



MAERKI BAUMANN & CO. AG

PRIVATBANK

Journal

Agility –
Shaping change

Digital assets –
Crypto – but no
longer cryptic!

Trust requires individuality.

As a modern Swiss private bank, we are flexible. Our services are personal, as well as being tailored to the individual client relationship. Using third-party products avoids conflicts of interest, enhances our credibility and enables us to see things strictly through the client's eyes. Our investment solutions are modular – and are just as individual as our clients themselves.

Trust has a future.

Dear reader

A long time ago, business was all about “big fish eating little fish”. Then it was a question of “the early bird catching the worm”. But today, I would add: “digital outruns analogue”.

That, in a nutshell, is the situation in private banking. It is a long time since size was a recipe for success in our sector. Indeed, in today's dynamic environment, the agility and flexibility of smaller private banks like Maerki Baumann can be a decisive competitive advantage.

Our ability to rapidly adapt to new client needs, short decision-making lines, adjusting our business models on an ongoing basis, and tapping into the technological innovations of other companies can more than make up for our lack of economies of scale. I consider the relatively small size of our bank to be a key advantage.

On page 3, you can read how the transformation of the financial sector is invigorating us. In the article starting on page 6, you can find out why we were one of the first Swiss private banks to develop a crypto strategy and how our clients benefit from it.

I hope you enjoy reading this edition.

Best wishes



Dr Stephan A. Zwahlen
CEO Maerki Baumann & Co. AG



Shaping change

Thanks to their adaptability and willingness to tackle fresh challenges, Swiss banks have reinforced their strong position in the global asset management sector during the coronavirus pandemic.

Swiss banks have recognised the signs of the times in key future-oriented issues such as digitalisation and sustainability. Maerki Baumann has used the pandemic to prepare itself for the upcoming challenges.

Swiss banks are world leaders: more than a quarter of the private assets managed on a cross-border basis globally are entrusted to Swiss banks – more than any other financial centre. Together with the assets of Swiss clients, the total comes to an impressive CHF 3,700 billion. For centuries, wealthy clients from all over the world have benefited from advantages of Switzerland's stable political system, strong currency and high-quality advisory services.

While that top position is well-deserved, it could bring with it the temptation to rest on one's laurels and carelessly squander the competitive advantages. Hard work is necessary to defend this leading edge, because there is pressure from all sides: new competitors such as innovative fintech companies, plus well-established names from other sectors, are piling into the market. A steady stream of new regulatory requirements is driving up costs. And

digitalisation is bringing about a fundamental change in business models.

"We may have experienced deep-rooted change over the last decade," observes Maerki Baumann's CEO Dr Stephan A. Zwahlen, "but the coming decade is likely to prove even more challenging." Only those that show a highly agile response to changing client requirements and innovative technologies will be able to hold their own against the competition.

The pandemic has been a massive source of invigoration in the banking sector. Many banks have used the pandemic to step up the digitalisation of workflows and services. Discussions with clients increasingly take place via digital channels rather than in the more genteel atmosphere of the bank's premises. During the pandemic year, Maerki Baumann invested in expanding its IT infrastructure – for example by establishing online identification, launching a mobile banking app and developing a video conferencing system.

According to a recent report by the Swiss Finance Institute (SFI) on the status of the digital transformation at banks in Switzerland and Europe,

the Swiss banks are basically well-positioned in terms of digitalisation and have even managed to make up ground against new competitors during the pandemic. The authors actually see Swiss banks at the forefront in terms of digitalisation strategy, though they still have some way to go in translating this into marketable products.

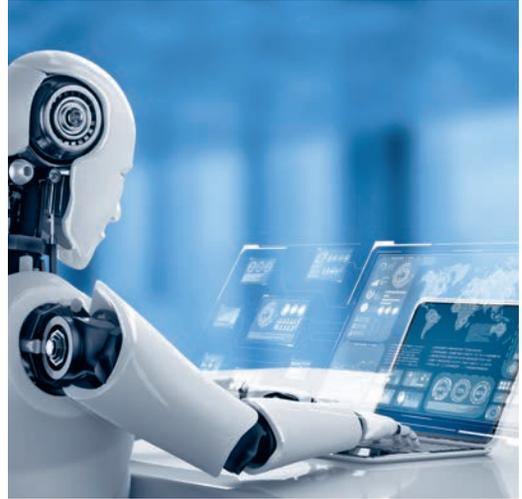
“The coming decade is likely to prove even more challenging.”

Shifting client contact to digital channels needs to be done with great care, especially at private banks like Maerki Baumann. Algorithms cannot completely replace personal contact, and values such as security and trust can hardly be conveyed by mouse-click. “For this trust to come about, personal contact between client and advisor from time to time is essential,” emphasises Stephan Zwahlen.

It is vital to constantly fine-tune the banks’ range of services, their structures and their processes. Mindful in particular of the younger generations of clients, Maerki Baumann was one of the first Swiss private banks to develop a comprehensive cryptocurrency strategy, the aim being to achieve pole position in financial services for the crypto community. Private clients who are interested in alternative investment



The Swiss financial centre: Swiss banks are leaders in strategic development



Personal contact with clients is supplemented by artificial intelligence and robotics

opportunities can also benefit. “We are in no doubt that digital assets will be a fixed element of any professional investment advisory and asset management service in the future,” says Stephan Zwahlen.

In addition to demand for digital assets, there is growing interest in sustainable investment. In line with the climate debate and environmental protection, investors want to invest their money profitably while at the same time doing good. Many banks – Maerki Baumann among them – have extended their range of services to take account of sustainability criteria: thus we have entered into an alliance with Globalance Bank, a pioneer of sustainable asset management. An impressive figure illustrates how significant sustainable investment has become: at Swiss banks, the volume of assets invested sustainably totals some CHF 1,200 billion – and is rising steadily.

You can find out more in our current Finance Theme “The future of private banking: the best of the old and new worlds.”



“We take decisions faster than others do”

Dr Stephan A. Zwahlen on client focus, cooperation with partners, and the mixed image of the banking sector.

Dr Zwahlen, how has the coronavirus pandemic affected private banking? In the first lockdown, digitalisation was boosted. In the second lockdown, the focus was on the importance of personal contact. Clients and staff evidently missed personal interaction. That showed us the key role of our hybrid client relationship model, which focuses on making optimum use of digital potential while maintaining personal contact.

What are the biggest challenges resulting from digitalisation? Integrating new technological capabilities such as artificial intelligence, robotics and blockchain technology is one of the principal challenges. They have the potential to bring about a fundamental change in how the sector works. I am not convinced that the big technological innovations will come from within the banks. New fintech providers probably have the better chances here.

What does that mean for Maerki Baumann? We do not aspire to do everything ourselves. Rather, we have decided to use a cooperation model that promises a win-win situation. While we have

the necessary experience and stability to gain clients' trust, fintech companies can provide us with some very attractive technological solutions. By cooperating with them, we can offer our clients access to innovative technologies and additional investment solutions.

Does your bank have the necessary critical mass? In my view, Maerki Baumann's size is not a hindrance; on the contrary, it is a key competitive advantage. We outsource highly standardised process to specialised partner firms. We are close to our clients, focus on their interests and take decisions faster than many competitors. What's more, we can also excel in areas where larger competitors face difficulties – for example in the small cap sector.

How is Maerki Baumann positioned in the structural transformation? Maerki Baumann is optimally positioned for the future. We have the necessary experience of cooperation, the Syz family is a stable shareholder with a long-term horizon, and we have highly committed employees and a corporate culture that embraces change.

We offer highly individual solutions and can also handle complex issues within a reasonable timescale. Our customers benefit from this.

The reputation of the financial service sector is not exactly untarnished. What is your perception of general attitudes? I never got the feeling that our sector was particularly popular. That is probably due to various scandals and excesses. The Swiss banks' role in assisting the efficient implementation of the pandemic-related credit programmes has certainly helped to improve their reputation. Sadly, all the banks tend to be tarred with the same brush. And yet there are many small banks in Switzerland that have a good understanding of their business and serve their clients in a calm, matter-of-fact way.



Find out more in the video interview with Dr Stephan A. Zwahlen (only available in German)

Dr Stephan A. Zwahlen
CEO Maerki Baumann
& Co. AG



Crypto - but no longer cryptic!

Maerki Baumann's crypto strategy is entering the next phase: the bank now offers advice on investing in digital assets.

Maerki Baumann's clients are showing growing interest in cryptocurrencies. Client advisors are increasingly being asked for information: What exactly are cryptocurrencies and do they fulfil their promise? How can I gain access to cryptocurrencies? Does the recent turmoil in the markets make investments inadvisable? Questions like these show that there is a great need for reliable information and advice on this emerging asset class.

Maerki Baumann was one of the first Swiss private banks to recognise the potential of cryptocurrencies and develop services relating to digital assets. As a first step, it established a service for blockchain and cryptocurrency companies. Later on, it supplemented this with trading and custody of digital assets. Now comprehensive advice on investing in digital assets has been added. Thus Maerki Baumann is in the unique position of being able to take an integrated view of both traditional and digital assets, bringing together the best of the old and new worlds.

In providing investment advice, our client advisors – assisted by qualified specialists – draw up attractive investment recommendations that take due account of the context of a diversified portfolio.

Since the dynamic world of cryptocurrencies is challenging for many clients, we at Maerki Baumann are happy to share knowledge, remove uncertainties and discuss the opportunities and risks of this new asset class. The aim is to enable every client to form a soundly based opinion on the use of digital assets and cryptocurrencies so they can take properly informed investment decisions.

Our offering

Get to know our services for private clients – so crypto doesn't remain cryptic:

- Trading in cryptocurrencies such as Bitcoin, Ethereum and Litecoin and exchanging them into common traditional currencies such as Swiss francs, euros and sterling
- Trading in "tokens" using the popular ERC-20 standard
- Trading in funds and structured products that have cryptocurrencies as their underlying assets
- Rapid and reliable best-price order execution
- Safe custody of digital assets in a personal "wallet" that meets the highest security standards
- Management and safe custody of digital and conventional assets as part of an integrated all-round solution
- Top-quality advisory services compliant with the Swiss Financial Services Act (FinSA) and the European Union's Markets in Financial Instruments Directive (MiFID).
- Personal discussions with certified and experienced crypto specialists
- Brief customised training sessions, depending on individual needs

Have we aroused your interest? Please contact us. We will be happy to put our expertise at your service.



Find out more:
Digital assets – everything
from a single source

Marcel Spalinger,
Member of Senior Management,
Head Crypto Desk



Please note that the crypto services described in this brochure can only be provided to clients domiciled in Germany to a limited extent at present; this is due to the national regulations that apply in this area. Our crypto offering here comprises trading, custody and investment advice in connection with certificates, funds and structured products based on digital assets.



Time for us to say thank you!

High quality and stable client relationships are our hallmarks. We would like to say thank you for this gratifying recognition of our performance, which reflects the honest and partnership-based cooperation we enjoy with our esteemed clients.

We endeavour to focus on the individual needs and preferences of our clients and the sustained development of their assets. After all, trust will always be the basis of any long-term partnership.

Trust has a future. We will vouch for that.



IMPORTANT LEGAL NOTICE: This publication is intended for information and marketing purposes only, and does not constitute investment advice or a specific individual investment recommendation. It is not a sales prospectus and does not constitute a request or an offer or a recommendation to buy or sell investment instruments or investment services, or to engage in any other transaction. Maerki Baumann & Co. AG does not provide legal or tax advice. Investors are therefore advised to obtain independent legal or tax advice

concerning the suitability of such investments, since their tax treatment depends on the personal circumstances of the investor in question and is subject to change at any time.

Copy deadline: May 31, 2021
Maerki Baumann & Co. AG | Dreikönigstrasse 6 | CH-8002 Zurich
T +41 44 286 25 25 | info@maerki-baumann.ch