

Annual report 2024



**Banca
Zarattini & Co.**

Annual Report 2024

Presented to the Annual General Meeting of Shareholders on April 16th 2025

2	Management Bodies
3	Board of Directors, report
5	Balance sheet
6	Income statement
7	Appropriation of profits (proposal Board of Directors)
8	Presentation of the statement of changes in equity
9	Notes to the annual report
36	Report of the statutory auditor

Management Bodies

Board of Directors

Chairman	Claudio Sulser ^(*)		Lugano
Vice chairman	Andrea Zanni ¹⁾	until 17.02.2025	Lugano
	Francesco Renne ^(*) ^(**) ²⁾	from 25.02.2025	Varese (I)
Members	Ignazio Giorgio Basile	from 16.04.2024	Milano (I)
		^(**) from 10.12.2024	
	Camilla Fasolo Zarattini		Collina d'Oro
	Peter Heckendorn ^(*) ^(**)		Bottmingen
	Giulio Zarattini	from 16.04.2024	Collina d'Oro

Management

CEO	Flavio Quaggio
Deputy CEO	Roberto Fior
	Ivan Mattei
	Andrea Terzariol

Statutory Auditor

Ernst & Young SA, Lugano

Internal Auditor

Pluriaudit SA, Lugano

^(*) Independent directors, in accordance with FINMA Circular 2017/1

^(**) Members of the Audit Committee, Chairman Peter Heckendorn

¹⁾ Member of the Audit Committee until 10 December 2024

²⁾ Already a member of the Board of Directors

Board of Directors' report 2024

Dear Shareholders,

The global financial market performed well in 2024, and our sector benefited from relatively favourable macro-economic conditions despite a complex and uncertain operating environment characterised by rising geopolitical tensions, continued conflicts such as those in Ukraine and the Middle East and a long series of elections that in most cases saw the victory of the opposition over incumbent governments, signalling a desire for change from existing policies.

Economic growth continues with no signs of overheating, although distributed unevenly across geographic areas. Inflation, at least in the major currencies, has almost reached the upper limit of the Central Banks' target range. While inflation in euros and dollars stopped falling in the second half of the year, raising fears of a dangerous rebound, it continued to decline in Switzerland, bringing it closer to the deflation we were accustomed to a decade ago. This allowed the Swiss National Bank to make an astonishing interest rate cut in December, twice the expected size, bringing the yield on the Swiss franc at various maturities to the lowest among all currencies.

The main topics debated in the financial markets in 2024 were numerous, many of which represented the continuation of already known trends: extreme valuations of certain stocks and sectors, the sustainability of government deficits and debts, political debates and the crisis of globalization, the contrast between deflation and inflation, the demographic crisis between migration and ageing in the West, energy and environmental issues and money and cryptocurrencies. However, two topics that have emerged more recently deserve special mention: the spread of artificial intelligence, which is now accessible almost free of charge and to an ever-widening public, developing at an increasing rate and promising to revolutionize the world of work (and beyond); and the recent decision in favour of European rearmament led by Germany.

The good performance of the Private Banking sector of Banca Zarattini & Co in 2024 is the result, first and foremost, of the strong commitment of our consultants to assist customers in the best possible way. The generally favourable trend in financial and investment markets also contributed. The decline in key interest rates reduced the bank's profitability, but this negative effect was offset by the performance of currencies, which for the first time in many years was favourable. In fact, the strength of the U.S. dollar and the stability of the euro against the Swiss franc have had a positive impact on the income statement, both directly, through increased customer operations on currencies, and indirectly, through growth in assets on deposit and fees, against substantially stable expenses.

The results obtained by the management of Banca Zarattini & Co were positive in all lines, from the more dynamic ones based on shares to the more conservative ones focused on fixed income. In absolute terms, the best results were achieved in the field of stocks, which closed the year with double-digit gains. However, the dominance of a few sectors or even a few dozen stocks, such as the giant companies associated with artificial intelligence or the few surviving protagonists of the Italian banking renaissance, has made it difficult to outperform the benchmark indices, at least for well-diversified portfolios. As a result, for several equity management lines, performance has been very positive in absolute terms but, unfortunately, lower than that of the world's best indices. In contrast, the best results in relative terms were achieved in bonds, where good selection of securities and maturities made it relatively easy to traverse the sometimes chaotic fluctuations in interest rates that characterized much of the year.

The fiscal year was unreservedly positive for the operation of our TDSM office. The excellent team, built and consolidated over the years, has once again exceeded expectations, achieving a result better than the forecasts at the beginning of the year as well as growing compared to the previous year.

The difficulties in the steel sector recorded during 2024 also had repercussions on our Trade Finance office, whose result, for the first time since the beginning of its activities, was lower than that of the previous year. However, it should be emphasised that the result obtained was still positive and well above the forecasts made at the end of 2023.

Continuous updating of technological infrastructure and processes is an unavoidable necessity, especially in today's financial environment. During the year, Banca Zarattini & Co has been particularly committed in this area, pursuing two main objectives: improvement of customer service and compliance with the latest regulations. Two strategic IT projects have been launched, which will be implemented in early 2025. A new front office software will soon be introduced, designed to facilitate customer advisory activities, simplify controls and optimise order execution. From a regulatory perspective, the bank has adapted its procedures to the European regulation DORA (Digital Operational Resilience Act), implementing several initiatives: from reviewing IT processes to strengthening business continuity strategy, from improving corporate data security to drafting a new IT Governance. At the same time, a project to renew the bank's image was launched, with the adoption of a new logo and new aesthetic and communication criteria for external presentations.

Meanwhile, Banca Zarattini & Co's commitment to sustainability continues. The bank is associated with Swiss Sustainable Finance, adheres to the Swiss Bankers Association's guidelines on investment and mortgage advisory and management and has integrated the Corporate Social Responsibility (CSR) model into its strategy. During 2024, the bank increased the resources dedicated to corporate welfare, with the explicit aim of improving the well-being of its valuable collaborators, who have also become more numerous over the course of the year.

The balance sheet figure, after two years of decline, shows a slight recovery, standing at CHF 327 million, compared to CHF 289 million at the end of 2023. The year ends with a net profit of CHF 3,023,720, almost identical to last year's result.

We conclude this comment with a dutiful and heartfelt thanks to all the collaborators, customers and institutional counterparts of the bank. Achieving this year's results, which we consider satisfactory in a complex economic and financial environment, was only possible thanks to the contributions of all of them.

Lugano, 27 March 2025

The Board of Directors

Balance Sheet

	31.12.2024 CHF	31.12.2023 CHF
Assets		
Liquid assets	36,778,050	40,125,012
Amounts due from banks	120,663,472	62,275,448
Amounts due from customers	127,184,852	125,503,300
Mortgage loans	14,240,840	13,390,540
Trading portfolio assets	6,208,745	6,877,048
Positive replacement values of derivative financial instruments	1,249,439	780,151
Financial investments	17,541,264	36,571,425
Accrued income and prepaid expenses	2,169,637	2,438,886
Participations	235,543	232,166
Tangible fixed assets	718,702	448,960
Other assets	574,253	329,522
Total assets	327,564,797	288,972,458
Liabilities		
Amounts due to banks	1,917,105	713,243
Amounts due in respect of customer deposits	244,018,487	207,048,813
Negative replacement values of derivative financial instruments	1,130,956	1,248,102
Accrued expenses and deferred income	6,517,854	5,566,050
Other liabilities	1,288,489	728,064
Provisions	76,500	76,500
Reserve for general banking risks	10,000,000	10,000,000
Bank's capital	22,500,000	22,500,000
Statutory retained earnings reserve	5,838,156	5,686,400
Voluntary retained earnings reserve	30,207,403	30,207,403
Profit carried forward	1,046,127	2,162,771
Profit / loss (result of the period)	3,023,720	3,035,112
Total liabilities	327,564,797	288,972,458
Off-balance sheet transactions		
Contingent liabilities	18,482,011	14,633,020
Irrevocable commitments	635,248	1,068,414
Credit commitments	32,527	-

Income Statement

	2024 CHF	2023 CHF
Interest and discount income	9,682,640	10,740,494
Interest and dividend income from trading activities	23,980	53,878
Interest and dividend income from financial investments	131,622	979,919
Interest expense	-1,210,339	-68,347
Gross result from interest operations	8,627,903	11,705,944
Changes in value adjustments for default risks and losses from interest operations	-107,661	-280,084
Net result from interest operations	8,520,242	11,425,860
Commission income from securities trading and investment activities	7,774,094	8,986,116
Commission income from lending activities	839,235	1,032,593
Commission income on other services	422,994	203,272
Commission expense	-1,650,221	2,182,516
Result from commission business and services	7,386,102	8,039,465
Result from trading activities and the <i>fair value</i> option	9,415,950	5,536,556
Result from the disposal of financial investments	21,153	-
Result from real estate	-	-
Other ordinary income	-	24,938
Other ordinary expenses	-61,362	-
Other result from ordinary activities	-40,209	24,938
Personnel expenses	-15,173,112	-15,054,941
General and administrative expenses	-5,934,254	-5,816,085
Total operating expenses	-21,107,366	-20,871,026
Value adjustments on shareholdings, and depreciation and amortisation of tangible fixed assets and intangible assets	-304,745	-436,257
Changes to provisions and other value adjustments, and losses	-28,244	47,909
Operating result	3,841,730	3,767,445
Extraordinary income	-	-
Extraordinary expenses	-	-
Changes in reserves for general banking risks	-	-
Taxes	-818,010	-732,333
Profit / loss (result of the period)	3,023,720	3,035,112

Appropriation of Profit

(proposal of Board of Directors)

	31.12.2024 CHF	31.12.2023 CHF
Profit / loss	3,023,720	3,035,112
+ profit carried forward	1,046,127	2,162,771
= distributable profit	4,069,847	5,197,883
Appropriation of profit		
Allocation to statutory retained earnings reserve	-151,186	-151,756
Distributions from distributable profit	-3,000,000	-4,000,000
New amount carried forward	918,661	1,046,127

Presentation of the statement of changes in equity

(amounts in CHF 1,000)

	Bank's Capital	Capital Reserve	Retained earnings reserve	Reserves for general banking risks	Currency translation reserves	Voluntary retained earnings reserves and profit / loss carried forward	Own shares (negative item)	"Minority" interests	Result of the period	Total
Equity at start of current period	22,500	-	5,686	10,000	-	32,370	-	-	3,035	73,591
Capital increase / decrease	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-965	-	-	-3,035	-4,000
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	-	-	-	-	-	-	-
Other allocations to (transfers from) the other reserves	-	-	152	-	-	-152	-	-	-	-
Profit / loss (result of the period)	-	-	-	-	-	-	-	-	3,024	3,024
Equity at end of current period	22,500	-	5,838	10,000	-	31,253	-	-	3,024	72,615

Notes to the annual report 2024

1. Information about activity

The information refers to the situation as at 31 December 2024.

General information

Banca Zarattini & Co. SA is authorised to carry out banking activities by a decision dated 28 June 2005 of the Swiss Federal Banking Commission, now known as FINMA (Swiss Financial Market Supervisory Authority).

The company was founded in Lugano in 1991 under the name "Zarattini & Co. SA". On 28 November 2001, it acquired a licence to trade securities and, since 2001, has therefore been subject to supervision by FINMA, the Swiss Financial Market Supervisory Authority.

The Bank's registered office is in Via Serafino Balestra 17 in Lugano.

Bank's activities

The Bank's main activity is private banking: it offers clients a comprehensive range of services relating to administration and asset management, investment advice and securities brokerage, and asset management on behalf of investment funds. It also carries out all related transactions in both Switzerland and abroad.

The Bank is active in the brokerage of fixed income securities, with institutional counterparties from Switzerland and around the world, via an operational area specialising in proprietary trading (concurrent buying and selling) of bonds.

Lending to Private Banking clients is a secondary activity, limited in principle to Lombard loan facilities or loans secured against easily realisable assets. Mortgage lending is minimal and solely relates to properties in Switzerland.

Since September 2018 the Bank has been active in the trade finance sector, offering commodity trading companies assistance in financing commercial transactions related to international commodity trading, with a particular focus on trading in metals (ferrous and non-ferrous).

Headcount

At the end of 2024, the Bank had 89 employees (end 2023: 84 employees), representing 83.6 full-time equivalents.

The number of employees indicated includes incoming and outgoing staff around the end of the year.

2. Risk control and management

Banca Zarattini & Co. SA promotes a healthy corporate culture, assuming risks that are appropriate to the size, complexity and nature of its activities in line with its risk propensity and tolerance.

The risk management policy is set by the Board of Directors and forms the basis for the Bank's risk management process. Risk management is an integral part of the Bank's corporate strategy, which is aimed at preserving equity, promoting profitability and increasing the Bank's value.

The Executive Board is committed to fostering a culture of risk containment at all levels of the organisation.

In carrying out its business, Banca Zarattini & Co. combines the objectives of a private bank, such as growth and returns, with fundamental global values, such as client protection, the transparency of its activities, the integrity of the financial system and its focus on innovation. Pure risk management, which naturally focuses on the main risk categories (market, credit, liquidity, operational risk), extends to other types of risk, such as conduct and reputational risk.

The Board of Directors and the Executive Board define the company's fundamental values and aim to promote and disseminate the culture of mitigating risk throughout the company (tone at the top).

The control structure operates on three separate lines of defence:

- First line: first-level controls integrated into the operational processes;
- Second line: independent, interdisciplinary controls carried out by Risk Management and Compliance;
- Third line: activity carried out by Internal Audit with the aim of ensuring that the internal governance system is satisfactory overall.

All employees are thus required to carry out their tasks conscientiously and responsibly in line with the company's fundamental values and risk propensity (accountability).

The Risk Management Service is responsible for implementing the risk policy prepared by the Executive Board and approved by the Board of Directors. Specifically, the Risk Management Service is the organisational unit generally responsible for controlling the risks incurred by the Bank. In managing risks the Board of Directors has therefore delegated the Risk Management service to the Executive Board. The Risk Management service is in charge of the oversight, measurement and analysis of the risks taken on by the Bank, as well as controlling compliance with the risk policy stipulated by the Board of Directors.

In executing its oversight responsibilities, the Board of Directors draws on the support of Internal Audit, which is the main tool for monitoring and controlling the Bank as a whole. Internal Audit is an integral part of the Bank's Internal Control System. Internal Audit examines whether the business is performing in accordance with the intentions and decisions of the managing bodies, whether the Bank's activities are being conducted systematically, safely, efficiently, in accordance with legislation and are properly organised. As such, it provides important information for assessing whether the Bank has an effective internal control system that is appropriate for its risk profile.

Risk assessment

Every year, the Board of Directors carries out a detailed analysis of the risks to which the Bank is exposed and performs a continuous assessment, assisted by the Internal Audit Committee.

The Board of Directors carried out regular risk assessments as required and took the necessary measures to ensure that there was a low risk of a significant error in the annual accounts.

The Board of Directors also carried out a forward-looking assessment of the risks to which the Bank might subsequently be exposed, and implemented in advance appropriate measures to contain future risks.

Risk types

Risks are defined and divided into categories, each of which is assigned a limits structure, which is constantly checked.

The Executive Board has oversight duties and is responsible for communicating with the Board of Directors, which receives regular information about the situation and changes in all risks.

CREDIT RISK

Credit risk refers to the possibility of a financial loss being made as a result of a deterioration of creditworthiness or the inability of a debtor or counterparty to meet their obligations. Such financial obligations include interest expense, commission expense and the repayment of capital borrowed.

The credit risk taken on by Banca Zarattini for Private Banking is limited to Lombard loan facilities and loans secured against easily realisable assets, with prudent loan-to-value margins according to the type and market value of the collateral.

In this context too of operations that fall within the Trade Finance field, our Bank has a policy of prudent lending. Transactional loans are granted on raw materials and their non-perishable derivatives and especially steel, iron minerals and iron alloys. The financed operations are guaranteed by sell-back operations and/or loan insurance and/or pledging of the good, in these cases too given prudent margins of possible advance payments.

As regards loans to banking counterparties, management of credit risk forms part of the broader counterparty risk management performed on a continual basis by the Board of Directors, which takes prudent decisions based on carefully prepared internal studies and on ratings provided by the main rating agencies. The Bank also has regulations and procedures that establish the responsibilities for granting loans.

The Bank proceeded with an analysis of the losses recorded over the last 10 years (so following the acquisition and merger of Banca Euromobiliare (Suisse) SA), in order to assess any need to proceed with value adjustments for latent risks of loss pursuant to article 25 OAPC-FINMA. From this analysis it emerges that the only lending exposure subject to value adjustments are the loans granted to clients, excluding mortgages.

By applying the average percentages of the last ten years for the value adjustments made on the client credit portfolio, a value adjustment was prudently recorded for 2023 of CHF 50,000 maintained also for the year 2024.

ALM, MARKET RISK AND LIQUIDITY RISK

Asset & Liability Management (ALM) is responsible for the coordinated management of different relevant risks, such as liquidity, financing and market risks, in order to achieve the bank's objectives, operating in line with prudent, predetermined risk limits and concentrations.

Liquidity and financing risks

Liquidity risk is defined as the risk that the Bank might not have enough funds or might only be able to obtain sufficient funds at an excessive cost in order to promptly satisfy the contractual obligations it assumes in the performance of its activities. Liquidity risks are not by nature isolated risks, but are a direct consequence of the occurrence of other risks of different types, such as strategic, reputational, credit, regulatory and macroeconomic risks.

The Bank manages liquidity risk in such a way as to guarantee the availability of sufficient liquidity to satisfy its obligations to clients who require loans or the reimbursement of deposits, as well as to satisfy the demands for cash flow in all areas of its business.

Liquidity risk propensity is defined by the Board of Directors, and is the basis for the liquidity risk management strategy, the internal directives on liquidity and the controls process. The liquidity risk management strategy, processes and controls have been determined with reference to the document of the Basel Committee on Banking Supervision on the Principles for Sound Liquidity Risk Management and they comply with the Liquidity Ordinance (LiqO) and the FINMA circulars on the subject.

Market risk

Market risk takes the form of possible financial losses due to adverse trends in market variables, such as interest rates, exchange rates, the prices of shares, precious metals and commodities, and the relative volatility expected. The Bank's business model entails limited exposure to market risk factors. The main source of risk is the interest rate risk. This risk takes the form of a potential reduction in income and/or capital arising from the sensitivity of assets, liabilities and capital to changes in the main market interest rates.

Strict limits have been set out in specific regulations and internal directives on market risk arising from positions in securities and currencies. The positions are monitored on a daily basis. Interest rate risk is managed by the ALM Committee in accordance with the balance sheet structure.

SPECIAL PURPOSE VEHICLE/CONSOLIDATED STRUCTURED ENTITIES

On 27 August 2019, the investment company Special Private Equity Solutions Sicav Plc was incorporated under Maltese law, with the subsequent launch of the subfund Spes ONE, which was fully subscribed by the Bank with a contribution in kind from the Bank's investment portfolio (contribution to the independent appraisal value) of EUR 438,834 and a cash portion of EUR 100,000, effective on 13 December 2019 and during 2023 with a further cash portion by way of a loan for EUR 100,000.

This investment company (and its subfund) is 100% owned by Banca Zarattini & CO. SA and therefore is considered a related party.

The Bank's exposure towards this vehicle is subject to regular assessment and opportune provisions should the guarantees not be sufficient to cover the exposure. In addition, the provision follows the principles of financial investment assessment, thus based on the lower value between the purchase price and the market price, but never higher than the purchase price.

The exposure as of 31.12.2024 is nonexistent as it has been prudentially written off and is in the process of being liquidated.

OPERATIONAL RISKS

Operational risk is defined as the risk of loss arising from the inadequacy or improper functioning of procedures, human resources or systems, or from external events. This definition includes legal risk but not strategic or reputational risks.

Operational risk affects all areas of the Bank. Such risk is not assumed directly, but is the result of the performance of the Bank's activities.

Operational risk is managed by way of regulations and internal directives. Control activities form part of day-to-day work. The Compliance Office checks constantly to ensure compliance with internal regulations and due diligence requirements.

Internal Audit, on the instructions of the Board of Directors, verifies the validity of the procedures.

The Bank's governing bodies have decided that the Security Officer is the internal independent party responsible for defining, maintaining and monitoring the conditions that guarantee the confidentiality and security of clients' electronic data. The Board of Directors has assigned and approved the responsibilities and the frequency of audit reports, and there is a precise framework of activities and processes dedicated to the confidentiality and security of sensitive client data.

The Bank has a Business Continuity Plan designed to ensure that it can continue operating should an exceptional event occur that reduces the availability of personnel, offices or infrastructure, including the IT systems.

To manage settlement risk, the Bank uses appropriate investment and bank instruments designed to ensure that it is kept to a minimum.

Specific risks relating to proprietary trading (concurrent buying and selling) are mitigated by Risk Management on a daily basis using specific regulations.

Compliance risk corresponds to the risk of a breach of the provisions, regulations and code of conduct, as well as the related penalties, financial losses and reputational damage caused by such a breach. This may include a variety of risks, such as reputational risk, legal risk, the risk of litigation, the risk of penalties and operational risks. The compliance risk also includes the risk of financial losses due to fines incurred or restrictions imposed on ordinary activities or the suspension of banking activities by the supervisory authorities due to situations that are non-compliant and hence in breach of laws, ordinances, regulations and accounting principles. Changes in the regulatory environment are constantly monitored by the Compliance Office, and directives and procedures are amended accordingly.

Banca Zarattini is exposed to cross-border risk in view of the type of international clients it serves. The provision of financial products and services abroad is subject to the authorisation and regulation of most countries.

Hence, Banca Zarattini provides its banking and investment services solely in Switzerland. Additionally, Banca Zarattini is authorised by the Bank of Italy to provide its banking services on Italian territory, without a fixed structure there, in accordance with the provisions on the freedom to provide services.

The internal control system and the Bank's specific protective systems are considered appropriate for mitigating cross-border risk. Many directives have been issued and many controls have been set up to this effect.

REPUTATIONAL RISK

Reputational risks take the form of losses arising from events that have a negative impact on the Bank's image or on the way in which the Bank is perceived by the general public, clients, investors, shareholders and supervisory authorities.

Given that reputational risk is difficult to quantify and depends on other events occurring, the Bank manages this risk in conjunction with other risks by assessing the intrinsic reputational impact.

There were no significant events after the balance sheet date.

3. Outsourcing

Banca Zarattini & Co. SA has outsourced some of its operations relating to the management of S.W.I.F.T. communications to Bottomline Technologies of Geneva.

4. Accounting principles and policies

General principles

These financial statements have been prepared in accordance with the Code on obligations (CO) and the Federal Law on Banks (LBCR), its Execution order (OBCR), the FINMA order on accounts (OAPCFINMA) and FINMA Circular 2020/1 "Accounting directives – banks" Rules on the presentation of accounts for banks, brokerage firms, financial groups and conglomerates" in accordance with the statutory single-entity financial statements providing a reliable presentation. The information is presented by transaction date.

Proprietary trades (concurrent buying and selling) are entered in the balance sheet on the settlement date.

Assets and liabilities booked to the same subaccount are valued separately.

The Bank's accounts are included in the accounts of the Neutral Holding Spf Group, Luxembourg.

Foreign currencies

Account balances in foreign currency are translated into Swiss francs at the year-end exchange rate. The main exchange rates used to translate foreign exchange accounts were as follows:

Currency	31.12.2024	31.12.2023
EUR	0.942170	0.928665
USD	0.904450	0.839100
GBP	1.134400	1.07095

Cash, receivables due from and to banks and clients

The financial statement presentation of the receivables and commitments is done at their nominal value. Accrued interest is calculated pro rata as at the closing date and is included in accrued income and deferred charges. Specific loan loss provisions are a function of the relative risk and are calculated on a prudent basis. Provisions are made for debit interest and commission more than 90 days overdue based on the unhedged portion of the credit.

Negative interest on the lending business is recognised in interest income (reduction in interest income) while negative credit interest to clients is recognised as interest expense.

In the financial year 2024, the Bank incurred costs due to negative interest of CHF 187 (2023: CHF 2'160) and did not collect from negative creditor interest.

Trading portfolio assets

Securities and precious metals held for trading are marked to market on the closing date. In the case of investment funds for which there is no market price, the last available NAV is used.

Interest and dividends on traded securities are credited to the item "Interest and dividend income on the trading portfolio".

Financial investments

In principle, except in the case of decisions dictated by particular market opportunities, fixed income securities are acquired to be held until maturity. They are valued according to the accrual method: the difference between purchase price and redemption value is spread over the years between the purchase and maturity dates.

Other financial investments are valued at the lower of their realisable market value or purchase price (lowest value principle).

Tangible and intangible assets

These are valued at purchase cost minus depreciation/amortisation. Depreciation is calculated on a straight-line basis on the purchase cost, taking into account the estimated useful life of the individual assets and using the indirect method. Suitability of the criteria adopted is checked annually and, if necessary, additional depreciation and amortisation is booked.

The following depreciation and amortisation criteria are applied:

- software and hardware 3 years
- vehicles 3 years
- furniture, plant and furnishings 5 years
- intangible assets 5 years

Investments of modest value are fully expensed.

Participations

On 26 April 2023 Banca Zarattini & Co. SA bought an 8.64% stake in Compagnia Fiduciaria Lombarda, Società per Azioni which is based in Milan.

The operation which started in 2022 completes the sale of the company branch of Costanza Fiduciaria S.R.L, which was previously part of the Neutral Holding Spf group, and was concluded following the authorisation by the Bank of Italy and FINMA (the Federal Financial Market Supervisory Authority).

Compagnia Fiduciaria Lombarda is subject to the supervision and joint control of the Ministry of Economic Development and the Bank of Italy.

The investment is recorded in the financial statements at the purchase value of EUR 250,000, of which EUR 47,500 was to subscribe the share capital increase and EUR 202,500 as a share premium.

Value adjustments and provisions

Individual value adjustments are made for all recognisable risks at the end of the financial year, based on the prudence principle.

Taxes

Income and capital taxes are determined based on the profit for the year and related taxable capital.

Pension fund

Staff occupational pensions, which are governed according to precise rules, provide protection for members and their surviving relatives against the financial consequences of loss of earnings due to old age, death or disability, and supplement mandatory social benefits.

Banca Zarattini & Co. SA is affiliated to a collective pension fund of a legally independent insurance company, with which it has a contract for a defined-contribution pension scheme.

Consequently, the Bank's contributions are booked as personnel expenses.

Precious metals accounts

The valuation of precious metals is based on the market price on the reporting date.

Contingent liabilities and irrevocable commitments

Transactions relating to contingent liabilities are recorded off balance sheet at their related nominal value. Value adjustments and provisions are made for recognisable risks of losses.

Irrevocable commitments take the form of deposit guarantees.

Use of derivatives

Derivative financial instruments are usually only entered into for the account of clients. Nonetheless, also derivative transactions are shown which seek to cover the Bank's exchange rate risk.

These instruments are marked to market.

Changes in accounting and valuation principles

No changes in the accounting and valuation principles during the year.

Information about corporate governance

Information about corporate governance in line with Annex 7 of FINMA Circular 2016/1 is available on the Bank's website www.zarattinibank.ch.

Main events after the closure of the financial statements at 31.12.2024

Up to the date of drawing up these statements there were no significant events which require an obligatory registration in the financial statements and/or in the attachment at 31 December 2024.

Details on the individual items in the notes to annual financial statements

(amounts in CHF 1,000)

Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables (Table 2)

	TYPE OF COLLATERAL			
	Secured by mortgage	Othe collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers	30	79,286	48,566	127,882
Mortgage loans	14,241	-	-	14,241
Residential property	14,241	-	-	14,241
Office and business premises	-	-	-	-
Commercial and industrial premises	-	-	-	-
Other	-	-	-	-
Total loans (before netting with value adjustments)				
Current year	14,271	79,286	48,566	142,123
Previous year	13,418	92,519	33,653	139,590
Total loans (after netting with value adjustments)				
Current year	14,271	79,286	47,869	141,426
Previous year	13,418	92,508	32,968	138,894
Off-balance sheet				
Contingent liabilities	-	1,497	16,985	18,482
Irrevocable commitments	-	-	635	635
Obligations to pay up shares and make further contributions	-	-	-	-
Credit commitments	-	-	33	33
Total off-balance-sheet				
Current year	-	1,497	17,653	19,150
Previous year	-	3,526	12,175	15,701

	Gross debt amount	Estimated liquidation value of collateral*	Net debt amount	Individual value adjustments
Table: Impaired loans/receivables				
Current year	697	-	697	697
Previous year	696	-	696	696

* Credit or liquidation value per customer: the lower value is to be applied.

1) Tables are numbered according to FINMA regulation. Any table which is not shown does not apply to the Bank

Breakdown of trading portfolios and other financial instruments
at fair value (assets) (Table 3)

Assets	Current year	Previous year
Trading portfolio assets	6,209	6,877
Debt securities, money market securities/transactions	-	5
<i>of which, listed</i>	-	5
Equity securities	6,209	6,872
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Total assets	6,209	6,877
<i>of which, determined using a valuation model</i>	-	-
<i>of which, securities eligible for repo transactions</i>	-	-
<i>in accordance with liquidity requirements</i>	-	-

(*) In the case of investment funds for which there is no market price, the last available NAV is used

Presentation of derivative financial instruments (assets and liabilities) (Table 4)

	TRADING INSTRUMENTS			HEDGING INSTRUMENTS (*)		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Foreign exchange / precious metals						
Forward contracts	790	720	79,774	-	-	-
Combined interest rate / currency swaps	448	411	51,976			
Futures	-	-	236	-	-	-
Total	1,238	1,131	131,986	-	-	-
Equity securities / indices						
Futures	-	-	197	-	-	-
Options (exchange traded)	-	-	5,622	-	-	-
Total	-	-	5,819	-	-	-
Total	1,238	1,131	137,805	-	-	-

Total before netting agreements:

Current year	1,238	1,131	137,805	-	-	-
<i>of which, determined using a valuation model</i>	-	-	-	-	-	-
Previous year	764	1,248	152,479	-	-	-
<i>of which, determined using a valuation model</i>	-	-	-	-	-	-

Total after netting

agreements	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Current year	1,238	1,131
Previous year	764	1,248

Breakdown by counterparty:	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	-	354	884

* hedging instruments as per margin no. 431 et seq.

Breakdown of financial investments (Table 5)

	BOOK VALUE		FAIR VALUE	
	Current year	Previous year	Current year	Previous year
Debt securities	14,094	33,082	14,082	32,573
<i>of which, intended to be held to maturity</i>	14,094	33,082	14,082	32,573
Equity securities	3,447	3,489	3,447	3,489
<i>of which, qualified participations*</i>	2	48	2	48
Total	17,541	36,571	17,529	36,062
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	5,930	9,489	5,927	9,389

* at least 10% of capital or votes

Breakdown of counterparties by rating

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
S&P						
Debt securities: Book value	8,464	1,846	-	-	-	-
Moody,s	Aaa to Aa3-	A1 to A3	Baa1+ to Baa3	Ba1+ to Ba3	Below B3	Unrated
Debt securities: Book value	126	-	5,253	-	-	-
Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt securities: Book value	-	-	-	-	-	-
Total debt securities: book value	6,995	1,846	5,253	-	-	-

Presentation of equity interests (Table 6)

	* Include differenze di cambio	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value previous year end	Reclassifications	Additions	Divestment*	Disposals	Value adjustments	Book value as at end of current year
Other participations										
with market value	-	-	-	-	-	-	-	-	-	-
without market value	232	-	232	-	-	4	-	-	-	236
Total participations	232	-	232	-	-	4	-	-	-	236

* Included exchange differences

Presentation of tangible fixed assets (Table 8)

	Acquisition cost	Accumulated depreciation	Book value as at the end of previous year	Current year	Reclassifications	Additions	Disposals	Depreciation	Reversals	Book value as at end of current year
Bank buildings	-	-	-	-	-	-	-	-	-	-
Proprietary or separately acquired software	6,402	-6,185	217	-	222	-	-178	-	-	261
Other tangible fixed assets	6,546	-6,314	232	-	352	-	-126	-	-	458
Total tangible fixed assets	12,948	-12,499	449	-	574	-	-304	-	-	719

Presentation of intangible assets (Table 9)

	Cost value	Accumulated amortisation	Book value Previous year end	Current year		Amortisation	Book value as at end of current year
				Additions	Disposals		
Goodwill	4,432	-4,432	-	-	-	-	-
Total intangible assets	4,432	-4,432	-	-	-	-	-

Breakdown of other assets and other liabilities (Table 10)

	OTHER ASSETS		OTHER LIABILITIES	
	Current year	Previous year	Current year	Previous year
Amount recognised as assets in respect of employer contribution reserves	-	-		
Amount recognised as assets relating to other assets from pension schemes	86	5		
Other assets	150	217		
Indirect tax	338	108		
Other liabilities			570	433
Indirect tax			719	295
Total	574	330	1,289	728

Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership* (Table 11)

	CURRENT YEAR		PREVIOUS YEAR	
	Book Values	Effective commitments	Book Values	Effective commitments
Pledged / assigned assets (amounts due from banks)	10,300	4,623	12,105	6,564
Assets under reservation of ownership	-	-	-	-

* excluding securities financing transactions

Disclosures on the economic situation of own pension schemes (Table 13)

b) Presentation of the economic benefit / obligation and the pension expenses	Overfunding / underfunding at end of current year	Economic interest of the bank		Change in economic interest (economic benefit / obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		Current year	Previous year			Current year	Previous year
Pension schemes	-	-	-	-	1,720	1,118	1,179

The Bank is affiliated to a collective pension foundation of a legally independent insurance company, which applies the legal provisions in force for occupational pensions in Switzerland. The pension scheme is based on the defined contributions made by the employer and employee. Treatment of pension commitments is based on Swiss GAAP RPC 16. Contributions made by the employer are recorded as expenses for the financial year. In the event of overpayment of contributions, these would be recorded as assets in the revised accounts.

Employer contribution reserves

At 31.12.2024, as in the previous year, no reserve was created for employer contributions.

Revenues/liabilities and pension costs

For all pension plans, it must be determined whether the coverage and the pension institution's particular situation may generate revenues or liabilities for the company.

The pension institution has fully reinsured all old-age, disability, death and investment risks with another reputable insurance company.

Consequently, it is not possible for the pension fund to be in deficit, and the Bank will not in any instance be obliged to make supplementary contributions.

Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year (Table 16)

	Previous year end	Use in confor- mity with designated purpose	Reclassi- fications	Currency differences	Past due interest, recove- ries	New creations charged to income	Releases to income	Balance at current year end
Provisions for latent risks	50	-	-	-	-	-	-	50
Provisions for other business risks	27	-	-	-	-	-	-	27
Total provisions	77	-	-	-	-	-	-	77
Reserves for general banking risks	10,000		-	-		-	-	10,000
Value adjustments for default and country risks	696	-135	-	28	-	215	-107	697
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	<i>696</i>	<i>-135</i>	<i>-</i>	<i>28</i>	<i>-</i>	<i>215</i>	<i>-107</i>	<i>697</i>
<i>of which value adjustments for latent risks</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

* Reserves for general banking risks comprise taxed reserves amounting to CHF 877 and non-taxed reserves amounting to CHF 9'123.

Presentation of the bank's capital (Table 17)

	CURRENT YEAR			PREVIOUS YEAR		
	Total par value	Quantity	Capital with dividend rights	Total par value	Quantity	Capital with dividend rights
Bank's capital						
Share capital	22,500	22,500	22,500	22,500	22,500	22,500
<i>of which, paid up</i>	22,500	22,500	22,500	22,500	22,500	22,500
Participation capital	-	-	-	-	-	-
<i>of which, paid up</i>	-	-	-	-	-	-
Total bank's capital	22,500	22,500	22,500	22,500	22,500	22,500
Authorised capital	-	-	-	-	-	-
<i>of which, capital increases completed</i>	-	-	-	-	-	-

Disclosure of amounts due from / to related parties (Table 19)

	AMOUNTS DUE FROM		AMOUNTS DUE TO	
	Current Year	Previous year	Current Year	Previous year
Holders of qualified participations	-	-	2,926	3,670
Group companies	-	-	1,753	1,886
Linked companies	107	101	780	1,790
Transactions with members of governing bodies	2,971	3,043	302	142
Other related parties	-	-	3,318	4,445

Loans to management are granted under the same terms and conditions as for Bank staff, but granted to other related parties under market conditions.

Disclosure of holders of significant participations (Table 20)

Holders of significant participations and groups of holders of participations with pooled voting rights with voting rights	CURRENT YEAR		PREVIOUS YEAR	
	Nominal	% of equity	Nominal	% of equity
(via Neutral Holding SA SPF, Luxembourg 100% and Lukos SA, Luxembourg 100%)				
Hereditary co-owner was Mario Zarattini	14,252	63.34%	14,252	63.34%
<i>of which via Schulman Familienstiftung, Vaduz</i>	0	0.00%	11,363	50.50%
Flavio Quaggio, Viganello	2,554	11.35%	2,554	11.35%
Andrea Zanni, Bré sopra Lugano	1,778	7.90%	1,778	7.90%
Tullio Santi, Lugano	1,224	5.44%	1,224	5.44%
without voting rights				
(via Lukos SA, Luxembourg, 100%)				
Own shares held by Neutral Holding SA SPF, Luxembourg	2,115	9.40%	2,115	9.40%

Disclosure of own shares and composition of equity capital (Table 21)

	CURRENT YEAR		PREVIOUS YEAR	
	Number of securities (units)	Nominal value	Number of securities (units)	Nominal value
Details on the individual categories of the bank's capital (margin no. A5-88)				
Share capital	22,500	22,500	22,500	22,500
<i>of which, paid up</i>	22,500	22,500	22,500	22,500
Total	22,500	22,500	22,500	22,500
		Total at end of current year	Total at end of previous year	
Non-distributable reserves (margin no. A5-88 - Part 2)				
Non-distributable amount from statutory retained earnings reserve		5,838	5,686	
Non-distributable amount from voluntary retained earnings reserves		30,207	30,207	
Total		36,045	35,893	

Presentation of the maturity structure of investments (Table 23)

	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 12 months to 5 years	Due after 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	36,460	318						36,778
Amounts due from banks	44,002	49,527	27,134	-	-	-		120,663
Amounts due from customers	-	123,254	1,423	2,508	-	-		127,185
Mortgage loans	-	-	3,317	10,924	-	-	-	14,241
Trading portfolio assets	6,209							6,209
Positive replacement values of derivative financial instruments	1,249							1,249
Financial investments	-	3,447	-	4,615	9,479	-	-	17,541
Current year	87,920	176,546	31,874	18,047	9,479	-	-	323,866
Previous year*	77,536	158,872	7,078	22,957	19,031	-	48	285,522
Debt capital / financial instruments								
Amounts due to banks	1,917	-	-	-	-	-		1,917
Amounts due in respect of customer deposits	244,018	-	-	-	-	-		244,018
Negative replacement values of derivative financial instruments	1,131							1,131
Current year	247,066	-	-	-	-	-	-	247,066
Previous year	209,010	-	-	-	-	-	-	209,010

Presentation of assets and liabilities by domestic and foreign origin
in accordance with the domicile principle (Table 24)

	CURRENT YEAR		PREVIOUS YEAR	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	36,778	-	40,125	-
Amounts due from banks	26,487	94,176	16,278	45,997
Amounts due from customers	67,302	59,883	53,347	72,156
Mortgage loans	14,241	-	13,391	-
Trading portfolio assets	-	6,209	-	6,877
Positive replacement values of derivative financial instruments	367	882	621	159
Financial investments	126	17,415	3,151	33,420
Accrued income and prepaid expenses	2,117	53	2,378	61
Participations	-	236	-	232
Tangible fixed assets	719	-	449	-
Intangible assets	-	-	-	-
Other assets	574	-	330	-
Total assets	148,711	178,854	130,070	158,902
Liabilities				
Amounts due to banks	184	1,733	-	713
Amounts due in respect of customer deposits	130,476	113,542	72,339	134,710
Negative replacement values of derivative financial instruments	1,009	122	942	306
Accrued expenses and deferred income	6,518	-	5,566	-
Other liabilities	1,289	-	728	-
Provisions	77	-	77	-
Reserves for general banking risks	10,000	-	10,000	-
Bank's capital	22,500	-	22,500	-
Statutory retained earnings reserve	5,838	-	5,686	-
Voluntary retained earnings reserve	30,207	-	30,207	-
Profit carried forward / loss carried forward	1,046	-	2,163	-
Profit / loss (result of the period)	3,024	-	3,035	-
Total liabilities	212,168	115,397	153,243	135,729

Breakdown of total assets by country or group of countries (domicile principle) (Table 25)

	CURRENT YEAR		PREVIOUS YEAR	
	Absolute	Share as %	Absolute	Share as %
Assets				
Africa	-	0.00%	-	0.00%
Asia	3,379	1.04%	2,978	1.03%
China	568	0.17%	310	0.11%
South Korea	-	0.00%	791	0.27%
United Arab Emirates	2,161	0.66%	1,491	0.52%
Georgia	184	0.06%	-	0.00%
Hong Kong	181	0.06%	386	0.13%
Kazakhstan	285	0.09%	-	0.00%
Caribbean	2,392	0.72%	14,255	4.94%
Bahamas	2,160	0.66%	3,505	1.21%
Bermuda	48	0.01%	47	0.02%
Cayman Islands	2	0.00%	-	0.00%
Dominican Republic	134	0.04%	-	0.00%
Panama	38	0.01%	284	0.10%
Virgin Islands (British)	10	0.00%	10,419	3.61%
Europe	166,086	50.70%	136,361	47.18%
Albania	614	0.19%	-	0.00%
Belgium	8,924	2.72%	6,747	2.33%
Cyprus	924	0.28%	1,672	0.58%
France	1,319	0.40%	1,583	0.55%
Germany	12,557	3.83%	7,575	2.62%
Gibraltar	1,070	0.33%	888	0.31%
UK	1,502	0.46%	8,124	2.81%
Ireland	3	0.00%	3,400	1.18%
Italy	59,666	18.22%	45,633	15.79%
Jersey	-	0.00%	1,138	0.39%
Latvia	18	0.01%	86	0.03%
Luxembourg	52,307	15.97%	36,635	12.68%
Malta	19,302	5.89%	14,798	5.12%
Monaco	181	0.06%	-	0.00%
Netherlands	5,020	1.53%	4,926	1.70%
Portugal	2,439	0.74%	2,210	0.76%
San Marino	-	0.00%	289	0.10%
Spain	240	0.07%	-	0.00%
Turkey	-	0.00%	657	0.23%
Latin America	20	0.01%	9	0.00%
Brazil	17	0.01%	7	0.00%
Venezuela	3	0.00%	2	0.00%
Liechtenstein	-	0.00%	4	0.00%
Liechtenstein	-	0.00%	4	0.00%
North America	6,977	2.13%	5,045	1.75%
United States	6,977	2.13%	5,045	1.75%
Oceania	-	0.00%	250	0.09%
Australia	-	0.00%	250	0.09%
Switzerland	148,711	45.40%	130,070	45.01%
Switzerland	148,711	45.40%	130,070	45.01%
Total assets	327,565	100.00%	288,972	100.00%

Breakdown of total assets by credit rating of country groups (risk domicile view) (Table 26)

Rating	Moody's	Standard & Poor's	Fitch IBCA	NET FOREIGN EXPOSURE / CURRENT YEAR END		NET FOREIGN EXPOSURE / PREVIOUS YEAR END	
				In CHF	Share as %	In CHF	Share as %
1	Aaa	AAA	AAA	46,682	25.57%	51,368	32.82%
2	Aa1/Aa2/Aa3	AA+/AA/AA-	AA+/AA/AA-	37,894	20.76%	42,977	27.46%
3	A1/A2/A3	A+/A/A-	A+/A/A-	9,502	5.20%	6,215	3.97%
4	Baa1 /Baa2/ Baa3/Ba1/Ba2/ Ba3	BBB+/BBB/ BBB-/BB+/BB/ BB-/B+	BBB+/BBB/ BBB-/BB+/BB/ BB-/B+	88,428	48.44%	55,306	35.33%
5/6	B1/B2/B3/Caa1/ Caa2/Caa3/ Ca/C	B/B-/CCC/ CC/C/D	B/B-/CCC/ CC/C/D	58	0.03%	657	0.42%
Unrated				-	0.00%	-	0.00%
Total				182,564	100.00%	156,523	100.00%

Presentation of assets and liabilities broken down by the most significant currencies for the bank (Table 27)

Assets	CHF	EUR	USD	GBP	JPY	Altre	Totale
Liquid assets	36,437	280	33	28	-	-	36,778
Amounts due from banks	2,648	22,858	90,865	2,526	585	1,181	120,663
Amounts due from customers	7,403	90,543	28,823	415	-	1	127,185
Mortgage loans	14,241	-	-	-	-	-	14,241
Trading portfolio assets	168	6,041	-	-	-	-	6,209
Positive replacement values of derivative financial instruments	1,249	-	-	-	-	-	1,249
Financial investments	12,235	1,865	3,441	-	-	-	17,541
Accrued income and prepaid expenses	1,488	87	595	-	-	-	2,170
Tangible fixed assets	-	236	-	-	-	-	236
Participations assets	719	-	-	-	-	-	719
Other assets	233	341	-	-	-	-	574
Total assets shown in balance sheet	76,821	122,251	123,757	2,969	585	1,182	327,565
Delivery entitlements from spot exchange, forward forex and forex options transactions*	1,176	33,501	65,042	9,622	1,015	23,126	133,482
Total assets	77,997	155,752	188,799	12,591	1,600	24,308	461,047
Liabilities	CHF	EUR	USD	GBP	JPY	Altre	Totale
Amounts due to banks	38	462	1,408	9	-	-	1,917
Amounts due in respect of customer deposits	17,026	101,042	121,526	2,946	571	907	244,018
Negative replacement values of derivative financial instruments	1,131	-	-	-	-	-	1,131
Accrued expenses and deferred income	6,096	411	11	-	-	-	6,518
Other liabilities	799	92	398	-	-	-	1,289
Provisions	77	-	-	-	-	-	77
Reserves for general banking risks	10,000	-	-	-	-	-	10,000
Bank's capital	22,500	-	-	-	-	-	22,500
Statutory retained earnings reserve	5,838	-	-	-	-	-	5,838
Voluntary retained earnings reserve	30,207	-	-	-	-	-	30,207
Profit carried forward / loss carried forward	1,046	-	-	-	-	-	1,046
Profit / loss (result of the period)	3,024	-	-	-	-	-	3,024
Total liabilities shown in the balance sheet	97,782	102,007	123,343	2,955	571	907	327,565
Delivery obligations from spot exchange, forward forex and forex options transactions*	1,176	37,954	60,485	9,622	1,014	23,123	133,374
Total liabilities	98,958	139,961	183,828	12,577	1,585	24,030	460,939
Net position per currency	-20,961	15,791	4,971	14	15	278	108

* Options are taken into account after being delta-weighted.

Breakdown of contingent liabilities and contingent assets (Table 28)

	Current year	Previous year
Performance guarantees and similar	1,315	1,139
Irrevocable commitments arising from documentary letters of credit	17,167	13,494
Total contingent liabilities	18,482	14,633

Breakdown of credit commitments (Table 29)

	Current year	Previous year
Commitments arising from deferred payments	33	-
Commitments arising from acceptances (for liabilities arising from acceptances in circulation)	-	-
Other credit commitments	-	-
Total credit commitments	33	-

Breakdown of fiduciary transactions (Table 30)

	Current year	Previous year
Fiduciary investments with third-party companies	70,200	79,622
Total	70,200	79,622

Breakdown of managed assets and presentation of their development (Table 31)

	Current year	Previous year
a) Breakdown of managed assets		
Type of managed assets		
Assets in collective investment schemes managed by the bank	30,727	42,377
Assets under discretionary asset management agreements	191,105	211,634
Other managed assets	1,452,563	1,295,194
Total managed assets (including double counting)	1,674,395	1,549,205
<i>of which, double counting</i>	23,493	28,077
b) Presentation of the development of managed assets		
Total managed assets (including double counting) at beginning	1,549,205	1,700,563
+/- net new money inflow or net new money outflow	-27,422	-94,376
+/- price gains / losses, interest, dividends and currency gains / losses	152,612	-56,982
Total managed assets (including double counting) at end	1,674,395	1,549,205

Managed assets are calculated and recognised in accordance with the accounting guidelines issued by the Swiss Financial Market Supervisory Authority FINMA – Circular 2020/1. Managed assets comprise all assets managed or held for investment purposes by private, corporate and institutional clients, as well as assets in proprietary collective investment schemes. Liabilities are excluded, while amounts due to clients in current accounts, fiduciary deposits and all other client assets are included with their valuations. Managed assets deposited with third parties are included to the extent that they are managed by Banca Zarattini & Co. SA. Assets that count more than once, for example, assets recognised in various asset categories are booked to the item “of which, double counting”. They mainly comprise shares in proprietary collective investment schemes held in client portfolios.

Breakdown of the result from trading activities and the fair value option (Table 32)

	Current year	Previous year
a) Breakdown by business area		
(in accordance with the organisation of the bank / financial group)		
Result from trading activities from:		
Fixed-income trading	6,658	5,334
Other trading activities	-90	- 153
Currencies	2,848	356
Total	9,416	5,537
b) Breakdown by underlying risk and based on the use		
of the fair value option		
Result from trading activities from:		
Interest rate instruments	6,671	5,496
Equity securities (including funds)	- 103	- 315
Foreign currencies	2,848	356
Total	9,416	5,537

Breakdown of personnel expenses (Table 34)

	Current year	Previous year
Salaries (meeting attendance fees and fixed compensation to members of the bank's governing bodies, salaries and benefits)	12,616	12,499
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	-	-
Social insurance benefits	2,344	2,416
Other personnel expenses	213	140
Total	15,173	15,055

Breakdown of general and administrative expenses (Table 35)

	Current year	Previous year
Office space expenses	842	779
Expenses for information and communications technology	2,868	2,690
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	18	16
Fees of audit firm(s) (Art. 961a no. 2 CO)	297	370
<i>of which, for financial and regulatory audits</i>	290	274
<i>of which, for other services</i>	7	96
Other operating expenses	1,909	1,961
<i>of which, compensation for any cantonal guarantees</i>	-	-
Total	5,934	5,816

Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment (Table 38)

	Domestic	Foreign
Result from interest operations		
Interest and discount income	9,683	-
Interest and dividend income from trading activities	24	-
Interest and dividend income from financial investments	131	-
Interest expense	-1,210	-
Gross result from interest operations	8,628	-
Changes in value adjustments for default risks and losses from interest operations	-108	-
Net result from interest operations	8,520	-
Result from commission business and services		
Commission income on securities and investment transactions	7,774	-
Commission income from lending activities	839	-
Commission income from other services	423	-
Commission expense	-1,650	-
Result from commission business and services	7,386	-
Result from trading activities and the fair value option	9,416	-
Other result from ordinary activities	-40	-
Total income for the period	25,282	-
Operating expenses		
Personnel expenses	-15,173	-
General and administrative expenses	-5,934	-
Total operating expenses	-21,107	-
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-305	-
Changes to provisions and other value adjustments, and losses	-28	-
Operating result	3,842	-

Table 39: Taxes

	Current year	Previous year
Current tax*	818	732
Total tax	818	732
Average rate on operating result	21%	19%

* Current taxes as of 31.12.2024 are made up as follows:
- chf 685 thousand for taxes on profit net
- chf 133 thousand for wealth taxes



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To the General Meeting of
BANCA ZARATTINI & CO. SA, Lugano

Lugano, 27 March 2025

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of BANCA ZARATTINI & CO. SA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 5-6 and 8-35) comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the stand-alone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Erico Bertoli
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Lucia Fasola
(Qualified Signature)

Bachelor in business administration

Generations of value.

Banca Zarattini & Co.

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