36	Additional Tier 1 capital before regulatory adjustments	**1,065**	1,065	
	Additional Tier 1 capital: regulatory adjustments			
37	Net long position in own AT1 instruments	**–1**	–1	
38	Reciprocal qualified cross-holdings in AT1 instruments	**–**	–	
38a	Qualified participations where a controlling influence is exercised together with other owners (AT1 instruments)	**–**	–	
38b	Immaterial participations (AT1 instruments)	**–**	–	
39	Non-qualified participations (max. 10 %) in the financial sector (amount above Threshold 1) (AT1 instruments)	**–**	–	
40	Other qualified participations in the financial sector (AT1 instruments)	**–**	–	
41	Other deductions	**–**	–	
42	Amount by which the T2 deductions exceed the T2 capital	**–**	–	
42a	AT1 deductions covered by CET1 capital	**–**	–	
43	Total regulatory adjustments to AT1	**–1**	–1	
44	Additional Tier 1 capital (net AT1)	**1,064**	1,064	
45	**Tier 1 capital (net Tier 1 = net CET1 + net AT1)**	**15,546**	**14,803**	

› Tier 2 capital (T2)

46	Issued and paid in instruments, fully eligible [2]	**282**	289	
47	Issued and paid in instruments, subject to phase-out	**–**	–	
48	Minority interests eligible as T2	**–**	–	
49	of which subject to phase out	**–**	–	
50	Valuation adjustments; provisions and depreciation for prudential reasons; compulsory reserves on financial investments	**267**	258	
51	Tier 2 capital before regulatory adjustments	**548**	547	
	Tier 2 capital: regulatory adjustments			
52	Net long position in own T2 instruments and other TLAC instruments	**–**	–	
53	Reciprocal cross-holdings in T2 instruments and other TLAC instruments	**–**	–	
53a	Qualified participations where a controlling influence is exercised together with other owners (T2 instruments and other TLAC instruments)	**–**	–	
53b	Immaterial participations (T2 instruments and other TLAC instruments)	**–**	–	
54	Non-qualified participations (max. 10 %) in the financial sector (amount above Threshold 1) (T2 instruments and other TLAC instruments)	**–**	–	
55	Other qualified participations in the financial sector (T2 instruments and other TLAC instruments)	**–**	–	
56	Other deductions	**–**	–	
56a	T2 deductions covered by AT1 capital	**–**	–	
57	Total regulatory adjustments to T2	**–**	–	
58	**Tier 2 capital (net T2)**	**548**	**547**	
59	**Regulatory capital (net T1 + net T2)**	**16,095**	**15,350**	
60	**Total risk-weighted assets**	**86,443**	**82,023**	

› Capital ratios[3]

61	CET1 ratio (item 29, as a percentage of risk-weighted assets)	**16.8%**	16.8%	
62	T1 ratio (item 45, as a percentage of risk-weighted assets)	**18.0%**	18.0%	
63	Regulatory capital ratio (item 59, as a percentage of risk-weighted assets)	**18.6%**	18.7%	
64	Institute specific CET1 buffer requirements in accordance with the Basel minimum standards (capital buffer + countercyclical buffer according to Art. 44a CAO + capital buffer for systemically important banks) (as a percentage of risk-weighted assets)	**2.5%**	2.5%	
65	of which capital buffer in accordance with Basel minimum standards (as a percentage of risk-weighted assets)	**2.5%**	2.5%	
66	of which countercyclical buffer in accordance with the Basel minimum standards (Art. 44a CAO, as a percentage of risk-weighted assets)	**0.0%**	0.0%	
67	of which capital buffer for systemically important institutions in accordance with the Basel minimum standards (as a percentage of risk-weighted assets)	**–**	–	
68	CET1 available after meeting the bank's minimum capital requirements (in %)	**10.6%**	10.7%	
68a	CET1 total requirement target in accordance with Annex 8 of the CAO plus the countercyclical buffers according to Art. 44 and Art. 44a CAO (as a percentage of risk-weighted assets)	**–**	–	
68b	of which countercyclical buffers according to Art. 44 and Art. 44a CAO (as a percentage of risk-weighted assets)	**–**	–	
68c	CET1 available (as a percentage of risk-weighted assets)	**–**	–	
68d	T1 total requirement in accordance with Annex 8 CAO plus the countercyclical buffers according to Art. 44 and Art. 44a CAO (as a percentage of risk-weighted assets)	**–**	–	
68e	T1 available (as a percentage of risk-weighted assets)	**–**	–	
68f	Total requirement for regulatory capital as per Annex 8 CAO plus the countercyclical buffers according to Art. 44 and Art. 44a CAO (as a percentage of risk-weighted assets)	**–**	–	
68g	Regulatory capital available (as a percentage of risk-weighted assets)	**–**	–	

› Amounts below the thresholds for deduction (before risk-weighting)

72	Non-qualified participations in the financial sector	**891**	859	
73	Other qualified participations in the financial sector (CET1)	**424**	424	
74	Mortgage servicing rights	**–**	–	
75	Other deferred tax assets	**–**	–	

› Applicable caps on the inclusion of items in T2

76	Valuation adjustments eligible in T2 in the context of the SA-BIS approach	**–**	–	
77	Cap on inclusion of valuation adjustments in T2 in the context of the SA-BIS approach	**–**	–	
78	Valuation adjustments eligible in T2 in the context of the IRB approach	**–**	–	
79	Cap on inclusion of valuation adjustments in T2 in the context of the IRB approach	**–**	–	

› Capital instruments with phase out (1.1.2018 – 1.1.2022) according to Art. 141 CAO

80	Cap on CET1 instruments with phase out	**–**	–	
81	Amount not included in CET1 (above cap)	**–**	–	
82	Cap on AT1 instruments with phase out	**–**	–	
83	Amount not included in AT1 (above cap)	**–**	–	
84	Cap on T2 instruments with phase out	**–**	–	
85	Amount not included in T2 (above cap)	**–**	–	

1 As at 30.6., profit for the current period is not a component of eligible capital.
2 After deduction of value reduction (amortisation) (Art. 30 para. 2 CAO).
3 Systemically important banks can disregard items 68a–68g as Annex 8 of the CAO does not apply to them.

In terms of regulatory capital, only Common Equity Tier 1 capital shows a significant change compared to 30 June 2024, rising by CHF 743 million. The increase is mainly due to the planned retained profit for 2024, which amounts to CHF 745 million. After adjustments there were no material changes in Additional Tier 1 capital (AT1) or Tier 2 capital (T2) in the second half of 2024. The higher regulatory capital largely compensated for the increased RWA (for details, please refer to table OV1 on page 48), as a result of which the capital ratios (CET1 ratio and T1 ratio) remained unchanged and the total regulatory capital ratio decreased slightly by 0.1 percentage point.

7.2 CC2: Reconciliation of regulatory capital to balance sheet

Balance sheet as in financial statements / under regulatory scope of consolidation [1] in CHF million	a and b Amounts 31.12.2024	a and b Amounts 30.6.2024	c References
› Assets			
Liquid assets	**32,733**	37,304	
Amounts due from banks	**3,405**	3,306	
Amounts due from securities financing transactions	**25,349**	23,039	
Amounts due from customers	**11,621**	12,547	
Mortgage loans	**106,600**	103,112	
Trading portfolio assets	**13,437**	13,500	
Positive replacement values of derivative financial instruments	**2,669**	744	
Other financial instruments at fair value	**–**	–	
Financial investments	**5,206**	5,182	
Accrued income and prepaid expenses	**513**	473	
Non-consolidated participations	**155**	154	
Tangible fixed assets	**497**	511	
Intangible assets	**3**	1	
of which goodwill	**3**	–	A
of which other intangibles, other than mortgage servicing rights	**0**	1	B
of which mortgage servicing rights	**–**	–	C
Ohter assets	**405**	2,695	
of which deferred tax assets that rely on future profitability	**2**	3	D
of which deferred tax assets arising from temporary differences	**–**	–	E
Capital not paid in	**–**	–	
Total assets	**202,594**	**202,568**	
› Liabilities			
Amounts due to banks	**39,691**	40,171	
Liabilities from securities financing transactions	**8,008**	9,758	
Amounts due in respect of customer deposits	**106,980**	102,325	
Trading portfolio liabilities	**2,862**	3,036	
Negative replacement values of derivative financial instruments	**1,005**	902	
Liabilities from other financial instruments at fair value	**4,421**	4,406	
Cash bonds	**260**	267	
Certificate of Deposits	**50**	356	
Bond issues	**10,994**	10,591	
Central mortgage institution loans	**11,162**	11,446	
Accrued expenses and deferred income	**1,287**	1,056	
Other liabilities	**834**	3,746	
Provisions	**177**	163	
of which deferred tax liabilities related to goodwill	**–**	–	F
of which deferred tax liabilities related to other intangible assets, other than mortgage servicing rights	**–**	–	G
of which deferred tax liabilities related to mortgage servicing rights	**–**	–	H
of which liabilities in connection with occupational pension plans	**–**	–	I
Total liabilities	**187,732**	**188,225**	
of which subordinated liabilities eligible as Tier 2 capital (T2)	**548**	547	
of which subordinated liabilities eligible as Additional Tier 1 capital (AT1)	**1,064**	1,064	

› **Equity**			
Reserves for general banking risks	**379**	379	
Bank's capital	**2,425**	2,425	
of which eligible as CET1	**2,425**	2,425	J
of which eligible as AT1	**–**	–	K
Statutory reserves / voluntary reserves / profits (losses) carried forward / profit (loss) for the period	**12,058**	11,539	
of which voluntary retained earnings reserve	**10,952**	10,952	
of which foreign currency translation reserve	**–15**	–14	
of which profit (loss) for the current period [2]	**1,120**	601	
of which planned dividend	**375**	–	
of which planned retained profit	**745**	–	
(Own shares)	**–**	–	
Minority interests	**–**	–	
of which eligible as CET1	**–**	–	L
of which eligible as AT1	**–**	–	M
Total equity	**14,862**	**14,343**	

1 One completed column is sufficient at the level of the single-entity financial statement and consolidated financial statement provided that the scope of consolidation for accounting purposes is identical to that for regulatory purposes. This is applicable to Zürcher Kantonalbank.
2 As at 30.6., profit for the current period is not a component of eligible capital.

Scope of consolidation group

The scope of consolidation used to calculate capital requirements is equal to the one used to draw up the consolidated financial statements. In addition to the parent company Zürcher Kantonalbank, the group's scope of consolidation includes all material directly and indirectly held subsidiaries: Zürcher Kantonalbank Finance (Guernsey) Ltd., Zürcher Kantonalbank Österreich AG, ZKB Securities (UK) Ltd., Complementa AG and the Swisscanto group, consisting of Swisscanto Holding AG with its subsidiaries and their subsidiaries (Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd., Swisscanto Private Equity CH I Ltd, Swisscanto Private Equity CH II Ltd and Swisscanto Asset Management International SA). An exception are the immaterial (from an accounting perspective) subsidiaries Zürcher Kantonalbank Representações Ltda. and Complementa GmbH, as well as the immaterial majority stake in Philanthropy Services Ltd.

Equity instruments of companies in the financial sector are treated as described in Art. 33–40 CAO. The portion above a threshold is deducted directly from equity; the portion below the threshold is risk-weighted. Book values in the accounting and regulatory scopes of consolidation are the same.

Material changes in the scope of consolidation of the group compared with the previous period

In the reporting period, Zürcher Kantonalbank acquired Complementa AG, a company specialising in investment reporting services, as part of its corporate succession. As at 31 December 2024, Complementa AG was included in the scope of consolidation for the first time compared to the previous period.

Scope of consolidation parent company

The parent company's capital has been calculated on a solo consolidated basis since 31 December 2012. Under Art. 10 para. 3 CAO, FINMA can allow a bank to consolidate group companies operating in the financial sector at individual institution level (solo consolidation) on account of their particularly close relationship to the bank. FINMA has ruled that Zürcher Kantonalbank may consolidate the subsidiary Zürcher Kantonalbank Finance (Guernsey) Ltd. on a solo basis under the individual institution provisions since 2012. There are no other differences between the regulatory and accounting scopes of consolidation.

Material changes in the scope of consolidation of the parent company compared with the previous period

There were no significant changes to the scope of consolidation of the parent company compared with the previous period.

7.3 CCA: Main features of regulatory capital instruments and of other TLAC-eligible instruments in accordance with the provisions of the CAO for non-systemically important banks

31.12.2024		Endowment capital	CHF Tier 1 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	n/a	CH 036 153 294 5
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a
› Regulatory treatment			
4	During the Basel III transitional phase	Common equity Tier 1 (CET1)	Additional Tier 1 (AT1)
5	Under Basel III rules not taking into account transitional treatment	Common equity Tier 1 (CET1)	Additional Tier 1 (AT1)
6	Eligible at single-entity, group / single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 2,425 million	CHF 750 million
9	Par value of instrument	CHF 2,425 million	CHF 750 million
10	Accounting classification	Bank's capital	Liability – notional
11	Original date of issuance	15.2.1870	30.6.2017
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	n/a	n/a
14	Issuer call option (subject to prior supervisory authority approval)	No	Yes
15	Optional call date / contingent call dates (tax and / or regulatory event) / redemption amount	n/a	Next possible call date 30.10.2025. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	Annually on interest date of 30 Oct
› Dividend / coupon			
17	Fixed or floating dividend / coupon	Floating	Fixed to floating
18	Coupon rate and related index, if applicable	n/a	Fixed at 3.6 % until 30.10.2028; thereafter reset every 5 years based on 5-year mid-swap (minimum 0 %) plus 2.125 % risk premium
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	n/a	Yes
20	Coupon / Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible / non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	No	Yes
31	If write-down feature: write-down trigger(s)	n/a	Common equity Tier 1 (CET1) capital ratio falls below 7 % and / or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	n/a	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	n/a	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 1 bonds	Tier 2 bond
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

31.12.2024		CHF Tier 1 bond	EUR Tier 2 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 053 689 332 1	CH 117 056 575 3
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Additional Tier 1 (AT1)	Tier 2 (T2)
5	Under Basel III rules not taking into account transitional treatment	Additional Tier 1 (AT1)	Tier 2 (T2)
6	Eligible at single-entity, group / single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 314 million	CHF 282 million
9	Par value of instrument	CHF 315 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	16.10.2020	13.4.2022
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	n/a	13.4.2028
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and / or regulatory event) / redemption amount	First possible call date 16.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 13.4.2027. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	Thereafter every five years on 16 April	n/a

› Dividend / coupon

17	Fixed or floating dividend / coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 1.75 % until 16.4.2027; thereafter reset every five years based on 5-year SARON-mid-swap (minimum 0 %) plus 1.75 % risk premium	Fixed at 2.02 % until 13.4.2027; thereafter reset based on 3-month Euribor plus 0.90 % risk premium (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	Yes	No
20	Coupon / Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	n/a
23	Convertible / non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Common equity Tier 1 (CET1) capital ratio falls below 7 % and / or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.	FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.	Always fully if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation specify instrument type immediately senior to instrument)	Tier 2 bond	Bail-in bonds
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

30.6.2024		Endowment capital	CHF Tier 1 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	n/a	CH 036 153 294 5
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Common equity Tier 1 (CET1)	Additional Tier 1 (AT1)
5	Under Basel III rules not taking into account transitional treatment	Common equity Tier 1 (CET1)	Additional Tier 1 (AT1)
6	Eligible at single-entity, group / single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 2,425 million	CHF 750 million
9	Par value of instrument	CHF 2,425 million	CHF 750 million
10	Accounting classification	Bank's capital	Liability – notional
11	Original date of issuance	15.2.1870	30.6.2017
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	n/a	n/a
14	Issuer call option (subject to prior supervisory authority approval)	No	Yes
15	Optional call date / contingent call dates (tax and / or regulatory event) / redemption amount	n/a	Next possible call date 30.10.2024 Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	n/a	Annually on interest date of 30 Oct

› Dividend / coupon

17	Fixed or floating dividend / coupon	Floating	Fixed to floating
18	Coupon rate and related index, if applicable	n/a	Fixed at 3.6 % until 30.10.2028; thereafter reset every 5 years based on 5-year mid-swap (minimum 0 %) plus 2.125 % risk premium
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	n/a	Yes
20	Coupon / Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible / non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	No	Yes
31	If write-down feature: write-down trigger(s)	n/a	Common equity Tier 1 (CET1) capital ratio falls below 7 % and / or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	n/a	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	n/a	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 1 bonds	Tier 2 bond
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

30.6.2024		CHF Tier 1 bond	EUR Tier 2 bond
1	Issuer	Zürcher Kantonalbank	Zürcher Kantonalbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placement)	CH 053 689 332 1	CH 117 056 575 3
3	Governing law of the instrument	Swiss law	Swiss law
3a	Manner in which the enforceability criterion under section 13 of the TLAC Term Sheet is met (for other eligible TLAC instruments under foreign law)	n/a	n/a

› Regulatory treatment

4	During the Basel III transitional phase	Additional Tier 1 (AT1)	Tier 2 (T2)
5	Under Basel III rules not taking into account transitional treatment	Additional Tier 1 (AT1)	Tier 2 (T2)
6	Eligible at single-entity, group / single-entity and group levels	Solo and group level	Solo and group level
7	Instrument type	Other instruments	Other instruments
8	Amount recognised in regulatory capital (in CHF million)	CHF 314 million	CHF 289 million
9	Par value of instrument	CHF 315 million	EUR 500 million
10	Accounting classification	Liability – notional	Liability – notional
11	Original date of issuance	16.10.2020	13.4.2022
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	n/a	13.4.2028
14	Issuer call option (subject to prior supervisory authority approval)	Yes	Yes
15	Optional call date / contingent call dates (tax and / or regulatory event) / redemption amount	First possible call date 16.4.2027. Redemption amount: entire outstanding issue, no partial termination	One-time possible call date 13.4.2027. Redemption amount: entire outstanding issue, no partial termination
16	Subsequent call dates, if applicable	Thereafter every five years on 16 April	n/a

› Dividend / coupon

17	Fixed or floating dividend / coupon	Fixed to floating	Fixed to floating
18	Coupon rate and related index, if applicable	Fixed at 1.75 % until 16.4.2027; thereafter reset every five years based on 5-year SARON-mid-swap (minimum 0 %) plus 1.75 % risk premium	Fixed at 2.02 % until 13.4.2027; thereafter reset based on 3-month Euribor plus 0.90 % risk premium (minimum 0 %)
19	Existence of a dividend stopper (non-payment of dividend on the instrument prohibits the payment of dividends on common shares)	Yes	No
20	Coupon / Dividend payment fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	n/a
23	Convertible / non-convertible	Non-convertible	Non-convertible
24	If convertible: conversion trigger	n/a	n/a
25	If convertible: fully or partially	n/a	n/a
26	If convertible: conversion rate	n/a	n/a
27	If convertible: mandatory or optional conversion	n/a	n/a
28	If convertible: specify instrument type convertible into	n/a	n/a
29	If convertible: specify issuer of instrument it converts into	n/a	n/a
30	Write-down feature	Yes	Yes
31	If write-down feature: write-down trigger(s)	Common equity Tier 1 (CET1) capital ratio falls below 7 % and / or FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.	FINMA declares PONV (point-of-non-viability). Write-down triggered by FINMA on a contractual basis.
32	If write-down feature: fully or partially	Always partially where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date; always fully where a trigger event occurs (CET1 ratio below 7 %) that persists until the subsequent trigger test date, if in the opinion of FINMA a partial write-down would be inadequate or if a point-of-non-viability (PONV) has been reached.	Always fully if a point-of-non-viability (PONV) has been reached.
33	If write-down feature: permanent or temporary	Permanent	Permanent
34	If temporary write-down: description of write-up mechanism	n/a	n/a
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation specify instrument type immediately senior to instrument)	Tier 2 bond	Bail-in bonds
36	Features that prevent full recognition under Basel III	No	No
37	If yes: description of non-compliant features	n/a	n/a

8 Macroprudential supervisory measures

8.1 CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

31.12.2024 in CHF million (unless stated otherwise)	a Counter-cyclical capital buffer rate (in %)	c Risk-weighted assets (RWA) in the computation of the extended countercyclical capital buffer	d Bank-specific counter-cyclical capital buffer rate (in %)	e Countercyclical buffer amount
› Country				
Australia	1.00 %	17		
Belgium	1.00 %	167		
Germany	0.75 %	508		
France	1.00 %	186		
Hong Kong	1.00 %	8		
Korea	1.00 %	9		
Luxembourg	0.50 %	1,483		
Netherlands	2.00 %	97		
Sweden	2.00 %	9		
United Kingdom	2.00 %	164		
Subtotal	**–**	**2,648**		
Other countries		62,933		
Total RWA of credit exposures used in the countercyclical capital buffer [1]		**65,581**		
Total RWA [2]		**86,443**	**0.03 %**	**27**

1 The total equals the sum of RWA for Zürcher Kantonalbank's relevant private sector credit exposures, including countries without a countercyclical buffer rate and countries with a countercyclical buffer rate of 0.00 %.
2 For the calculation of the countercyclical buffer amount, the total RWA of Zürcher Kantonalbank are relevant.

30.6.2024 in CHF million (unless stated otherwise)	a Counter-cyclical capital buffer rate (in %)	c Risk-weighted assets (RWA) in the computation of the extended countercyclical capital buffer	d Bank-specific counter-cyclical capital buffer rate (in %)	e Countercyclical buffer amount
› Country				
Australia	1.00 %	18		
Belgium	0.50 %	80		
Germany	0.75 %	522		
France	1.00 %	147		
Hong Kong	1.00 %	8		
Korea	1.00 %	9		
Luxembourg	0.50 %	1,602		
Netherlands	2.00 %	152		
Sweden	2.00 %	11		
United Kingdom	2.00 %	294		
Subtotal	**–**	**2,843**		
Other countries		61,564		
Total RWA of credit exposures used in the countercyclical capital buffer [1]		**64,407**		
Total RWA [2]		**82,023**	**0.04 %**	**30**

1 The total equals the sum of RWA for Zürcher Kantonalbank's relevant private sector credit exposures, including countries without a countercyclical buffer rate and countries with a countercyclical buffer rate of 0.00 %.
2 For the calculation of the countercyclical buffer amount, the total RWA of Zürcher Kantonalbank are relevant.

Since 30 June 2024, Belgium has raised the countercyclical buffer rate for the relevant exposures from 0.50 percent to 1.00 percent. Apart from this, the extended countercyclical buffer (eCCB) under Art. 44a CAO saw no material change.

9 Leverage Ratio

9.1 LR1: Leverage ratio: summary comparison of accounting assets vs. leverage ratio exposure measure

in CHF million		a 31.12.2024	a 30.6.2024
1	Total assets as per published financial statements	**202,594**	202,568
1a	Differences between published financial statements and accounting principles used for the determination of the leverage ratio exposure [1]	**–**	–
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation (margin nos. 6–7 FINMA Circ. 15/3), as well as adjustment for assets deducted from Tier 1 capital (margin nos. 16–17 FINMA Circ. 15/3)	**–5**	–4
3	Adjustment for fiduciary assets recognised on the balance sheet for accounting purposes, but excluded from the leverage ratio exposure measure (margin no. 15 FINMA Circ. 15/3)	**–**	–
4	Adjustment for derivative financial instruments (margin nos. 21–51 FINMA Circ. 15/3)	**8,605**	7,661
5	Adjustment for securities financing transactions (SFTs) (margin nos. 52–73 FINMA Circ. 15/3)	**2,979**	2,607
6	Adjustment for off-balance-sheet items (i.e. conversion to credit equivalent amounts) (margin nos. 74–76 FINMA Circ. 15/3)	**12,953**	13,042
7	Other adjustments	**–**	–
8	**Leverage ratio exposure (sum of Rows 1–7)**	**227,125**	**225,875**

1 Not applicable to Zürcher Kantonalbank, as it does not use an international accounting standard.

9.2 LR2: Leverage ratio: leverage ratio common disclosure template

in CHF million		a 31.12.2024	b 30.6.2024
On-balance-sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral) (margin nos. 14–15 FINMA Circ. 15/3)	174,575	178,785
2	Assets that must be deducted in determining the eligible Tier 1 capital (margin nos. 7 and 16–17 FINMA Circ. 15/3)	–5	–4
3	**Total on-balance sheet exposures within the leverage ratio framework, excluding derivatives and SFTs (sum of rows 1 and 2)**	**174,570**	**178,782**
Derivatives			
4	Replacement values associated with all derivatives transactions, including those with CCPs, taking into account the margin payments received and netting agreements in accordance with margin nos. 22–23 and 34–35 FINMA Circ. 15/3	4,204	1,289
5	Add-on amounts for PFE associated with all derivatives transactions (margin nos. 22 and 25 FINMA Circ. 15/3)	7,073	7,048
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (margin no. 27 FINMA Circ. 15/3)	3,239	2,199
7	Deduction of receivables assets for cash variation margin provided in derivatives transactions, in accordance with margin no. 36 FINMA Circ. 15/3	–2,791	–1,535
8	Deduction relating to exposures to QCCPs if there is no obligation to reimburse the client in the event of the QCCP defaulting (margin no. 39 FINMA Circ. 15/3	–451	–596
9	Adjusted effective notional amount of written credit derivatives, after deduction of negative replacement values (margin no. 43 FINMA Circ. 15/3)	50	55
10	Adjusted effective notional offsets of bought / written credit derivatives (margin nos. 44–50 FINMA Circ. 15/3) and add-on deductions for written credit derivatives (margin no. 51 FINMA Circ. 15/3)	–50	–55
11	**Total derivative exposures (sum of rows 4–10)**	**11,274**	**8,405**
Securities financing transaction exposures			
12	Gross SFT assets with no recognition of netting (except in the case of novation with a QCCP as per margin no. 57 FINMA Circ. 15/3) including sale accounting transactions (margin no. 69 FINMA Circ. 15/3), less the items specified in margin no. 58 FINMA Circ. 15/3)	25,349	23,039
13	Netted amounts of cash payables and cash receivables relating to SFT counterparties (margin nos. 59–62 FINMA Circ. 15/3)	–	–
14	CCR exposure for SFT assets (margin nos. 63–68 FINMA Circ. 15/3)	2,979	2,607
15	Agent transaction exposures (margin nos. 70–73 FINMA Circ. 15/3)	–	–
16	**Total securities financing transaction exposures (sum of rows 12–15)**	**28,328**	**25,646**
Other off-balance-sheet exposures			
17	Off-balance-sheet exposure at gross notional amounts before application of credit conversion factors	50,792	49,371
18	Adjustments for conversion to credit equivalent amounts (margin nos. 75–76 FINMA Circ. 15/3)	–37,840	–36,329
19	**Total off-balance-sheet items (sum of rows 17 and 18)**	**12,953**	**13,042**
Eligible capital and total exposures			
20	Tier 1 capital (margin no. 5 FINMA Circ. 15/3)	15,546	14,803
21	Total exposures (sum of rows 3, 11, 16 and 19)	227,125	225,875
Leverage ratio			
22	**Leverage ratio (margin nos. 3–4 FINMA Circ. 15/3) in %**	**6.8%**	**6.6%**

The balance sheet items in row 1 of Table LR2 are equal to total assets as reported less amounts due from securities transactions and the positive replacement value of derivative financial instruments.

Compared to 30 June 2024, total on-balance-sheet exposures (excluding derivatives and securities financing transactions) fell CHF 4,212 million, and off-balance-sheet exposures declined CHF 89 million. Both exposures from derivatives (+ CHF 2,869 million) and securities financing transaction exposures (+ CHF 2,682 million) moved in the opposite direction. The increase in Tier 1 capital compensated for the effect of the higher total exposure (+ CHF 1,250 million) in the calculation of the leverage ratio, resulting in a higher leverage ratio as at 31 December 2024 (6.8 percent) compared to 30 June 2024 (6.6 percent).

10 Liquidity

10.1 LIQA: Liquidity: liquidity risk management

Qualitative disclosures

Strategy

The aim of liquidity risk management is to ensure solvency, even under bank-specific or market-specific stress conditions. Zürcher Kantonalbank pursues a long-term refinancing policy that includes both cost and risk aspects.

Refinancing risks are managed via diversification in terms of maturities, refinancing instruments used and related markets. This diversification limits dependence on funding sources. For this purpose, Treasury uses both shortand long-term instruments, which are placed on the domestic and international markets. The diversified refinancing base is reflected in a broad product portfolio, comprising client deposits, bank deposits and money and capital market refinancing. In addition, the regulatory net stable funding ratio (NSFR) is used to measure, manage and control structural liquidity.

Organisation and processes

The Treasury organisational unit, which reports to the CFO, is responsible for managing the liquidity risks and refinancing of Zürcher Kantonalbank. Treasury delegates operational liquidity management to the Money Trading unit, which ensures the efficient use of liquidity based on internal and regulatory rules. In line with the requirements of the bank's risk policy, the Board of Directors defines the liquidity risk tolerance. The risk organisation oversees compliance with the rules and reports to the Board of Directors in this regard on a regular basis.

The measurement, management and control of short-term liquidity risks are based on both an internal model and on the liquidity coverage ratio (LCR), a regulatory liquidity indicator. The special provisions for systemically important banks set out in the Liquidity Ordinance (TBTF requirements) came into force in 2024. Over a 90-day stress or restructuring horizon, the TBTF requirements set both basic requirements and additional institution-specific requirements so a minimum level of liquidity is still available on day 90. In addition to the regulatory stress scenario, Zürcher Kantonalbank uses internal stress scenarios based on the liquidity risk measurement system (LRS). The result of the liquidity risk measurement under the internal bank-specific stress scenario is calculated daily. This result is presented in a fully automated report. It contains information on the availability of liquid assets and unencumbered high-quality liquid assets (HQLA) in financial investments and trading positions, liquidity inflows and outflows under the stress scenario, and the liquidity position left after the stress scenario. The emergency plan also constitutes a significant element of liquidity risk management. This supports the situationally appropriate conduct of the relevant functions in a crisis. This supports the situationally appropriate conduct of the relevant functions in a crisis.

When calculating the regulatory LCR, the bank uses an internal model to divide wholesale deposits into operational and non-operational categories. Net outflows of funds from the collateralisation of derivatives due to changes in market values are calculated using the look-back method. Besides Swiss francs, which make up by far the largest part of the balance sheet of Zürcher Kantonalbank, the LCR is also monitored and periodically reported in other major currencies.

Quantitative disclosures

The following table shows inflows and outflows in items on and off balance sheet with a fixed term by maturity band in the group and compares these to holdings of high-quality liquid assets (HQLA) as at 31 December 2024. Unlike the data used to calculate the liquidity cover ratio (LCR), this table also includes unweighted inflows and outflows beyond 30 days. Business with no set maturity, such as savings deposits and sight deposits, are not included.

31.12.2024
in CHF million

M = month(s), Y = year

	Inventory	≤ 1M	> 1M ≤ 3M	> 3M ≤ 6M	> 6M ≤ 1Y	> 1Y	Total
› Outflows							
Outflow from own bonds issued		496	920	1,260	2,506	19,356	24,538
Outflow from unsecured financing		21,314	27,514	8,804	1,111	2,236	60,980
Outflow from securities financing transactions / secured financing		4,877	–	–	2	133	5,012
Additional outflows [1]		11,910	7,151	3,150	5,199	8,670	36,080
Total outflows		**38,597**	**35,586**	**13,214**	**8,818**	**30,396**	**126,610**
› Inflows							
Inflow from lending		6,709	5,454	5,016	7,808	71,549	96,536
Inflow from securities financing transactions		14,449	1,093	1,836	1,377	4,078	22,833
Additional inflows [2]		12,666	7,444	2,436	3,360	6,442	32,348
Total inflows		**33,824**	**13,991**	**9,287**	**12,545**	**82,069**	**151,717**
› HQLA	**Inventory**						
HQLA after netting of outflows and inflows	**47,809**	**43,036**	**21,442**	**17,515**	**21,243**	**72,916**	

1 Outflows from irrevocable lending commitments and derivatives
2 Inflows from trading securities and derivatives

31.12.2023
in CHF million

M = month(s), Y = year

	Inventory	≤ 1M	> 1M ≤ 3M	> 3M ≤ 6M	> 6M ≤ 1Y	> 1Y	Total
› Outflows							
Outflow from own bonds issued		695	1,299	1,143	2,409	19,482	25,029
Outflow from unsecured financing		27,868	20,860	6,101	1,576	2,258	58,662
Outflow from securities financing transactions / secured financing		7,667	–	–	11	239	7,917
Additional outflows [1]		10,519	6,133	2,763	6,408	8,123	33,946
Total outflows		**46,748**	**28,292**	**10,007**	**10,404**	**30,103**	**125,554**
› Inflows							
Inflow from lending		4,623	5,051	3,807	6,284	69,119	88,884
Inflow from securities financing transactions		15,734	763	1,276	3,390	1,599	22,761
Additional inflows [2]		9,731	5,866	3,302	3,580	7,032	29,512
Total inflows		**30,088**	**11,680**	**8,384**	**13,253**	**77,751**	**141,157**
› HQLA	**Inventory**						
HQLA after netting of outflows and inflows	**52,363**	**35,704**	**19,092**	**17,469**	**20,318**	**67,966**	

1 Outflows from irrevocable lending commitments and derivatives
2 Inflows from trading securities and derivatives

Risk profile

The average LCR for 2024, which is calculated as a simple average of the end-of-day values of the business days during the quarter under review, lies between 142 percent and 154 percent. The bank was comfortably in compliance with the special liquidity requirements for systemically important banks, which were introduced gradually in 2024. High-quality liquid assets (HQLA) average between CHF 51.0 billion and CHF 53.2 billion. The HQLA consist of Level 1 assets (cash, central bank deposits, tradeable securities from countries and central banks with high credit ratings) and Level 2 assets (tradeable securities with less strict criteria). The majority of Level 1 assets are held in the form of central bank deposits. Zürcher Kantonalbank actively manages its liquidity risk profile, particularly through targeted management of time deposits, money market securities as well as SLB and repo transactions. The changes in the LCR and the internal statistical measures of liquidity risk are mainly driven by portfolio changes in non-operational sight deposits, time deposits, money market securities,as well as SLB and repo transactions with banks and major clients.

The quarter-end NSFR values ranged from 116 percent to 119 percent in 2024. The required stable funding ranges between CHF 100.9 billion and CHF 104.1 billion. The available stable funding is between CHF 118.5 billion and CHF 121.2 billion.

10.2 LIQ1: Liquidity: Liquidity coverage ratio (LCR)

	in CHF million	Quarterly averages Q4 24 [1]		Quarterly averages Q3 24 [1]	
		Unweighted values	**Weighted values**	Unweighted values	Weighted values
	› A. High-quality liquid assets (HQLA)				
1	**Total high quality liquid assets (HQLA)**		**52,039**		**52,780**
	› B. Cash outflows				
2	Retail deposits	**64,586**	**6,580**	62,007	6,311
3	of which stable deposits	**6,581**	**329**	5,912	296
4	of which less stable deposits	**57,994**	**6,251**	56,083	6,015
5	Unsecured wholesale funding	**44,913**	**22,867**	39,254	20,373
6	of which operational deposits (all counterparties) and deposits in networks of cooperative banks	**3,623**	**906**	3,297	824
7	of which non-operational deposits (all counterparties)	**41,278**	**21,958**	35,895	19,497
8	of which unsecured debt	**3**	**3**	52	52
9	Secured wholesale funding and collateral swaps		**10,866**		10,908
10	Other outflows	**27,041**	**10,488**	27,839	11,296
11	of which outflows related to derivative exposures and other transactions	**13,330**	**8,130**	13,560	8,845
12	of which outflows related to loss of funding on asset-backed securities, covered bonds and other structured financing instruments, asset-backed commercial papers, conduits, securities investment vehicles and other such financing facilities	**162**	**162**	135	135
13	of which, outflows related to committed credit and liquidity facilities	**13,549**	**2,195**	14,144	2,315
14	Other contractual funding obligations	**2,960**	**2,940**	3,499	3,487
15	Other contingent funding obligations	**29,783**	**397**	29,660	389
16	**Total cash outflows**		**54,138**		**52,764**
	› C. Cash inflows				
17	Secured financing operations (e.g. reverse repo transactions)	**13,854**	**9,884**	12,632	9,160
18	Inflows from fully performing exposures	**1,324**	**969**	1,412	1,029
19	Other cash inflows	**6,764**	**6,764**	8,262	8,262
20	**Total cash inflows**	**21,942**	**17,617**	**22,306**	**18,451**
	› Adjusted values				
21	**Total high-quality liquid assets (HQLA)**		**52,039**		**52,780**
22	**Total net cash outflows**		**36,521**		**34,314**
23	**Liquidity coverage ratio in %**		**142 %**		**154 %**

1 The average is calculated based on the end of day values from the business days of the reported quarter: Q4 24: 63 days included, Q3 24: 64 days included.

As a systemically important bank, Zürcher Kantonalbank is subject to stricter liquidity requirements than non-systemically important banks. Zürcher Kantonalbank's ongoing comfortable liquidity situation is reflected in the LCR. On a group basis, the LCR decreased from the previous quarter and stood at an average of 142 percent in the fourth quarter of 2024 (third quarter of 2024: 154 percent).

10.3 LIQ2: Liquidity: Net stable funding ratio (NSFR)

		a	b	c	d	e
31.12.2024		**Unweighted value by residual maturity**				**Weighted value**
in CHF million		No maturity	< 6 months	≥ 6 months to < 1 year	≥ 1 year	
› Available Stable Funding (ASF) item						
1	Capital	–	–	–	16,020	16,020
2	Regulatory capital	–	–	–	16,020	16,020
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers	64,365	9,311	388	156	67,210
5	Stable deposits	6,799	1,031	98	38	7,569
6	Less stable deposits	57,566	8,280	290	119	59,640
7	Wholesale funding	23,908	44,541	711	1,516	17,694
8	Operational deposits	4,027	–	–	–	2,013
9	Other wholesale funding	19,882	44,541	711	1,516	15,681
10	Liabilities with matching interdependent assets	1,491	–	–	–	–
11	Other liabilities	12,978	5,247	1,316	19,071	20,146
12	NSFR derivative liabilities		–	–	–	
13	All other liabilities and equity not included in the above categories	12,978	5,247	1,316	19,071	20,146
14	**Total Available Stable Funding (ASF)**					**121,070**
› Required Stable Funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,876
16	Deposits held at other financial institutions for operational purposes	265	–	–	–	132
17	Performing loans and securities	42,100	27,496	8,649	74,687	94,776
18	Performing loans to financial institutions secured by level 1 and 2a HQLA	3,063	3,252	–	–	765
19	Performing loans to financial institutions secured by non-level 1 and 2a HQLA and unsecured performing loans to financial institutions	12,015	8,669	1,400	1,861	10,037
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which	5,357	8,893	1,952	10,991	18,282
21	with a risk weight of less than or equal to 35 % under SA-BIS	214	–	–	237	293
22	Performing residential mortgages, of which	18,436	6,458	4,893	58,902	60,128
23	with a risk weight of less than or equal to 35 % under SA-BIS	18,075	6,411	4,833	58,269	59,214
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,229	225	405	2,932	5,565
25	Assets with matching interdependent liabilities	1,491	–	–	–	–
26	Other assets	3,477	45	4	3,725	6,508
27	Physical traded commodities, including gold	1,484				1,262
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		–	–	1,319	1,121
29	NSFR derivative assets		–	–	1,586	1,586
30	NSFR derivative liabilities before deduction of variation margin posted		–	–	802	802
31	All other assets not included in the above categories	1,993	45	4	18	1,737
32	Off-balance sheet items		37,973	2,016	11,103	851
33	**Total Required Stable Funding (RSF)**					**104,144**
34	**Net Stable Funding Ratio (NSFR) (%)**					**116 %**

30.9.2024		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
in CHF million		No maturity	< 6 months	≥ 6 months to < 1 year	≥ 1 year	
› Available Stable Funding (ASF) item						
1	Capital	–	–	–	15,276	15,276
2	Regulatory capital	–	–	–	15,276	15,276
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers	62,401	11,616	633	166	67,747
5	Stable deposits	6,313	1,426	166	44	7,554
6	Less stable deposits	56,089	10,189	467	122	60,193
7	Wholesale funding	21,360	46,546	1,201	1,482	17,937
8	Operational deposits	3,567	–	–	–	1,783
9	Other wholesale funding	17,793	46,546	1,201	1,482	16,153
10	Liabilities with matching interdependent assets	1,348	28	–	–	–
11	Other liabilities	16,403	4,570	2,049	18,788	20,228
12	NSFR derivative liabilities		–	–	67	
13	All other liabilities and equity not included in the above categories	16,403	4,570	2,049	18,721	20,228
14	**Total Available Stable Funding (ASF)**					**121,187**
› Required Stable Funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,653
16	Deposits held at other financial institutions for operational purposes	259	–	–	–	130
17	Performing loans and securities	40,661	27,823	7,464	72,954	93,842
18	Performing loans to financial institutions secured by level 1 and 2a HQLA	1,227	3,647	–	–	515
19	Performing loans to financial institutions secured by non-level 1 and 2a HQLA and unsecured performing loans to financial institutions	10,855	7,958	1,292	2,090	10,252
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which	5,803	9,877	1,242	10,401	17,967
21	with a risk weight of less than or equal to 35 % under SA-BIS	238	–	–	310	357
22	Performing residential mortgages, of which	19,551	6,055	4,694	57,152	59,279
23	with a risk weight of less than or equal to 35 % under SA-BIS	19,240	6,000	4,675	56,522	58,430
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,225	287	236	3,311	5,830
25	Assets with matching interdependent liabilities	1,377	–	–	–	–
26	Other assets	5,552	16	4	1,744	5,365
27	Physical traded commodities, including gold	2,141				1,820
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		–	–	1,068	908
29	NSFR derivative assets		–	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted		–	–	643	643
31	All other assets not included in the above categories	3,410	16	4	32	1,993
32	Off-balance sheet items		35,494	2,136	10,023	877
33	**Total Required Stable Funding (RSF)**					**101,867**
34	**Net Stable Funding Ratio (NSFR) (%)**					**119 %**

Zürcher Kantonalbank has fulfilled the provisions on the net stable funding ratio (NSFR) with a significant buffer for some time. There were no significant changes during the reporting period. The quarter-end NSFR values in the second half of 2024 were 119 percent and 116 percent.

11 Credit risk

11.1 CRA: Credit risk: general qualitative information about credit risk

The strategy applied in the management of credit risks is set out in the internal lending policy. The strategy is revised and updated by the risk organisation as part of an annual, structured process and is approved by the Executive Board. The principles defined in the lending policy include the measurement and management of risks based on uniform, binding objectives and instruments, and the acceptance of risks based on objective, business-related criteria, in proportion to the bank's risk capacity, together with sustainable management of the quality of the credit portfolio.

The bank adopts a risk and cost-based pricing policy, with transparent credit decisions and a selective, quality-oriented strategy for the acquisition of financing business. Particular attention is paid to environmental and social risks in the credit assessment process. In recognition of the total commitment of owners, higher risks may deliberately be accepted on occasion for SMEs from the Greater Zurich Area.

Organisation and processes

The risk managers bear responsibility for profits and losses generated on the risks entered into. They are responsible for the continuous, active management of risks and for compliance with internal risk tolerance regulations, relevant laws, ordinances, circulars and standards. The sales units in Corporate Clients, Institutionals & Multinationals, Private Banking and the support centre in Products, Services & Direct Banking are the risk managers responsible for credit risks.

The preventative risk management and risk control functions are separated from risk management at Executive Board level. Preventative risk management issues lending guidelines, analyses and reviews transactions in line with existing delineations of power, monitors business- related risks on an ongoing basis and assists in the training of risk managers. Risk control monitors and reports at portfolio level and is responsible for defining risk measurement methods.

The Compliance function is a member of the Risk Committee of the Executive Board and also the Credit Committee, which considers in advance credit risk-related issues which fall within the remit of the Risk Committee.

Audit supports the Board of Directors in fulfilling its statutory supervisory and control tasks and discharges the monitoring tasks assigned to it by the Board of Directors. In particular, Audit independently and objectively evaluates the appropriateness and effectiveness of the internal control and risk management processes as well as the management and monitoring processes and contributes towards their improvement. Audit works independently of day-to-day business activities and does not take on any operational tasks or control activities. Audit has unlimited rights of inspection, information and access within the entire group. Audit has no authority to issue instructions, but has the right to make recommendations. Audit reporting is independent and not bound by instructions.

Credit risks are managed and limited by means of detailed parameters and areas of responsibility within the credit process at individual exposure level and by means of limiting the risk capital in accordance with the capital at risk approach at portfolio level. Another key control element in credit risk management is risk-adjusted pricing, which includes expected losses (standard risk costs) as well as the cost of the risk capital to be retained in order to cover unexpected losses.

Expected losses are determined on the basis of the statistical probability of default (PD), assumptions regarding the level of exposure at default (EAD) and the estimated loss given default (LGD). Rating models specific to individual segments are used to determine default probabilities. The rating system for private individuals, corporate clients and banks combines statistical procedures with many years of practical experience in the lending business and incorporates both qualitative and quantitative elements. Country ratings are in principle based on the ratings of external agencies (country ceiling ratings and sovereign default ratings).

A credit portfolio model is used as the basis for the modelling of unexpected losses. Besides default probabilities, exposures in the event of default and loss rates, correlations between debtors are particularly significant for the modelling of unexpected losses. The model covers balance-sheet and off-balance-sheet items.

Collateral

The valuation of collateral for loans, and in particular the calculation of market and collateral values, is governed by an extensive set of internal rules setting out the relevant methods, procedures and responsibilities. These rules are continually reviewed and aligned with regulatory requirements and market changes. For the valuation of mortgage collateral, the bank uses recognised estimation methods that are tailored to the type of property. These include hedonic models, income capitalisation approaches and expert appraisals, among others.

The models used as well as the individual valuations are reviewed on a regular basis. The maximum loan-to-value ratio for mortgages depends on how realisable the collateral is and is influenced by factors such as location and type of property (family home or commercial property, for example). Readily marketable collateral (securities, precious metals, account balances, for example) is generally valued at current market prices. The lending of readily marketable collateral is subject to the deduction of specified margins. These margins differ primarily in terms of the collateral's susceptibility to fluctuations in value.

Limiting and monitoring credit exposures

Credit exposures are restricted by limits. In addition to the limits at counterparty and counterparty group level, limits are placed on sub-portfolios, for instance for foreign exposures. All credit and contingent exposures are monitored on a daily basis, and exposures from trading transactions are monitored on a real-time basis. In the case of trading transactions, predeal checks can be undertaken to examine and ensure adherence to counterparty limits. Any breaches of limits are reported promptly to the competent management level. An early-warning system identifies negative developments, which are communicated to the officers responsible. The rating of corporate clients is generally reviewed once a year on the basis of the annual financial statements. A supplementary review of ratings, limits and exposures in the retail and corporate client business is undertaken using risk-oriented criteria. Ratings, limits and exposures in the banking sector are reviewed periodically and on an extraordinary basis in the event of a deterioration in the credit rating of a particular institution.

Value adjustments

As part of their risk management role, the bank's relationship management units constantly monitor all positions in the credit portfolio to identify any signs of impairment of value. Should any signs be found, a standardised impairment test is used to determine whether a loan should be classed as impaired. Impaired loans are those where the borrower is unlikely to be able to meet future obligations.

Where it appears that the bank will be unable to collect all amounts due on a claim, the bank makes an allowance for the unsecured part of the loan, taking into account the borrower's creditworthiness. In determining the required value adjustment, mortgage collateral (including valuation discounts, settlement and holding costs) and readily marketable collateral (freely tradeable securities as well as other easily realised assets such as deposits, precious metals, fiduciary investments, etc.) are considered at their current liquidation value. The recoverability of other collateral (e. g. leased assets, guarantees) has to be demonstrated in particular. The authority to approve the creation of new individual value adjustments rests with the risk managers. Above a certain amount, the approval of the risk organisation is also required.

Interest and associated commission payments that have not been received in full 90 days after becoming due are classified as past due. They are deemed to be impaired and are usually fully adjusted if they are not covered by collateral. Individual value adjustment rates may apply to the principal in the case of major positions. Collective individual value adjustments are recognised for overdrafts of up to CHF 30,000 and for interest and associated commission payments outstanding for more than 90 days; in all other cases, individual value adjustments are generally set aside.

In principle, a central, specialised unit fundamentally manages impaired positions across all client segments. This unit steers the positions through the stabilisation, restructuring and resolution process and ensures that existing value adjustments are regularly reviewed and adjusted where necessary.

Value adjustments and provisions for expected losses

For non-impaired loans/receivables and off-balance-sheet transactions, Zürcher Kantonalbank recognises value adjustments and provisions for expected losses. Expected loss (EL) is the anticipated value of future losses from credit defaults. The EL is determined on the non-impaired loans/receivables of the following balance sheet and off-balance-sheet items:

- Amounts due from banks
- Amounts due from customers
- Mortgage loans
- Debt securities held to maturity in financial investments
- Contingent liabilities
- Irrevocable commitments

Country risks

The country risk of individual exposures is determined on the basis of the risk domicile, where this is not identical to the domicile of the borrower, in accordance with the Swiss Bankers Association's guidelines on the management of country risk. In the case of secured exposures, the domicile of the collateral is taken into account when determining the risk domicile. The risks for each country, total country risks and total country risks outside the bank's best internal rating category are subject to limits, adherence to which is monitored on a constant basis.

Settlement risks

A settlement risk arises in the case of transactions with mutual payment and delivery obligations where Zürcher Kantonalbank must meet its obligations without being able to ensure that counter-payment is also being made. Settlement risk can occur in relation to foreign exchange transactions, securities lending and borrowing (SLB) and OTC repo transactions as well as transactions involving different payment systems and time zones in the interbank sector. Zürcher Kantonalbank is a member of the joint venture CLS, a clearing centre for settling foreign exchange transactions "payment against payment". This helps largely eliminate the fulfilment risks arising in foreign exchange trading.

Concentration risks

Zürcher Kantonalbank uses a systems-based method for monitoring concentration risks. Besides measurement for the purpose of preparing regulatory reports, concentration risks are limited at product and client level using benchmarks that are reflected in the corresponding powers of authorisation. Internal concentration risk reporting includes information on product, sector and individual position concentrations. Due to the bank's roots within the Greater Zurich Area, a large concentration risk in the credit portfolio takes the form of geographical concentration risk in the mortgage portfolio.

Reporting

The CRO report is a quarterly report from the risk organisation, produced independently of the risk managers, informing the Executive Board and Board of Directors of events, the risk profile and credit risk monitoring. Information on the credit risk profile of the group is provided in tables, graphs and commentaries on trends in the individual sub-portfolios and credit risk overall. In addition to management reporting, there are also special reports on selected issues of special relevance and/or topicality. These reports are also seen by FINMA and the external auditor. In addition, every year, the Executive Board and Board of Directors receive reports on the suitability and effectiveness of internal controls in credit risk management. When special developments or events occur, the Executive Board and Board of Directors are informed on an ad hoc basis of changes in the risk profile in additional reports and analyses.

Apart from the management reporting, there are also various monitoring reports. These support risk monitoring in the Risk unit and management controls in the organisational units managing risk. Unlike the management reporting, the monitoring reports focus on a limited presentation of specific risks or portfolios, in some cases all the way down to counterparty level. Depending on their subject, these monitoring reports are produced at shorter intervals, as production is often more automated than for the management reporting described above.

Risk profile

Zürcher Kantonalbank pursues a full-service banking strategy. This is directly derived from the Law on Zürcher Kantonalbank and the needs of the people and businesses in the Greater Zurich Area. In line with this strategic focus, the bank operates a broadly diversified business model strongly rooted in the Greater Zurich Area. In accordance with the business model the lending business, and especially the mortgage lending business, are central business areas for the bank. Mortgage receivables amount to CHF 106.6 billion making them by far the largest item in the receivables on the balance sheet. Around two-thirds of mortgage loans to private individuals relate to owner-occupied residential property. The remaining loans are secured with rented residential properties or properties that are used for commercial purposes. This is reflected in the bank's risk profile. Loan commitments are shown in table CR4 (SA-BIS) starting from page 81 and CR6 (IRB) starting from page 86 by exposure category under Basel III.

Investment portfolio

Strategy, organisation and processes for the management of risks in the investment portfolio

The risks in the investment portfolio comprise issuer risks on debt and equity securities in financial investments. Because these are allocated to the banking book, they are included under credit risk for capital adequacy purposes. Real estate price risk also comes under risks in the investment portfolio. According to the capital adequacy rules, these are non-counterparty related risks. They are disclosed under credit risk; please see table LI1 on page 49. Interest rate risks are managed and limited as part of asset and liability management.

The investment portfolio mainly has an operational background: The debt securities in the financial assets are part of the bank's liquidity buffer. The investments relate in particular to companies in the financial market infrastructure.

In addition, Zürcher Kantonalbank provides start-up financing to promote young companies. The real estate position consists almost entirely of property in use by the bank. The purchase of financial investments and real estate as well as the acquisition of participations are subject to detailed regulations and responsibilities. The investment strategy for the financial investments managed by Treasury is laid down in the risk tolerance requirements approved by the Risk Committee of the Executive Board. Only debt securities with a first-class credit rating that are considered high-quality liquid assets (HQLA) may be purchased. There are investment guidelines with rules on climate-related financial risks in Zürcher Kantonalbank's sustainability policy. Financial investments by Treasury must now meet not only exclusion criteria for issuers from critical industries, but also requirements regarding their carbon footprint (CO_2 emissions relative to revenue). The Risk unit is responsible for the measurement and monitoring of risk as well as independent reporting on investment portfolio risks.

Risks relating to the investment portfolio are managed internally by assigning risk capital. For the determination of this risk capital for financial investments and participations, Zürcher Kantonalbank uses an internal default model that takes diversification effects into account.

For real estate owned by the bank, risk capital is allocated based on regulatory minimum capital adequacy requirements.

Risk profile

The carrying amount of financial investments was CHF 5.2 billion as at 31 December 2024 (2023: CHF 5.6 billion). Of this, CHF 4.7 billion (2023: CHF 5.3 billion) related to debt securities. The portfolio consists mainly of mortgage bonds and first-class bonds, which are diversified in terms of counterparty groups and countries. At CHF 0.5 billion in total, equity instruments, precious metals and real estate are insignificant in the overall context.

11.2 CR1: Credit risk: credit quality of assets

31.12.2024 in CHF million		a Gross carrying values of defaulted exposures	b Gross carrying values of non-defaulted exposures	c Value adjustments / impairments [1]	d Net values (a + b - c)
1	Loans (excluding debt securities) [2]	622	120,985	717	120,890
2	Debt securities [2]	–	4,721	2	4,719
3	Off-balance-sheet exposures	19	18,431	–	18,450
4	**Total**	**640**	**144,137**	**719**	**144,058**

1 Zürcher Kantonalbank adopted the rules on value adjustments and provisions for expected losses (VA and P for EL) on 1.1.2021. VA and P for EL are recognised in non-defaulted exposures. Consequently, VA for EL are included in column c of this table, so column d shows the net figures according to the accounting rules. This also means that value adjustments / impairments as at 31.12.2024 are higher than the gross carrying values of defaulted exposures.

2 According to FINMA Circ. 16/1, on-balance-sheet items include loans and debt securities. Hence, liquid assets, trading portfolio assets, equities, accrued income and prepaid expenses and non-counterparty-related risks in the amount of CHF 34,448 million are not included in this table.

30.6.2024 in CHF million		a Gross carrying values of defaulted exposures	b Gross carrying values of non-defaulted exposures	c Value adjustments / impairments [1]	d Net values (a + b - c)
1	Loans (excluding debt securities) [2]	630	118,019	677	117,972
2	Debt securities [2]	–	4,840	2	4,838
3	Off-balance-sheet exposures	20	18,907	–	18,927
4	**Total**	**650**	**141,766**	**679**	**141,737**

1 Zürcher Kantonalbank adopted the rules on value adjustments and provisions for expected losses (VA and P for EL) on 1.1.2021. VA and P for EL are recognised in non-defaulted exposures. Consequently, VA for EL are included in column c of this table, so column d shows the net figures according to the accounting rules. This also means that value adjustments / impairments as at 30.6.2024 are higher than the gross carrying values of defaulted exposures.

2 According to FINMA Circ. 16/1, on-balance-sheet items include loans and debt securities. Hence, liquid assets, trading portfolio assets, equities, accrued income and prepaid expenses and non-counterparty-related risks in the amount of CHF 41,296 million are not included in this table.

Disclosure and explanation of internal definition of default

Defaulted loans/receivables

This is a regulatory definition. Under the standardised approach, defaulted loans include both impaired loans and non-performing loans, e. g. those more than 90 days in arrears. Under IRB, a model approach has been selected that uses the rating assigned to define “defaulted”. If a counterparty is assigned the default rating (C19) under such definition, all receivables from that counterparty are deemed to be in default, regardless of whether they are covered by collateral or not.

Impaired loans/receivables

Accounting definition: For accounting purposes, loans are impaired when the borrower is unlikely to be able to meet future obligations and they are not covered by collateral. The assessment as to whether a loan is impaired is made on an individual basis.

Non-performing loans/receivables

For both accounting and regulatory purposes, loans are classified as non-performing when interest, commission or amortisation payments or the repayment of the principal have not been received in full 90 days after becoming due. This also includes claims against borrowers in liquidation, and loans with special conditions arising from the borrower’s financial standing. Non-performing loans are also often a component of impaired loans.

11.3 CR2: Credit risk: changes in stock of defaulted loans and debt securities

31.12.2024 in CHF million		**a**
1	**Defaulted loans and debt securities [1] at end of the previous reporting period (30.6.2024)**	**630**
2	Loans and debt securities that have defaulted since the last reporting period	117
3	Returned to non-defaulted status	106
4	Amounts written off	8
5	Other changes (+/-) [2]	– 12
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 + 5)**	**622**

1 All exposures are presented gross of value adjustments for default risks.
2 Mainly volume changes of loans and debt securities, which had the status "defaulted" at the end of both reporting periods.

During the reporting period, there were no material changes to the portfolios of defaulted loans and debt securities. The total for defaulted loans and debt securities as at 31 December 2024 decreased by CHF 8 million compared to the figure recorded on 30 June 2024.

11.4 CRB: Credit risk: additional disclosure related to the credit quality of assets

Breakdown of exposures by geographical area

in CHF million	**Carrying values 31.12.2024**	**Carrying values** 31.12.2023
Switzerland	**119,186**	113,016
Rest of Europe	**2,923**	3,466
Americas	**2,298**	2,093
Asia and Oceania	**1,116**	1,144
Africa	**86**	53
Total exposures	**125,609**	**119,773**

Breakdown of exposures by industry

in CHF million	**Carrying values 31.12.2024**	**Carrying values** 31.12.2023
Agriculture	**627**	636
Manufacturing	**5,080**	5,187
Services	**50,308**	47,390
Individuals and other	**69,594**	66,560
Total exposures	**125,609**	**119,773**

Breakdown of exposures by residual maturity

in CHF million	**Carrying values 31.12.2024**	**Carrying values** 31.12.2023
Due up to 3 months	**15,063**	13,623
Due between 3 and 12 months	**24,675**	21,254
Due between 1 and 3 years	**24,164**	23,637
Due between 3 and 5 years	**18,470**	16,150
Due after more than 5 years	**43,236**	45,109
Total exposures	**125,609**	**119,773**

Impaired loans/receivables

Accounting definition: For accounting purposes, loans are impaired when the borrower is unlikely to be able to meet future obligations and they are not covered by collateral. The assessment as to whether a loan is impaired is made on an individual basis.

Impaired loans amounted to CHF 516 million (2023: CHF 487 million). After deducting the estimated liquidation value of collateral, this equals net debt of CHF 294 million (2023: CHF 286 million).

Identification of impaired loans

Please refer to the section headed "Value adjustments" in table CRA starting from page 72.

Breakdown of impaired exposures by geographical area

in CHF million	Impaired exposures (gross debt) 31.12.2024	Allowances and write-offs 31.12.2024	Impaired exposures (gross debt) 31.12.2023	Allowances and write-offs 31.12.2023
Switzerland	**451**	**221**	416	195
Rest of Europe	**51**	**36**	57	40
Americas	**14**	**14**	14	14
Asia and Oceania	**–**	**–**	–	–
Africa	**–**	**–**	–	–
Total impaired exposures	**516**	**271**	**487**	**249**

Breakdown of impaired exposures by industry

in CHF million	Impaired exposures (gross debt) 31.12.2024	Allowances and write-offs 31.12.2024	Impaired exposures (gross debt) 31.12.2023	Allowances and write-offs 31.12.2023
Agriculture	**7**	**4**	8	3
Manufacturing	**176**	**77**	118	65
Services	**253**	**170**	272	159
Individuals and other	**80**	**20**	88	22
Total impaired exposures	**516**	**271**	**487**	**249**

Non-performing loans/receivables

For both accounting and supervisory purposes, loans are classified as non-performing when interest, commission or amortisation payments or the repayment of the principal have not been received in full 90 days after becoming due. This also includes claims against borrowers in liquidation, and loans with special conditions arising from the borrower's financial standing. Non-performing loans are also often a component of impaired loans. The nominal value of non-performing loans amounted to CHF 147 million at the end of the reporting period (2023: CHF 125 million). Loans that were non-performing but not impaired amounted to CHF 68 million (2023: CHF 47 million). These are loans covered by collateral.

Ageing analysis of accounting past-due exposures

in CHF million	Past-due exposures (gross debt) 31.12.2024	Allowances and write-offs 31.12.2024	Past-due exposures (gross debt) 31.12.2023	Allowances and write-offs 31.12.2023
Past-due for 1 day to 3 months	**66**	**41**	54	3
Past-due for 3 to 6 months	**30**	**3**	20	1
Past-due for 6 to 9 months	**6**	**2**	11	3
Past-due for 9 months to 1 year	**23**	**6**	12	1
Past-due for 1 to 3 years	**13**	**7**	18	3
Past-due for 3 to 5 years	**6**	**2**	2	2
Past-due for more than 5 years	**2**	**1**	8	5
Total past-due exposures	**147**	**62**	**125**	**18**

Restructured exposures

Restructured exposures are all those on- or off-balance-sheet positions which are deemed in default and are being serviced by a dedicated team within the bank. Individual value adjustments or provisions are recognised for impaired default positions and off-balance-sheet positions with credit risk. Positions that have recovered are no longer flagged as being in default, but are generally only transferred from the dedicated team back to sales, once a degree of sustainability has been confirmed. Positions in sales do not count as restructured.

Breakdown of restructured exposures

in CHF million		Gross debt		
		Impaired	Not impaired	Total
Restructured exposures	**31.12.2024**	**443**	**628**	**1,070**
Restructured exposures	31.12.2023	378	502	880

Defaulted loans/receivables

This is a regulatory definition. Under the standardised approach, defaulted loans include both impaired loans and non-performing loans, e. g. those more than 90 days in arrears. Under IRB, a model approach has been selected that uses the rating assigned to define "defaulted". If a counterparty is assigned the default rating (C19) under such definition, all receivables from that counterparty are deemed to be in default, regardless of whether they are covered by collateral or not.

11.5 CRC: Credit risk: qualitative disclosure requirements related to credit risk mitigation techniques

Core features of policies and processes for on- and off-balance-sheet netting

For accounting purposes, with the exception of the following instances, no netting takes place. Payables and receivables are offset if all the conditions below are met:

- payables and receivables arise from the same type of transactions with the same counterparty;
- have the same or earlier maturity for the receivable;
- are in the same currency and
- cannot result in a counterparty risk.

Holdings of own bonds and cash bonds are offset against the corresponding liability items. Furthermore, positive and negative value adjustments with no income effect are offset in the compensation account.

For over-the-counter transactions, the positive and negative replacement values of derivative instruments as well as the related cash collaterals are offset. For this purpose, a relevant bilateral agreement with the affected counterparties must be in place. This agreement must be proven to be recognised and legally enforceable.

Netting on the balance sheet as at 31 December 2024 amounted to CHF 20.0 billion (2023: CHF 24.1 billion). No off-balance-sheet netting takes place.

Core features of policies and processes for collateral evaluation and management

Bank guarantees are treated as other collateral. The loan-to-value ratio depends on the rating of the bank in question. Bank guarantees are checked by the sales unit for banks before acceptance. All other guarantees are classified simply as additional cover with no eligible collateral value (unsecured). Guarantees from other companies may only be taken into consideration where Risk Control has given its prior consent.

If the amount of a guarantee is a maximum including interest and other costs, it must be for at least 110 percent of the loan amount to be secured. The term of the credit exposure is measured in line with the maximum validity of the guarantee. The loan generally matures one month before the guarantee expires, so a claim can be made.

For the purposes of calculating capital adequacy, Zürcher Kantonalbank recognises bank guarantees (Zürcher Kantonalbank as direct beneficiary, callable on first request with no right of objection) using the substitution approach. State guarantees are also taken into account.

Information about market or credit risk concentrations under the credit risk mitigation instruments used (i. e. by guarantor type, collateral and credit derivative protection providers)

Guarantees taken into account for credit exposures are included in internal risk measurement under the guarantor’s credit exposure. This means that the value of guarantees is included automatically in concentration risk monitoring at the level of client, region and sector.

11.6 CR3: Credit risk: credit risk mitigation techniques – overview

In order to ensure a consistent point of view without anticipating the IRB segmentation, the standardised approach was used to present the overview of credit risk mitigation techniques. We refer to the IRB tables in this report on page 83 onwards for IRB disclosures.

31.12.2024 in CHF million		**a** Unsecured exposures / carrying amount	**b1** Secured exposures / carrying amount [1]	**b** of which secured by collateral [2]	**d** of which secured by financial guarantees [2]	**f** of which secured by credit derivatives [2]
1	Loans (excluding debt securities)	11,450	109,440	107,508	1,567	–
2	Debt securities	4,654	66	–	66	–
3	**Total**	**16,104**	**109,505**	**107,508**	**1,633**	**–**
4	of which defaulted	181	184	158	24	–

1 Fully or partially secured by collateral (incl. secured by financial guarantees and credit derivatives)
2 Secured amount. Where the amount the collateral / financial guarantee / credit derivate can be settled for exceeds the value of the exposure, the exposure amount is reported.

30.6.2024 in CHF million		**a** Unsecured exposures / carrying amount	**b1** Secured exposures / carrying amount [1]	**b** of which secured by collateral [2]	**d** of which secured by financial guarantees [2]	**f** of which secured by credit derivatives [2]
1	Loans (excluding debt securities)	12,019	105,953	103,988	1,501	–
2	Debt securities	4,733	106	–	106	–
3	**Total**	**16,751**	**106,059**	**103,988**	**1,607**	**–**
4	of which defaulted	173	222	187	31	–

1 Fully or partially secured by collateral (incl. secured by financial guarantees and credit derivatives)
2 Secured amount. Where the amount the collateral / financial guarantee / credit derivate can be settled for exceeds the value of the exposure, the exposure amount is reported.

Unsecured exposures (excluding debt securities) decreased by CHF 569 million compared to 30 June 2024. The proportion of fully or partially secured exposures (excluding debt securities) as at 31 December 2024 was at 91 percent (31 December 2023: 90 percent). During the reporting period, there were no material changes in the extent to which credit risk mitigation techniques were used.

11.7 CRD: Credit risk: qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

Capital adequacy requirements for credit risks are calculated using the IRB approach. However, some positions are still calculated using the international standard approach (SA-BIS). With respect to these positions, the risk weights of counterparties may be calculated on the basis of agency ratings.

For the corporate and public-sector entity categories, Zürcher Kantonalbank applies the ratings from the agencies Standard & Poor's and Moody's. The ratings of export credit agencies (ECAs) are not taken into account. For banks and governments, Fitch ratings are also taken into account. No ratings are used in the categories retail, equity securities and other positions. For securities, the issue-specific ratings from Standard & Poor's and Moody's are used.

If two or more ratings exist with different risk weights, those ratings which correspond to the two lowest risk weights are taken into consideration and the higher of the two risk weights is used. For debt securities, top priority is given to the issue rating and second priority to the issuer rating.

There were no changes in this regard during the period under review.

11.8 CR4: Credit risk: standardised approach–credit risk exposure and credit risk mitigation (CRM) effects

31.12.2024 in CHF million (unless stated otherwise)		**a**	**b**	**c**	**d**	**e**	**f**
		Exposures **before** CCF and CRM		Exposures **post**-CCF and CRM			
	Exposure class	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWA	RWA density
1	Central governments and central banks	77	–	806	51	3	0.3 %
2	Banks and securities firms	370	229	370	49	103	24.5 %
3	Other public sector entities and multilateral development banks	1,338	4,184	1,366	721	782	37.5 %
4	Corporates	3,110	8,757	3,224	1,754	2,781	55.9 %
5	Retail	3,955	2,956	3,095	399	2,614	74.8 %
6	Equity	–	–	–	–	–	–
7	Other exposures [1]	34,288	540	34,232	139	1,504	4.4 %
8	**Total**	**43,138**	**16,666**	**43,094**	**3,113**	**7,787**	**16.9 %**

1 According to FINMA Circ. 16/1, non-counterparty-related exposures are included in other exposures.

30.6.2024 in CHF million (unless stated otherwise)		**a**	**b**	**c**	**d**	**e**	**f**
		Exposures **before** CCF and CRM		Exposures **post**-CCF and CRM			
	Exposure class	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWA	RWA density
1	Central governments and central banks	343	–	1,163	102	33	2.6 %
2	Banks and securities firms	381	217	381	47	96	22.4 %
3	Other public sector entities and multilateral development banks	1,437	4,081	1,430	895	847	36.4 %
4	Corporates	3,726	8,491	3,891	1,814	3,537	62.0 %
5	Retail	3,836	2,686	2,969	235	2,488	77.6 %
6	Equity	–	–	–	–	–	–
7	Other exposures [1]	38,825	718	38,772	234	1,621	4.2 %
8	**Total**	**48,548**	**16,192**	**48,606**	**3,327**	**8,622**	**16.6 %**

1 According to FINMA Circ. 16/1, non-counterparty-related exposures are included in other exposures.

Compared with 30 June 2024, total on-balance-sheet exposures before CCF and CRM subject to credit risk using the standardised approach were down by CHF 5,410 million. The largest decrease was in the on-balance-sheet amounts for other exposures (– CHF 4,537 million), followed by corporates (– CHF 616 million). All other on-balance-sheet amounts showed no material change. Off-balance-sheet exposures rose CHF 474 million in the second half of 2024 (primarily in corporates, which was up + CHF 266 million), and retail (up + CHF 270 million). Although the average risk weight (RWA density in %) increased slightly in the half-year under review, the decrease in exposures had a greater effect, so total RWA fell CHF 835 million compared to 30 June 2024.

11.9 CR5: Credit risk: standardised approach–exposures by asset classes and risk weights

31.12.2024 in CHF million		a	b	c	d	e	f	g	h	i	j Total credit exposures amount (post-CCF / post-CRM)
	Exposure class / risk weight	0 %	10 %	20 %	35 %	50 %	75 %	100 %	150 %	Other	
1	Central governments and central banks	854	–	–	–	–	–	3	–	–	857
2	Banks and securities firms	–	–	366	–	50	–	–	3	–	419
3	Other public sector entities and multilateral development banks	47	–	873	27	1,084	–	57	–	–	2,087
4	Corporates	–	–	1,892	134	1,189	6	1,756	0	–	4,978
5	Retail	–	–	–	1,262	–	262	1,960	11	–	3,494
6	Equity	–	–	–	–	–	–	–	–	–	–
7	Other exposures [1]	32,734	–	–	205	–	0	1,432	–	–	34,371
8	**Total**	**33,634**	**–**	**3,132**	**1,628**	**2,323**	**268**	**5,207**	**14**	**–**	**46,206**
9	of which, covered by mortgages	–	–	–	1,628	–	13	996	–	–	2,636
10	of which, past-due loans	–	–	–	–	–	–	15	13	–	27

1 According to FINMA Circ. 16/1, non-counterparty-related exposures are included in other exposures.

30.6.2024 in CHF million		a	b	c	d	e	f	g	h	i	j Total credit exposures amount (post-CCF / post-CRM)
	Exposure class / risk weight	0 %	10 %	20 %	35 %	50 %	75 %	100 %	150 %	Other	
1	Central governments and central banks	1,233	–	–	–	–	–	33	–	–	1,266
2	Banks and securities firms	–	–	406	–	18	–	–	4	–	428
3	Other public sector entities and multilateral development banks	89	–	1,096	26	990	–	124	0	–	2,325
4	Corporates	–	–	1,863	129	1,184	6	2,522	0	–	5,705
5	Retail	–	–	–	1,008	–	273	1,909	15	–	3,204
6	Equity	–	–	–	–	–	–	–	–	–	–
7	Other exposures [1]	37,304	–	–	125	–	–	1,577	0	–	39,006
8	**Total**	**38,626**	**–**	**3,365**	**1,288**	**2,192**	**279**	**6,164**	**19**	**–**	**51,933**
9	of which, covered by mortgages	–	–	–	1,288	–	13	953	–	–	2,254
10	of which, past-due loans	–	–	–	–	–	–	16	17	–	33

1 According to FINMA Circ. 16/1, non-counterparty-related exposures are included in other exposures.

The changes as at 31 December 2024 depicted in Table CR4 are also displayed in Table CR5 after CCF and CRM. The main declines were in exposures with a risk weight of zero percent (–CHF 4,992 million) and those with a risk weight of 100 percent (–CHF 957 million). Smaller increases were seen in exposures with a risk weight of 35 percent (+CHF 340 million) and those with a risk weight of 50 percent (+CHF 131 million). Otherwise, there were no significant changes in table CR5.

11.10 CRE: IRB: qualitative disclosures related to IRB models

In an order dated 8 January 2018, Zürcher Kantonalbank received permission from FINMA to use the IRB approach retrospectively from 31 December 2017 to calculate the capital adequacy requirement for credit risk. Model governance sets out the internal duties, competences and responsibilities within model management as follows:

Model development

The model owner has the technical responsibility for developing and refining the model. Care must be taken to ensure it is appropriate for the area of use and that suitable allowance is made for model uncertainties. The model owner has the technical responsibility for regular model suitability tests to monitor that the model is methodologically appropriate (e. g. back-testing). Model suitability tests are defined in terms of method and procedure as part of model development, and are carried out on a regular basis.

Model validation

Model validation acts as a supervisory body that is independent from the model owner, the manager of the specialist area and the model users. It ensures that models are appropriate and that material model uncertainties are taken into account.

New models undergo initial validation before going into operation. Models are revalidated in operation, either regularly or as required. The frequency is determined by model validation, taking into account regulatory requirements.

Reporting on model validation is provided in the internal quarterly report from the CRO and annually in the summary report of activities submitted by the Risk Control unit to the Executive Board and the Board of Directors.

Authorisation of model approvals and model changes

When a new model goes into operation or a model is changed, depending on the situation, the model validators must give approval and the competency holder within the bank must also issue their authorisation. It may also be necessary to then seek authorisation from or inform FINMA.

Internal control system and models

The heads of specialist areas are responsible for identifying models in their areas. The model owner also carries out a further management control of the effectiveness of model risk management. The Head of Risk Control monitors the effectiveness of the model risk management through model validation. For details of the role of Audit, please refer to the information presented under section OVA on page 36.

Models

The rating models used for IRB purposes are:

Model name	Model type	Area of application
Bank rating model	**Statistical rating model**	The rating model for banks consists of two sequential sub-models. In a first step, the stand-alone model is used to categorise a bank according to its intrinsic financial strength. This involves determining a failure or stand-alone rating, which expresses the probability of the bank defaulting within a year. This takes no account of any potential external support from a banking group or government. Any rating improvement due to the willingness and ability of a banking group or government to provide support is only calculated in the second stage using the support model. When a support rating is calculated, this also takes the transfer and convertibility risk of the country of domicile into consideration. This may, however, lead to a lower rating. The end result is the final rating. Technically, the final stage is considered to form part of the support model. A shadow rating approach is used for the estimation and calibration of the standalone model, which takes agency ratings as target data. Replication is performed using a statistical regression model where the regression parameters for suitable influence factors are estimated (top-down approach). The support model, by contrast, is a mechanistic structural model that directly models the individual interactions (bottom-up approach).
Commercial rating model (Mini/Midi/Maxi)	**Statistical rating model**	The commercial rating model is used for SMEs (small and medium enterprises) and key account customers. The model consists of three sub-modules for companies with small, medium or high financing volumes. Different client information with different levels of detail is used for the rating calculation in the three segments. This includes quantitative, balance sheet factors such as profitability, debt and liquidity, qualitative factors such as the skills and stability of management as well as transaction and account information.
Retail client rating model	**Statistical rating model**	The retail client rating model is used for retail real estate financing. It uses various factors such as disposable income, net loan to value and profession to calculate an overall score, which is presented as a probability of default (PD) via a calibration function.
Real estate rating model	**Statistical rating model**	The real estate rating model is used for clients with rental property loans. The model consists of various sub-models (with the option to select various factors and weights) for different client groups: – Real estate balance sheet model/module 1: Profit-oriented companies (based on balance sheet data) – Real estate balance sheet model/module 2: Non-profit-oriented companies (e. g. cooperatives, based on balance sheet data) – Real estate tax model/module 3: Natural persons (based on tax return) These models also consist of a quantitative part with factors such as the debt ratio and the cost/income ratio, and a qualitative part that considers issues such as real estate expertise and management stability.

As at 31 December 2018 Zürcher Kantonalbank separated the calibration of internal and external ratings (PD). A through-the-cycle (TTC) calibration has been used since for the RWA calculations (external perspective); this is based on long-term average default rates.

Another major building block used by Zürcher Kantonalbank in the IRB universe is the loss given default (LGD) model in retail, where own LGD estimates are permitted. This model uses the following LGD drivers:

- Collateral recovery ratio: the percentage of the estimated value of collateral (e. g. real estate for a mortgage) that can be recovered on sale, reducing the loss; broken down by type of collateral and, for real estate, type of property.
- Unsecured recovery ratio: the percentage of the unsecured portion that can still be repaid by the borrower, reducing the loss.
- Cure rate: the percentage of cases where the borrower moves out of default status within a year without a write off, meaning there is ultimately no loss.
- Recovery costs: the cost of processing defaults, added to the loan loss.
- Calibration is in line with the requirements for a downturn, and hence are different from the calibration used internally. The internal collateral recovery ratio is reduced so the current portfolio has an average LGD equal to the maximum in the last real estate crisis.

Breakdown of EAD by different approaches as at 31 December 2024

EAD in percent	SA-BIS	IRB
Central governments and central banks	100 %	0 %
Banks and securities firms	20 %	80 %
Other public-sector entities, multilateral development banks	100 %	0 %
Corporates	17 %	83 %
Retail: covered by mortgages	2 %	98 %
Retail: other retail exposures	100 %	0 %
Equity	0 %	100 %
Other exposures	100 %	0 %
Total	**15 %**	**85 %**

11.11 CR6: IRB: credit risk exposures by portfolio and probability of default (PD) range

31.12.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
› 1 Central governments and central banks (F-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 2 Central governments and central banks (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 3 Banks and securities firms (F-IRB) by PD range												
0.00 to <0.15	589	751	64.2 %	1,422	0.1 %	112	45.0 %	1.7	365	25.7 %	0	
0.15 to <0.25	681	400	25.2 %	552	0.2 %	58	45.0 %	1.0	175	31.8 %	0	
0.25 to <0.50	210	76	30.6 %	143	0.3 %	50	45.0 %	1.1	71	49.8 %	0	
0.50 to <0.75	191	235	33.2 %	378	0.7 %	34	45.0 %	0.9	290	76.6 %	1	
0.75 to <2.50	1,397	71	31.5 %	719	1.1 %	59	45.0 %	1.0	647	90.0 %	4	
2.50 to <10.00	175	36	31.2 %	82	5.6 %	27	45.0 %	1.1	125	152.7 %	2	
10.00 to <100.00	73	72	20.0 %	57	13.1 %	27	45.0 %	0.9	119	209.6 %	3	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**3,315**	**1,641**	**49.0 %**	**3,353**	**0.8 %**	**367**	**45.0 %**	**1.3**	**1,793**	**53.5 %**	**11**	**–**
› 4 Banks and securities firms (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 5 Other public sector entities, multilateral development banks (F-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

31.12.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
› 6 Other public sector entities, multilateral development banks (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 7 Corporates: specialised lending (F-IRB) by PD range												
0.00 to <0.15	1,651	1,553	75.0 %	2,816	0.1 %	25	38.8 %	1.7	599	21.3 %	1	
0.15 to <0.25	4,344	2,801	75.0 %	6,444	0.2 %	110	40.8 %	2.0	2,103	32.6 %	4	
0.25 to <0.50	14,052	5,482	74.8 %	18,152	0.3 %	766	38.4 %	2.4	8,798	48.5 %	22	
0.50 to <0.75	3,542	827	75.0 %	4,163	0.7 %	482	39.6 %	2.4	2,980	71.6 %	11	
0.75 to <2.50	2,828	749	75.0 %	3,389	1.2 %	659	39.7 %	2.3	2,996	88.4 %	16	
2.50 to <10.00	249	44	74.9 %	282	3.3 %	139	40.5 %	2.4	351	124.6 %	4	
10.00 to <100.00	8	–	–	8	16.4 %	1	45.0 %	1.7	19	231.8 %	1	
100.00 (Default)	60	–	–	51	–	6	–	–	54	106.0 %	–	
Sub-total	**26,733**	**11,456**	**74.9 %**	**35,304**	**0.4 %**	**2,188**	**39.1 %**	**2.2**	**17,900**	**50.7 %**	**58**	**9**
› 8 Corporates: specialised lending (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 9 Corporates: other lending (F-IRB) by PD range												
0.00 to <0.15	1,438	4,282	74.9 %	4,643	0.1 %	129	43.7 %	1.7	1,022	22.0 %	2	
0.15 to <0.25	1,157	1,662	73.1 %	2,372	0.2 %	124	40.2 %	2.0	828	34.9 %	2	
0.25 to <0.50	3,502	4,504	73.1 %	6,368	0.4 %	1,490	38.9 %	1.8	3,009	47.2 %	10	
0.50 to <0.75	2,282	1,663	72.4 %	3,482	0.7 %	1,027	38.6 %	1.6	2,219	63.7 %	10	
0.75 to <2.50	3,268	1,999	72.4 %	4,705	1.5 %	2,140	40.8 %	1.8	4,076	86.6 %	28	
2.50 to <10.00	1,082	570	71.6 %	1,463	4.0 %	1,480	39.1 %	1.6	1,585	108.3 %	23	
10.00 to <100.00	75	10	71.9 %	79	14.7 %	123	37.0 %	2.4	125	159.2 %	4	
100.00 (Default)	306	67	69.5 %	188	–	231	–	–	199	106.0 %	–	
Sub-total	**13,109**	**14,757**	**73.4 %**	**23,299**	**0.8 %**	**6,744**	**40.0 %**	**1.8**	**13,062**	**56.1 %**	**78**	**154**
› 10 Corporates: other lending (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

31.12.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
› 11 Retail: covered by mortgages by PD range												
0.00 to <0.15	21,147	1,991	75.0 %	22,640	0.1 %	36,468	19.4 %	2.7	1,312	5.8 %	3	
0.15 to <0.25	9,823	814	75.0 %	10,433	0.2 %	12,128	22.2 %	2.8	1,288	12.3 %	4	
0.25 to <0.50	22,035	1,661	75.0 %	23,281	0.3 %	22,735	24.8 %	2.8	5,514	23.7 %	20	
0.50 to <0.75	8,542	701	75.0 %	9,068	0.7 %	7,859	26.5 %	2.8	3,616	39.9 %	16	
0.75 to <2.50	8,100	630	75.0 %	8,572	1.2 %	6,919	27.6 %	2.7	5,394	62.9 %	29	
2.50 to <10.00	1,350	114	75.0 %	1,436	3.1 %	1,275	28.6 %	2.5	1,633	113.7 %	13	
10.00 to <100.00	16	3	75.0 %	18	12.0 %	14	24.1 %	2.3	34	190.2 %	0	
100.00 (Default)	144	9	75.0 %	141	–	146	–	–	150	106.0 %	–	
Sub-total	**71,156**	**5,924**	**75.0 %**	**75,589**	**0.4 %**	**87,544**	**23.4 %**	**2.7**	**18,941**	**25.1 %**	**85**	**9**
› 12 Retail: qualifying revolving exposures (QRRE) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 13 Other retail exposures by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 14 Equity (PD / LGD approach) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (all portfolios)	**114,313**	**33,778**	**73.0 %**	**137,544**	**0.5 %**	**96,843**	**25.0 %**	**2.4**	**51,696**	**37.6 %**	**233**	**172**

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions

› 1 Central governments and central banks (F-IRB) by PD range

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 2 Central governments and central banks (A-IRB) by PD range

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 3 Banks and securities firms (F-IRB) by PD range

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
0.00 to <0.15	2,125	807	62.5 %	2,907	0.1 %	108	45.0 %	1.3	571	19.6 %	1	
0.15 to <0.25	919	295	29.5 %	756	0.2 %	67	45.0 %	1.1	245	32.4 %	1	
0.25 to <0.50	229	85	33.9 %	142	0.3 %	58	45.0 %	1.1	69	48.7 %	0	
0.50 to <0.75	271	132	20.6 %	361	0.7 %	41	45.0 %	1.0	272	75.2 %	1	
0.75 to <2.50	1,120	112	39.1 %	602	1.5 %	59	45.0 %	1.0	626	103.8 %	4	
2.50 to <10.00	93	15	23.8 %	42	4.6 %	16	45.0 %	1.2	57	136.4 %	1	
10.00 to <100.00	71	45	22.9 %	64	12.3 %	39	45.0 %	0.9	132	207.8 %	4	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**4,828**	**1,491**	**51.4 %**	**4,874**	**0.5 %**	**388**	**45.0 %**	**1.2**	**1,971**	**40.4 %**	**11**	**–**

› 4 Banks and securities firms (A-IRB) by PD range

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 5 Other public sector entities, multilateral development banks (F-IRB) by PD range

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

30.6.2024 in CHF million (unless stated otherwise)	a Original on-balance-sheet gross exposure	b Off-balance-sheet exposures pre CCF	c Average CCF in %	d EAD post-CRM and post-CCF	e Average PD in %	f Number of obligors	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k EL	l Provisions
› 6 Other public sector entities, multilateral development banks (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 7 Corporates: specialised lending (F-IRB) by PD range												
0.00 to <0.15	1,543	1,653	75.0 %	2,782	0.1 %	25	39.4 %	1.5	557	20.0 %	1	
0.15 to <0.25	3,840	2,775	75.0 %	5,921	0.2 %	104	40.7 %	2.0	1,940	32.8 %	4	
0.25 to <0.50	13,714	5,030	74.8 %	17,476	0.3 %	771	38.5 %	2.4	8,505	48.7 %	21	
0.50 to <0.75	3,365	1,035	75.0 %	4,142	0.7 %	481	39.1 %	2.3	2,896	69.9 %	11	
0.75 to <2.50	2,537	615	75.0 %	2,998	1.2 %	605	39.7 %	2.3	2,640	88.1 %	14	
2.50 to <10.00	184	41	74.9 %	215	3.3 %	115	41.0 %	2.2	264	123.1 %	3	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	75	4	75.0 %	71	–	10	–	–	75	106.0 %	–	
Sub-total	**25,258**	**11,154**	**74.9 %**	**33,605**	**0.4 %**	**2,111**	**39.1 %**	**2.2**	**16,877**	**50.2 %**	**54**	**6**
› 8 Corporates: specialised lending (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 9 Corporates: other lending (F-IRB) by PD range												
0.00 to <0.15	1,365	4,223	74.5 %	4,509	0.1 %	113	44.2 %	1.6	972	21.5 %	2	
0.15 to <0.25	898	1,617	73.6 %	2,087	0.2 %	99	41.2 %	2.0	745	35.7 %	2	
0.25 to <0.50	3,770	4,830	73.1 %	6,906	0.4 %	1,511	38.5 %	1.8	3,173	45.9 %	10	
0.50 to <0.75	2,277	1,396	71.8 %	3,247	0.7 %	1,082	40.5 %	1.7	2,162	66.6 %	10	
0.75 to <2.50	3,428	1,907	72.1 %	4,775	1.4 %	2,108	40.7 %	1.8	4,114	86.2 %	28	
2.50 to <10.00	1,004	441	72.5 %	1,289	3.9 %	1,420	39.0 %	1.7	1,381	107.2 %	20	
10.00 to <100.00	48	4	67.5 %	46	15.3 %	109	39.6 %	2.1	79	171.0 %	3	
100.00 (Default)	285	65	71.0 %	173	–	230	–	–	183	106.0 %	–	
Sub-total	**13,074**	**14,484**	**73.3 %**	**23,031**	**0.8 %**	**6,672**	**40.4 %**	**1.7**	**12,808**	**55.6 %**	**74**	**139**
› 10 Corporates: other lending (A-IRB) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

30.6.2024 in CHF million (unless stated otherwise)	**a** Original on-balance-sheet gross exposure	**b** Off-balance-sheet exposures pre CCF	**c** Average CCF in %	**d** EAD post-CRM and post-CCF	**e** Average PD in %	**f** Number of obligors	**g** Average LGD in %	**h** Average maturity in years	**i** RWA	**j** RWA density in %	**k** EL	**l** Provisions
› 11 Retail: covered by mortgages by PD range												
0.00 to <0.15	20,432	1,937	75.0 %	21,885	0.1 %	36,175	19.0 %	2.6	1,249	5.7 %	3	
0.15 to <0.25	9,911	779	75.0 %	10,496	0.2 %	12,169	22.0 %	2.7	1,282	12.2 %	4	
0.25 to <0.50	21,720	1,578	75.0 %	22,904	0.3 %	22,715	24.7 %	2.8	5,397	23.6 %	19	
0.50 to <0.75	8,262	615	75.0 %	8,723	0.7 %	7,829	26.3 %	2.7	3,459	39.7 %	15	
0.75 to <2.50	8,073	678	75.0 %	8,582	1.2 %	7,053	27.5 %	2.7	5,408	63.0 %	29	
2.50 to <10.00	1,402	104	75.1 %	1,481	3.2 %	1,317	28.3 %	2.5	1,684	113.7 %	13	
10.00 to <100.00	18	2	75.0 %	20	11.6 %	15	26.9 %	2.1	40	202.9 %	1	
100.00 (Default)	152	5	75.0 %	148	–	141	–	–	157	106.0 %	–	
Sub-total	**69,972**	**5,700**	**75.0 %**	**74,238**	**0.4 %**	**87,414**	**23.2 %**	**2.7**	**18,676**	**25.2 %**	**84**	**9**
› 12 Retail: qualifying revolving exposures (QRRE) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 13 Other retail exposures by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 14 Equity (PD / LGD approach) by PD range												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (all portfolios)	**113,132**	**32,828**	**73.1 %**	**135,748**	**0.5 %**	**96,585**	**24.8 %**	**2.4**	**50,331**	**37.1 %**	**223**	**154**

Zürcher Kantonalbank was not using any credit derivatives for hedging purposes on the reporting date under the credit risk rules. Therefore, there was no impact on RWA.

11.12 CR7: IRB: effect on RWA of credit derivatives used as CRM techniques

Zürcher Kantonalbank was not using any credit derivatives for hedging purposes on the reporting date under the credit risk rules. Therefore, there was no impact on RWA.

11.13 CR8: IRB: RWA flow statements of credit risk exposures under IRB

31.12.2024 in CHF million		**a** RWA amounts
1	**RWA as at end of previous reporting period (30.6.2024)**	**50,331**
2	Asset size changes	1,111
3	Asset quality changes	271
4	Model updates	–
5	Methodology and policy changes	–
6	Acquisions and disposals (of entities)	–
7	Foreign exchange movements	–17
8	Other	–
9	**RWA as at end of current reporting period**	**51,696**

Compared with 30 June 2024 the RWA of credit risk exposures under the IRB approach grew, due to an increased volume of assets (CHF 1,111 million). The other changes in the second half of 2024 were minor. Overall, this resulted in net RWA growth of CHF 1,365 million as at 31 December 2024.

11.14 CR9: IRB: back-testing of PD per portfolio

The average historical annual default rate in percent as per 31 December 2024 is based on the five-year average.

31.12.2024

› 1 Central governments and central banks (FIRB) by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 2 Central governments and central banks (AIRB) by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 3 Banks and securities firms (FIRB) by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	96	112	–	–	–
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	70	58	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.3 %	49	50	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	29	34	–	–	0.7 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.1 %	1.3 %	63	59	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	5.6 %	5.7 %	30	27	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	13.1 %	13.6 %	40	27	–	–	1.0 %
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**0.8 %**	**1.0 %**	**377**	**367**	**–**	**–**	**0.2 %**

› 4 Banks and securities firms (AIRB) by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 5 Other public sector entities, multilateral development banks (FIRB) by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

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a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			

› 6 Other public sector entities, multilateral development banks (AIRB) by PD range

a and b	S&P	Moody's	Fitch	d	e	f (End of previous year)	f (End of the year)	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 7 Corporates: specialised lending (FIRB) by PD range

a and b	S&P	Moody's	Fitch	d	e	f (End of previous year)	f (End of the year)	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	23	25	–	–	–
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	109	110	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.3 %	754	766	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	464	482	–	–	0.0 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.2 %	1.2 %	589	659	1	–	0.2 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.3 %	3.1 %	105	139	–	–	0.4 %
10.00 to <100.00	B to C	B2 to C	B to C	16.4 %	16.4 %	–	1	–	–	–
100.00 (Default)	D	D	D	–	–	9	6	–	–	–
Subtotal				**0.4 %**	**0.4 %**	**2,053**	**2,188**	**1**	**–**	**0.1 %**

› 8 Corporates: specialised lending (AIRB) by PD range

a and b	S&P	Moody's	Fitch	d	e	f (End of previous year)	f (End of the year)	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 9 Corporates: other lending (FIRB) by PD range

a and b	S&P	Moody's	Fitch	d	e	f (End of previous year)	f (End of the year)	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	103	129	1	–	0.2 %
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	74	124	1	–	0.3 %
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.4 %	0.4 %	1,404	1,490	1	–	0.0 %
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	1,118	1,027	4	–	0.1 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.5 %	1.4 %	2,120	2,140	23	–	0.8 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	4.0 %	4.4 %	1,456	1,480	37	1	2.7 %
10.00 to <100.00	B to C	B2 to C	B to C	14.7 %	15.0 %	131	123	9	–	7.7 %
100.00 (Default)	D	D	D	–	–	210	231	–	–	–
Subtotal				**0.8 %**	**1.5 %**	**6,616**	**6,744**	**76**	**1**	**1.0 %**

› 10 Corporates: other lending (AIRB) by PD range

a and b	S&P	Moody's	Fitch	d	e	f (End of previous year)	f (End of the year)	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

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a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
› 11 Retail: covered by mortgages by PD range										
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	36,121	36,468	7	–	0.0 %
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	12,196	12,128	4	–	0.0 %
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.3 %	22,619	22,735	18	–	0.1 %
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	7,874	7,859	9	–	0.1 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.2 %	1.2 %	7,127	6,919	19	–	0.2 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.1 %	3.1 %	1,335	1,275	4	–	0.4 %
10.00 to <100.00	B to C	B2 to C	B to C	12.0 %	11.0 %	13	14	–	–	0.5 %
100.00 (Default)	D	D	D	–	–	139	146	–	–	–
Subtotal				**0.4 %**	**0.4 %**	**87,424**	**87,544**	**61**	**–**	**0.1 %**
› 12 Retail: qualifying revolving exposures (QRRE) by PD range										
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 13 Other retail exposures by PD range										
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 14 Equity (PD / LGD approach) by PD range										
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (all Portfolios)				**0.5 %**	**0.4 %**	**96,470**	**96,843**	**138**	**1**	**0.1 %**

The average historical annual default rate in percent as per 31 December 2023 is based on the five-year average.

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› 1 Central governments and central banks (FIRB) by PD range

a and b	c External rating equivalent: S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors: End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 2 Central governments and central banks (AIRB) by PD range

a and b	c External rating equivalent: S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors: End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 3 Banks and securities firms (FIRB) by PD range

a and b	c External rating equivalent: S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors: End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.0 %	95	96	–	–	–
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	52	70	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.4 %	55	49	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	27	29	–	–	0.7 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.5 %	1.3 %	46	63	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.9 %	4.2 %	41	30	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	18.0 %	16.0 %	48	40	–	–	1.1 %
100.00 (Default)	D	D	D	–	–	2	–	–	–	–
Subtotal				**0.8 %**	**1.0 %**	**366**	**377**	**–**	**–**	**0.2 %**

› 4 Banks and securities firms (AIRB) by PD range

a and b	c External rating equivalent: S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors: End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 5 Other public sector entities, multilateral development banks (FIRB) by PD range

a and b	c External rating equivalent: S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors: End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

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› 6 Other public sector entities, multilateral development banks (AIRB) by PD range

a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 7 Corporates: specialised lending (FIRB) by PD range

a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	20	23	–	–	–
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	98	109	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.3 %	747	754	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	411	464	–	–	0.1 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.2 %	1.2 %	560	589	3	–	0.2 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.4 %	3.2 %	98	105	1	–	0.6 %
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	7	9	–	–	–
Subtotal				**0.4 %**	**0.4 %**	**1,941**	**2,053**	**4**	**–**	**0.1 %**

› 8 Corporates: specialised lending (AIRB) by PD range

a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 9 Corporates: other lending (FIRB) by PD range

a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	97	103	–	–	–
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	69	74	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.4 %	0.4 %	957	1,404	–	–	0.0 %
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	901	1,118	2	–	0.1 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.4 %	1.5 %	1,850	2,120	18	–	0.8 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.9 %	4.4 %	1,161	1,456	39	–	2.5 %
10.00 to <100.00	B to C	B2 to C	B to C	15.0 %	16.0 %	81	131	5	–	7.9 %
100.00 (Default)	D	D	D	–	–	185	210	–	–	–
Subtotal				**0.8 %**	**1.5 %**	**5,301**	**6,616**	**64**	**–**	**1.0 %**

› 10 Corporates: other lending (AIRB) by PD range

a and b	c	c	c	d	e	f	f	g	h	i
	External rating equivalent			Weighted average PD in %	Arithmetic average PD by obligors in %	Number of obligors		Number of defaulted obligors in the year	of which number of new defaulted obligors in the year	Average historical annual default rate in %
	S&P	Moody's	Fitch			End of previous year	End of the year			
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

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› 11 Retail: covered by mortgages by PD range

a and b	c External rating equivalent S&P	c Moody's	c Fitch	d Weighted average PD in %	e Arithmetic average PD by obligors in %	f Number of obligors End of previous year	f End of the year	g Number of defaulted obligors in the year	h of which number of new defaulted obligors in the year	i Average historical annual default rate in %
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	0.1 %	0.1 %	37,167	36,121	5	–	0.0 %
0.15 to <0.25	A-	A3	A-	0.2 %	0.2 %	12,373	12,196	5	–	0.0 %
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	0.3 %	0.3 %	21,550	22,619	15	–	0.1 %
0.50 to <0.75	BBB-	Baa3	BBB-	0.7 %	0.7 %	7,883	7,874	6	–	0.1 %
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	1.2 %	1.2 %	7,208	7,127	16	–	0.1 %
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	3.2 %	3.1 %	1,251	1,335	3	–	0.4 %
10.00 to <100.00	B to C	B2 to C	B to C	12.1 %	11.3 %	16	13	–	–	0.8 %
100.00 (Default)	D	D	D	–	–	135	139	–	–	–
Subtotal				**0.4%**	**0.4%**	**87,583**	**87,424**	**50**	**–**	**0.0%**

› 12 Retail: qualifying revolving exposures (QRRE) by PD range

a and b	c S&P	c Moody's	c Fitch	d	e	f End of previous year	f End of the year	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 13 Other retail exposures by PD range

a and b	c S&P	c Moody's	c Fitch	d	e	f End of previous year	f End of the year	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**

› 14 Equity (PD / LGD approach) by PD range

a and b	c S&P	c Moody's	c Fitch	d	e	f End of previous year	f End of the year	g	h	i
0.00 to <0.15	AAA to A	Aaa to A2	AAA to A	–	–	–	–	–	–	–
0.15 to <0.25	A-	A3	A-	–	–	–	–	–	–	–
0.25 to <0.50	BBB+ / BBB	Baa1 / Baa2	BBB+ / BBB	–	–	–	–	–	–	–
0.50 to <0.75	BBB-	Baa3	BBB-	–	–	–	–	–	–	–
0.75 to <2.50	BBB- neg / BB+	Baa3 neg / Ba1	BBB- neg / BB+	–	–	–	–	–	–	–
2.50 to <10.00	BB to B+	Ba2 to B1	BB to B+	–	–	–	–	–	–	–
10.00 to <100.00	B to C	B2 to C	B to C	–	–	–	–	–	–	–
100.00 (Default)	D	D	D	–	–	–	–	–	–	–
Subtotal				**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (all Portfolios)				**0.5%**	**0.5%**	**95,191**	**96,470**	**118**	**–**	**0.1%**

There were no material changes in the back-testing of PD per portfolio compared with the previous period.

11.15 CR10: IRB: specialised lending and equities under the simple risk weight method

Zürcher Kantonalbank does not use the supervisory slotting approach for special financing. Hence, only equity securities under the simplified risk weight method have to be disclosed in table CR10.

Equities under the simple risk weight approach

in CHF million (unless stated otherwise)	On-balance-sheet amount	Off-balance-sheet amount	Risk weight in %	Exposure amount	RWA
Exchange-traded equity exposures	7	–	300 %	7	22
Private equity exposures	144	–	400 %	144	611
Other equity exposures	1	0	400 %	1	6
Total	**153**	**0**		**153**	**639**

Equities under the simple risk weight approach

in CHF million (unless stated otherwise)	On-balance-sheet amount	Off-balance-sheet amount	Risk weight in %	Exposure amount	RWA
Exchange-traded equity exposures	7	–	300 %	7	22
Private equity exposures	137	–	400 %	137	579
Other equity exposures	1	0	400 %	1	6
Total	**145**	**0**		**145**	**607**

There were no material changes in equities under the simple risk weight method compared to the previous reporting date.

12 Counterparty credit risk

12.1 CCRA: Counterparty credit risk: qualitative disclosure related to counterparty credit risk

Relevant divisions

Trading activities at Zürcher Kantonalbank with counterparty credit risk include bilateral OTC derivatives, repos and SLB transactions. Zürcher Kantonalbank is also a clearing member of central counterparties for OTC derivatives, exchange traded derivatives (ETDs) and repos, and provides clearing services for clients. In some market segments, Zürcher Kantonalbank also uses access to central counterparties through a clearing broker. The client base includes financial institutions, corporates and public-sector entities.

Organisation, processes and methods

In procedural and organisational terms, management of counterparty credit risk is integrated into that of credit risk. Counterparty credit risk is managed at the level of individual counterparties using limits monitored in real time. Compliance can be examined with a pre-deal check before a transaction is executed. When calculating limit utilisation, both, current exposure and potential future exposure are taken into account.

Contractual collateralisation agreements are offset separately as risk reduction. In addition to the separate perspective, limit utilisation is also compared to all other credit exposures to a counterparty combined and to its overall credit risk limit. Counterparty credit risk is also included in credit risk measurement at portfolio level and in the calculation of capital at risk and expected loss in the Credit Risk Portfolio Management System. For central counterparties, both, potential future exposure and contributions to the default fund and the initial margin are also taken into account.

Risk mitigation techniques and wrong way risk

With bilateral OTC derivatives, Zürcher Kantonalbank aims for collateralisation by means of netting agreements and collateral support annexes (CSAs), especially when dealing with financial institutions and large corporates. Where this is not possible, alternative collateral is often agreed, e. g. in the form of mortgages. Conservative rules apply as regards currency, quality and overcollateralisation (haircut) for collateral that Zürcher Kantonalbank accepts for derivative, repo and SLB transactions. Counterparties are expressly forbidden from posting their own bonds or equities as collateral.

Impact of a rating downgrade on guarantees given

Zürcher Kantonalbank has been awarded the highest rating from the major rating agencies Standard & Poor's, Moody's and Fitch. A downgrade of Zürcher Kantonalbank would not mean an immediate and material increase in the collateral/guarantees demanded by counterparties in SLB, repo and derivatives business. Zürcher Kantonalbank mostly uses standard agreements for this business; these do not contain any clauses triggering the issue of more guarantees when the bank's own rating deteriorates.

12.2 CCR1: Counterparty credit risk: analysis of counterparty credit risk (CCR) exposure by approach

31.12.2024 in CHF million (unless stated otherwise)		a Replacement cost	b Potential future exposure	c EEPE (effective expected positive exposure)	d Alpha used for computing regulatory EAD	e EAD post-CRM	f RWA
1	SA-CCR (for derivatives)	2,842	3,679		1.4	9,130	5,608
2	IMM (for derivatives and SFTs)			–	–	–	–
3	Simple approach for risk mitigation (for SFTs)					–	–
4	Comprehensive approach for risk mitigation (for SFTs)					9,697	6,463
5	VaR for SFTs					–	–
6	**Total**						**12,071**

30.6.2024 in CHF million (unless stated otherwise)		a Replacement cost	b Potential future exposure	c EEPE (effective expected positive exposure)	d Alpha used for computing regulatory EAD	e EAD post-CRM	f RWA
1	SA-CCR (for derivatives)	1,261	3,752		1.4	7,018	3,561
2	IMM (for derivatives and SFTs)			–	–	–	–
3	Simple approach for risk mitigation (for SFTs)					–	–
4	Comprehensive approach for risk mitigation (for SFTs)					8,721	5,349
5	VaR for SFTs					–	–
6	**Total**						**8,911**

Replacement cost for derivatives increased substantially compared to 30 June 2024, while potential future exposure decreased in the same period. As a result, EAD post-CRM for derivatives was CHF 2,112 million higher. The average risk weight of counterparties for derivative transactions has also increased (from 51 percent to 61 percent), resulting in RWA of CHF 5,608 million (+ CHF 2,047 million compared to 30 June 2024). EAD post-CRM for SFTs also rose (+ CHF 976 million). Together with the higher average risk weight for SFTs (increase from 61 percent to 67 percent), RWA as at 31 December 2024 increased by CHF 1,114 million compared to the end of June 2024.

12.3 CCR2: Counterparty credit risk: credit valuation adjustment (CVA) capital charge

in CHF million		a	b	a	b
		EAD post-CRM 31.12.2024	**RWA 31.12.2024**	EAD post-CRM 30.6.2024	RWA 30.6.2024
	Total portfolios subject to the Advanced CVA capital charge	–	–	–	–
1	VaR component (including the 3 × multiplier)		–		–
2	Stressed VaR component (including the 3 × multiplier)		–		–
3	All portfolios subject to the standardised CVA capital charge	9,130	3,276	7,018	2,152
4	**Total subject to the standardised CVA capital charge**	**9,130**	**3,276**	**7,018**	**2,152**

For the CVA, the CHF 2,112 million increase in EAD post-CRM for derivatives together with the higher average risk weight resulted in an increase of CHF 1,124 million in RWA to CHF 3,276 million.

12.4 CCR3: Counterparty credit risk: standardised approach of CCR exposures by regulatory portfolio and risk weights

31.12.2024 in million CHF		a	b	c	d	e	f	g	h	i
	Exposure class / risk weight [1]	0 %	10 %	20 %	50 %	75 %	100 %	150 %	Other	Total credit exposure
1	Central governments and central banks	24	–	–	–	–	975	–	–	999
2	Banks and securities firms	–	–	1,590	200	–	–	–	–	1,790
3	Other public sector entities and multilateral development banks	84	–	82	52	–	663	–	–	881
4	Corporates	–	–	395	403	–	6,230	–	–	7,027
5	Retail	–	–	–	–	–	405	–	–	405
6	Equity	–	–	–	–	–	–	–	–	–
7	Other exposures	–	–	–	–	–	1,190	–	–	1,190
8 [2]		–	–	–	–	–	–	–	–	–
9	**Total**	**108**	**–**	**2,066**	**656**	**–**	**9,462**	**–**	**–**	**12,292**

1 According to FINMA Circ. 16/1, the exposure category central counterparties (CCP) is not part of this table. We refer to table CCR8 for disclosures with respect to exposures to central counterparties.
2 Currently, Zürcher Kantonalbank does not have credit exposures that would be disclosed in row 8 of this table.

30.6.2024 in million CHF		a	b	c	d	e	f	g	h	i
	Exposure class / risk weight [1]	0 %	10 %	20 %	50 %	75 %	100 %	150 %	Other	Total credit exposure
1	Central governments and central banks	29	–	–	–	–	854	–	–	883
2	Banks and securities firms	–	–	1,784	241	–	–	–	–	2,026
3	Other public sector entities and multilateral development banks	33	–	50	22	–	149	–	–	254
4	Corporates	–	–	266	628	–	4,525	–	–	5,419
5	Retail	–	–	–	–	–	256	–	–	256
6	Equity	–	–	–	–	–	–	–	–	–
7	Other exposures	–	–	–	–	–	537	–	–	537
8 [2]		–	–	–	–	–	–	–	–	–
9	**Total**	**62**	**–**	**2,101**	**891**	**–**	**6,321**	**–**	**–**	**9,375**

1 According to FINMA Circ. 16/1, the exposure category central counterparties (CCP) is not part of this table. We refer to table CCR8 for disclosures with respect to exposures to central counterparties.
2 Currently, Zürcher Kantonalbank does not have credit exposures that would be disclosed in row 8 of this table.

Counterparty credit risk positions under the standardised approach increased by CHF 2,917 million compared with 30 June 2024. In particular, the items in the corporates (+CHF 1,608 million), other exposures (+CHF 653 million) and other public sector entities and multilateral development banks (+CHF 627 million) segments are higher compared to mid-2024.

12.5 CCR4: IRB: CCR exposures by portfolio and PD scale

31.12.2024 in CHF million (unless stated otherwise)	**a** EAD post-CRM	**b** Average PD in %	**c** Number of obligors	**d** Average LGD in %	**e** Average maturity in years	**f** RWA	**g** RWA density in %
› 1 Central governments and central banks (F-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 2 Central governments and central banks (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 3 Banks and securities firms (F-IRB) by PD range							
0.00 to <0.15	4,348	0.1 %	103	45.0 %	0.9	818	18.8 %
0.15 to <0.25	870	0.2 %	53	45.0 %	0.9	263	30.2 %
0.25 to <0.50	101	0.3 %	59	45.0 %	1.5	49	48.6 %
0.50 to <0.75	65	0.7 %	39	45.0 %	1.1	44	68.2 %
0.75 to <2.50	38	1.3 %	29	45.0 %	1.0	33	86.3 %
2.50 to <10.00	38	5.9 %	26	45.0 %	1.0	59	153.5 %
10.00 to <100.00	3	16.4 %	10	45.0 %	1.0	7	246.1 %
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**5,463**	**0.2 %**	**319**	**45.0 %**	**0.9**	**1,272**	**23.3 %**
› 4 Banks and securities firms (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 5 Other public sector entities, multilateral development banks (F-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

31.12.2024 in CHF million (unless stated otherwise)	**a** EAD post-CRM	**b** Average PD in %	**c** Number of obligors	**d** Average LGD in %	**e** Average maturity in years	**f** RWA	**g** RWA density in %
› 6 Other public sector entities, multilateral development banks (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 7 Corporates: specialised lending (F-IRB) by PD range							
0.00 to <0.15	2	0.0 %	1	45.0 %	5.0	1	31.8 %
0.15 to <0.25	27	0.2 %	5	45.0 %	4.4	15	58.5 %
0.25 to <0.50	147	0.3 %	26	45.0 %	4.0	109	74.1 %
0.50 to <0.75	13	0.7 %	6	45.0 %	4.8	15	112.0 %
0.75 to <2.50	2	1.0 %	3	45.0 %	4.0	3	120.0 %
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**191**	**0.3 %**	**41**	**45.0 %**	**4.2**	**143**	**74.7 %**
› 8 Corporates: specialised lending (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 9 Corporates: other lending (F-IRB) by PD range							
0.00 to <0.15	517	0.1 %	35	45.0 %	3.6	202	39.1 %
0.15 to <0.25	114	0.2 %	22	45.0 %	3.6	63	55.2 %
0.25 to <0.50	106	0.4 %	70	45.0 %	2.2	63	59.7 %
0.50 to <0.75	35	0.7 %	39	45.0 %	1.9	27	77.4 %
0.75 to <2.50	71	1.4 %	74	45.0 %	1.5	66	92.7 %
2.50 to <10.00	18	5.4 %	17	45.0 %	2.3	25	142.5 %
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	0	–	1	–	–	0	106.0 %
Sub-total	**861**	**0.4 %**	**258**	**45.0 %**	**3.1**	**447**	**51.9 %**
› 10 Corporates: other lending (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

31.12.2024 in CHF million (unless stated otherwise)	a EAD post-CRM	b Average PD in %	c Number of obligors	d Average LGD in %	e Average maturity in years	f RWA	g RWA density in %
› 11 Retail: covered by mortgages by PD range							
0.00 to <0.15	12	0.0 %	46	55.2 %	1.0	1	11.7 %
0.15 to <0.25	1	0.2 %	5	56.3 %	1.0	0	32.3 %
0.25 to <0.50	6	0.4 %	23	56.2 %	1.8	3	55.6 %
0.50 to <0.75	0	0.7 %	4	56.3 %	1.0	0	83.3 %
0.75 to <2.50	1	1.0 %	2	56.3 %	1.0	1	107.4 %
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**20**	**0.2 %**	**80**	**55.6 %**	**1.2**	**6**	**29.5 %**
› 12 Retail: qualifying revolving exposures (QRRE) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 13 Other retail exposures by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 14 Equity (PD/LGD approach) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total all portfolios	**6,535**	**0.2 %**	**698**	**46.2 %**	**1.3**	**1,868**	**28.6 %**

30.6.2024 in CHF million (unless stated otherwise)	a EAD post-CRM	b Average PD in %	c Number of obligors	d Average LGD in %	e Average maturity in years	f RWA	g RWA density in %
› 1 Central governments and central banks (F-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 2 Central governments and central banks (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 3 Banks and securities firms (F-IRB) by PD range							
0.00 to <0.15	4,553	0.1 %	98	45.0 %	0.9	871	19.1 %
0.15 to <0.25	767	0.2 %	59	45.0 %	0.9	241	31.5 %
0.25 to <0.50	108	0.3 %	54	45.0 %	1.3	50	46.2 %
0.50 to <0.75	57	0.7 %	38	45.0 %	1.1	40	70.2 %
0.75 to <2.50	51	1.5 %	32	45.0 %	1.0	48	93.5 %
2.50 to <10.00	4	4.3 %	9	45.0 %	1.0	5	132.1 %
10.00 to <100.00	14	11.2 %	25	45.0 %	1.0	28	199.6 %
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**5,554**	**0.1 %**	**315**	**45.0 %**	**0.9**	**1,284**	**23.1 %**
› 4 Banks and securities firms (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 5 Other public sector entities, multilateral development banks (F-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

30.6.2024 in CHF million (unless stated otherwise)	a EAD post-CRM	b Average PD in %	c Number of obligors	d Average LGD in %	e Average maturity in years	f RWA	g RWA density in %
› 6 Other public sector entities, multilateral development banks (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 7 Corporates: specialised lending (F-IRB) by PD range							
0.00 to <0.15	1	0.0 %	1	45.0 %	5.0	0	31.8 %
0.15 to <0.25	8	0.2 %	2	45.0 %	4.7	5	61.5 %
0.25 to <0.50	184	0.3 %	31	45.0 %	4.3	140	75.7 %
0.50 to <0.75	3	0.7 %	5	45.0 %	5.0	4	114.7 %
0.75 to <2.50	5	1.0 %	4	45.0 %	4.6	6	128.1 %
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**201**	**0.3 %**	**43**	**45.0 %**	**4.4**	**154**	**76.9 %**
› 8 Corporates: specialised lending (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 9 Corporates: other lending (F-IRB) by PD range							
0.00 to <0.15	353	0.1 %	43	45.0 %	3.8	132	37.6 %
0.15 to <0.25	51	0.2 %	18	45.0 %	2.5	22	43.8 %
0.25 to <0.50	106	0.4 %	89	45.0 %	1.7	57	53.9 %
0.50 to <0.75	22	0.7 %	45	45.0 %	1.7	16	75.4 %
0.75 to <2.50	40	1.3 %	77	45.0 %	1.3	36	90.6 %
2.50 to <10.00	11	4.5 %	17	45.0 %	2.6	16	144.3 %
10.00 to <100.00	0	11.8 %	2	45.0 %	1.0	0	157.4 %
100.00 (Default)	0	–	2	–	–	0	106.0 %
Sub-total	**582**	**0.3 %**	**293**	**45.0 %**	**3.1**	**281**	**48.2 %**
› 10 Corporates: other lending (A-IRB) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

30.6.2024 in CHF million (unless stated otherwise)	a EAD post-CRM	b Average PD in %	c Number of obligors	d Average LGD in %	e Average maturity in years	f RWA	g RWA density in %
› 11 Retail: covered by mortgages by PD range							
0.00 to <0.15	18	0.0 %	59	55.2 %	1.0	2	9.2 %
0.15 to <0.25	5	0.2 %	13	51.0 %	2.4	2	29.3 %
0.25 to <0.50	3	0.3 %	26	56.3 %	2.0	2	49.2 %
0.50 to <0.75	0	0.7 %	7	56.2 %	1.0	0	85.7 %
0.75 to <2.50	0	1.0 %	1	56.3 %	1.0	0	107.4 %
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**27**	**0.1 %**	**106**	**54.5 %**	**1.4**	**5**	**19.1 %**
› 12 Retail: qualifying revolving exposures (QRRE) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 13 Other retail exposures by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
› 14 Equity (PD/LGD approach) by PD range							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total all portfolios	**6,364**	**0.2 %**	**757**	**46.3 %**	**1.2**	**1,724**	**27.1 %**

CCR exposures under the IRB approach did not change materially over the period (+CHF 171 million). As the average risk weight also did not change materially in the second half of the year, RWA were lightly higher than as at 30 June 2024 (CHF +144 million).

12.6 CCR5: Counterparty credit risk: composition of collateral for CCR exposure

31.12.2024 in CHF million	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – CHF	–	2,060	–	2,000	0	12,204
Cash – other currencies	–	1,124	–	1,922	8,461	13,652
Swiss Confederation sovereign debt	–	221	–	493	4,563	3,260
Other domestic public authority debt	–	190	–	–	333	217
Foreign sovereign and public authority debt	–	206	–	668	26,694	21,622
Corporate bonds	–	824	–	469	22,568	15,329
Equity securities	–	946	–	315	18,153	15,007
Other collateral	–	–	–	–	–	–
Total	**–**	**5,572**	**–**	**5,868**	**80,773**	**81,291**

30.6.2024 in Mio. CHF	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – CHF	–	2,016	–	1,831	1	14,614
Cash – other currencies	–	1,183	–	1,345	9,929	8,655
Swiss Confederation sovereign debt	–	185	–	502	5,445	4,318
Other domestic public authority debt	–	166	–	–	529	131
Foreign sovereign and public authority debt	–	238	–	325	21,679	19,487
Corporate bonds	–	924	–	92	22,511	16,887
Equity securities	–	1,023	–	274	13,675	10,470
Other collateral	–	–	–	–	–	–
Total	**–**	**5,734**	**–**	**4,369**	**73,769**	**74,561**

During the reporting period, there were no significant changes to the composition of collateral for CCR exposure. The totals for collateral received in derivative transactions remained mainly unchanged; the totals for collateral posted in derivative transactions rose. The totals for collateral received and posted for SFTs rose largely in parallel.

12.7 CCR6: Counterparty credit risk: credit derivatives exposures

in CHF million	a **Protection bought** **31.12.2024**	b **Protection sold** **31.12.2024**	a Protection bought 30.6.2024	b Protection sold 30.6.2024
› Notionals				
Single-name CDSs	**–**	**–**	–	–
Index-CDSs	**111**	**50**	104	55
Total return swaps	**–**	**–**	2	–
Credit options	**–**	**–**	–	–
Other credit derivatives	**–**	**–**	–	–
Total notionals	**111**	**50**	**105**	**55**
› Fair values				
Positive replacement value (asset)	**–**	**2**	–	1
Negative replacement value (liability)	**3**	**–**	2	–

The nominal amounts of protection bought and sold as well as the positive and negative replacement values have not significantly changed compared to 30 June 2024.

12.8 CCR7: Counterparty credit risk: RWA flow statements of CCR exposures under the Internal Model Method (IMM)

Zürcher Kantonalbank does not use the IMM approach.

12.9 CCR8: Counterparty credit risk: exposures to central counterparties

	in CHF million	a EAD (post-CRM) 31.12.2024	b RWA 31.12.2024	a EAD (post-CRM) 30.6.2024	b RWA 30.6.2024
1	**Exposures to QCCPs (total)**		**129**		99
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	**2,197**	**46**	1,570	34
3	of which OTC derivatives	**1,024**	**20**	880	18
4	of which exchange-traded derivatives	**627**	**15**	397	10
5	of which SFTs	**546**	**11**	293	6
6	of which netting sets where cross-product netting has been approved	**–**	**–**	–	–
7	Segregated initial margin	**–**		–	
8	Non-segregated initial margin	**1,794**	**36**	1,392	28
9	Pre-funded default fund contributions	**142**	**46**	105	37
10	Unfunded default fund contributions	**–**	**–**	–	–
11	**Exposures to non-QCCPs (total)**		**–**		–
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions)	**–**	**–**	–	–
13	of which OTC derivatives	**–**	**–**	–	–
14	of which exchange-traded derivatives	**–**	**–**	–	–
15	of which SFTs	**–**	**–**	–	–
16	of which netting sets where cross-product netting has been approved	**–**	**–**	–	–
17	Segregated initial margin	**–**		–	
18	Non-segregated initial margin	**–**	**–**	–	–
19	Pre-funded default fund contributions	**–**	**–**	–	–
20	Unfunded default fund contributions	**–**	**–**	–	–

With the exception of the pre-funded default fund contributions, the risk weight for EAD (post-CRM) with CCPs remains unchanged at 2 percent. Therefore, the change in RWA is linear to the change in the exposures to QCCPs. There continues to be no exposure to non-QCCPs. EAD (post-CRM) for the pre-funded default fund contributions as at 31 December 2024 increased by CHF 37 million.The average risk weights of the positions delivered to the default fund as at the reporting date are lower than as at 30 June 2024 (down from 35 to 33 percent). In combination, this resulted in a CHF 9 million increase in RWA.

13 Securitisations

13.1 SECA: Securitisations: qualitative disclosure requirements related to securitisation exposures

Currently, Zürcher Kantonalbank does not have any securitisation positions in the banking book.

The bank holds securitisation positions in the trading book. These are solely positions arising from issuing securitisations for clients, as investments for money raised from issuing structured products and from market making. The maximum volume for total securitisation positions in the trading book is specifically limited. Zürcher Kantonalbank acts only as an investor in such cases. All positions are traditional securitisations where the assets to be securitised are actually sold to the issuing company, the special purpose vehicle (SPV).

The positions are carried in the bank's trading portfolio. As with other trading transactions, they are therefore recognised at fair value. This is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent parties. This corresponds to the price set on a price-efficient and liquid market or a theoretical price determined on the basis of a valuation model. The conditions for calculating a price in this manner are listed in Table LIA. Where, as an exception, no fair value is ascertainable, valuation and recognition follow the principle of the lower of cost or market value. Valuation differences are recognised in the income statement.

13.2 SEC1: Securitisations: exposures in the banking book

Currently, Zürcher Kantonalbank does not have any securitisation positions in the banking book.

13.3 SEC2: Securitisations: exposures in the trading book

		a	b	c	e	f	g	i	j	k
31.12.2024		**Bank acts as originator**			**Bank acts as sponsor**			**Banks acts as investor**		
in CHF million		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
› **1**	**Retail (total)**	**–**	**–**	**–**	**–**	**–**	**–**	**6**	**–**	**6**
2	of which residential mortgage	–	–	–	–	–	–	4	–	4
3	of which credit card	–	–	–	–	–	–	1	–	1
4	of which other retail exposures	–	–	–	–	–	–	1	–	1
5	of which re-securitisation	–	–	–	–	–	–	–	–	–
› **6**	**Wholesale (total)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

		a	b	c	e	f	g	i	j	k
30.6.2024		**Bank acts as originator**			**Bank acts as sponsor**			**Banks acts as investor**		
in CHF million		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
› **1**	**Retail (total)**	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**–**	**3**
2	of which residential mortgage	–	–	–	–	–	–	0	–	0
3	of which credit card	–	–	–	–	–	–	2	–	2
4	of which other retail exposures	–	–	–	–	–	–	1	–	1
5	of which re-securitisation	–	–	–	–	–	–	–	–	–
› **6**	**Wholesale (total)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

During the reporting period, there were no material changes to the securitisation exposures in the trading book.

13.4 SEC3: Securitisations: exposures in the banking book and associated regulatory capital requirements–bank acting as originator or as sponsor

Currently, Zürcher Kantonalbank does not have any securitisation positions in the banking book.

13.5 SEC4: Securitisations: exposures in the banking book and associated capital requirements–bank acting as investor

Currently, Zürcher Kantonalbank does not have any securitisation positions in the banking book.

14 Market risk

14.1 MRA: Market risk: general qualitative disclosure requirements related to market risk

Market risks in the trading book

Strategy

In the trading business, Zürcher Kantonalbank pursues a strategy focused on client transactions. The individual desks hold trading mandates approved by the Risk Committee of the Executive Board, which set out the basic conditions in terms of the objectives pursued, instruments used for underlying and hedging transactions, the form of risk management, and the holding period.

Organisation of the market risk management function

The preventative risk management and risk control functions are separated from risk management at Executive Board level. The responsibilities of the preventative risk management function, which is independent of Trading, and the risk control function downstream of it, include the monitoring of compliance with risk limits and trading mandates, the calculation and analysis of the result from trading activities (P&L) and risk figures, as well as the preventative analysis of potentially high-risk transactions. The risk organisation is also responsible for defining and implementing methods of risk measurement, their independent validation, and internal and external risk reporting.

In addition to the ongoing contact between Trading and the risk management units, there are also regular meetings which provide an institutionalised platform for communications between Trading, Risk and Compliance. In these meetings, the risk profile is scrutinised and trends in the P&L, the breakdown of the P&L and the positioning of Trading are discussed. Monitoring issues are also considered, such as compliance with limits or the checking of valuation parameters.

Risk measurement and limitation

Market risks are measured, managed and controlled on the one hand by assigning risk capital in accordance with the capital at risk approach and on the other by using value at risk limits. This is supplemented by the periodic performance of stress tests and by the monitoring of market liquidity risks. The value of trading positions is determined using the fair value method, whereby marking to market or marking to model, which is subject to stricter rules, is applied on a daily basis.

The "trading market risks" capital at risk corresponds to the assigned risk capital for the market risks of trading transactions on a one-year horizon and at a confidence level of 99.9 percent. The modelling is based on a stressed value at risk (stressed VaR). Besides general market risks, the model also takes into account issuer default risks.

Zürcher Kantonalbank calculates value at risk for a 10-day period and at a confidence level of 99 percent using a Monte Carlo simulation. The loss distribution is arrived at from the valuation of the portfolio using a large number of scenarios (full valuation). The necessary parameters for determining the scenarios are estimated on the basis of historical market data, with more recent observations being accorded a higher weighting for the forecasting of volatility than less recent ones. As a result, value at risk responds rapidly to any changes in volatility on the markets. Value at risk is calculated on a daily basis for the entire trading book. The four groups of risk factors – commodities, currencies, interest rates and equities – are calculated and shown both separately and on a combined basis.

The bank uses different types of scenarios for stress-testing. A distinction is made between scenarios relevant to benchmarks and pure analysis scenarios. Scenarios relevant to benchmarks are historical and hypothetical scenarios that are used to estimate the loss that could result from extreme but plausible macroeconomic stress events. Each one is based on the expected development of market indicators for the corresponding scenario. In this way the bank can identify potential vulnerabilities and risk concentrations, analyse them better and then take action. The additional analysis scenarios used in market risk monitoring do not have a limiting function, in contrast to the scenarios relevant for benchmarks. These scenarios are used solely for risk analysis in that their focus is on individual risk factors (e. g. interest rates), which helps to illuminate the risk profile from different perspectives.

The bank additionally monitors the market liquidity risk of individual portfolios. In the equity derivatives sector, the potential trading volume resulting from the hedging strategy in the event of a change in the key risk factors is compared with the total market volume. Hypothetical offsetting expenses are calculated for bonds and bond-type products, based on observed bid-ask spreads and taking into account additional price premiums / discounts. The positions are examined regularly to ensure there is sufficient liquidity; if necessary, valuation reserves are recognised, causing a reduction in core capital in the context of capital adequacy.

The bank performs daily back-testing for the purpose of examining the forecast accuracy of the value at risk. Back-testing is based on a comparison of the value at risk for a holding period of one day with the back-testing result. If the number of breaches exceeds expectations, the reasons for the imprecise estimates of the risk aggregation model are investigated. For further information on the back-testing results, please see Table MR4 starting from page 116.

The market risk model is validated on a regular basis. Validation comprises both standardised quantitative analyses, such as back-testing, and in-depth investigations in selected focus areas. In addition, risks not modelled in the value at risk are periodically analysed in a separate process and monitored with regard to materiality.

Reporting

The CRO report is a quarterly report from the risk organisation, produced independently of the risk managers, informing the Executive Board and Board of Directors of events, the risk profile and market risk monitoring. Information is provided in tables, graphs and commentaries on trends in the individual sub-portfolios and risk factors as well as overall market risk in trading. In addition to management reporting, there are also special reports on selected issues of special relevance and / or topicality. These reports are also seen by FINMA and the external auditor. In addition, every year, the Executive Board and Board of Directors receive reports on the suitability and effectiveness of internal controls in market risk management. When special developments or events occur, the Executive Board and Board of Directors are informed on an ad hoc basis of changes in the risk profile in additional reports and analyses.

Apart from the management reporting, there are also various monitoring reports on the P & L and market risk measurement. These support risk monitoring in the Risk unit and in Trading. Unlike the management reporting, the monitoring reports focus on a limited presentation of specific risks or portfolios. Depending on their subject, these monitoring reports are produced at shorter intervals (in some cases several times a day), as the production of monitoring reports is often more automated than for the management reporting described above.

Risk measurement systems

Details of the systems used are given in Table OVA starting from page 33. For further information on the market risk model approach, please see Table MRB starting from page 114.

Market risks in the banking book

For further information on the market risks in the banking book, please see the IRRBB Tables on page 118.

14.2 MR1: Market risk: market risk under SA

	in CHF million	a RWA 31.12.2024	a RWA 30.6.2024
›	**Outright products**		
1	Interest rate risk (general and specific)	1,844	1,922
2	Equity risk (general and specific)	–	–
3	Foreign exchange risk	–	–
4	Commodity risk	–	–
›	**Options**		
5	Simplified approach	–	–
6	Delta-plus method	–	–
7	Scenario approach	–	–
8	Securitisation	3	1
9	**Total**	**1,847**	**1,923**

Towards the end of the year, interest rate risks decreased due to lower bond holdings. The total RWA for market risk under the standardised approach declined by CHF 76 million to CHF 1,847 million compared with the middle of the year.

14.3 MRB: Market risk: qualitative disclosures for banks using the Internal Model Approach (IMA)

Stressed VaR includes commodities, currencies, interest rates and equities as risk factor groups and is calculated for the entire trading book as well as for commodity and currency risk in the banking book. Capital adequacy for specific interest rate risks uses the standard approach, which covers residual interest rate risk and event (especially rating migration) and default risk. Therefore, there is no modelling of residual interest rate risk or calculation of an incremental risk charge (IRC) when calculating capital adequacy requirements under the model approach in VaR or stressed VaR. Thus, the capital adequacy requirement for market risk is the total of the capital adequacy requirement under the standard approach, which covers specific interest rate risk, plus that under the model approach, which covers general market risk. For internal risk management and monitoring the full model is used, which covers both, general market risk and residual interest rate risk.

VaR and stressed VaR are based on the same model across the group. Zürcher Kantonalbank uses a Monte Carlo method to determine VaR and stressed VaR. The distribution of risk factors is parameterised by estimating a covariance matrix. The loss distribution in VaR and stressed VaR is arrived at from the valuation of the portfolio using a large number of manufactured scenarios with full valuation. Both VaR and stressed VaR are calculated directly on a 10-day horizon using a 99 percent confident interval, so no scaling is necessary. The assumption when calculating VaR is that the portfolio remains unchanged during the holding period and does not age, i. e. the residual maturity does not fall.

For VaR, market data used to value the portfolio in the basic scenario is obtained daily. The market data history to re-estimate the covariance matrix is obtained at least weekly.

The covariance matrix is estimated based on a one-year market data history. More recent observations are weighted more heavily than older ones when forecasting volatility.

Absolute risk factor changes are modelled for interbank rate curves and credit spread curves; relative risk factor changes are modelled for equity prices, equity index levels, implied volatility, exchange rates, precious metals prices and commodity prices.

The estimation period for stressed VaR is from 6 March 2008 to 6 March 2009. This was calculated using a delta-normal VaR model and is reviewed regularly.

Stress-testing mainly uses economic stress scenarios across risk factor groups with probabilities that are very low but nevertheless relevant over the long term, plus stress scenarios as a sensitivity analysis. Historically observed stress events are a key element in defining and updating a broad set of stress scenarios, including hypothetical ones. The stress tests use the same positions and risk factors as the VaR.

Back-testing is a central element in controlling value at risk calculated in the model procedure and acts as a quantitative validation of the risk model. Back-testing involves comparing the back-testing VaR on a one-day time horizon against the daily back-testing P&L. The back-testing P&L is calculated as the realised P&L including position changes as a result of intraday transactions, but excluding securities lending fees, commissions and issue proceeds. Unlike the VaR used to calculate capital adequacy requirements, back-testing VaR does not model residual interest rate risk. Therefore, it is consistent with the VaR used for internal risk management and monitoring and its comparator variable, the P&L.

14.4 MR2: Market risk: RWA flow statements of market risk exposures under IMA

31.12.2024 in CHF million		**a** VaR	**b** Stressed VaR	**c** IRC	**d** CRM	**e** Other	**f** Total RWA
1	**RWA as at end of previous reporting period (30.6.2024)**	**551**	**1,378**	**–**	**–**	**–**	**1,929**
2	Movement in risk levels [1]	−59	−95	–	–	–	−154
3	Model updates / changes	−24	64	–	–	–	41
4	Methodology and policy changes	–	–	–	–	–	–
5	Acquisitions and disposals (of entities)	–	–	–	–	–	–
6	Foreign exchange movements [1]	–	–	–	–	–	–
7	Other	–	–	–	–	–	–
8	**RWA as at end of current reporting period**	**468**	**1,347**	**–**	**–**	**–**	**1,816**

1 The effect of foreign exchange movements is captured in movement in risk levels, since foreign exchange rate movements are part of the effects of market movements on risk levels.

The total RWA of exposures under the internal model approach (IMA) fell CHF 113 million to CHF 1,816 million during the reporting period. The decrease in RWA resulted from a decrease in RWA from the VaR and from the stressed VaR, which reflects the lower risk assumption in the trading book. With VaR, the lower risk assumption was accentuated by falling volatilities.

14.5 MR3: Market risk: IMA values for trading portfolios

in CHF million		a **31.12.2024**	a 30.6.2024
› VaR (10 day 99 %)			
1	Maximum value	**17**	19
2	Average value	**11**	13
3	Minimum value	**9**	8
4	**Period end**	**10**	**14**
› Stressed VaR (10 day 99 %)			
5	Maximum value	**41**	48
6	Average value	**31**	30
7	Minimum value	**23**	18
8	**Period end**	**28**	**36**
› Incremental risk charge (99.9 %)			
9	Maximum value	**–**	–
10	Average value	**–**	–
11	Minimum value	**–**	–
12	**Period end**	**–**	**–**
› Comprehensive risk capital charge (99.9 %)			
13	Maximum value	**–**	–
14	Average value	**–**	–
15	Minimum value	**–**	–
16	**Period end**	**–**	**–**
17	Floor (standardised measurement method)	**–**	–

As shown in Table MR2, the lower level of stressed VaR at the end of the year compared to 30 June 2024 reflects the lower risk positioning in bond and interest rate risks. The decline in VaR also reflects the lower volatilities following the general market recovery.

14.6 MR4: Market risk: comparison of VaR estimates with gains/losses

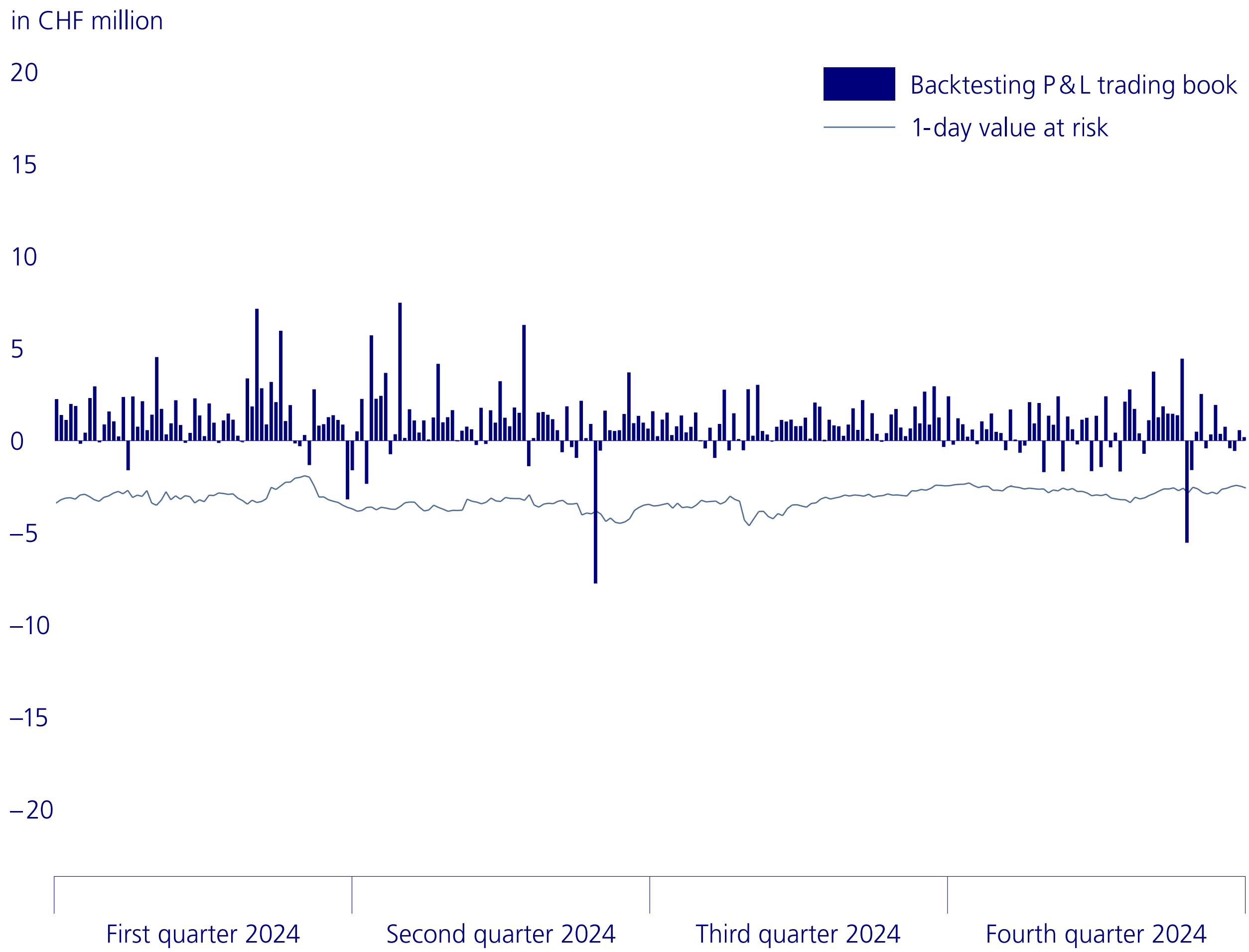
The quality of the value at risk approach used is assessed by comparing the value at risk for a holding period of one day with the daily back-testing result. The back-testing result is based on the result from trading activities, adjusted for commission income. Unlike a hypothetical P&L, the back-testing result includes intraday trading income. In the case of a one-day holding period and 99-percent quantile, the value at risk is expected to be exceeded two to three times each year.

Back-testing results for the year 2024

A breach of back-testing limits in the Zürcher Kantonalbank market risk model approach occurred, when a daily loss in trading is higher than the model predicts. The number of negative backtesting exceptions within a time window of around 250 business days was two at the end of the year. The total number of exceptions is therefore lower than the previous year’s figure of three, but within statistical expectations.

The breach in the back-testing VaR on 20 June 2024 by CHF 3.9 million resulted from the sharp fall in short-term Swiss franc interest rates following the decision taken by the SNB. The breach in the back-testing VaR on 12 December 2024 by CHF 2.7 million also resulted from the sharp fall in short-term Swiss franc interest rates following the double rate cut by the SNB (– 0.5 percentage points).

The situation in the last four quarters was as follows:



15 Interest rate risk

15.1 IRRBBA: Interest rate risk: interest rate risk in the banking book (IRRBB) risk management objective and policies

Description of how the bank defines IRRBB for the purposes of managing and measuring risk

Balance sheet interest rate risk is the risk that changes in market interest rates will impact negatively on the financial situation of the banking book. Interest rate risk management takes into account both net present value (change in the economic value of equity – ΔEVE) and prospective earnings (change in net interest income – ΔNII). In managing interest rate risk in the banking book (IRRBB), Zürcher Kantonalbank pursues a strategy focussed on medium-term optimisation of net interest income. The interest rate risk is managed based on the market interest method. For client deposits and loans with a variable interest rate, the interest rate risk is determined by taking into account the bank's presumed future condition-setting behaviour and client behaviour. Product modelling is subject to an annual review and is approved by the Risk Committee of the Executive Board.

Description of the overall strategy of the bank to manage and mitigate IRRBB

Interest rate risk in the banking book is managed in strategic terms by the Board of Directors and in tactical terms by the CFO and Treasury. Treasury has delegated operational management of interest rate and currency risk for periods of less than one year to Money Market Trading, which is also assigned to the banking book. The strategic interest rate risk position is set by the Board of Directors on a periodic basis in the form of an investment strategy for equity (equity benchmark). The CFO and Treasury manage the deviation of the interest rate risk position in the banking book from the equity benchmark within the risk limits set by the Board of Directors. From the net present value perspective (EVE), interest rate risks are managed by allocating risk capital in accordance with the capital at risk approach (risk horizon one year, confidence level 99.9 percent) and by using value at risk limits (holding period 20 trading days, confidence level 99 percent). In addition, stress scenarios are simulated in order to analyse and limit the impact of extraordinary changes in the interest rate environment. Potential stress losses are limited by the Board of Directors by means of benchmarks.

From the prospective earnings perspective (NII), stress tests provide an indication of the change in the structural contribution from the CFO, Treasury and Money Market Trading position in the event of extraordinary changes in market interest rates with unchanged positioning over a one-year period. Potential losses of earnings are limited by the Executive Board. Besides the structural contribution, margin effects are particularly significant for client deposits with variable interest rates. Special monitoring tools allow such margin effects to be analysed and monitored for different interest rate scenarios over a period of several years.

At the weekly balance sheet meeting, Treasury discusses expected moves in interest rates, assesses the tactical interest rate positioning and sets hedging programmes. For hedging decisions, representatives of the Risk unit are consulted; for interest rate forecasts, the analysts in the internal research team of Zürcher Kantonalbank are consulted.

Risk measurement and monitoring and independent reporting of interest rate risk is the responsibility of the Risk unit, which is organisationally independent of the people managing the risk.

The Treasury Committee is a specialist body of the Risk Committee of the Executive Board, which regularly reviews the quality and appropriateness of asset-liability management. Chaired by the Head of Treasury, the Treasury Committee comprises people managing risk, representatives of sales, product management and controlling and members of the risk organisation.

Model Validation in the Risk unit acts as an independent controller to ensure that models are appropriate and that material model uncertainties are taken into account. The modelling of variable products is subject to an annual review by Treasury as the model owner together with model validation, and approved by the Risk Committee of the Executive Board via the Treasury Committee.

Frequency of calculation of the bank's IRRBB metrics and description of the specific metrics the bank uses to estimate its sensitivity to IRRBB

Value at risk and capital at risk in the CFO and Treasury position are calculated weekly and monthly and compliance with limits is checked. Monthly reports cover compliance with the stress test requirements. Within Money Market Trading, limits and stress test rules are monitored daily. The measure of sensitivity used by Zürcher Kantonalbank is the net present gain or loss for a reduction of one basis point in the interest rate in each maturity band. These key rate sensitivities are calculated for all relevant levels of aggregation, such as the banking book, CFO and Treasury, etc.

Description of the interest rate shock and stress scenarios the bank uses to estimate changes in economic value and earnings

In the net present value perspective, historical and hypothetical scenarios are used to estimate the loss that could result from extreme but plausible macroeconomic stress events. Each scenario is based on the expected performance of market indicators for the scenario in question. In the return perspective, the scenarios are based on historic scenarios observed over a twelve-month period in the past. In addition, the six standardised interest rate shock scenarios in FINMA Circular 2019/2 "Interest rate risk – banks" are used in the net present value perspective and the two parallel standard shock scenarios in the earnings perspective.

Differences between the model assumptions used in the bank's internal interest rate risk measurement system and the model assumptions prescribed for disclosure in Table IRRBB1

No model assumptions used in the bank's internal interest rate risk management to calculate net present value figures (ΔEVE) differ significantly from the model assumptions prescribed for disclosure. In terms of positions included, the following differences occur: unlike for the EVE figure for disclosure, the internal interest rate risk system considers all subordinated bonds (Tier 1 bonds and Tier 2 bonds) and not only Tier 2 bonds alone as interest rate-sensitive funding instruments under bonds and central mortgage institution loans.

In the bank's internal risk management, the change in net interest income (ΔNII) is equal to the structural contribution excluding margins (internal interest rate perspective). Matured positions are replaced with identical durations, and their interest rate risk is fully hedged at the same time. The ΔNII in Table IRBBB1 shows the entire interest income including margins (external interest rate perspective), and matured positions are replaced with the same duration and margin as the original positions. For variable items, the margins in the stress scenarios are determined on the basis of expert estimates for setting conditions.

Overall description of how the bank hedges its IRRBB and the associated accounting treatment

Contractually agreed client transactions, financial investments and debt financing in the banking book qualify as underlying transactions. Appropriate derivative financial instruments (mainly interest rate swaps) are used to hedge interest rate risk as part of asset-liability management. For each hedging relationship, a review is undertaken to determine whether it meets the conditions for the application of hedge accounting (e. g. the hedging transactions must be concluded with an external counterparty). The gain on effective hedging derivatives is recognised in the balance sheet in the settlement account with no income effect. The net balance of the settlement account is included under Other assets or Other liabilities. In the case of ineffective hedging transactions, the excess portion of the derivative is treated as a trading transaction. Refinancing transactions in EUR are fully swapped into Swiss francs in a micro hedge using EUR/CHF cross currency swaps, so the foreign currency risk is fully eliminated.

Description of the main modelling and parameter assumptions used to calculate ΔEVE and ΔNII in table IRRBB1, with reference to the items and currencies shown in table IRRBBA1

1	Change in net present value of capital (ΔEVE)	**Calculation of cash flows: Recognition of interest rate margins and other components**	Cash flows include principal and interest payments. For all exposures, the main margin payments and credit spread components of the original client transactions are excluded from cash flows, as Zürcher Kantonalbank has implemented a profit-splitting system (internal interest rate perspective) in interest rate management.
2		**Mapping: Description of the cash flow mapping used**	Cash flows are allocated to maturity bands using the interest rate reset date. While the interest rate reset period for fixed interest rate instruments corresponds to the remaining term of the nominal payment flow, the interest rate is reset daily for money market mortgages on the basis of the agreed reference interest rate, which in Swiss francs is based on SARON (the Swiss Average Rate Overnight). Cash flows on variable products match those on the replicating synthetic fixed-rate products.
3		**Discount rates: Description of the (product-specific) discount rates or interpolation assumptions**	The CHF yield curve is based on SARON swaps plus a periodically fixed capital market spread, to reflect Zürcher Kantonalbank's funding conditions on the money and capital markets. The EUR yield curve corresponds to the EURIBOR swap curve and the USD curve to the SOFR swap curve.
4	Changes to planned income (ΔNII)	**Description of the procedure and central assumptions in the model for calculating future income**	As part of the steady-state asset-liability assumptions, transactions maturing in the next twelve months, with the exception of hedges, are renewed at the same term and volume. For customer transactions, the same margin payments and credit spread components are used as in the original transaction. When calculating the original margin, a floor is set for negative market interest rates. For variably modelled products, the maturing replication tranches are replaced in the basic and interest rate scenarios according to model rules. Their margins in the base scenario are based on current or already announced future adjustments to client conditions, while those in the stress scenarios are based on internal bank expert estimates for setting conditions. An internal interest rate forecast is chosen as the bank's basic scenario that corresponds to the constant current yield curves over time.
5	Variable exposures	**Description of the procedure and central assumptions and parameters for determining the interest rate reset date and cash flows of variable exposures**	Modelling of variable products is based on econometric analyses and expert estimates as regards the setting of conditions and volume trends under interest rate scenarios. As a result, these products, which are not contractually fixed in terms of interest or principal, are replicated by synthetic products with a set fixed term. A key component of this modelling approach is the definition of a "floor", which can be considered a non-interest-rate-sensitive partial volume in terms of capital commitment. Excess volumes above the floor are modelled using a short-term core/volatile approach.
6	Exposures with repayment options	**Description of the assumptions and procedures for recognising behaviour-related early repayment options**	Zürcher Kantonalbank currently has no exposures with behaviour-related early repayment options in the banking book.

7	Term deposits	**Description of the assumptions and procedures for recognising behaviour-related early withdrawals**	Zürcher Kantonalbank offers callable investment accounts and money market deposits with no term agreed for various notice periods. The products are treated like fixed deposits based on their first call date, with no behaviour-related modelling.
8	Automatic interest rate options	**Description of the assumptions and procedures for recognising automatic, behaviour-independent interest rate options**	Zürcher Kantonalbank currently has no automatic, behaviour-independent interest rate options in the banking book.
9	Derivative exposures	**Description of purpose, assumptions and procedure for linear and non-linear interest rate derivatives**	Zürcher Kantonalbank currently has no non-linear interest rate derivatives in the banking book. Payer/receiver interest rate swaps, cross currency swaps, forward rate agreements and FX swaps are currently used to hedge against interest rate risk in the banking book.
10	Other assumptions	**Description of other assumptions and procedures affecting the calculation of figures in Tables IRRBBA1 and IRRBB1, e.g. aggregation across currencies and correlation assumptions for interest rates**	In table IRRBBA1, volumes are shown aggregated across all currencies, for CHF and aggregated for EUR and USD as material currencies.

15.2 IRRBBA1: Interest rate risk: quantitative information on exposure structure and repricing

31.12.2024		**Volume (in CHF million)**			**Average interest rate reset period (in years)**		**Maximum interest rate reset period for exposures with modeled (not determined) interest rate reset dates (in years)**	
		Total	of which in CHF	of which in other significant currencies [1]	Total	of which in CHF	Total	of which in CHF
Defined interest rate reset date	Amounts due from banks	25,459	8,060	17,319	0.04	0.04		
	Amounts due from customers	14,841	11,859	2,941	0.72	0.84		
	Money market mortgage loans	22,906	22,906	–	0.01	0.01		
	Fixed-rate mortgage loans	83,475	83,297	178	3.75	3.76		
	Financial investments	4,658	4,527	131	4.77	4.77		
	Other receivables	–	–	–	–	–		
	Receivables from interest-rate derivatives [2]	56,080	30,831	20,541	1.03	1.31		
	Amounts due to banks	−37,822	−8,619	−26,997	0.13	0.15		
	Amounts due in respect of customer deposits	−27,818	−19,349	−8,036	0.47	0.20		
	Cash bonds	−263	−263	–	2.30	2.30		
	Bond issues and central mortgage institution loans	−20,672	−19,265	−1,408	4.54	4.72		
	Other payables	–	–	–	–	–		
	Payables to interest-rate derivatives [2]	−55,056	−54,393	−663	1.38	1.39		
Undefined interest rate reset date	Amounts due from banks	–	–	–	–	–		
	Amounts due from customers	384	310	73	0.08	0.08		
	Mortgage loans with floating rates	218	218	–	0.08	0.08		
	Other receivables on demand	–	–	–	–	–		
	Payables on demand from personal accounts and current accounts	−45,282	−43,090	−2,192	1.85	1.90		
	Other payables on demand	–	–	–	–	–		
	Payables arising from client deposits, terminable but not transferable (savings)	−32,254	−32,254	–	1.92	1.92		
	Total	**−11,146**	**−15,225**	**1,888**	**1.76**	**2.10**	**8.00**	**8.00**

1 Currencies comprising more than 10 % of balance sheet assets or liabilities (as at 31.12.2024: EUR and USD).
2 In the case of receivables from and payables to interest rate derivatives, derivatives volumes are shown under both receivables and payables for technical reasons.

31.12.2023		Volume (in CHF million)			Average interest rate reset period (in years)		Maximum interest rate reset period for exposures with modeled (not determined) interest rate reset dates (in years)	
		Total	of which in CHF	of which in other significant currencies [1]	Total	of which in CHF	Total	of which in CHF
Defined interest rate reset date	Amounts due from banks	25,031	10,245	14,762	0.05	0.04		
	Amounts due from customers	15,847	12,677	3,030	0.69	0.79		
	Money market mortgage loans	23,257	23,257	–	0.01	0.01		
	Fixed-rate mortgage loans	77,299	77,224	74	3.94	3.94		
	Financial investments	4,713	4,225	488	4.12	4.53		
	Other receivables	10	–	10	0.01	–		
	Receivables from interest-rate derivatives [2]	54,799	35,196	17,662	1.30	1.46		
	Amounts due to banks	–36,793	–8,470	–26,554	0.08	0.09		
	Amounts due in respect of customer deposits	–29,348	–20,256	–8,614	0.54	0.29		
	Cash bonds	–290	–290	–	2.46	2.46		
	Bond issues and central mortgage institution loans	–21,207	–19,813	–1,395	4.48	4.58		
	Other payables	–	–	–	–	–		
	Payables to interest-rate derivatives [2]	–54,521	–53,343	–1,176	1.30	1.32		
Undefined interest rate reset date	Amounts due from banks	–	–	–	–	–		
	Amounts due from customers	448	404	44	0.08	0.08		
	Mortgage loans with floating rates	248	248	–	0.08	0.08		
	Other receivables on demand	–	–	–	–	–		
	Payables on demand from personal accounts and current accounts	–39,669	–37,619	–2,050	1.90	1.95		
	Other payables on demand	–	–	–	–	–		
	Payables arising from client deposits, terminable but not transferable (savings)	–30,854	–30,854	–	1.92	1.92		
	Total	**–11,031**	**–7,170**	**–3,719**	**1.78**	**2.08**	**8.00**	**8.00**

1 Currencies comprising more than 10 % of balance sheet assets or liabilities (as at 31.12.2023: EUR and USD).
2 In the case of receivables from and payables to interest rate derivatives, derivatives volumes are shown under both receivables and payables for technical reasons.

15.3 IRRBB1: Interest rate risk: quantitative information on IRRBB

	ΔEVE (change in the economic value of equity)		ΔNII (change in net interest income)	
in CHF million	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
Parallel up	**–1,179**	–1,239	**182**	26
Parallel down	**1,337**	1,399	**–334**	–345
Steepener [1]	**–503**	–504		
Flattener [2]	**277**	266		
Short rate up	**–186**	–219		
Short rate down	**190**	224		
Maximum	**–1,179**	**–1,239**	**–334**	**–345**
in CHF million	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
Tier 1 capital	**15,689**	**14,942**	**15,689**	**14,942**

1 Decrease of short term interest rates in combination with increase of long term interest rates.
2 Increase of short term interest rates in combination with decrease of long term interest rates.

The losses of economic value of equity at the end of 2024 were at a lightly lower level compared to the previous reporting period. The strong growth in interest rate exposure from the mortgage business in the second half of 2024 was increasingly hedged. In the current interest rate environment, income simulations show a higher net interest income value if interest rates rise and a sharp fall if interest rates fall. This is due to the trend in the liability margin, which falls disproportionately when interest rates decline.

Measurement, management, monitoring and controlling of interest rate risk in the banking book is not carried out at group level but at the level of the parent company, including the subsidiary Zürcher Kantonalbank Finance (Guernsey) Ltd. The interest rate risk taken by the other group companies is relatively immaterial. Treasury performs a corresponding materiality check of group companies semi-annually. In accordance with margin no. 3 of FINMA Circular 2019/2 "Interest rate risk – banks", Zürcher Kantonalbank has received approval from the auditor. Group rules are also in place on permitted business activity, risk-taking and limits on interest rate positions.

In accordance with FINMA Circular 2019/2 "Interest rate risk – banks", the above scenarios are used in addition to internal scenarios to estimate changes in economic value and income. They form part of the internal interest rate risk measurement system. There were no material changes compared with 31 December 2023.

16 Operational risks

16.1 ORA: Qualitative disclosure requirements related to operational risks

Strategy

The objective of Zürcher Kantonalbank's management of operational risk is the risk-oriented protection of people, information, services and assets, and the maintenance and restoration of critical business functions in an operational emergency. The management of operational risk is therefore an essential part, ensuring that the canton, clients, partners, public and regulator have confidence in the bank. The assessment of operational risks takes account of both direct financial losses and the consequences of a loss of client confidence and reputation.

Organisation and processes

The corresponding risk inventory constitutes the basis for the management of operational risks. Besides periodic and systematic assessments, operational risks are assessed, managed and monitored on an event-driven basis as well. Operational risks are divided into six topics: cyber risks, other external tort risks, internal tort risks, expert and model risks, process risks, and environmental and accident risks.

The risk organisation reviews the management of operational risks in an annual structured process. The principles governing the management of operational risks require, among other things, that operational risks are measured and managed based on uniform, binding objectives, and that they are accepted and controlled sustainably in a reasonable relationship to the bank's risk capacity. The Risk unit specifies the processes and methods, and provides tools for monitoring the internal control system.

The measurement of operational risks is based on an estimate of potential claims and the probability of occurrence. To calculate the operational residual risks, inherent risks are set against existing risk-mitigating measures. If the residual risks exceed the risk tolerance, additional risk-mitigating measures are defined and implemented. The adequacy and effectiveness of the risk-mitigating measures are monitored as part of the bank-wide internal control system (ICS).An appropriate and effective ICS plays an important part in ensuring that losses from operational risks remain low.

In terms of security, the specialist unit in the IT, Operations & Real Estate business unit has group-wide responsibility for setting rules. As the unit for preventive risk management, the specialist unit sets the security rules for individuals, systems and procedures. The greater the risk or risk classification, the more extensive the security rules that have to be implemented. The specialist unit for security supports line managers where required, providing advice on implementing technical security requirements. It also provides training and raises staff awareness of rules of conduct relating to security (security awareness).

Risk profile

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

As society and the economy continue to become digitally connected and outsourcing arrangements increase in number and complexity, external and internal process and cyber risks remain high. Cyber and process risks remain the two OpRisk topics with the greatest residual risk for the bank. The management of these risks therefore continues to receive a high degree of attention.

The bank is addressing the challenging environment and dynamics related to cyber risks by taking various risk mitigation measures. The need to implement additional measures is evaluated on an ongoing basis. Their implementation is based on structured planning. This ensures that the bank's security posture takes into account the requirements of increasing interconnectedness and that the relevant dimensions (identification, protection, detection, response and recovery) are managed. Employees are continuously trained to make them aware of cyber risks and thus to establish and promote a cyber risk culture in the bank.

Risk management of process risks is primarily performed by the process owners. In addition, preventative risk management and the Risk unit prepare risk assessments of the process chains in an end-to-end process context. When doing so, special attention is paid to the interfaces in the process flows and operational resilience is taken into account. Where possible and reasonable, execution errors are avoided by using control activities focused on anomaly detection. The plans for resuming normal operations of critical business processes in the event of an operational crisis (business continuity plans) are regularly reviewed and tested during emergency exercises. The critical business processes according to the business impact analysis as well as the business continuity plans are part of Zürcher Kantonalbank's business continuity management (BCM) as implemented in accordance with regulatory requirements. The implementation work to ensure operational resilience is carried out in accordance with regulatory requirements.

Approach regarding capital adequacy requirements for operational risk

Zürcher Kantonalbank uses the basic indicator approach to determine the capital requirement for operational risks.

17 Corporate Governance

For disclosures on corporate governance, please see the corporate governance section in our Annual Report 2024 or the corporate governance information our internet page.

18 Climate-related financial risks

18.1 Basic principles

In risk management, integrated treatment of climate-related financial risks ("climate risks" for short) helps protect clients' assets and those of the bank over the long term. The public service mandate set down in the purpose clause of the Cantonal Bank Act of the Canton of Zurich requires Zürcher Kantonalbank to pursue a sustainable business policy. Conscious management of climate risks is an integral part of sustainability.

As part of the annual reporting, this section of the disclosure explains how Zürcher Kantonalbank deals with climate-related financial risks. The disclosure is made in accordance with the requirements of FINMA Circular 2016/1 "Disclosure–Banks" and follows the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD). The transition to a more climate-friendly economy presents both opportunities and risks for Zürcher Kantonalbank. This disclosure focuses on the risks and is addressed to all interested parties. These include, in particular, the residents of the Canton of Zurich, the clients of Zürcher Kantonalbank, the authorities and supervisory bodies, rating agencies and investors. The disclosure covers all significant activities of the group.

The TCFD distinguishes between two categories of climate-related financial risks: physical risks from climate change and transition risks on the way to a low-carbon economy.

Physical risks from climate change may take the form of extreme weather events (e. g. floods) or chronic climate change (e. g. rising temperatures). Financial impacts on companies result either directly from damage to assets (such as buildings) or indirectly, e. g. from disruption to supply chains. Physical risks in the form of landslides or reduced snowfall in mountain and skiing areas may affect banks' mortgage portfolios and credit risks. Interruptions to the operations of key service providers in exposed regions may cause cross-sector disruption (operational risks). Physical risks increase as the earth warms up and so are highly dependent on the extent to which effective climate action is taken.

The second type of climate risk is transition risks. These are risks resulting from the transition to a low-carbon economy. Transition risks are further divided into:

- political/legal and regulatory risks from changes in the legal or regulatory framework that have a negative impact on the bank's own business activities or entail high implementation costs,
- technological risks, such as risks from innovations that make previously used climate-related technologies superfluous, resulting in a loss of value for the corresponding investments,
- market risks (or business/strategic risks) from changed client preferences,
- reputational risks from changing stakeholder demands on the company.

There is a link between physical and transition risks: Under favourable scenarios (e. g. net zero 2050) the transition to a low-carbon economy is steady and prompt ("orderly"), so both physical and transition risks are relatively modest. But if climate strategies are implemented in a way that is delayed, abrupt and uncoordinated ("disorderly"), transition risks will be higher, even though climate targets are met and physical risks remain limited. If global efforts prove insufficient to prevent significant climate warming, high physical risks can be expected, along with low transition risks ("hot house world"). The terms in brackets are those used in the scenario framework of the Network for Greening the Financial System (NGFS).

18.2 Key features of the governance structure

Zürcher Kantonalbank strongly believes that sustainability is a key factor for success. For Zürcher Kantonalbank, sustainability means making successful economic activity permanently compatible with responsibility for the environment and society. Zürcher Kantonalbank is guided by the United Nations' 17 Sustainable Development Goals (SDGs) and greenhouse gas neutrality by 2050. The bank emphasised this commitment by joining the Net-Zero Banking Alliance in December 2022. Climate and climate risks are part of the environmental aspect of sustainability.

Sustainable business also means systematically integrating risks and opportunities in environmental, social and governance (ESG) fields into the business activities (ESG integration). The disclosure requirements are limited to climate-related financial risks.

18.2.1 Legal mandate, strategy and sustainability policy

Zürcher Kantonalbank's broad commitment to the various areas of sustainability, including climate protection, is based on a statutory mandate. In accordance with the purpose paragraph (§ 2) of the Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act), the obligation to support sustainable development (§ 2, section 1) and to promote the achievement of greenhouse gas neutrality (§ 2, section 2) applies. Furthermore, it was added that Zücher Kantonalbank should actively contribute to achieving the cantonal climate targets, in particular regarding energy-efficient building renovation (§ 7, section 4).

The guidelines issued by the Board of Directors on fulfilling the public service mandate of Zürcher Kantonalbank state: "In fulfilling its public service mandate, Zürcher Kantonalbank, as a universal bank, shall observe the principles of sustainability and the recognised rules of risk management." As the core task of Zürcher Kantonalbank's business activities, the public service mandate is reflected in the mission statement, the group strategy and the strategies of the individual business units. These guidelines define governance, in particular the broad anchoring of sustainability in all business units – vertically and horizontally. The Chairperson's Committee is assisted in performing its service mandate by a specialist unit and a specialist committee, the Service Mandate Steering Committee (SALA), whose tasks are described below.

According to the group strategy, Zürcher Kantonalbank aims to "actively shape sustainability topics, lead the way in sustainable offerings and accompany clients on the path to a more sustainable future." Assessing the sustainability and hence also the climate-friendliness of business activities is a major part of the strategic focus of the group and its business areas (e. g. Asset Management).

The sustainability policy implements the sustainability ambitions stipulated in its strategy and sets out the guidelines for all its business activities at group level, in the investment and pension business, in the financing business, in the deposit business, in payment transactions, in its own financial investments, in its operations, its procurement and its commitments. Specifically, requirements and exclusions are defined based on environmental, social and governance (ESG) aspects. The sustainability policy can be viewed in full at zkb.ch/sustainability.

Zürcher Kantonalbank aims to minimise climate risks across its entire business operations and to establish transparency in this regard. It is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate goals are based on the goals of the Paris Agreement and on achieving greenhouse gas neutrality by 2050. Zürcher Kantonalbank sets itself quantitative climate targets in line with the Net-Zero Banking Alliance (NZBA) for the bank as a whole and the Net Zero Asset Managers Initiative (NZAM) for Asset Management, and reports on them transparently.

18.2.2 Board of Directors, Risk Committee and Audit Committee

The Board of Directors, in its capacity as the bank's governing body, defines the group mission statement, the group strategy as well as the sustainability ambition in the group strategy. The Board of Directors and the Executive Board are informed quarterly about the risk and financial situation and on matters relating to the public service mandate and sustainability. The Board of Directors defines the strategic metrics for the public service mandate with the three submandates of service, support and sustainability, including the further development of these sub-mandates.

The Risk Committee of the Board of Directors assists the Board of Directors in monitoring the bank's risk management and compliance with regulatory requirements regarding the management of risk. In particular, it carries out an annual structured assessment of the appropriateness of risk management (risk organisation, guidelines, processes) and initiates any necessary adjustments. The assessment covers all types of risk. In the third quarter of 2024, the Risk Committee of the Board of Directors also acknowledged the climate-related financial risks for the individual business areas, based on the analysis of the Risk Committee of the Executive Board.

The Audit Committee supports the Board of Directors for the group and the parent company in monitoring the internal and external audit and the internal control system and in reviewing the annual financial statements, and it prepares its decisions in this regard. It also assists the Board of Directors in reviewing the report on non-financial matters (sustainability report) and the climate report.

18.2.3 Executive Board

The Executive Board (EB) ensures the fulfilment of the public service mandate within the scope of its responsibilities and powers, if necessary together with the Chairperson's Committee and the Board of Directors. The EB is responsible for defining the various business policies. The sustainability policy specifies the sustainability ambition set out in the group strategy and formulates guidelines on how sustainability is to be put into practice as an integrating business principle in all business activities in dealings with all stakeholders. The sustainability policy also explicitly addresses the topic of climate and defines exclusions for business activities, in particular for the lending business (lending policy), which are specified in internal guidelines. The internal guidelines for investment and asset management are also anchored in the sustainability policy. The Executive Board is likewise responsible for the control and monitoring of the environmental management system. The CEO of Zürcher Kantonalbank has a special monitoring and control function as the environmental officer of the Executive Board.

The Public Service Mandate specialist unit is responsible for planning, implementing, developing, monitoring and communicating the public service mandate, which comprises the service obligation, sustainability mandate and support mandate. As a permanent member of the Public Service Mandate Steering Committee (SALA), the Head of the Public Service Mandate specialist unit is responsible for planning, controlling and coordinating the SALA meetings in close consultation with the Chairperson of the SALA.

18.2.4 Boards and committees at the level of the Executive Board

Service Mandate Steering Committee (SALA): The Chairperson's Committee is assisted in performing its duties by a specialist committee consisting of representatives of all business units. This specialist committee advises and supports the Chairperson's Committee, the Board of Directors and the Executive Board in all matters relating to the public service mandate. The CEO is the Chairperson of the Service Mandate Steering Committee the CEO's deputy is the CFO. The Chairperson is in close contact with the management of the Public Service Mandate unit. The Public Service Mandate unit plans and coordinates the meetings in consultation with the Chairperson of the Service Mandate Steering Committee. The other representatives on the Service Mandate Steering Committee are managers from all the business units.

The Risk Committee of the Executive Board helps the Executive Board set up the bank's risk management processes, in particular to define the procedures for identifying, assessing, controlling, managing and monitoring credit, market, liquidity and operational risks as well as reputational and compliance risks. The Committee makes decisions within the scope of the responsibilities delegated by the Executive Board and carries out the comprehensive annual assessment of climate risks that is prepared by the risk organisation. The 2024 assessment is explained section 18.3.

The Conflicts Committee helps the Executive Board handle transactions that entail particular business policy risks, conflicts of interest or particular effects on Zürcher Kantonalbank's reputation.

18.2.5 Significance of group companies for climate-related financial risks

Both the balance sheet and the income statement of the Zürcher Kantonalbank group are dominated by the parent company. The business areas of the fully consolidated subsidiaries are either those that are also operated to a significantly greater extent by the parent company (e. g. private banking) or are complementary activities such as fund management by Swisscanto or the issue of structured products by Zürcher Kantonalbank Finance (Guernsey) Ltd. Consequently, the companies outside the parent company have very little influence on the risk assessment of climate-related financial risks at group level. As a result, disclosure in this regard focuses strongly on the activities of the parent company and is supplemented by elements from the subsidiaries if these are significant.

- Swisscanto: The Swisscanto Group mainly includes the two fund management companies in Zurich and Luxembourg. Swisscanto is one of the leading Swiss providers of sustainable investment solutions. The assessment of the various aspects of climate risks contained in this climate report also covers the activities of the Swisscanto companies.
- Zürcher Kantonalbank Österreich AG: Zürcher Kantonalbank Österreich AG focuses

on investment and asset management in Austria. The sale of Zürcher Kantonalbank Österreich AG to Liechtensteinische Landesbank AG was completed on 9 January 2025. Zürcher Kantonalbank Österreich AG has no material influence on the assessment of the group's climate-related finance risks.
- Zürcher Kantonalbank Finance (Guernsey) Ltd. and ZKB Securities (UK) Ltd.: The business activities of Zürcher Kantonalbank Finance (Guernsey) Ltd. are limited to the issue of structured investment products. The business activities of ZKB Securities (UK) Ltd. comprises equity brokerage and research services for professional clients. It gives the Swiss capital market clients direct access to an international investor base. The local operations in Guernsey and London do not give rise to any climate-related financial risks that significantly increase or reduce the group's risk profile. The business activities of the two companies were taken into account in the assessment of the parent company's trading business.

18.3 Description of short, medium and long-term climate-related financial risks

18.3.1 Principles of risk description

Assessing climate-related financial risks ("climate risks" in short) is challenging for a number of reasons. Firstly, the procedures for identifying and measuring climate risks are not as established as, for example, the procedures for managing credit or market risks. Secondly, a very long-term view is necessary: Climate change as a risk factor moves relatively slowly in one direction or the other. After all, over a long period, not only will the climate change but Zürcher Kantonalbank will too. For these reasons, assessing climate risks is fraught with uncertainty, and a qualitative assessment of risks is essential to gain a meaningful picture of the risk profile.

Uncertainty in assessing climate-related financial risks increases with the observation horizon. No risks have been identified that behave in the opposite way, i. e. that are smaller in the long term than in the medium term. The long-term nature of climate change also means that no particular material physical risks can be expected in the short run for banking operations or the financing business, so the assessment here runs from the medium term onwards. The assessments of transition risks are summarised for the medium and long term.

18.3.2 Summary

Climate protection is a central theme in Zürcher Kantonalbank's sustainability mission. Climate-related financial risks influence the risk profile of Zürcher Kantonalbank, but are not among the top risks.

The key drivers of transition risks for the bank are climate legislation, changing client preferences and public perception and climate change itself. Areas that are potentially heavily affected by this include:

- the investment and asset management business with its offering of products with CO_2e reduction targets.
- the financing business, where future changes in legislation may impact the valuation of collateral (properties in the mortgage portfolio) and financing of companies in climate-exposed sectors

Physical climate risks are significantly less important for the risk profile of Zürcher Kantonalbank than transition risks. Areas that are potentially affected by physical climate risks include:

- the mortgage portfolio: the value of individual properties in the mortgage portfolio could be reduced, for example, as a result of flooding or landslides.
- banking operations: the accumulation of extreme weather events could impact bank operations in a very adverse flooding scenario.
- the investment business: Loss of wealth due to higher damage could have a negative impact on the investment assets and hence on the income base in the business area.

The following chart summarises the 2024 risk assessment of climate-related financial risks, as carried out by the Risk Committee of the Executive Board following in-depth discussions. The assessment is based on the traditional risk categories, whereby compliance risks from the investment and asset management business ("investment business") are subsumed under business risks. The assessment is guided by a baseline scenario in which the Paris climate targets are largely complied with and the transition to a low-carbon economy occurs in an orderly fashion. In a stress scenario in which the limit on temperature rise is clearly missed (hot-house-world scenario) and/or very drastic measures for the transition to a low-carbon economy are imposed (disorderly scenario), the risk profile becomes more pronounced, but remains moderate overall.

Overview of risk assessment 2024

Category	Physical risks	Transition risks	
	Medium to long term	Short term	Medium to long term
Operational risks: Banking operations	■▫▫▫▫	■▫▫▫▫	■▫▫▫▫
Credit risks: Financing business	■□▫▫▫	■▫▫▫▫	■■▫▫▫
Market risks: Trading and treasury	■▫▫▫▫	■▫▫▫▫	■▫▫▫▫
Business risks: Investment and asset management business	■□▫▫▫	■▫▫▫▫	■■□▫▫

■ Risk profile in baseline scenario. □ Accentuation in a stress scenario.

▫▫▫▫▫ = no risk ■■■■■ = high risk

Short term = time horizon up to 5 years, med. term to long term = 6 to 30 years

The risk assessment is generally low for all business areas. Strategic adjustment options need to be considered, particularly in the long term. Only the transition risks in the financing and investment business are rated slightly higher in the medium to long term. The focus here is on reputation risks from lending (possible allegations against the bank due to financing provided to companies from climate-sensitive industries) or from greenwashing allegations, which could in particular impact income from the investment business.

The risk description and categorisation summarised above and detailed in the following sections are based on the following methodological principles: The first step was an analytical segmentation of the relevant business areas along the established risk categories. For example, the mortgage business, commercial financing and CTF (commodity trade finance) were assessed separately under the "credit risk" risk category. The risk factors and transfer mechanisms described by TCFD, among others, were then examined along these business areas to assess whether and to what extent the business area could be affected by them. The assessment of risk or materiality for the risk profile of Zürcher Kantonalbank is based on the economic significance of the respective business area for the bank on the one hand, and on a qualitative estimate of possible losses or loss of earnings on the other.

The risk assessment is based on scenario considerations, is guided by the NGFS (Network for Greening the Financial System) scenario framework and differentiates between a baseline scenario in which the Paris climate targets are largely achieved and alternative adverse scenarios. Transition risks are typically assessed based on a disorderly transformation to a low-carbon economy, physical risks based on a hot-house-world scenario (refer to section 18.1). The impacts for Switzerland analysed by the Federal Office for the Environment in an extreme scenario (without climate protection measures, RCP8.5) serve as a benchmark (FOEN, Climate change in Switzerland, 2020). The risk analysis has shown that the greatest damage potential attributable to physical risks could arise as a result of a flood event in the residential sub-portfolio. The bank has already carried out simulation calculations to estimate the potential extent of such damage; these revealed that even a very large event would not lead to a significant loss ratio.

The following sections explain in detail the identified risks and the qualitative assessment along the risk categories and business areas summarised above.

18.3.3 Operational risk: Banking operations

We consider the climate-related financial risks from banking operations to be low in the short to long term, both in terms of physical risks and transition risks.

With respect to physical risks, extreme weather events could impact bank operations in a very adverse scenario. The probability of the bank's operations being adversely impacted by environmental factors, which would primarily include flooding, is considered to be very low. Most of the bank premises are located in the Canton of Zurich, while the buildings critical to operations are located in the city of Zurich. For systems that are critical to operations, there are fallback solutions that are regularly tested as part of business continuity management. Environmental and accident risks are an integral part of operational risk management.

Transition risks from banking operations are considered to be low. Compared to other sectors, the operational business of a bank (operation of buildings and other infrastructure) causes direct CO_2e emissions that are clearly lower than average. As a bank with primarily local operations, travelling also plays a subordinate role at Zürcher Kantonalbank. Zürcher Kantonalbank is continuously reducing its CO_2e emissions from banking operations as part of its environmental programme. Target achievement is reviewed annually. The remaining CO_2 emissions have been completely neutralised with qualitative negative emission technologies since 2024.

18.3.4 Credit risks: Financing business

We consider the climate-related financial risks to be low in terms of physical risks, while the transition risks are also low in the short term but slightly higher in the medium and long term.

Physical risks can arise, for example, from the negative impact of climate change on the value of collateral for collateralised loans. Our mortgage business is central. The properties could be damaged by extreme weather events and lose value as a result. The mortgage business is extremely important to Zürcher Kantonalbank. It is strongly focussed on the Greater Zurich area, while the mortgage portfolio is very highly diversified within the economic area. The financed properties are located in Switzerland. Here too, the most serious natural disasters are flooding, although the impact of flooding is generally limited to small areas due to geographical conditions. Additionally, in the event of damage caused by natural hazards, a mortgage loan is only at risk of default if the damage is not adequately covered by the building insurance and the uncovered damage exceeds the unencumbered portion of the value of the property. In the short term, the risk of material credit losses due to climate risks is therefore very low. It can be assumed that extreme weather events will become more frequent due to ongoing global warming. At the same time, however, it can be assumed that preventive measures to protect against damage caused by natural hazards will also improve. In the long term, physical risks in the mortgage business will therefore remain at a low level.

In the remaining lending business, physical risks are relevant for unsecured commercial financing to the extent that the borrowing companies themselves may be affected by physical climate risks. The portfolio is focussed on Switzerland and well diversified. The financed companies may have production facilities in regions that are more exposed to physical risks. The increase in extreme weather events could lead to greater price fluctuations for production resources or temporarily have a negative impact on supply chains. In addition, climatic conditions will become even more important when choosing a location for production capacities. The significance of physical risks varies greatly depending on the sector and industry. In view of the credit portfolio's broad diversification in terms of sectors and the adaptability of the financed companies, physical risks do exist, but are low overall.

Transition risks stemming from the process of adapting to the shift to a low-carbon economy play a greater role for the financing business of Zürcher Kantonalbank than physical risks. Lending by the bank, borrowers' creditworthiness and the value of collateral can all be affected by transition risks: Firstly, as a result of changes in legislation (amended regulations for heating and cooling systems, higher taxes, etc.); secondly, as a result of technological innovations in the area of climate technology that limit the value of existing products or production processes; thirdly, as a result of client preferences shifting toward sustainable products and services; and fourthly, as a result of changes in the demands of the various stakeholders regarding how Zürcher Kantonalbank deals with the climate-related topics (reputational risks).

In the area of mortgage loans, amendments to the law can have a negative impact on property values. By virtue of the political processes in Switzerland and the fact that everyone is directly or indirectly affected by the changes, sudden legislative amendments without extended transition periods and with strong, negative impacts on the value of residential property are rather unlikely. Fossil fuel heating systems are among the major sources of CO_2, making it obvious that legal regulations governing these systems will change and become more stringent. In addition to risks, the bank also has opportunities here in that it can provide advice on switching to more climate-friendly heating and cooling systems and finance the corresponding investments. In the area of investment properties, it is likely that investor preferences will shift towards "green" properties in the medium to long term and that pressure on the prices of properties with a poor carbon footprint will increase in the medium to long term.

In the area of corporate financing, the impact of climate-related transition risks on borrowers' creditworthiness will increase. Not only the risks arising as a result of changes in the legal framework (taxes, bans, etc.), but also risks related to technological breakthroughs must be taken into account. Innovations in the field of climate technology offer great opportunities, but they can also endanger existing business models. In the long term, some companies and sectors will have to adapt their products and services. Reputational risks are another aspect of transition risks in corporate financing. Different stakeholders have different expectations as to how climate issues should be factored into the bank's lending policy are diverse and sometimes even contradictory. Stakeholders' expectations of climate-compliant lending have changed and will also continue to change in the future. As a result, the reputational risk that arises for the bank if it fails to adequately adjust its sustainability and lending policies increases over time. The fact that contractual obligations in the lending business can extend over several years harbours the risk of long-term contracts that no longer meet current requirements. Lending in carbon-intensive sectors where transition is not possible or difficult is particularly important in terms of transition risks. For this reason, Zürcher Kantonalbank's sustainability policy excludes, for example, financing of coal mining projects, oil and gas extraction, fossil fuel-fired power plants or commodity trade financing with thermal coal or with crude and heavy oil.

18.3.5 Market risks: Trading business and financial investments

We consider the climate-related financial risks from the trading business to be low in the short to long term, both in terms of physical risks and transition risks.

In case of physical risks, there is only a very low probability of financially significant losses from extreme weather events on the trading positions. The ongoing management of the trading portfolio leads to a low risk of stranded assets in both the short and long term.

In terms of transition risks, it cannot be ruled out that legislation, client preferences or public pressure could restrict the universe of tradeable financial instruments in the medium to long term. The majority of trading transactions have short terms and hedging options are generally available. This makes it possible to adjust the exposure and therefore the risk profile quite quickly. The trading business of Zürcher Kantonalbank focuses on client trading and the trading book is highly diversified at issuer level, which also has a risk-reducing effect. Zürcher Kantonalbank does not trade in emission certificates. Due to the dynamic nature of the trading business, there is a fairly high level of uncertainty involved when assessing risks in the long-term perspective.

The financial investments in the liquidity portfolio, a portfolio of high-quality bonds, are intended to be held until maturity. The factor of primary relevance with respect to climate-related financial risks is the selection of issuers. There are diversification requirements for the portfolio. Securities of issuers from sectors with a particularly high carbon risk exposure are excluded from the investment universe, which reduces the risk of transition risks. Stricter legal or regulatory criteria could further restrict the investment universe in the medium to long term. The probability of defaults due to physical risks is classified as low.

18.3.6 Business risks: Investment and asset management

We consider the climate-related financial risks to be low in terms of physical risks, while the transition risks are also low in the short term but slightly higher in the medium and long term.

Investment and asset management form part of Zürcher Kantonalbank' core business and is enormously important for the success of the commission business and services. On the one hand, this relates to investment advice and wealth management services and, on the other, to the bank as a producer of investment products (e. g. Swisscanto investment funds). The bank's fiduciary responsibility in investment and asset management gives rise to fiduciary risks. A fiduciary risk may arise if Zürcher Kantonalbank does not act in the client's best interests when providing advice or managing client assets. Fiduciary risks are made up of business and strategic risks, operational risks and compliance risks, all of which are also influenced by climate risks and other factors. The systematic investment process with integrated risk management in the

Investment Solutions organisational unit ensures that investment decisions are made within the risk ranges defined during investor profiling. The client is informed in advance of the investment risks corresponding to the risk ranges. In Asset Management, our sustainability strategy is an integral part of the active investment process and risk management. The systematic integration of climate-related aspects makes it possible to recognise risks at an early stage. An understanding of ESG data and a robust information platform integrated into the portfolio management system are key elements of the implementation.

Physical climate risks: Defaults or sharp decreases in the value of individual issuers' securities as a result of extreme weather events cannot be ruled out. However, diversification in the investment portfolios and ongoing adjustments to asset allocation reduce the risk of major losses from individual events. We therefore consider the physical risks to be very low overall in the short term and low in the long term.

Transition risks: In the context of investment advisory and wealth management, changes in ESG preferences or ESG investment solutions that do not meet requirements can lead to a loss of income. There is also a risk of greenwashing, meaning that clients are consciously or unconsciously misled about the sustainable characteristics of financial products or services. According to the guidelines[1] of the Swiss Bankers Association, three levels are relevant with regard to greenwashing: financial service provider, financial service and financial instrument. Zürcher Kantonalbank reduces these risks as follows: a) at financial service provider level through careful, comprehensive training of the employees concerned in accordance with their specific function and a structured, digitally supported advisory process, b) at financial service level through the systematic consideration of ESG preferences in the advisory and investment process as well as transparent information, c) at financial instrument level, through both a consistent sustainability-based approach in the area of CIO investment solutions as well as through the sustainable product lines "Responsible" and "Sustainable" of Swisscanto investment funds and pension products, the criteria of which are transparently disclosed to investors (for details to c) refer to section 18.4.4).

18.3.7 Implications for Zürcher Kantonalbank strategy

Climate change and the contribution that Zürcher Kantonalbank can make to achieving internationally agreed climate goals are influencing strategy development. The risk of financial losses due to climate-related changes is one of many sub-issues. Our focus on climate targets centres around business policy decisions, such as the range of sustainable products and services, investment decisions and the choice of business areas. Assessing the sustainability, and hence also the climate-friendliness, of business activities is a major part of the strategic focus of the group and its business areas (e. g. Asset Management). To date, however, analysing the risks from climate change has not led to any material changes to group strategy. This is because of the limited significance of climate risks for the bank.

The group's strategic principles state that Zürcher Kantonalbank is guided by its statutory public service mandate, which includes the dimensions of service, support and sustainability. In fulfilling its public service mandate, Zürcher Kantonalbank, as a universal bank, observes the principles of sustainability and the recognised rules of risk management.

For Zürcher Kantonalbank, sustainability means making successful economic activity permanently compatible with responsibility for the environment and society. Zürcher Kantonalbank sets itself the following ambition and is guided by the 17 Sustainable Development Goals (SDGs) of the United Nations: Sustainable Development Goals, SDG):

- We actively shape sustainability issues
- We are a leader in sustainable offerings
- We support our clients on the way to a more sustainable future

The opportunities and risks from climate change are part of the annual assessment of strategic risks. The business policy positioning on the topic of "climate" is a central component of the sustainability policy (see section 18.2.1).

1 SBA guidelines for financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management, Swiss Bankers Association, May 2024.

18.4 Risk management structures and processes

The management of climate risks as part of the sustainability risks forms an integral part of Zürcher Kantonalbank's risk management processes. Sustainability aspects are taken into account in the identification and assessment of the respective risk categories and, where material, in their control, management, monitoring and reporting.

Risk management process

Zürcher Kantonalbank breaks the risk management process down into the following process steps:

Identification | **Assessment** | **Steering** | **Management** | **Monitoring** | **Reporting**

18.4.1 Operational risks: Banking operations

When identifying and assessing climate-related financial risks from banking operations, the focus is on the OpRisk assessment of not only environmental and accident risks, but also operational emissions. Using measurement data and its own analyses of the carbon footprint, the bank identifies where the greatest reduction potential exists.

Risk management for the direct physical risks of banking operations (e. g. flooding) is carried out in Business Continuity Management (BCM). The scenarios include not only the failure of important company buildings as a result of extreme weather events, but also the loss of critical suppliers and partners. As a risk-controlling element for the environmental aspect of banking operations, Zürcher Kantonalbank has an environmental programme in place at the parent company that sets out the environmental targets for operational ecology. The targets are approved by the Executive Board. These targets focus on making ongoing reductions to CO_2e emissions and boosting environmental performance.

Business continuity tests are carried out on a regular basis to review the business recovery options implemented, the business continuity plans, the emergency response and operational crisis management. The achievement of the objectives of the bank's environmental programme is reviewed annually and the environmental management system is audited in accordance with ISO14001.

18.4.2 Credit risks: Financing business

At line item level, risk identification and assessment in the financing business look at the applicant's creditworthiness and credit standing and also assess the collateral (mortgage, readily marketable collateral, etc.), depending on the type of credit. Whether the financing complies with the lending rules, including the sustainability requirements, is checked during the loan application process. At portfolio level, analyses of climate-related financial risks are carried out as required.

Risk management takes the form of regulations in the sustainability and lending policy that are issued by the Executive Board. These regulations are specified in the internal credit risk regulations with detailed specifications on excluded, undesirable transactions and transactions with special risks. They also explicitly relate to financing with a focus on climate and energy. The management of climate-related financial risks for the credit portfolio focuses both on the exclusion of certain industries as well as on supplementary offers for clients in the bank's financing business. The controls for monitoring compliance with the lending rules also include the requirements of the lending policy.

The internal monitoring report on the loan portfolio contains information on exposures in climate-sensitive sectors. The availability of public, quality-assured data on greenhouse gas emissions – especially for unlisted companies – will likely continue to improve over the next few years, enabling meaningful reports that can, in turn, support risk management.

18.4.3 Market risks: Trading and treasury

The CO_2e intensity of the financial investments within the remit of the Treasury department, consisting of a high-quality bond portfolio, is periodically determined on the basis of publicly available information and compared with a benchmark from the investment universe available for financial investments for regulatory purposes.

Financial assets within the remit of the Treasury department have also been subject to requirements on limiting climate-related financial risks. Firstly, issuers from industries that are excluded from the financing business in accordance with the bank's sustainability policy are also excluded. Secondly, the average revenue-weighted CO_2e emissions of the portfolio must be at least 35 percent lower than in the reference portfolio of the investment universe limited by the internal investment rules.

Compliance with the requirements for limiting the CO_2e intensity of the financial investment portfolio is monitored and reported on by Treasury Controlling.

18.4.4 Business risks: Investment and asset management business

Risk identification and assessment in the investment and asset management business focus on the financial risks in the investment products and in the investment portfolios of clients who receive investment advice services or have commissioned the bank with portfolio management.

In the standardised wealth management and portfolio consulting mandates of Investment Solutions, graduated combinations of ZKB's sustainability approaches are applied depending on the designation.

Compliance with the sustainability approaches mentioned is monitored daily as part of the risk management process. The results of these checks form an integral part of internal risk management reporting and the internal risk dialogue between risk managers and risk management. In its investment reports, Zürcher Kantonalbank transparently discloses the ESG criteria of its client portfolios.

Asset Management at Zürcher Kantonalbank utilizes graduated combinations of sustainability approaches, depending on the product line, for its investment fund, pension products and portfolio management mandates. These are offered under the "Swisscanto by Zürcher Kantonalbank" brand.

Compliance with the relevant sustainability requirements is monitored on an ongoing basis by Investment and Portfolio Controlling. Where appropriate, additional controls are carried out by Risk Management. In the case of transactions, compliance with exclusion criteria is checked before the transaction is finalized and independently monitored on a daily basis by Investment and Portfolio Controlling. The degree of CO_2e reduction target achievement is monitored by Risk Management as well as by Investment and Portfolio Controlling. The degree of CO_2e target achievement is also a component of the publicly available sustainability reporting for sustainably managed products.

18.5 Quantitative information (key figures and targets)

18.5.1 Overview

As part of the Net Zero Assets Managers Initiative (NZAM) and the Net-Zero Banking Alliance (NZBA), we are guided by science-based climate scenarios and are aiming for net zero by 2050 at the latest. An overview of the targets in the financing business, in the investment business and in the bank's own operations is provided below. In the investment business, NZAM's objective relates only to Asset Management, which is why the investment solutions of Investment Solutions are excluded.

Category	Base year	Targets	Methodology	Scenario
› Financing business				
Residential mortgage business[2]	2022	2030: 8.7 kg CO_2e/m^2 energy reference area (ERA) (44 % reduction) 2040: 0.9 kg CO_2e/m^2 ERA (94 % reduction) 2050: 0.3 kg CO_2e/m^2 ERA (98 % reduction)	Paris Agreement Capital Transition Assessment (PACTA 2022)/ Own methodology Metric: Intensity (Scope 1)	Energy Perspectives 2050+(EP 2050+), zero basis scenario residential property; 1.5 °C compatible (status PACTA 2022)
Commercial mortgage business (office buildings)[3]	2023	2030: 4.5 kg CO_2e/m^2 ERA (44 % reduction) 2040: 0.4 kg CO_2e/m^2 ERA (95 % reduction) 2050: 0.3 kg CO_2e/m^2 ERA (97 % reduction)	Paris Agreement Capital Transition Assessment (PACTA 2022)/ Own methodology Metric: Intensity (Scope 1)	Energy Perspectives 2050+(EP 2050+), zero basis scenario service and commercial property; 1.5 °C compatible (status PACTA 2022)
› Investment business As part of our sustainability standard for active investment solutions[4], we pursue a CO_2e reduction in our investments in traditional asset classes.				
› Asset management				
Funds and mandates aligned with the well below 2 °C target	2019	Reduction of at least 4 percent[5] CO_2e tonnes / USD million revenue per year 2030: 33 % reduction 2050: 70 % reduction	Own methodology Metric: Intensity (Scope 1, 2)	IPCC well below 2 °C scenario (67 %)
Funds and mandates aligned with the 1.5 °C target (Net Zero Asset Managers Initiative)	2019	Reduction of at least 7.5 percent[5] CO_2e tonnes/USD million revenue per year 2030: 54 % reduction 2050: 90 % reduction	Own methodology Metric: Intensity (Scope 1, 2)	IPCC 1.5 °C scenario (50 %)
› Own operations				
Own operations	2022	2030: Reduction to 1,800 tonnes of CO_2e and offsetting of the remaining emissions with negative emission technologies (NET)	VfU (German Association for Environmental Management) key figures calculation tool Metric: Absolute (Scope 1, 2, 3)[6]	–

2 Includes only residential properties (single-family homes, multi-family homes and condominiums).
3 Includes service buildings (non-manufacturing), predominantly office buildings.
4 Our active investment solutions relate to portfolio management mandates and investment funds, with the exception of indexed, individualised and third-party managed investment solutions and investment funds in the area of alternative investments.
5 Plus economic growth.
6 The following categories of the GHG Protocol are relevant within Scope 3: paper (category 1), fuel and energy-related emissions (not included in Scope 1 or 2) (category 3), waste (category 5) and business travel (category 6). NB: We are currently evaluating how we can expand the coverage of the operational emissions of Scope 3 categories.

18.5.2 Climate targets and key figures for the financing business

18.5.2.1 Climate targets residential mortgage business

The target calculation for our climate target in the residential property sector includes all mortgage financing for single-family homes (SFH), multi-family homes (MFH) and condominiums (CNDO) with a sufficient data basis. This corresponds to 96 percent of the financing volume. The Scope 1 emissions of the property are taken into account. Our target is based on Switzerland's long-term climate target of net-zero greenhouse gas emissions by 2050. The plan for achieving net zero is being worked out by the Federal Council as part of the long-term climate strategy. The Energy Perspectives 2050+ (EP 2050+) form an important basis for this. The Federal Office of Energy has modelled the development of the energy system in the net-zero scenario of EP 2050+. This can be used to calculate the development of CO_2e emissions per energy reference area (ERA) for residential properties up to 2050. The climate target metric is therefore kg CO_2e/m2 per ERA. As a starting point for the target, we assume a value of 15.4 kg CO_2e/m2 per ERA. Zürcher Kantonalbank's climate target envisages exceeding the federal government's reduction pathway from 2030. We want to reduce our CO_2e intensity in the residential mortgage business by 44 percent by 2030. For the calculation, the necessary heating data was supplemented from the Register of Buildings and Dwellings (RBD, 93 percent of the financed properties) and with data from the Minergie association (7 percent of the financed properties). Due to the more recent data, priority was given to the heating information provided by the Minergie association. Detailed information can be found in the appendix of the sustainability report in the section on climate targets and key figures (zkb.ch/en/sustainability).

Target and progress

Metric: kg CO_2e/m^2 ERA	Base value (2022)	Actual value (year under review)	Target value (2030)	Target value (2040)	Target value (2050)
Zürcher Kantonalbank	15.4	14.1	8.7	0.9	0.3
Reference scenario	14.9	13.2	8.6	3.8	0.2

18.5.2.2 Climate targets commercial mortgage business

For the quantitative climate target in the commercial mortgage business (office buildings), all mortgage financing with a sufficient data basis is included. This corresponds to 90 percent of the financing volume. The Scope 1 emissions of the property are taken into account. As with the climate target for the residential mortgage business, we base our climate target for the office-related mortgage business on Switzerland's long-term climate target of net-zero greenhouse gas emissions by 2050 and draw on the Energy Perspectives 2050+ (EP 2050+). As part of the PACTA Test 2024, a reduction path for service properties was published for the first time, similar to the reduction path for residential properties. The climate target metric is kg CO_2e/m2 ERA. As a starting point for the target with 2023 as the base year, we assume a value of 8.1 kg CO_2e/m2 ERA and are therefore below the federal path. We also want to reduce our CO_2e intensity in the office-related mortgage business by 44 percent by 2030. For the calculation, the necessary heating data was supplemented from the Register of Buildings and Dwellings (RBD, 96 percent of the financed properties) and with data from the Minergie association (4 percent of the financed properties). Detailed information can be found in the appendix of the sustainability report in the section on climate targets and key figures (zkb.ch/en/sustainability).

Target and progress

Metric: kg CO_2e/m^2 ERA	Base value (2023)	Actual value (year under review)	Target value (2030)	Target value (2040)	Target value (2050)
Zürcher Kantonalbank	8.1	8.1	4.5	0.4	0.3
Reference scenario	11.5	11.3	10	3.5	0.0

18.5.2.3 Financed emissions according to PCAF

For more climate transparency, Zürcher Kantonalbank joined the Partnership for Carbon Accounting Financials (PCAF) in May 2022. We base our calculation of financed greenhouse gas emissions on the PCAF approach. This also includes the data quality categorization (1 high to 5 low). The PCAF standard is compatible with globally recognized frameworks such as the TCFD recommendations. We are disclosing the financed emissions in the mortgage business for the first time in this report. The calculation is based on data with a cut-off date of 31 December 2024.

Financed emissions according to PCAF

	Financial exposure (in CHF million)	Absolute emissions (kt CO_2e) Scope 1	Emission intensity (t CO_2e/ CHF million)	Coverage (%)	Data quality score[7] (1 high, 5 low)
Mortgages (SFH/CNDO)	52,917	109.6	2.1	100	4
Commercial (MFH/Office)	46,095	105.2	2.3	85	4

18.5.2.4 Commercial financing business

Zürcher Kantonalbank is guided by the internationally established UNEP-FI or TCFD recommendations on the disclosure of transition risks from credit exposure to climate-sensitive and, as a subset thereof, carbon-related industries. TCFD defines carbon-related as industries associated with the energy and utilities sectors, according to the Global Industry Classification Standard, excluding water supply and renewable power generation. Zürcher Kantonalbank more comprehensively describes as climate-sensitive those industries that are exposed to higher transition risks due to their greenhouse gas emissions. Zürcher Kantonalbank bases its delimitation on emission statistics and uses the Swiss or European industry classification. The commodity trade finance (CTF) sub-portfolio is reported separately, irrespective of the industry, and is subject to the following restrictions under the bank's sustainability policy. The following figure shows the unsecured loans and advances in the corporate clients portfolio in line with this classification.

In terms of the total balance sheet exposure in this portfolio, at the end of the year climate-sensitive sectors accounted for around 6.1 percent or CHF 2.4 billion (2023: 7.8 percent or CHF 2.8 billion). This includes the entire energy sector, which, however, consists almost exclusively of financing for sustainable energy sources. In addition to components manufacturing and repair, the automotive sector also includes, in particular, the selling and financing of vehicles. The transport sector mainly includes passenger transport in the tourist sector and local transport as well as freight transport by road. In accordance with the aforementioned exclusion criteria in the sustainability policy, Zürcher Kantonalbank does not provide direct financing in the coking and petroleum refining industry, which TCFD designates as carbon-related.

7 The data quality score assesses the quality and reliability of the data used as the basis for calculating greenhouse gas emissions. Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based on assumptions and estimates. ZKB endeavours to continuously improve data quality.

Unsecured loans and advances in the corporate clients portfolio (climate-sensitive and other industries)

	31.12.2024			31.12.2023
	Balance sheet exposure in CHF million	**as % of unsecured exposure**	as % of balance sheet exposure	as % of balance sheet exposure
› Industry designation				
Mining/crushed rock and earth	8	0.1 %	0.0 %	0.0 %
Metal production/processing	9	0.1 %	0.0 %	0.0 %
Sewage and waste disposal and elimination of environmental pollution	56	0.9 %	0.1 %	0.2 %
Agriculture, hunting and related activities	87	1.3 %	0.2 %	0.3 %
Glass/ceramic/cement	88	1.4 %	0.2 %	0.4 %
Transport (incl. mountain railways, but excluding rail passenger transport and goods trains)	259	4.0 %	0.7 %	0.6 %
Chemical products	419	6.4 %	1.1 %	0.9 %
Energy supply	424	6.5 %	1.1 %	1.2 %
Automotive	519	8.0 %	1.3 %	2.5 %
CTF (commodity trade finance)	529	8.1 %	1.3 %	1.7 %
Total climate-sensitive sectors	**2,398**	**36.8 %**	**6.1 %**	**7.8 %**
Total other sectors	**4,114**	**63.2 %**	**10.4 %**	**9.9 %**
Total corporate clients portfolio unsecured	6,512	100.0 %	16.5 %	17.7 %
Real estate financing	31,843	-	80.8 %	79.3 %
Other products	1,078	-	2.7 %	3.1 %
Total balance sheet exposure companies	**39,433**	**-**	**100.0 %**	**36,247**

18.5.3 Climate targets and key figures for the investment business

18.5.3.1 Climate targets for the investment business

As part of the ZKB sustainability standard, we pursue CO_2e reduction in our active investment solutions[8]. These investment solutions pursue either a CO_2e reduction compared to a benchmark or a quantitative climate reduction path, whereby the CO_2e intensities are reduced annually by at least 4 percent plus economic growth (for investment solutions with a < 2 °C target) or at least 7.5 percent plus economic growth (for investment solutions with a max. 1.5 °C target).

18.5.3.2 Area of application, target and progress

Asset Management

Our Asset Management division has joined the Net Zero Asset Managers Initiative and has around 25 percent of assets under management committed to the 1.5 °C climate target, which calls for an annual reduction in CO_2e intensities of at least 7.5 percent. The < 2 °C target reduction path is being pursued for 45 percent of the assets managed by our Asset Management division. The majority of the sustainable collective investment schemes of Swisscanto's "Sustainable" product line aim to achieve a CO_2e reduction of at least 7.5 percent plus nominal economic growth per year and are thus geared towards the ambitious 1.5 °C climate target set out in the Paris Agreement. The "Sustainable" products therefore fulfil the requirements of the Net Zero Asset Managers Initiative, which was signed by Zürcher Kantonalbank's Asset Management division in July 2021. The thematic Swisscanto funds in Asset Management are an exception to this. Because the greenhouse gas emissions benchmark defined in the prospectus is not representative of the investment universe for these products, only a < 2 °C reduction path can be implemented. 55 percent of the assets managed by our Asset Management division are in passively managed funds, where our Asset Management can exert only a limited, indirect influence on the choice of investment strategy. We endeavour to increase even further the coverage of assets that are geared towards a 1.5 °C climate target.

8 Our active investment solutions relate to portfolio management mandates and investment funds, with the exception of indexed, individualised and third-party managed investment solutions and investment funds in the area of alternative investments.

Direct real estate investments of our ZKB Asset Management

The direct real estate investment products managed by ZKB Asset Management are also based on targets that are aligned with the Paris Agreement. For all real estate portfolios, a net-zero target by 2050 is being pursued, along with specific interim targets for Scope 1 emissions from operations by 2040. The interim targets fulfil the requirements of the FOEN Energy Perspectives 2050+ for the Swiss building stock. Product-specific CO_2 reduction paths at portfolio level act as central control tools for achieving the emission targets. They are based on an individual assessment of all existing properties and are updated once a year. All measures underlying the reduction paths at property level (e. g. heat pumps, district heating, biomass, envelope refurbishment) are integrated into the property strategies, CAPEX planning and assessments.

Investment solutions from the Investment Solutions division

In standardised wealth management, around 35 percent of assets (mandates of the Sustainable (ESG) designation) are based on the maximum 1.5 °C climate target. 60 percent of the assets are based on the < 2 °C climate target (designations Basic and Individual Security). No CO_2e reduction target is being pursued for the remaining 5 percent of the assets in our standardized wealth management. In standardised investment advice, the climate targets outlined above are also taken into account in their respective designations, whereby the investment decision lies with our clients.

18.5.3.3 Methodology

Greenhouse gases with a global warming effect are included in the portfolio construction of sustainable investment solutions with a quantitative reduction path in accordance with the international Greenhouse Gas Protocol (GHG Protocol) standard (measured in CO_2e). The CO_2e intensities are defined for companies as CO_2e emissions in relation to revenue (tonnes of CO_2e per million US dollars of revenue) and for government securities as CO_2e emissions in relation to economic value added (tonnes of CO_2e per million US dollars of gross domestic product). Data from independent third parties is used to determine the CO_2e intensities. The benchmark for the average CO_2e intensity of a portfolio is calculated by discounting the CO_2e intensity of the investment universe at the end of 2019 annually by the target value (4 percent or 7.5 percent) and by global economic growth. Because the reduction is realised with economic CO_2e intensities (Scope 1 and 2 emissions per revenue), additional compensation for economic growth is required.

18.5.3.4 Financed emissions according to PCAF

For more climate transparency, Zürcher Kantonalbank joined the Partnership for Carbon Accounting Financials (PCAF) in May 2022. We base our calculation of financed greenhouse gas emissions on the PCAF approach. This also includes the data quality categorization (1 high to 5 low). The PCAF standard is compatible with globally recognized frameworks such as the TCFD recommendations. We are disclosing the financed emissions for our Asset Management for equities and bonds for the first time in this report. The calculation is based on data with a cut-off date of 31 December 2024.

	Financial exposure (in CHF million)	Absolute emissions (in Mt. CO_2e) Scope 1 and 2	Absolute emissions (in Mt. CO_2e) Scope 3	Emission intensity (t CO_2e/ CHF million invested) Scope 1, 2 and 3	Coverage (%)	Data quality score[9] Scope 1 and 2 (1 high, 5 low)	Dataquality score Scope 3 (1 high, 5 low)
Listed equity and corporate bonds	235,521	5.72	63.2	292.6	100	1.78	2.64

	Financial exposure (in CHF million)	Emission intensity (t CO_2e/CHF million GDP)	Coverage (%)	Data quality score (1 high, 5 low)
Sovereign debt	34,962	239.84	100	1.06

18.5.4 Climate targets and key figures for the bank's own operations

The following figures and information relate to the group-wide commercial properties of Zürcher Kantonalbank in Switzerland. These comprise the properties of the parent company and Swisscanto Holding Ltd. CO_2 emissions of Zürcher Kantonalbank Österreich AG, Zürcher Kantonalbank Finance (Guernsey) Ltd., ZKB Securities (UK) Ltd., Complementa AG and the representative offices are not available at group level.

18.5.4.1 Area of application, methodology, target and progress

Scope 1, 2 and partially Scope 3 of the GHG Protocol are taken into account when setting climate targets. The following categories of the GHG Protocol are relevant within Scope 3: paper (category 1), fuel and energy-related emissions (not included in Scope 1 or 2) (category 3), waste (category 5) and business travel (category 6). We are currently evaluating how we can expand the coverage of the operational emissions of Scope 3 categories.

We use the VfU key figures calculation tool (version 1.1, update 2022) to calculate operational greenhouse gas emissions and key figures. The "VfU key figures" and the associated calculation tool are recognized as the globally accepted standard for accounting for environmental indicators at financial institutions. The key figures and the calculation tool are revised at regular intervals to take account of international initiatives such as GRI or the GHG Protocol.

The corporate environmental programme defines the climate targets related to our operations. The aim of the environmental programme is to continuously reduce CO_2e emissions. Our new 2023–2030 environmental programme is based on the previous one, which covered the years 2018–2022. As part of this programme, since 2010 we have been able to reduce the carbon footprint by 67 percent, from 7,040 CO_2e tonnes to 2,298 CO_2e tonnes for 2024. Total operating CO_2e emissions rose slightly year on year in 2024. This was mainly due to the slight increase in coolant loss during normal operations. From 2025 onwards an internal price for CO_2e will be introduced for business travel; this will be based on the average cost of the removal portfolio under the environmental programme. Our new 2023–2030 environmental programme aims to reduce our emissions to 1,800 CO_2e. Since 2024, all emissions we cannot reduce entirely we fully neutralise with qualitative negative emissions technologies (NET).

9 The data quality score assesses the quality and reliability of the data used to calculate greenhouse gas emissions. Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based on assumptions and estimates. ZKB endeavours to continuously improve data quality.

Operational target by 2030: VfU key figures (in tonnes of CO_2e)

	Actual value 2024	Base year 2022	% change in actual value compared to the base year	Target 2030
› **Total emissions (t CO_2e)**	2,298	2,253	+2 %	**1,800**
Building electricity consumption (t CO_2e)	75	64	+17 %	
Building heat consumption (t CO_2e)	749	974	-23 %	
Water consumption (t CO_2e)	31	29	+7 %	
Cooling and extinguishing agents (t CO_2e)	375	101	+271 %	
Waste (t CO_2e)	115	98	+17 %	
Business travel (t CO_2e)	583	486	+20 %	
Paper (t CO_2e)	370	501	-26 %	

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