Zürcher Kantonalbank

Half-yearly — Report 2025

Zürcher Kantonalbank

Close to you.

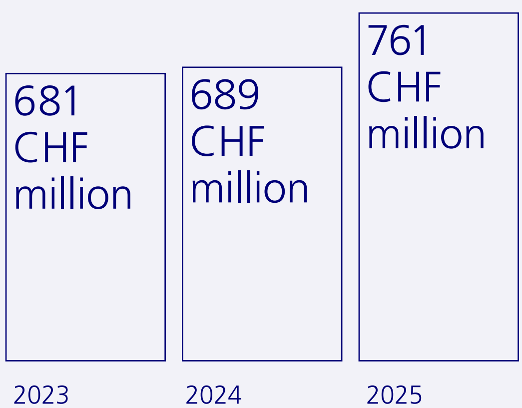
Zürcher Kantonalbank is the second-largest universal bank and the largest cantonal bank in Switzerland. We have successfully positioned ourselves as a universal bank with a regional base as well as a domestic and international network. With a market penetration of 50 percent, we are the number one for retail and corporate clients in the Greater Zurich Area. We fulfil our increased economic responsibility throughout Switzerland and are a strong partner for large companies as well as private and institutional investors. We are one of the safest banks in the world – as confirmed by top marks from leading rating agencies. Zürcher Kantonalbank is an autonomous public-law institution of the Canton of Zurich and benefits from a state guarantee. Through our public service mandate, we are committed to the well-being of society and the environment – and have been for over 150 years. We uphold our values: responsible, inspiring and passionate. Our vision is “Close to you”.

The first half of 2025 in brief

Consolidated profit before taxes

761 CHF million

The consolidated profit before taxes is CHF 761 million (previous year: CHF 689 million).

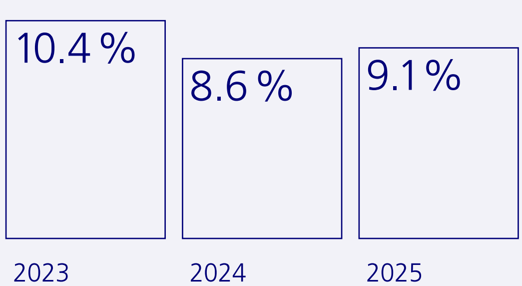


Cost / income ratio (CIR)

The cost/income ratio as at 30 June 2025 is 54.7 %, which is within the target (≤ 60 %).

Return on equity (RoE)

as at 30 June



Client assets

534.4 CHF billion

Managed assets increased by CHF 13.6 billion compared to 31 December 2024. Client assets are divided into managed assets totalling CHF 465.1 billion and assets with custody services amounting to CHF 69.3 billion.

Group rating

(Fitch, Moody's, Standard & Poor's)

AAA Aaa

Risk-based TLAC ratio

31.5 %

The total loss absorbing capacity (TLAC ratio) corresponds to the sum of the eligible equity going-concern (22.5 %) and the eligible additional loss absorbing funds gone-concern as a percentage of the risk-weighted positions (9.0 %).

Contents

About the figures:
The amounts stated in this report have been rounded off.
The total may therefore vary from the sum of the individual values.
The following rules apply to the tables:

0	(0 or 0.0) Figure that is smaller than half the unit of account used
–	Figure not available or not meaningful

Key figures (group)

		1st half 2025	1st half 2024	Change in %
› Income statement	in CHF million			
Operating income		**1,600**	1,560	2.6
Operating result		**698**	679	2.9
Consolidated profit before taxes		**761**	689	10.4
Consolidated profit		**668**	601	11.1

		30.06.2025	31.12.2024	Change in %
› Balance sheet	in CHF million			
Total assets		**199,811**	202,594	−1.4
Mortgage loans		**109,106**	106,600	2.4
Amounts due in respect of customer deposits		**109,033**	106,980	1.9
Equity		**15,154**	14,862	2.0
› Key figures	in %			
Return on equity (RoE)		**9.1**	8.0	
Cost income ratio (CIR) [1]		**54.7**	55.0	
Common equity tier 1 ratio (CET1) (going-concern) [2]		**21.0**	16.8	
Risk-based capital ratio (going-concern) [2]		**22.5**	17.9	
Risk-based capital ratio (gone-concern) [2]		**9.0**	7.8	
Risk-based TLAC ratio [2/3]		**31.5**	25.7	
Leverage ratio (going-concern) [2]		**7.1**	6.8	
Leverage ratio (gone-concern) [2]		**2.8**	3.0	
TLAC Leverage Ratio [2/3]		**10.0**	9.8	
Liquidity coverage ratio (LCR) [4]		**131**	142	
Net stable funding ratio (NSFR)		**115**	116	
› Further information	in CHF million			
Total customers' assets (managed assets and assets with custody services)		**534,397**	520,811	2.6
Total managed assets [5]		**465,124**	457,276	1.7
– of which, net new money inflow/outflow (NNM) [5]		**7,406**	29,817	−75.2 [6]
Headcount after adjustment for part-time employees, as at the reporting date	number	**5,750**	5,779	−0.5
Branches	number	**51**	53 [7]	−3.8

1 Calculation: Cost/income ratio (excl. changes in default-related value adjustments and losses from interest operations).
2 In accordance with the provisions for systemically important banks.
3 TLAC = Total Loss Absorbing Capacity
4 Simple average of the closing values on the business days during the quarter under review.
5 In addition to NNM, the change in managed assets contains the change arising from price gains/losses, interest rates, dividends and currency gains/losses, and other effects. The other effects include a decline in managed assets totalling CHF 4,750 million in connection with the sale of Zürcher Kantonalbank Österreich AG at the beginning of the year.
6 In the first half of 2024, net new money inflow amounted to CHF 10,039 million, which is 26.2% lower than the comparable figure in the first half of 2025.
7 Of which 51 branches of Zürcher Kantonalbank in Zurich as well as two branches of the subsidiary Zürcher Kantonalbank Österreich AG in Vienna and Salzburg. The bank fully transferred these two branches in Austria to Liechtensteinische Landesbank AG as at 9 January 2025.

Significant developments and events

Zürcher Kantonalbank successfully overcame the challenges it faced in the first half of 2025 and achieved a very favourable consolidated profit before taxes totalling CHF 761 million.

1

First quarter 2025

The geopolitical situation was strongly characterised by increasing tensions in international trade, which were largely triggered by new US tariffs. In March, the US government introduced massive import tariffs, which President Trump called "Liberation Day tariffs" – e.g., around 20 percent on EU goods and in some cases over 30 percent on imports from China. US tariffs with an impact on Switzerland were imposed too. These included a basic tariff of 10 percent on all imports and country-specific tariffs, which can be up to 31 percent for Swiss exports.

Against the backdrop of weak global demand, low inflation and a strong appreciation of the Swiss franc, the Swiss National Bank (SNB) responded on 21 March 2025 by lowering its key interest rate from 0.50 percent to 0.25 percent.

In summary, the first quarter of 2025 was shaped by a noticeable global economic polarisation, and the US tariffs posed significant challenges for the Swiss economy, particularly for the export industry.

2

Second quarter 2025

In April the financial markets reacted sharply to the new trade barriers. The result was the sharpest global stock market decline since 2020. Although the markets stabilised to some extent as the quarter progressed, they remained characterised by a high degree of volatility – especially in Europe, where the economic recovery had been sluggish anyway. While the US economy remained solid with expected growth and Asia continued to act as a global economic engine, the economic development in the euro zone stagnated. Due to escalating tariff conflicts, growth forecasts were revised downwards significantly in many major economies. However, following an agreement in the tariffs dispute between the world's two largest economic powers, the situation eased noticeably, resulting in a rally on the equity markets.

At the same time, the general risk aversion caused the real trade-weighted Swiss franc to rise temporarily after Liberation Day to its highest level in over ten years. This increased the pressure on inflation, which ultimately fell to zero.

The Swiss National Bank responded on 19 June 2025 with a further cut in the key interest rate, from 0.25 percent to 0.00 percent – the sixth interest rate cut since March 2024.

Very favourable half-year result

Zürcher Kantonalbank generated a consolidated profit before taxes totalling CHF 761 million in the first half of 2025 (previous year: CHF 689 million) and thus achieved a very good result. The net result from interest operations, at CHF 822 million, did not quite match the good result of the same period last year (CHF 858 million). In commission business and services, on the other hand, the bank generated a higher result of CHF 530 million (up 4.2 percent on the previous year). At CHF 233 million, the result from trading activities was likewise sharply higher than the previous year's figure of CHF 177 million. This increase is primarily attributable to the market environment. Operating income totalled CHF 1,600 million and was therefore CHF 40 million or 2.6 percent higher than the comparable figure in the previous year.

Operating expenses amounted to CHF 884 million, a year-on-year rise of CHF 24 million or 2.8 percent. The increase is in line with expectations due to the growth in the bank's headcount and the inflation impacting individual items of operating expenses.

The return on equity (RoE) is 9.1 percent (first half of 2024: 8.6 percent). The cost/income ratio (CIR), at 54.7 percent, is unchanged compared with the first half of 2024 and remains within the target of less than or equal to 60 percent.

The consolidated profit of CHF 668 million in the first half of 2025 (previous year: CHF 601 million) underscores Zürcher Kantonalbank's ongoing strong performance.

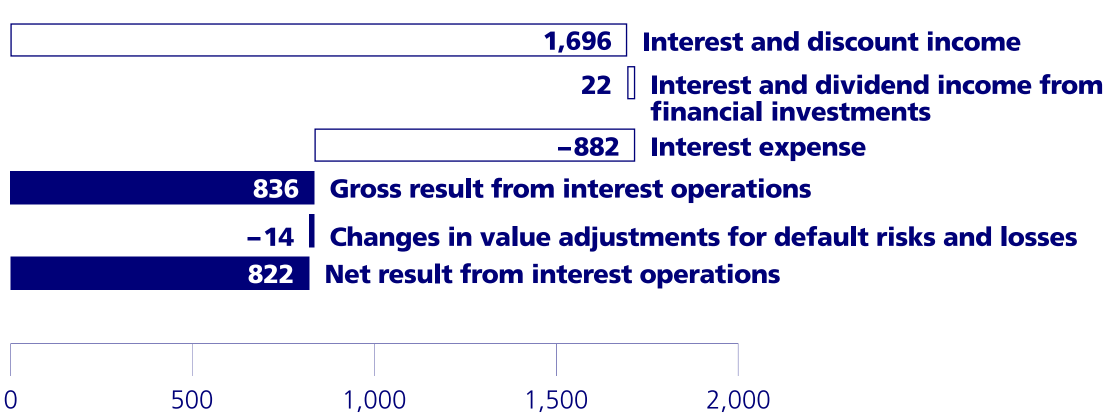
Challenging interest rate environment

Chart 01 ↓

Gross interest income reached CHF 836 million, a decrease of 3.7 percent compared to the previous year (CHF 868 million). The main reason for the year-on-year decline is the decrease in interest rates since last year, exacerbated by the reduction in the SNB key interest rate to 0.25 percent in mid-March and to 0.00 percent in mid-June 2025. These developments have led to a noticeable reduction in interest income from deposit business. The favourable development of volumes in the lending and mortgage business offset the decline and reduced the decrease in gross interest income.

Zürcher Kantonalbank assesses credit default risks and all other recognisable risks on an ongoing basis. The line item Changes in value adjustments for default risk and losses from interest operations is a net allocation of CHF 14 million for the first half of 2025 (previous year: net allocation of CHF 10 million). The net result from interest operations therefore totalled CHF 822 million (minus 4.2 percent compared to the same period of the previous year).

01 **Breakdown of result from interest operations** in CHF million



Strong fund business and a positive trend in asset management

Chart 02
↓

The bank generated a result from commission business and services totalling CHF 530 million, which is 4.2 percent higher on the previous year's figure of CHF 509 million.

This result is attributable mainly to commission income from securities trading and investment activities (CHF 606 million), which rose by CHF 50 million or 8.9 percent compared to the same period last year. This rise is due in particular to the positive development of income from the fund business (up CHF 27 million) and the asset management business (up CHF 13 million). The custody business was also bolstered and realised an increase of about CHF 5 million. At the same time, commission expenses rose by CHF 24 million or 14.6 percent year-on-year to CHF 186 million.

Outstanding trading result

At CHF 233 million, the bank achieved an excellent trading result, which significantly exceeded both the previous year (CHF 177 million) and the long-term average. The first half of the year was characterised by uncertainty on the markets due to the US tariffs policy and the conflicts in the Middle East. This uncertainty resulted in high market volatility, which created opportunities that the bank exploited as best as possible. The line items that developed particularly well were the result from trading in foreign exchange, banknotes and precious metals (up 144.9 percent) and the result from trading in shares and structured products (up 9.7 percent). Decreases occurred in the result from other trading activities (minus 38.2 percent) and in the result from trading in bonds, interest rate and credit derivatives (minus 29.5 percent).

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

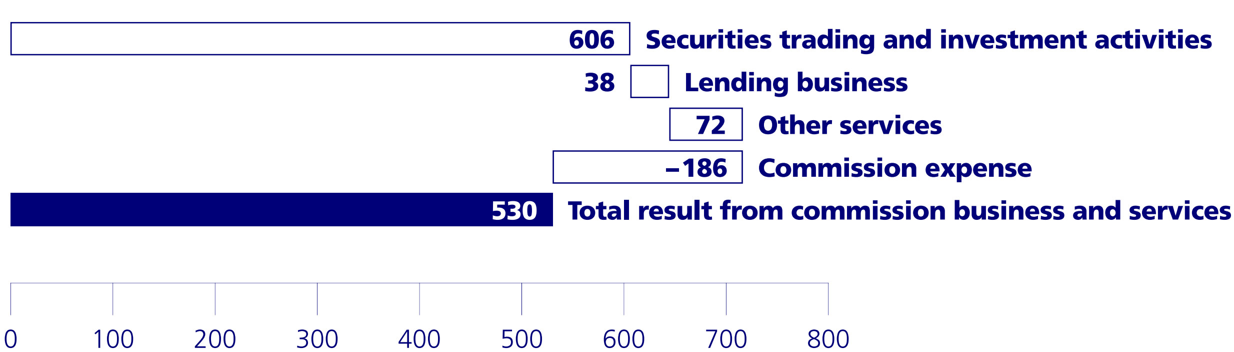


Chart 03 ↓

Higher year-on-year operating income

The bank generated total operating income of CHF 1,600 million in the first half of 2025, which corresponds to an increase of 2.6 percent or CHF 40 million compared to the prior-year period. The bank once again achieved a solid result thanks to its diversified and stable income structure. The challenges in interest operations were more than offset by the results from commission business and services and from trading activities. With a share of 51.4 percent, interest operations remain the bank's most important income stream, followed by the commission business and services with a share of 33.1 percent. The trading business, the third main income component, contributed an extraordinary 14.5 percent to operating income.

03 **Breakdown of operating income** in CHF million / percent

Result from interest operations

822 (51.4 %)

Result from commission business and services

530 (33.1 %)

Result from trading activities

233 (14.5 %)

Other result

15 (1.0 %)

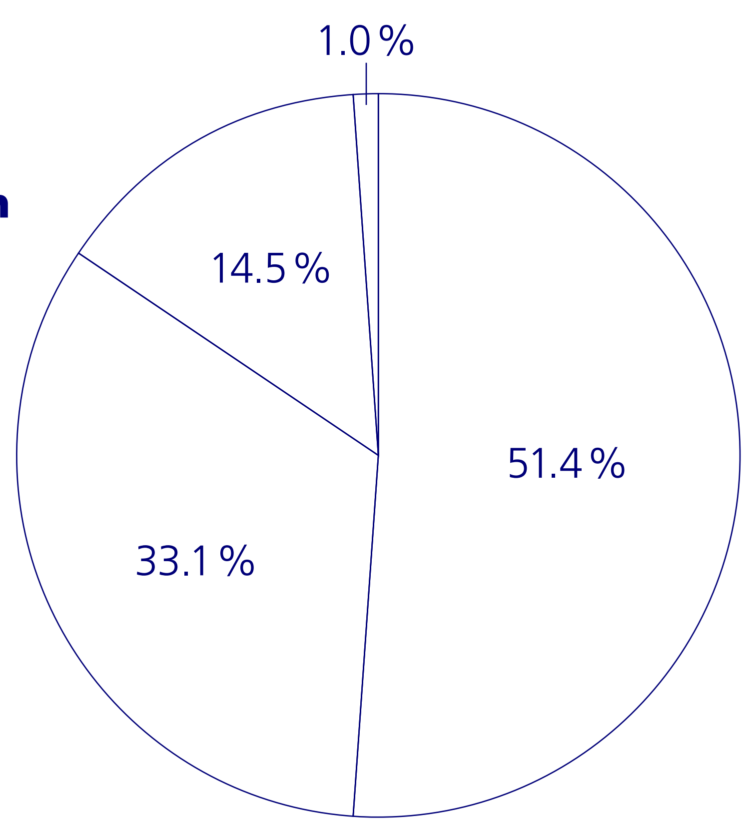


Chart 04
↓

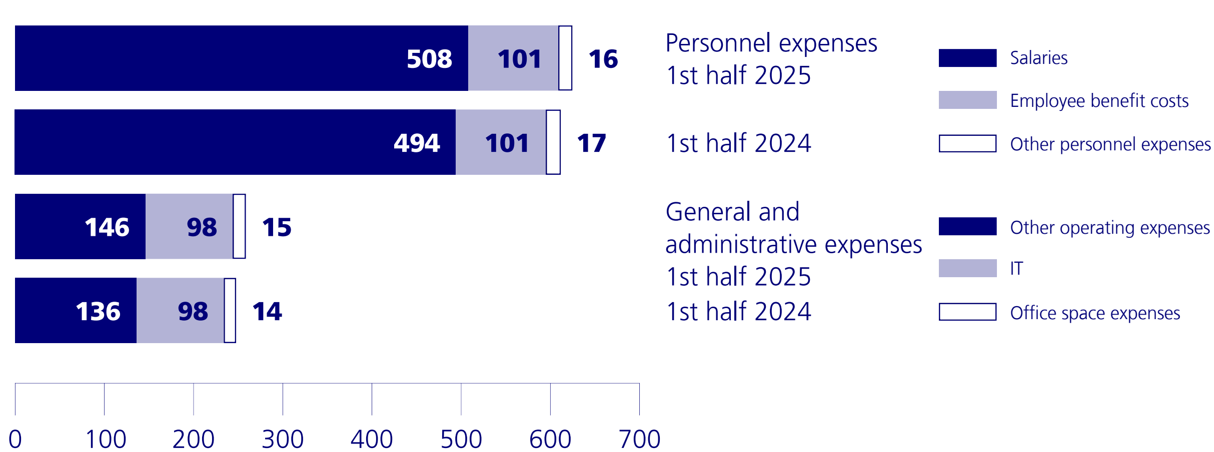
Operating expenses – higher costs for personnel and third-party services

Operating expenses totalled CHF 884 million in the first half and were therefore 2.8 percent higher on the previous year. Personnel expenses increased by 2.2 percent or CHF 13 million to CHF 625 million. This rise is due in part to an increase in headcount, which rose by 98 FTEs compared to 30 June 2024 to 5,750 FTEs as at 30 June 2025 (up 1.7 percent).

At CHF 259 million, general and administrative expenses were higher by CHF 11 million or 4.4 percent compared to the same period last year. In particular, the costs for third-party services (including financial market data) have risen sharply compared to the previous year due to the increase in the bank's headcount and higher prices for licences.

An overview of the development of the various components is shown in the following chart "Development of operating expense components".

04 **Development of operating expense components** in CHF million



Decrease in depreciation and amortisation and lower provisions

The value adjustments on participations as well as depreciation and amortisation of bank premises, tangible fixed assets and intangible assets amount to CHF 24 million, which is a year-on-year decrease of 23.2 percent or CHF 7 million. The downward trend is evident across all components.

The changes to provisions and other value adjustments and losses amount to a net release of CHF 6 million (first half of 2024: net release of CHF 10 million). This change is attributable largely to the net release of provisions for off-balance-sheet default risks totalling CHF 9 million (previous year: CHF 12 million).

Extraordinary result thanks to the sale of a subsidiary

The extraordinary result totalling CHF 62 million includes primarily the result from the sale of Zürcher Kantonalbank Österreich AG. The closing took place on 9 January 2025. The bank transferred 100 percent of the share capital and full control to Liechtensteinische Landesbank AG. It also includes the proceeds from the sale of properties totalling CHF 3 million.

Profit before taxes

Zürcher Kantonalbank posted a consolidated profit before taxes totalling CHF 761 million for the first half of 2025. This corresponds to a year-on-year increase of CHF 72 million or 10.4 percent.

Highly favourable half-year result

Tax expenses totalled CHF 93 million and were therefore higher than in the previous year (CHF 88 million). This position includes primarily the OECD minimum taxation, which is levied in the form of a supplementary tax.

This resulted in a very favourable consolidated profit after tax of CHF 668 million, which corresponds to an increase of 11.1 percent compared to the previous year (CHF 601 million).

Slightly lower total assets amid an unchanged balance sheet structure

Total assets amounted to CHF 199.8 billion as at 30 June 2025. This corresponds to a decrease of CHF 2.8 billion or 1.4 percent compared to the end of 2024. The slight decline in total assets is due to effects prevailing as at the reporting date in individual items such as liquid assets, amounts due from securities financing transactions or positive replacement values of derivative financial instruments.

The balance sheet structure remains largely unchanged and lending is still solid. Mortgage loans grew by CHF 2.5 billion or 2.4 percent to CHF 109.1 billion compared to the end of 2024. They remain the largest asset item, accounting for 54.6 percent of total assets (end of 2024: 52.6 percent), followed by liquid assets of CHF 31.5 billion at 15.8 percent (end of 2024: 16.2 percent). In terms of liabilities, amounts due to banks fell by 16.6 percent to CHF 33.1 billion due to fewer opportunities on the money and foreign exchange markets. In contrast, amounts due in respect of customer deposits increased by an encouraging CHF 2.1 billion or 1.9 percent to CHF 109.0 billion.

Solid liquidity situation

At CHF 31.5 billion, liquid assets are at a comfortable level, but are down slightly compared to the end of 2024 (minus 3.7 percent). Deposits at the SNB continue to account for the largest share and are directly related to the particularly high liquidity requirements that apply to systemically important banks such as Zürcher Kantonalbank. The liquidity coverage ratio (LCR) is 131 percent (end of 2024: 142 percent). This ratio is calculated as a simple average of the end-of-day values of the business days in the quarter under review, which is why the comparatively lower value at the beginning of the second quarter led to a reduction in the average LCR. Nevertheless, the bank continues to have high liquidity reserves and therefore exhibits a solid liquidity situation. The latter also applies to the net stable funding ratio (NSFR) of 115 percent (end of 2024: 116 percent).

Ongoing strong capital base

The risk-based total loss absorbing capacity (risk-based TLAC ratio) amounted to 31.5 percent as at 30 June 2025 (previous year: 25.7 percent). The risk-based equity ratio included in this figure on a going-concern basis was 22.5 percent as at the end of the first half. This level significantly exceeds the current capital adequacy requirement of 13.8 percent.

At CHF 15.9 billion, eligible capital going concern was largely constant compared to the end of the previous year (CHF 15.5 billion). The significant increase in the capital ratio is due primarily to the introduction of the Basel III Final requirements as of 1 January 2025 with a more risk-sensitive calculation of risk-weighted assets (RWA). In addition, RWA decreased during the first half of 2025. RWA amounted to CHF 70.5 billion as at 30 June 2025, which corresponds to a decrease of CHF 15.9 billion compared to the end of 2024 (CHF 86.4 billion).

On an unweighted basis, the total loss absorbing capacity (TLAC leverage ratio) is 10.0 percent (previous year: 9.8 percent). This includes the leverage ratio (going-concern), which at 7.1 percent (previous year: 6.8 percent) is likewise well above the requirement of 4.5 percent. These figures confirm Zürcher Kantonalbank's strong capitalisation.

Client assets

Client assets amounted to CHF 534.4 billion as at 30 June 2025 (as at 31 December 2024: CHF 520.8 billion). This figure includes managed assets totalling CHF 465.1 billion (up CHF 7.8 billion) and assets with custody services of CHF 69.3 billion (up CHF 5.7 billion).

A net inflow of new money totalling CHF 7.4 billion and a positive market trend (price, interest rate and currency development) that added CHF 5.9 billion more than offset the decline of around CHF 4.8 billion in client assets associated with the sale of Zürcher Kantonalbank Österreich AG.

Confirmed AAA rating

The rating agencies Fitch, Moody's and Standard & Poor's continue to rate Zürcher Kantonalbank at AAA and Aaa, respectively. This rating has been reconfirmed as part of an annual review. Zürcher Kantonalbank is also one of the safest universal banks in the world on a stand-alone basis (i.e. without taking any government support into account), as evidenced by the stand-alone rating of aa- (Standard & Poor's).

Outlook

The geopolitical environment remains uncertain and the current interest rate level represents a challenging backdrop. Our diversified business model enables us to face these challenges with confidence. We are convinced that the bank will also achieve very favourable annual results in the 2025 financial year. We base this assessment in particular on the encouraging half-year results, which provide a solid foundation.

Consolidated income statement

in CHF million	1st half 2025	1st half 2024	Change	Change in %
› Result from interest operations				
Interest and discount income	**1,696**	2,233	−537	−24.0
Interest and dividend income from financial investments	**22**	20	2	12.0
Interest expense	**−882**	−1,385	502	−36.3
Gross result from interest operations	**836**	**868**	**−32**	**−3.7**
Changes in value adjustments for default risk and losses from interest operations	**−14**	−10	−4	42.4
Subtotal net result from interest operations	**822**	**858**	**−36**	**−4.2**
› Result from commission business and services				
Commission income from securities trading and investment activities	**606**	557	50	8.9
Commission income from lending activities	**38**	41	−3	−8.3
Commission income from other services	**72**	73	−1	−1.5
Commission expense	**−186**	−162	−24	14.6
Subtotal result from commission business and services	**530**	**509**	**21**	**4.2**
› Result from trading activities				
Result from trading activities and the fair value option	**233**	**177**	**55**	**31.2**
› Other result from ordinary activities				
Result from the disposal of financial investments	**2**	5	−3	−61.9
Income from participations	**10**	10	0	3.2
– of which, participations valued using the equity method	**1**	1	0	30.9
– of which, from other non-consolidated participations	**9**	9	0	0.6
Result from real estate	**3**	3	0	14.3
Other ordinary income	**6**	4	2	45.8
Other ordinary expenses	**−6**	−6	−0	8.4
Subtotal other result from ordinary activities	**15**	**16**	**−1**	**−5.9**
Operating income	**1,600**	**1,560**	**40**	**2.6**
› Operating expenses				
Personnel expenses	**−625**	−612	−13	2.2
General and administrative expenses	**−259**	−248	−11	4.4
Subtotal operating expenses	**−884**	**−859**	**−24**	**2.8**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	**−24**	−32	7	−23.2
Changes to provisions and other value adjustments and losses	**6**	10	−4	−35.6
Operating result	**698**	**679**	**19**	**2.9**
Extraordinary income	**62**	10	52	–
Extraordinary expenses	**−0**	−0	0	−98.7
Changes in reserves for general banking risks	**–**	–	–	–
Consolidated profit before taxes	**761**	**689**	**72**	**10.4**
Taxes	**−93**	−88	−5	5.6
Consolidated profit	**668**	**601**	**67**	**11.1**

Consolidated balance sheet

in CHF million	30.06.2025	31.12.2024	Change	Change in %
› Assets				
Liquid assets	**31,518**	32,733	–1,215	–3.7
Amounts due from banks	**3,036**	3,405	–369	–10.8
Amounts due from securities financing transactions	**21,092**	25,349	–4,257	–16.8
Amounts due from clients	**13,346**	11,621	1,725	14.8
Mortgage loans	**109,106**	106,600	2,506	2.4
Trading portfolio assets	**12,160**	13,437	–1,277	–9.5
Positive replacement values of derivative financial instruments	**1,222**	2,669	–1,447	–54.2
Other financial instruments at fair value	**–**	–	–	–
Financial investments	**5,621**	5,206	415	8.0
Accrued income and prepaid expenses	**537**	513	24	4.7
Non-consolidated participations	**155**	155	0	0.0
Tangible fixed assets	**481**	497	–16	–3.2
Intangible assets	**3**	3	1	27.0
Other assets	**1,533**	405	1,128	278.8
Total assets	**199,811**	**202,594**	**–2,783**	**–1.4**
Total subordinated claims	**334**	333	2	0.5
– of which, subject to conversion and/or debt waiver	**99**	128	–29	–22.6
› Liabilities				
Amounts due to banks	**33,107**	39,691	–6,584	–16.6
Liabilities from securities financing transactions	**6,581**	8,008	–1,427	–17.8
Amounts due in respect of customer deposits	**109,033**	106,980	2,052	1.9
Trading portfolio liabilities	**2,292**	2,862	–570	–19.9
Negative replacement values of derivative financial instruments	**2,256**	1,005	1,251	124.4
Liabilities from other financial instruments at fair value	**4,512**	4,421	92	2.1
Cash bonds	**233**	260	–27	–10.4
Certificate of deposits	**–**	50	–50	–100.0
Bond issues	**11,181**	10,994	186	1.7
Central mortgage institution loans	**11,620**	11,162	458	4.1
Accrued expenses and deferred income	**1,146**	1,287	–142	–11.0
Other liabilities	**2,534**	834	1,701	204.0
Provisions	**162**	177	–15	–8.2
Reserves for general banking risks	**379**	379	–	–
Bank's capital	**2,425**	2,425	–	–
Retained earnings reserve	**11,684**	10,952	731	6.7
Foreign currency translation reserve	**–1**	–15	14	–92.0
Consolidated profit	**668**	1,120	–453	–40.4
Shareholders' equity	**15,154**	**14,862**	**292**	**2.0**
Total liabilities	**199,811**	**202,594**	**–2,783**	**–1.4**
Total subordinated liabilities	**3,360**	3,346	14	0.4
– of which, subject to conversion and/or debt waiver	**3,360**	3,346	14	0.4
› Off-balance-sheet transactions				
Contingent liabilities	**3,686**	4,056	–370	–9.1
Irrevocable commitments	**13,200**	14,045	–845	–6.0
Obligations to pay up shares and make further contributions	**345**	349	–4	–1.1
Credit commitments	**–**	–	–	–

Consolidated statement of changes in equity

in CHF million	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Foreign currency translation reserve	Total equity
› 2024						
Total equity as at 31.12.2023	2,425	10,241	379	1,238	–16	14,268
Effect of any restatement	–	–	–	0[1]	–	0
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Increase in scope of capital consolidation	–	–	–	–	–	–
Decrease in scope of capital consolidation	–	–	–	–	–	–
Other contributions/ other capital paid in	–	–	–	–	–	–
Currency translation differences	–	–	–	–	1	1
Dividends and other distributions	–	–	–	–528	–	–528
Allocation to (transfers from) the reserves for general banking risks	–	–	–	–	–	–
Allocation to (transfers from) the retained earnings reserve	–	711	–	–711	–	–
Consolidated profit	–	–	–	1,120	–	1,120
Total equity as at 31.12.2024	**2,425**	**10,952**	**379**	**1,120**	**–15**	**14,862**

in CHF million	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Foreign currency translation reserve	Total equity
› 2025						
Total equity as at 31.12.2024	2,425	10,952	379	1,120	–15	14,862
Effect of any restatement	–	–	–	–0[1]	–	–0
Capital increase	–	–	–	–	–	–
Capital decrease	–	–	–	–	–	–
Increase in scope of capital consolidation	–	–	–	–	–	–
Decrease in scope of capital consolidation	–	–14	–	–	14	–
Other contributions/ other capital paid in	–	–	–	–	–	–
Currency translation differences	–	–	–	–	–0	–0
Dividends and other distributions	–	–	–	–375	–	–375
Allocation to (transfers from) the reserves for general banking risks	–	–	–	–	–	–
Allocation to (transfers from) the retained earnings reserve	–	745	–	–745	–	–
Consolidated profit	–	–	–	668	–	668
Total equity as at 30.6.2025	**2,425**	**11,684**	**379**	**668**	**–1**	**15,154**

1 Corrections of subsidiaries after the reporting deadline for the consolidated financial statements.

Capital and liquidity disclosures

The bank's disclosures on capital adequacy and liquidity regulations are published in a separate report at zkb.ch/disclosure.

Condensed notes

Scope of consolidation

The consolidated semi-annual financial statements include the financial statements of the parent company and Swisscanto Holding Ltd. with its subsidiaries and sub-subsidiaries (Swisscanto Fund Management Company Ltd., Swisscanto Pensions Ltd. in liquidation, Swisscanto Private Equity CH I AG, Swisscanto Private Equity CH II AG, Swisscanto Private Equity Growth II AG and Swisscanto Asset Management International SA). The financial statements of Zürcher Kantonalbank Finance (Guernsey) Ltd., ZKB Securities (UK) Ltd. and Complementa AG are included as well.

Entities not included are the subsidiaries and sub-subsidiaries Zürcher Kantonalbank Representações Ltda. and Complementa GmbH, which are immaterial for accounting purposes, and the immaterial majority holding in Philanthropy Services AG. The bank recognises the financial results of these entities using the equity method at the proportionate share of equity (incl. proportionate profit for the period) as at the balance sheet date.

Zürcher Kantonalbank Österreich AG is no longer part of the scope of consolidation due to its sale in January 2025.

Changes in accounting and valuation principles

Foreign exchange translation

Bank notes, like all other assets and liabilities, are translated at the average rate as at the balance sheet date.

Value adjustments and provisions for expected losses

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

Factors influencing the half-year result in 2025

The tense geopolitical situation due to US tariffs characterised the first quarter of 2025. The resulting strong Swiss franc and low inflation led to two further interest rate cuts by the SNB in the first half of 2025. This development had a direct impact on the bank's interest operations – our most important income stream. The commission business and services benefited from the recovery of the markets in the second quarter. The high market volatility caused by the US tariffs policy and the conflicts in the Middle East favoured the trading business.

Events occurring after the reporting date of the interim financial statements

No significant events affecting the assets, liabilities, financial position and the results of operations of the group occurred between the reporting date of the interim financial statements and the date on which the report was approved for publication.

Explanations regarding material losses, extraordinary income and expenses, reserves for general banking risks and value adjustments and provisions no longer required

in CHF million	1st half 2025	1st half 2024
› Extraordinary income		
Reversal of impairment on other participations	2	–
Income from sale of other real estate/bank premises	3	9
Income from sale of participations	56	0
Other	1	0
Total	**62**	**10**
› Extraordinary expenses		
Losses from sale of other real estate/bank premises	–	–
Losses from disposal of participations	–	–
Other	0	0
Total	**0**	**0**
› Changes in reserves for general banking risks		
Creation of reserves for general banking risks	–	–
Release of reserves for general banking risks	–	–
Total	**–**	**–**

Group structure
Parent company and significant group companies

Zürcher Kantonalbank (parent company)

Swisscanto Holding Ltd.	**Zürcher Kantonalbank Finance (Guernsey) Ltd.**	**ZKB Securities (UK) Ltd.**	**Complementa AG**
Swisscanto Fund Management Company Ltd.			
Swisscanto Asset Management International SA			

Representative offices:
São Paulo, Beijing, Mumbai, Singapore

Are managed as part of the parent company.

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In case of any deviations resulting from the translation, the German version shall prevail.

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0	(0 or 0.0) Figure that is smaller than half the unit of account used
–	Figure not available or not meaningful

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