

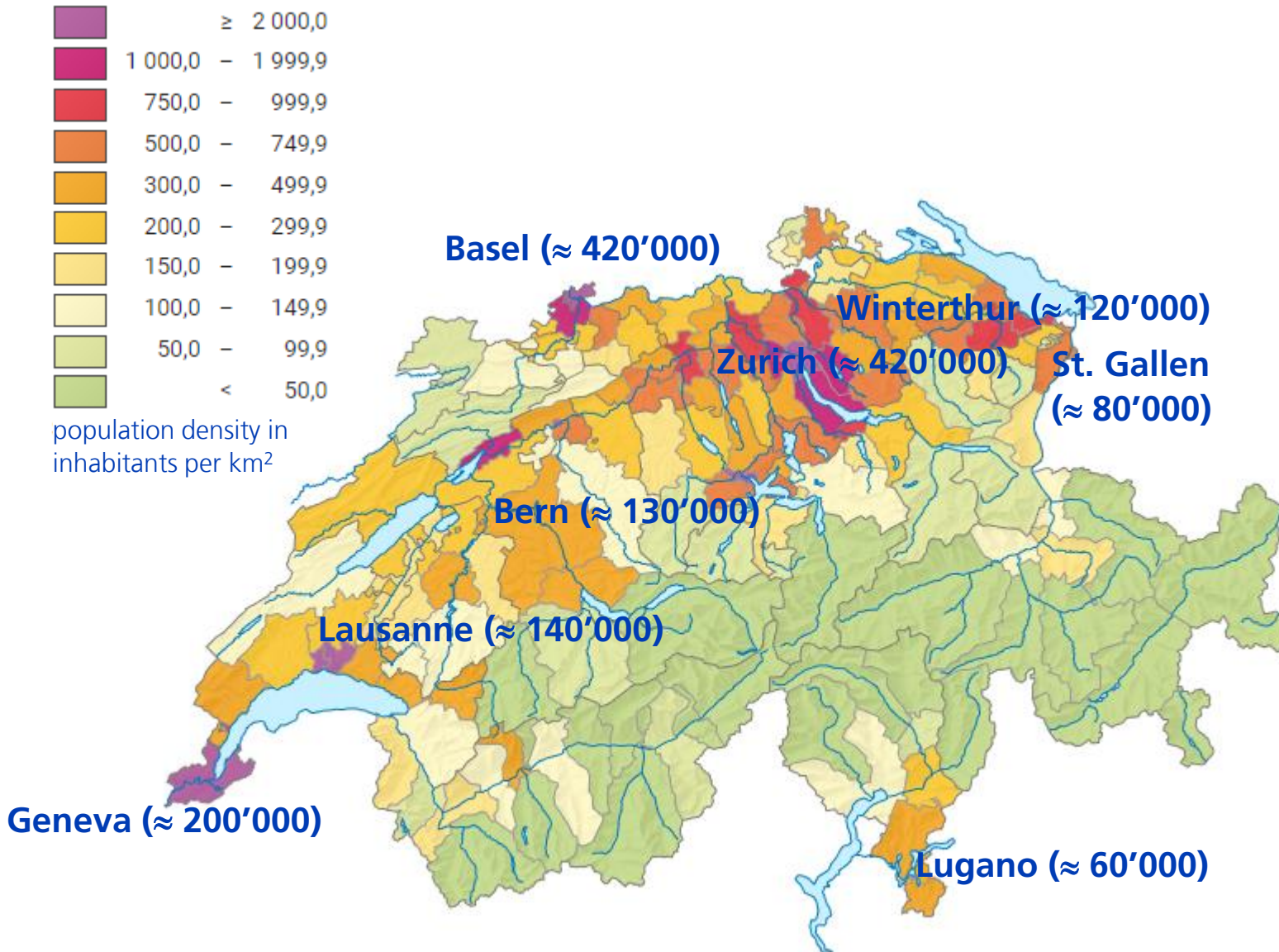
Financial Institutions International



Central Banks Seminar 2023
Daniel Schär, September 2023



Switzerland – a few facts



- Population: 8,6 mio, slightly less than New York City (8,8 mio)
- Area: 41,285 km², less than one third of the area of the State of New York (141,299 km²)
- Federation consisting of 26 cantons with 4 official languages: German (Swiss), French, Italian, Rhaeto-Romanic
- Direct Democracy
- Often referred to as the „Water Castle“ of Europe
 - 1,500 lakes
 - 65,000 km flowing waters
 - ca. 60% hydroelectric power
- Country with the highest per-capita gold reserves in the world (≈ 4 oz)

Highly Competitive Swiss Economy

Real GDP Ranking 2021		
1	Monaco	174'000
2	Liechtenstein	169'000
3	Luxembourg	136'000
4	Bermuda	111'000
5	Ireland	99'000
6	Switzerland	93'000
7	Norway	89'000
8	Isle of Man	86'000
9	Cayman I.	85'000
10	Channel I.	74'000
11	Singapore	73'000
12	USA	69'000

Source: The World Bank

Global Innovation Index 2021		
1	Switzerland	65.5
2	Sweden	63,1
3	USA	61.3
4	UK	59.8
5	South Korea	59.3
6	Netherlands	58.6
7	Finland	58.4
8	Singapore	57.8
9	Denmark	57.3
10	Germany	57.3
11	France	55.0
12	China	54.8

Source: World Intellectual Property Organization

Mercer Quality of Living 2019	
1	Vienna
2	Zürich
3	Vancouver
4	Munich
5	Auckland
6	Düsseldorf
7	Frankfurt
8	Copenhagen
9	Geneva
10	Basel
11	Sydney
12	Amsterdam

Source: Mercer Mobility Exchange

We have been a reliable partner for over 150 years

- The bank for the **people of Zurich** since 1870
- A globally networked **full-service bank** with strong regional and local roots
- Switzerland's **safest bank** and the world's most secure full-service bank
- **Service mandate: responsible** and **circumspect** business practices which take account of the **needs** of the people, the economy and the canton of Zurich
- One of the biggest employers in the canton offering over **400 apprenticeships**



Wide-ranging commitment: we care about Zurich's people and culture

We promote

- innovative **startups**: with start-up financing of CHF 10–15 million per year.
- the future of our **youth** and **mobility**: as a partner of Berufsmesse Zürich and of ZVV night network.
- **nature** in all of its beauty and variety: e.g. the Zurich Zoo and Wildnispark Zurich.
- a **diverse culture**: including Casinotheater Winterthur and LunchKino.
- the pleasure of **exercise**: whether at ZüriLaufCup or on cross-country ski runs.

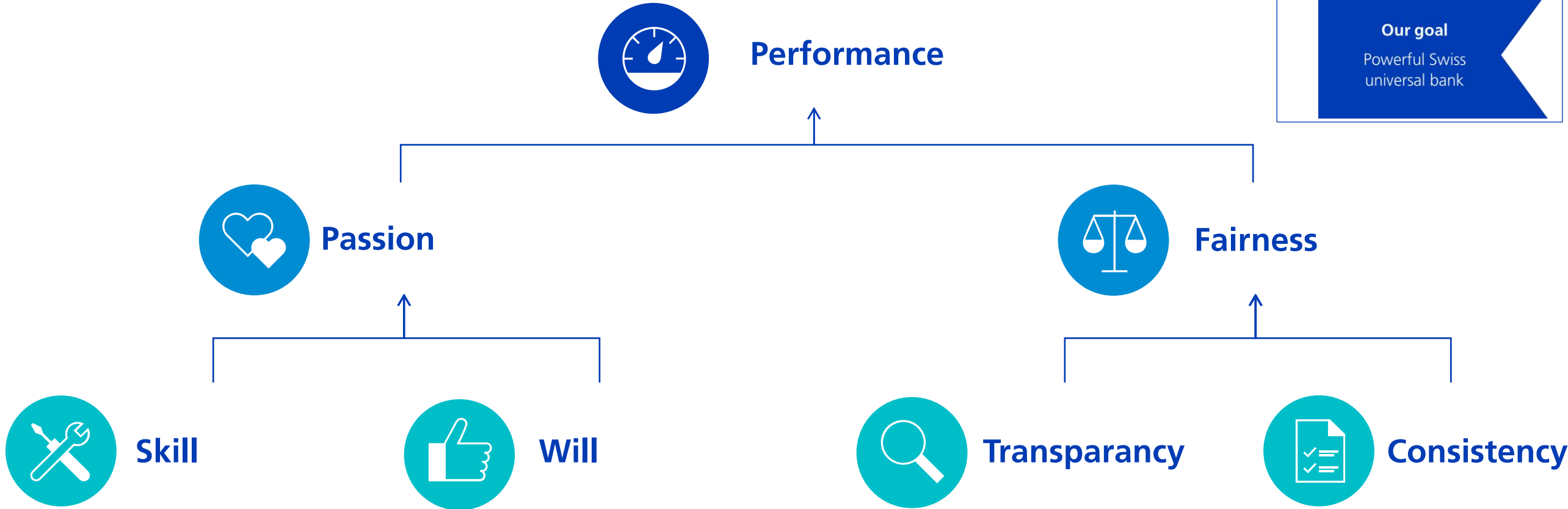


Wegweisend. Zürcher Wanderwege.

Jetzt die Broschüre «Wanderungen in der Schweiz 2018/19» kostenlos in einer unserer Filialen holen und Wanderungen vom einfachen Spaziergang bis zur anspruchsvollen Bergtour genießen. zkb.ch/wanderprogramm
Die nahe Bank.



Passion, performance and fairness are our core values



Group mission statement

Our values
Inspiring, Passionate, Responsible

Our goal
Powerful Swiss universal bank

Our bank is like our canton: building on a well-established regional base and strong international network



Major involvement in the **international activities of the Canton of Zurich**; this is also due to our public service mandate; our international products are available for all our clients



Preferred international partner for trading, trade and export finance, interbank business and tax compliant private banking



First-class Swiss provider for complex financing arrangements, sophisticated investment and asset management solutions as well as trading and capital market services



We generate almost **90 percent of our earnings in Switzerland** – in line with our risk capital allocation

Our clients' trust in us makes us successful

Key figures 2022

Total assets (CHF)

200 bn

Core Capital Ratio

18.5%

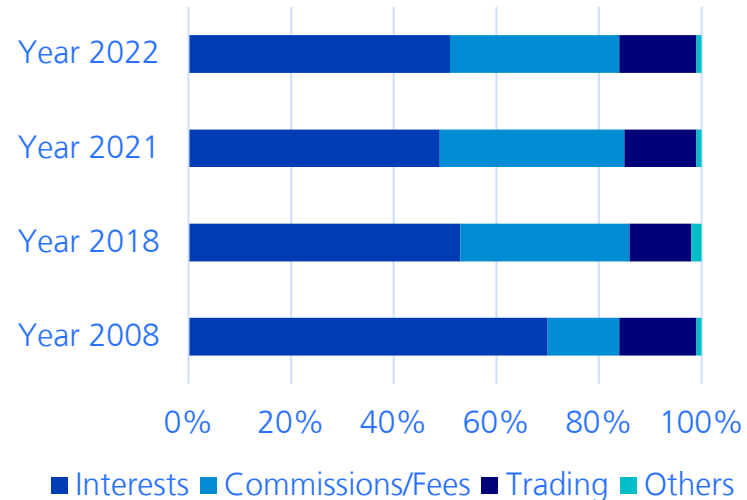
Market penetration of
private individuals

~50% in the canton
of Zurich

Net income (CHF)

1'059 mn

Income Structure



Cost / income ratio

57.5

Return on Equity

8.4 %

AuM (CHF)

400 bn

NNM (CHF)

33.9 bn

Number of employees
(FTE)

6'017

Our Ratings

Ratings

AAA

Standard's and Poor's (S&P)

Aaa

Moody's

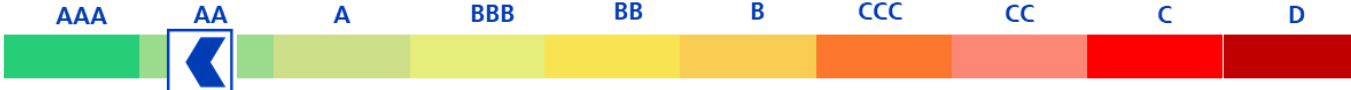
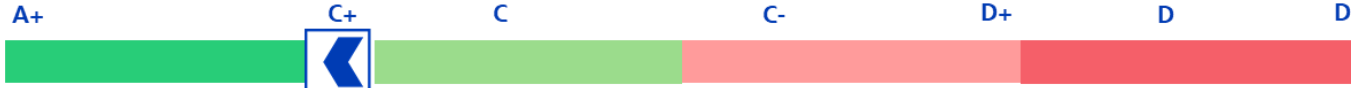
AAA

Fitch

AA-

Stand-Alone-Rating

ESG Ratings [2021]



World's Safest Banks 2022 (Global Finance Magazine)

1. KfW (Germany)
2. Zürcher Kantonalbank (Switzerland)
3. BNG Bank (Netherlands)
4. Landwirtschaftliche Rentenbank (Germany)
5. Nederlandse Waterschapsbank (Netherlands)
6. L-Bank (Germany)
7. Kommunalbanken (NORWAY)
8. NRW.BANK (Germany)
9. Swedish Export Credit Corp. (Sweden)
10. Caisse des Dépôts et Consignations (France)



Financial Institutions International

Global for our locals Local for our globals

Vision

we are the **AAA Swiss partner** for international financial institutions such as banks, central banks, supra-nationals, asset managers, broker-dealers, investment fund and the infrastructure providers.



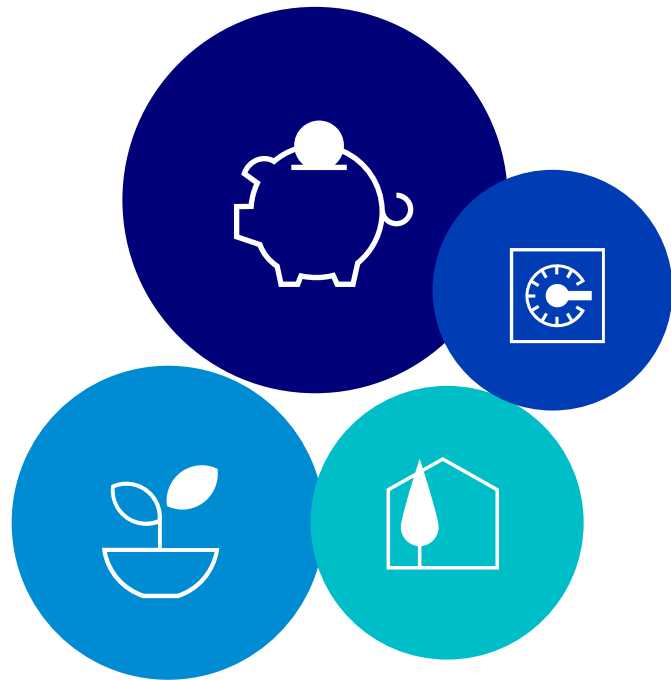
Mission

- We fulfill “Leistungsauftrag” for our corporate clients and the dealing room through strong worldwide correspondent banking network
- We offer broad range of first-class services and act as first line of defense
- We enable our internal stakeholders to reach their goals
- We support our customers **in strengthening their competitiveness**
- We keep our **portfolio diversified** in all aspects



Strategic Principals

- We want to achieve **good results**, act **risk-conscious** and learn from lost opportunities
- We maintain **personal and long-term relationships** with our customers
- We are responsible for **a powerful network of correspondent banks**
- We are **reliable, fast, flexible and professional**



First Line of Defence

- **Commercial risk:** analysing, setting limits & ratings, monitoring exposure & ratings
- **Compliance risk:** analysing, evaluating, documenting including requests for EtP
- Setting up **country policies** with respect to counterparties, product offerings, tenor etc.

Correspondent Banking

- **Relationship management** for Financial Institutions International
- **Sales** of all trade, export finance related products and CHF clearing services (vostro)
- Coordination on all products offered by our dealing room (and asset management)

Country Management

- Assessment, monitoring and reporting of risks, exposures and assets
- Definition of product offerings (review and set-up country policies and F.I. portfolios)
- Application for country and F.I. limits (some authority is with III)
- Market and country responsibilities for Zürcher Kantonalbank (in coordination with WA and VR)

Representative Offices

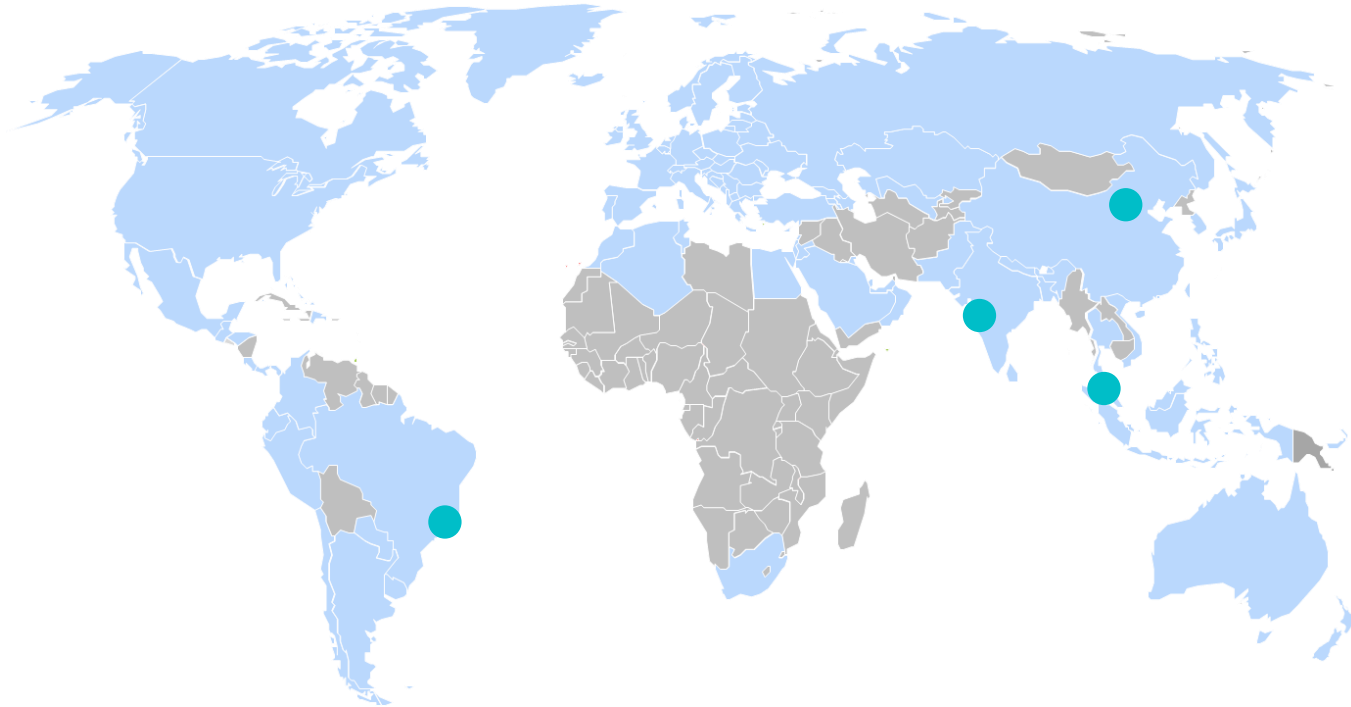
- Correspondent banking & center of competence being closer to core markets and local F.I.s
- Show our flag / liaise with our corporate clients and authorities in the region

Trade Finance Syndication

- Center of competence for syndication of trade and export finance (buy & sell)

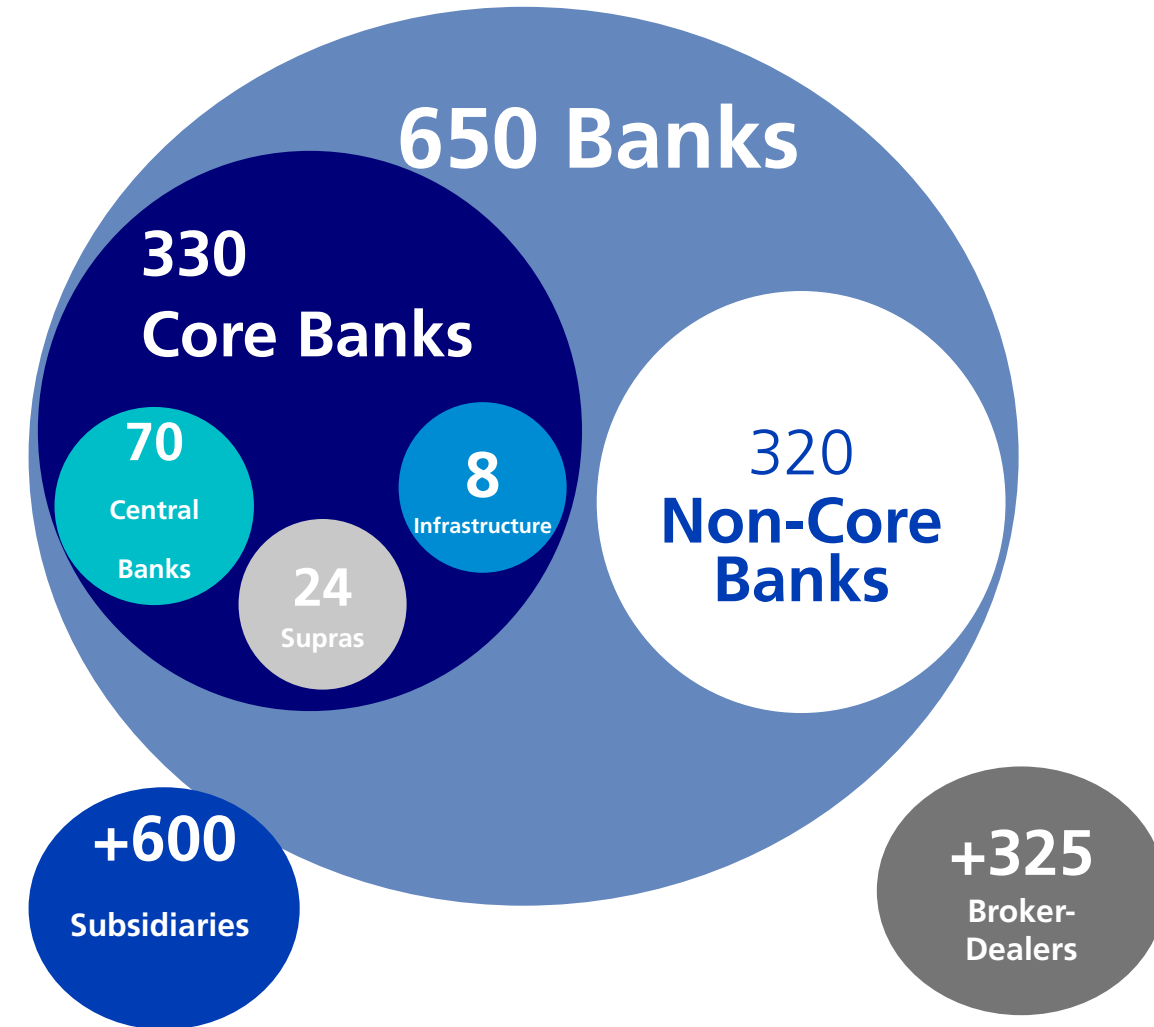
Global coverage

In 101 countries with 4 Representative Offices



● Representative Zürcher Kantonalbank offices in Brazil, China, Singapore and India

ZKB, F.I. International





- Banks
- Insurances
- Multilateral Development Banks
- Forfaiting companies



Our specialized Trade Finance Syndication Desk

- helps you to diversify your risk portfolio and maximise your revenues
- actively buys and sells trade finance risk in the secondary market
- works with a global networks
- trades a broad range of trade finance products
- uses international standardized documentation

Trade and Export Finance

Financial Institutions International – Trade and Export Finance (Short Term)

Products / Cooperations

- Maintaining a global network of selected preferred partner banks
- Professional and efficient processing of trade finance transactions
- Various types of short term trade finance solutions
- For commodities generally limited to a tenor of 180 days

Partners

Zürcher Kantonalbank is a well recognized confirming bank under the IFC Global Trade Finance Program, the EBRD, ADB, ADF and IDB Trade Facilitation Programs



Financial Institutions International – Trade and Export Finance (Medium-/Long Term)

Products / Cooperation's

- Zürcher Kantonalbank is a reliable partner in the processing of medium- and long-term export financings with the instruments of
- confirmation of letters of credit
 - issuance of guarantees
 - export financing transactions with or without ECA-coverage

Coverage provided by SERV (Swiss ECA)

- Political risk
- Transfer risk
- Commercial risk of the buyer or guarantor
- Commercial risk of the exporter or financial institution granting export credit
- Force majeure risk
- Foreign currency contingency risk

Schweizerische Exportrisikoversicherung
Assurance suisse contre les risques à l'exportation
Assicurazione svizzera contro i rischi delle esportazioni
Swiss Export Risk Insurance



CHF Clearing & CLS Services

Financial Institutions International – CHF Clearing & CLS Nostro Agent and Third Party Services

Product Offering CHF Clearing

Zürcher Kantonalbank is a **leading provider of CHF Clearing Services** in Switzerland and a reliable partner in the processing of all sorts of CHF transactions

- More than 150 banks worldwide are long-lasting and loyal clients of our CHF offering.
- Zürcher Kantonalbank is constantly investing in its CHF clearing services to provide a modern product to its appreciated current and future clients.
- Our pricing is transparent, straight-forward and fair.
- We consider CHF clearing services as a core-product in the business relationship with banks worldwide. The corresponding relationship managers support and ensure a smooth handling of payment issues.

Zürcher Kantonalbank might be the **best alternative in Switzerland** next to our friendly competitor-group «UBS/Credit Suisse».

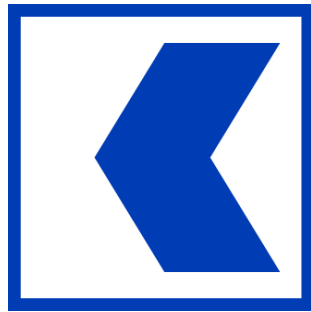
Product Offering CLS

Zürcher Kantonalbank has been one of approx. 70 **Direct Settlement Member and shareholder** of CLS Group / CLS Bank International **since 2001**

- 20 financial institutions, mainly in Switzerland, are using our CLS Third Party Services for years
- We offer CLS Nostro Agent services in CHF to other CLS Direct Settlement Members
- Zürcher Kantonalbank is CHF Liquidity Provider and offers 16 foreign currencies through CLS settlement
- CLS currencies – other than CHF – are settled through best-in-class CLS Nostro Agents
- We are committed to invest in human and IT-ressources to support all our CLS services

Central Banks Seminar 2023

Questions ?



Zürcher
Kantonalbank