

Zürcher Kantonalbank reaches agreement with US Department of Justice

Media release

Zürcher Kantonalbank has concluded the US Department of Justice's investigation into the bank's legacy business with US clients with a Deferred Prosecution Agreement (DPA), pursuant to which it will pay USD 98.5 million. The agreement will have no negative impact on the bank's 2018 financial results.

Zurich, 13 August 2018 - Zürcher Kantonalbank today announced that it has reached a settlement with the US Department of Justice (DoJ) in connection with its legacy business with US clients. Pursuant to this settlement, the bank has agreed to a payment of USD 98.5 million.

The bank expects that one current and one now retired employee, who were indicted in 2012 in connection with the US tax matter, will soon also be able to conclude their legal cases.

Zürcher Kantonalbank's payment to the US authorities will have no negative impact on the bank's 2018 financial results, its capital strength, or on the distribution of profits to the canton and municipalities. Zürcher Kantonalbank has successively adjusted its cross-border wealth management business since 2009. It is committed to a strict tax-compliant business policy, and in terms of geographic coverage focuses on selected core markets with an emphasis on Europe.

Dr. Jörg Müller-Ganz, Chairman of the Board of Directors: "We are relieved that after seven years, we were able to conclude the investigation following an objective dialogue with the US authorities. The solution that has now been reached marks the end of this matter and removes any related uncertainties. We look forward to forging ahead with the positive development of our bank. With its solid capitalization and strong position in the market, Zürcher Kantonalbank is well positioned for future success."

Martin Scholl, Chief Executive Officer: "With the settlement, we have now been able to conclude this long-standing matter. I thank our owner as well as our clients and employees for the ongoing support and trust in Zürcher Kantonalbank."

Contact

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Zürcher Kantonalbank

Zürcher Kantonalbank is a leading universal bank in the Zurich economic area with national roots and international reach. It is an independent public-law institution owned by the canton of Zurich and has received top ratings from the rating agencies Standard & Poor's, Moody's and Fitch (AAA/Aaa). With more than 5,000 employees, Zürcher Kantonalbank offers its clients a comprehensive range of products and services. The bank's core activities include financing businesses, asset and wealth management, trading, capital market transactions, deposits, payment transactions and card business. Zürcher Kantonalbank provides clients and distribution partners with a comprehensive range of investment and retirement provision products and services.