

Annual report 2025



Banca
Zarattini & Co.

Annual Report 2025

Presented to the Annual General Meeting of Shareholders on April 7, 2026

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Management Bodies

Board of Directors

Chairman	Claudio Sulser ^(*)		Lugano
Vice chairman	Francesco Renne ^{(*) (*) 1)}	from 25.02.2025	Varese (I)
Members	Ignazio Giorgio Basile ^{(*) (*)} Camilla Fasolo Zarattini Peter Heckendorn ^{(*) (*)} Giulio Zarattini		Milano (I) Collina d'Oro Bottmingen 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⁾ Already a member of the Board of Directors

Board of Directors' report 2025

Dear Shareholders,

many and turbulent events characterised 2025 and the early part of 2026: Conflicts continue and intensify, tariffs and sanctions are imposed, and the rearmament of states is accepted as inevitable. Except for the months of March and April, the world of investments sailed calmly and with the wind in its sails: stock markets rising almost constantly, interest rates falling or remaining stable, inflation at acceptable levels, modest but often better-than-expected economic growth.

Concerns about the financial solidity of the main developed countries—always running excessive deficits, now also to cope with current events—have fuelled a new trend towards the devaluation of currencies and government bonds, to the benefit of real assets and in particular precious metals. Equities were also treated as real assets and, after the rapid correction triggered by the imposition of US tariffs, embarked on a formidable climb. The Yen and Japanese government debt, once undeservedly considered safe-haven assets almost like the Swiss franc, have been the main victim of this “debasement” trend.

Throughout the year, there were numerous and pronounced rotations among the various market sectors. Market participants are constantly seeking new investment themes and, in recent months, have demonstrated an increasing willingness to challenge previously held convictions. The realignment of financial, economic and manufacturing forces following the advent of artificial intelligence, for example, is still in full swing.

The giants of the technology sector – and even individual pioneers, if already renowned for previous successes – were able to raise hundreds of billions for the development of new technologies without significant difficulty. Capital was not raised on the stock market as in the last century, but in the even more buoyant markets of credit and private equity. The ultimate outcome of this investment rush, leaving aside the creation of significant fortunes from nothing and the future dissipation of others, remains very difficult to predict. In fact, the most extreme forecasts range across an immense spectrum, from hyperbolic hopes—such as the cure of all diseases and the colonisation of the universe—to equally enormous fears, from mass unemployment to the extinction of humanity. In the second half of the year, some observations, perhaps more mundane but of greater practical relevance, began to emerge, particularly regarding the sustainability of debts incurred to invest in new technological infrastructure for artificial intelligence. These are undoubtedly remarkable innovations which—but as has been the case with other highly beneficial technological revolutions in the past, from railways to the internet—may prove unable to repay the investment or deliver adequate returns. Increasing competition and the potential rapid pace of technological obsolescence could significantly reduce the profitability of such projects.

Banca Zarattini & Co's Private Banking closed the year with positive net inflows and started the new year with encouraging prospects. Advisory services recorded satisfactory results, maintaining high quality standards and ensuring a professional and transparent approach, where focus on service quality and the ability to deliver tailored solutions are central to the work carried out.

The development of this area remains closely linked to the value of the people within the organisation, their professional expertise, and their ability to establish strong and lasting relationships with clients. Therefore, ongoing training and continuous skills development are essential factors for effectively addressing market developments, client needs, and regulatory changes.

In parallel, the process of technological innovation involving the bank's IT system continues, with ongoing updates and enhancements both in terms of security and in applications supporting advisory services. The use of increasingly advanced tools enables greater timeliness, effectiveness and precision in supporting analytical activities and investment decision-making, thereby enhancing the overall quality of service provided to clients.

The project focused on DLT-based assets (Distributed Ledger Technology), launched in 2020, is ongoing. This is an initiative in which significant investments have already been made, and we hope that the final authorisa-

tion process will be completed soon, so that a new business area with significant growth potential can become fully operational.

The asset management business achieved positive results in 2025, both in the equity and bond segments. In particular, fixed income-oriented portfolios have again delivered performance above market averages, thanks to effective security selection and prudent management of interest rate risk. Equity portfolios delivered positive results, broadly in line with benchmark indices. In the meantime, new investment products are under development and will be progressively introduced over the course of the next financial year, with the aim of further expanding the range of solutions offered to our clients, both private and institutional.

The contribution of the group of operators in our TDSM department was lower than in the previous year, but nevertheless remained positive and was essentially in line with the projections made at the beginning of the year. Indeed, the continued narrowing of spreads and the decline in interest rates led to market conditions that were favourable for bond investors but less favourable for intermediation activities.

The office operating in the Trade Finance sector had to contend for much of the year with a complex market environment and with a sector, particularly the steel sector, experiencing significant difficulties. Therefore, despite the sustained confidence of counterparties and the high level of professionalism and efficiency demonstrated by our specialists, the final result was lower than in the previous year. In the final months of the year, there was a marked improvement in sector conditions and a moderate recovery in trading, but following the escalation of conflicts in the Middle East, the outlook for the reference market once again became uncertain. The attack on Iran has only just begun and, although we cannot predict the duration or consequences of the conflict, we know that our professionals will draw on their proven ability to balance risks and opportunities to meet this new challenge as effectively as possible.

Exchange rate movements and the decline in short-term interest rates were the two main external factors that had a negative impact on the bank's overall performance. During 2025, the US dollar depreciated by approximately 12% against the Swiss franc, while the euro declined by about 1%. Should the Middle East conflict worsen or go on for some time, it could trigger a fresh rise in inflation and cause the end of the current cycle of interest rate cuts and could even see them start to rise again. The year ended with a net profit of CHF 108 thousand, significantly lower than in previous years.

The balance sheet total increased to CHF 352 million, largely thanks to a recovery in Lombard credit lines, supported by the reduction in interest rates, which made the service less costly for borrowers. Despite the increase in lending, the bank's capital adequacy remains at highly conservative levels: Equity capital is in fact approximately three times the minimum requirements set by current regulations, confirming the customary prudence in risk management.

2025 was a challenging but exciting year, characterised by numerous initiatives and projects that involved all departments and offices and which, we believe, will yield positive results in the future. Among these, the rebranding of Banca Zarattini & Co deserves special mention: a project that represented not only a renewal of the Bank's image, but also an important opportunity to reflect on our identity and the values that guide us. By combining elements of tradition and innovation, the new visual language has renewed and enhanced the appearance of our external communications and, at the same time, has helped to strengthen the sense of belonging and cohesion within our team.

We also celebrated an important milestone: Twenty years since obtaining the banking licence. This is certainly an achievement to be proud of, but above all it marks a starting point for continuing to build, from our current strong and high-quality position, a path of innovation and growth. Along this journey, the vision of "generations of value" takes shape: create value today and make it grow over time, accompanying future generations.

The Board of Directors

Balance Sheet

	31.12.2025	31.12.2024
	CHF	CHF
Assets		
Liquid assets	40,634,566	36,778,050
Amounts due from banks	127,735,858	120,663,472
Amounts due from customers	142,294,386	127,184,852
Mortgage loans	12,701,560	14,240,840
Trading portfolio assets	5,917,199	6,208,745
Positive replacement values of derivative financial instruments	933,260	1,249,439
Financial investments	17,580,875	17,541,264
Accrued income and prepaid expenses	2,050,439	2,169,637
Participations	248,831	235,543
Tangible fixed assets	1,079,246	718,702
Other assets	771,414	574,253
Total assets	351,947,634	327,564,797
Liabilities		
Amounts due to banks	1,223,860	1,917,105
Amounts due in respect of customer deposits	274,853,767	244,018,487
Negative replacement values of derivative financial instruments	917,195	1,130,956
Accrued expenses and deferred income	4,173,769	6,517,854
Other liabilities	979,026	1,288,489
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	5,989,342	5,838,156
Voluntary retained earnings reserve	30,207,403	30,207,403
Profit carried forward	918,662	1,046,127
Profit / loss (result of the period)	108,110	3,023,720
Total liabilities	351,947,634	327,564,797
Off-balance sheet transactions		
Contingent liabilities	14,373,234	18,482,011
Irrevocable commitments	500,272	635,248
Credit commitments	-	32,527

Income Statement

	2025 CHF	2024 CHF
Interest and discount income	7,654,217	9,682,640
Interest and dividend income from trading activities	5,044	23,980
Interest and dividend income from financial investments	188,699	131,622
Interest expense	-1,400,539	-1,210,339
Gross result from interest operations	6,447,421	8,627,903
Changes in value adjustments for default risks and losses from interest operations	-116,791	-107,661
Net result from interest operations	6,330,630	8,520,242
Commission income from securities trading and investment activities	8,063,666	7,774,094
Commission income from lending activities	878,607	839,235
Commission income on other services	288,116	422,994
Commission expense	-1,487,380	-1,650,221
Result from commission business and services	7,743,009	7,386,102
Result from trading activities and the <i>fair value</i> option	6,355,650	9,415,950
Result from the disposal of financial investments	-	21,153
Result from real estate	-	-
Other ordinary income	61,040	-
Other ordinary expenses	-	-61,362
Other result from ordinary activities	61,040	-40,209
Personnel expenses	-13,656,178	-15,173,112
General and administrative expenses	-6,134,542	-5,934,254
Total operating expenses	-19,790,720	-21,107,366
Value adjustments on shareholdings, and depreciation and amortisation of tangible fixed assets and intangible assets	-403,513	-304,745
Changes to provisions and other value adjustments, and losses	-750	-28,244
Operating result	295,346	3,841,730
Extraordinary income	-	-
Extraordinary expenses	-	-
Changes in reserves for general banking risks	-	-
Taxes	-187,236	-818,010
Profit / loss (result of the period)	108,110	3,023,720

Appropriation of Profit

(proposal of Board of Directors)

	31.12.2025 CHF	31.12.2024 CHF
Profit / loss	108,110	3,023,720
+ profit carried forward	918,662	1,046,127
= distributable profit	1,026,772	4,069,847
Appropriation of profit		
Allocation to statutory retained earnings reserve	-	-151,186
Distributions from distributable profit	-	-3,000,000
New amount carried forward	1,026,772	918,661

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	-	5,838	10,000	-	31,253	-	-	3,024	72,615
Capital increase / decrease	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-3,000	-3,000
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	-	-	-	-	-	-	-
Other allocations to (transfers from) the other reserves	-	-	151	-	-	-127	-	-	-24	-
Profit / loss (result of the period)	-	-	-	-	-	-	-	-	108	108
Equity at end										
of current period	22,500	-	5,989	10,000	-	31,126	-	-	108	69,723

Notes to the annual report 2025

1. Information about activity

The information refers to the situation as at 31 December 2025.

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 2025, the Bank had 93 employees (end 2024: 89 employees), representing 87.05 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 2025.

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.

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	31.12.2025	31.12.2024
EUR	0.931000	0.942170
USD	0.792700	0.904450
GBP	1.066250	1.134400

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 2025, the Bank incurred costs due to negative interest of CHF 49,096 (2024: CHF 187) 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 267,273, of which EUR 64,773 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 31.12.2025

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 2025.

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	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers	29	81,910	60,815	142,754
Mortgage loans	12,702	-	-	12,702
Residential property	12,702	-	-	12,702
Office and business premises	-	-	-	-
Commercial and industrial premises	-	-	-	-
Other	-	-	-	-
Total loans (before netting with value adjustments)				
Current year	12,731	81,910	60,815	155,456
Previous year	14,271	79,286	48,566	142,123
Total loans (after netting with value adjustments)				
Current year	12,731	81,910	60,355	154,996
Previous year	14,271	79,286	47,869	141,426
Off-balance sheet				
Contingent liabilities	-	2,343	12,030	14,373
Irrevocable commitments	-	-	500	500
Obligations to pay up shares and make further contributions	-	-	-	-
Credit commitments	-	-	-	-
Total off-balance-sheet				
Current year	-	2,343	12,530	14,873
Previous year	-	1,497	17,653	19,150
Table: Impaired loans/receivables				
	Gross debt amount	Estimated liquidation value of collateral*	Net debt amount	Individual value adjustments
Current year	460	-	460	460
Previous year	697	-	697	697

* 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	5,917	6,209
Debt securities, money market securities/transactions	-	-
<i>of which, listed</i>	-	-
Equity securities	5,917	6,209
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Total assets	5,917	6,209
<i>of which, determined using a valuation model</i>	-	-
<i>of which, securities eligible for repo transactions 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	475	449	50,284	-	-	-
Combined interest rate / currency swaps	416	434	73,710	-	-	-
Futures	-	-	117			
Total	891	883	124,111	-	-	-
Equity securities / indices						
Futures	-	-	1,906	-	-	-
Options (exchange traded)	-	-	8	-	-	-
Total	-	-	10,191	-	-	-
Total	891	883	134,302	-	-	-

Total before netting agreements:

Current year	891	883	134,302	-	-	-
<i>of which, determined using a valuation model</i>	-	-	-	-	-	-
Previous year	1,238	1,131	137,805	-	-	-
<i>of which, determined using a valuation model</i>	-	-	-	-	-	-

Total after netting

agreements	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Current year	891	883
Previous year	1,238	1,131

Breakdown by counterparty:

	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	-	563	328

* 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	14,100	14,094	14,011	14,082
<i>of which, intended to be held to maturity</i>	14,100	14,094	14,011	14,082
Equity securities	3,481	3,447	3,498	3,447
<i>of which, qualified participations*</i>	2	2	2	2
Total	17,581	17,541	17,509	17,529
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	4,691	5,930	4,690	5,927

* 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	4,612	2,144	-	-	-	1,210
Moody,s	Aaa to Aa3-	A1 to A3	Baa1+ to Baa3	Ba1+ to Ba3	Below B3	Unrated
Debt securities: Book value	1,116	5,018	-	-	-	-
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	5,728	7,162	-	-	-	1,210

Presentation of equity interests (Table 6)

	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	236	-	236	-	16	-3	-	-	249
Total participations	236	-	236	-	16	-3	-	-	249

* 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	6,624	-6,363	261	-	402	-	-185	-	-	478
Other tangible fixed assets	6,898	-6,440	458	-	362	-	-219	-	-	601
Total tangible fixed assets	13,522	-12,803	719	-	764	-	-404	-	-	1,079

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	89	86		
Other assets	196	150		
Indirect tax	486	338		
Other liabilities			573	570
Indirect tax			406	719
Total	771	574	979	1,289

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)	8,414	2,836	10,300	4,623
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	-	-	-	-	1,697	1,103	1,118

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 31.12.2025, 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 conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	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	697	-297	-	-57	-	146	-29	460
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	697	-297	-	-57	-	146	-29	460
<i>of which value adjustments for latent risks</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	-	-	5,074	2,926
Group companies	4,869	-	68	1,753
Linked companies	-	107	1,325	780
Transactions with members of governing bodies	2,957	2,971	284	302
Other related parties	-	-	2,034	3,318

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%
Flavio Quaggio, Viganello	2,554	11.35%	2,554	11.35%
Andrea Zanni, Bré sopra Lugano*	0	0.00%	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	3,893	17.30%	2,115	9.40%

* On 6 May 2025, Neutral Holding SA acquired the block of shares held by Mr. Zanni

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 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		5,989	5,838	
Non-distributable amount from voluntary retained earnings reserves		30,207	30,207	
Total		36,196	36,045	

Presentation of the maturity structure of investments (Table 23)

Assets / financial instruments	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
Liquid assets	40,385	250						40,635
Amounts due from banks	43,337	51,898	32,501	-	-	-		127,736
Amounts due from customers	-	136,698	3,445	2,151	-	-		142,294
Mortgage loans	-	-	3,021	9,681	-	-		12,702
Trading portfolio assets	5,917							5,917
Positive replacement values of derivative financial instruments	933							933
Financial investments	-	3,481	660	3,052	10,388	-	-	17,581
Current year	90,572	192,327	39,627	14,884	10,388	-	-	347,798
Previous year*	87,920	176,546	31,874	18,047	9,479	-	-	323,866
Debt capital / financial instruments								
Amounts due to banks	1,224	-	-	-	-	-		1,224
Amounts due in respect of customer deposits	274,854	-	-	-	-	-		274,854
Negative replacement values of derivative financial instruments	917							917
Current year	276,995	-	-	-	-	-	-	276,995
Previous year	247,066	-	-	-	-	-	-	247,066

**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	40,635	-	36,778	-
Amounts due from banks	42,141	85,595	26,487	94,176
Amounts due from customers	70,517	71,777	67,302	59,883
Mortgage loans	12,702	-	14,241	-
Trading portfolio assets	-	5,917	-	6,209
Positive replacement values of derivative financial instruments	601	332	367	882
Financial investments	124	17,457	126	17,415
Accrued income and prepaid expenses	2,020	31	2,117	53
Participations	-	249	-	236
Tangible fixed assets	1,079	-	719	-
Intangible assets	-	-	-	-
Other assets	771	-	574	-
Total assets	170,590	181,358	148,711	178,854
Liabilities				
Amounts due to banks	422	802	184	1,733
Amounts due in respect of customer deposits	70,761	204,093	130,476	113,542
Negative replacement values of derivative financial instruments	361	556	1,009	122
Accrued expenses and deferred income	4,174	-	6,518	-
Other liabilities	979	-	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	5,989	-	5,838	-
Voluntary retained earnings reserve	30,207	-	30,207	-
Profit carried forward / loss carried forward	919	-	1,046	-
Profit / loss (result of the period)	108	-	3,024	-
Total liabilities	146,497	205,451	212,168	115,397

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	5,579	1.59%	3,379	1.04%
China	696	0.20%	568	0.17%
South Korea	504	0.14%	-	0.00%
United Arab Emirates	2,519	0.72%	2,161	0.66%
Georgia	914	0.26%	184	0.06%
Hong Kong	483	0.14%	181	0.06%
Kazakhstan	463	0.13%	285	0.09%
Caribbean	2,184	0.62%	2,392	0.72%
Bahamas	870	0.25%	2,160	0.66%
Barbados	992	0.28%	-	0.00%
Bermuda	47	0.01%	48	0.01%
Cayman Islands	-	0.00%	2	0.00%
Dominican Republic	137	0.04%	134	0.04%
Panama	137	0.04%	38	0.01%
Virgin Islands (British)	1	0.00%	10	0.00%
Europe	163,738	46.51%	166,086	50.70%
Albania	-	0.00%	614	0.19%
Belgium	7,969	2.26%	8,924	2.72%
Cyprus	1	0.00%	924	0.28%
France	660	0.19%	1,319	0.40%
Germany	13,878	3.94%	12,557	3.83%
Gibraltar	292	0.08%	1,070	0.33%
UK	862	0.24%	1,502	0.46%
Ireland	5	0.00%	3	0.00%
Italy	50,899	14.46%	59,666	18.22%
Latvia	-	0.00%	18	0.01%
Luxembourg	60'438	17.17%	52'307	15.97%
Malta	19'519	5.55%	19'302	5.89%
Monaco	7'116	2.02%	181	0.06%
Netherlands	948	0.27%	5'020	1.53%
Portugal	621	0.18%	2'439	0.74%
San Marino	19	0.01%	-	0.00%
Slovakia	510	0.14%	-	0.00%
Spain	1	0.00%	240	0.07%
Latin America	1,875	0.54%	20	0.01%
Brazil	18	0.01%	17	0.01%
Mexico	817	0.23%	-	0.00%
Venezuela	1,040	0.30%	3	0.00%
Liechtenstein	8	0.00%	-	0.00%
Liechtenstein	8	0.00%	-	0.00%
North America	7,974	2.27%	6,977	2.13%
United States	7,974	2.27%	6,977	2.13%
Oceania	-	0.00%	-	0.00%
Switzerland	170,590	48.47%	148,711	45.40%
Switzerland	170,590	48.47%	148,711	45.40%
Total assets	351,948	100.00%	327,565	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	54,943	28.02%	46,682	25.57%
2	Aa1/Aa2/Aa3	AA+/AA/AA-	AA+/AA/AA-	37,650	19.20%	37,894	20.76%
3	A1/A2/A3	A+/A/A-	A+/A/A-	20,802	10.61%	9,502	5.20%
4	Baa1 /Baa2/ Baa3/Ba1/Ba2/ Ba3	BBB+/BBB/ BBB-/BB+/BB/ BB-/B+	BBB+/BBB/ BBB-/BB+/BB/ BB-/B+	80,535	41.07%	88,428	48.44%
5/6	B1/B2/B3/Caa1/ Caa2/Caa3/ Ca/C	B/B-/CCC/ CC/C/D	B/B-/CCC/ CC/C/D	992	0.51%	58	0.03%
Unrated				1,179	0.60%	-	0.00%
Total				196,101	100.00%	182,564	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	Total
Liquid assets	40,268	324	15	28	-	-	40,635
Amounts due from banks	926	20,751	97,407	5,125	144	3,383	127,736
Amounts due from customers	15,323	90,806	35,865	298	-	2	142,294
Mortgage loans	12,702	-	-	-	-	-	12,702
Trading portfolio assets	181	5,736	-	-	-	-	5,917
Positive replacement values of derivative financial instruments	933	-	-	-	-	-	933
Financial investments	11,455	3,074	3,052	-	-	-	17,581
Accrued income and prepaid expenses	1,811	102	115	23	-	-	2,051
Tangible fixed assets	-	249	-	-	-	-	249
Participations assets	1,079	-	-	-	-	-	1,079
Other assets	290	481	-	-	-	-	771
Total assets shown in balance sheet	84,968	121,523	136,454	5,474	144	3,385	351,948
Delivery entitlements from spot exchange, forward forex and forex options transactions*	10,887	22,761	56,551	4,893	4,119	24,048	123,259
Total assets	95,855	144,284	193,005	10,367	4,263	27,433	475,207
Liabilities	CHF	EUR	USD	GBP	JPY	Altre	Total
Amounts due to banks	39	220	957	8	-	-	1,224
Amounts due in respect of customer deposits	22,635	108,125	135,452	5,414	125	3,103	274,854
Negative replacement values of derivative financial instruments	917	-	-	-	-	-	917
Accrued expenses and deferred income	3,772	392	10	-	-	-	4,174
Other liabilities	852	23	104	-	-	-	979
Provisions	77	-	-	-	-	-	77
Reserves for general banking risks	10,000	-	-	-	-	-	10,000
Bank's capital	22,500	-	-	-	-	-	22,500
Statutory retained earnings reserve	5,989	-	-	-	-	-	5,989
Voluntary retained earnings reserve	30,207	-	-	-	-	-	30,207
Profit carried forward / loss carried forward	919	-	-	-	-	-	919
Profit / loss (result of the period)	108	-	-	-	-	-	108
Total liabilities shown in the balance sheet	98,015	108,760	136,523	5,422	125	3,103	351,948
Delivery obligations from spot exchange, forward forex and forex options transactions*	10,890	26,333	52,968	4,893	4,119	24,048	123,251
Total liabilities	108,905	135,093	189,491	10,315	4,244	27,151	475,199
Net position per currency	-13,050	9,191	3,514	52	19	282	8

* 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	2,410	1,315
Irrevocable commitments arising from documentary letters of credit	11,963	17,167
Total contingent liabilities	14,373	18,482

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	79,578	70,200
Total	79,578	70,200

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	29,098	30,727
Assets under discretionary asset management agreements	200,354	191,105
Other managed assets	1,465,240	1,452,563
Total managed assets (including double counting)	1,694,692	1,674,395
<i>of which, double counting</i>	22,589	23,493
b) Presentation of the development of managed assets		
Total managed assets (including double counting) at beginning	1,674,395	1,549,205
+/- net new money inflow or net new money outflow	112,535	-27,422
+/- price gains / losses, interest, dividends and currency gains / losses	-92,238	152,612
Total managed assets (including double counting) at end	1,694,692	1,674,395

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	5,505	6,658
Other trading activities	-224	-90
Currencies	1,075	2,848
Total	6,356	9,416
b) Breakdown by underlying risk and based on the use of the fair value option		
Result from trading activities from:		
Interest rate instruments	5,539	6,671
Equity securities (including funds)	-258	-103
Foreign currencies	1,075	2,848
Total	6,356	9,416

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)	11,286	12,616
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	-	-
Social insurance benefits	2,160	2,344
Other personnel expenses	210	213
Total	13,656	15,173

Breakdown of general and administrative expenses (Table 35)

	Current year	Previous year
Office space expenses	879	842
Expenses for information and communications technology	3,108	2,868
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	13	18
Fees of audit firm(s) (Art. 961a no. 2 CO)	329	297
<i>of which, for financial and regulatory audits</i>	316	290
<i>of which, for other services</i>	13	7
Other operating expenses	1,806	1,909
<i>of which, compensation for any cantonal guarantees</i>	-	-
Total	6,135	5,934

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	7,654	-
Interest and dividend income from trading activities	5	-
Interest and dividend income from financial investments	189	-
Interest expense	-1,401	-
Gross result from interest operations	6,447	-
Changes in value adjustments for default risks and losses from interest operations	-117	-
Net result from interest operations	6,330	-
Result from commission business and services		
Commission income on securities and investment transactions	8,064	-
Commission income from lending activities	878	-
Commission income from other services	288	-
Commission expense	-1,487	-
Result from commission business and services	7,743	-
Result from trading activities and the fair value option	6,356	-
Other result from ordinary activities	61	-
Total income for the period	20,490	-
Operating expenses		
Personnel expenses	-13,656	-
General and administrative expenses	-6,135	-
Total operating expenses	-19,791	-
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-403	-
Changes to provisions and other value adjustments, and losses	-1	-
Operating result	295	-

Table 39: Taxes

	Current year	Previous year
Current tax*	187	818
Total tax	187	818
Average rate on operating result	63%	21%

* Current taxes as of 31.12.2025 are made up as follows:
- chf 20 thousand for taxes on profit net (previous year chf 685 thousand)
- chf 167 thousand for wealth taxes (previous year chf 133)



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

Lugano, 31 March 2026

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 balance sheet as at 31 December 2025, the income statement 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 that are relevant to audits of the financial statements of public interest entities. We have also 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



Eric Bertoli
(Qualified Signature)
Licensed audit expert
(Auditor in charge)



Beatrice Folladori
(Qualified Signature)
Swiss certified accountant

Generations
of value.

