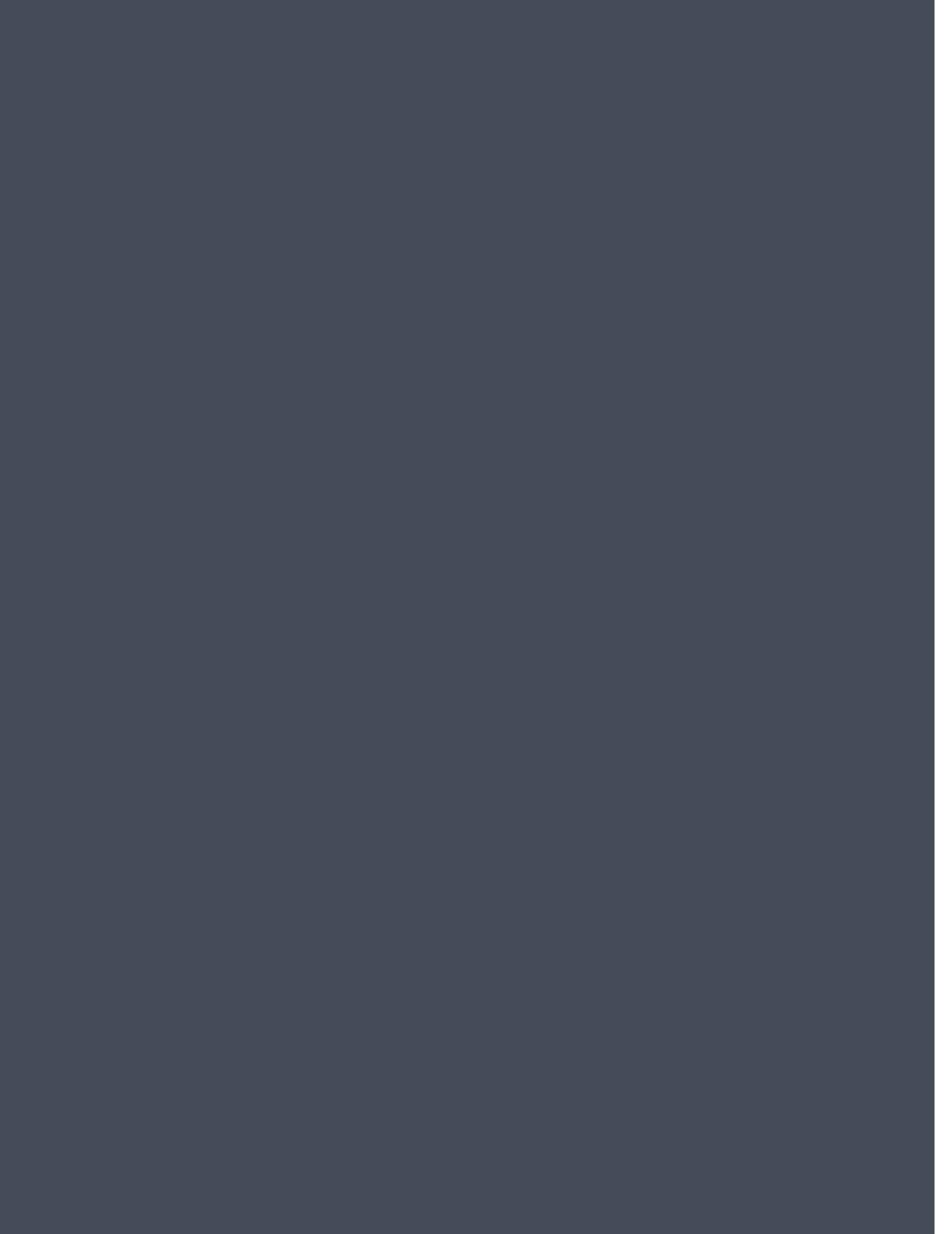




MAERKI BAUMANN & CO. AG

PRIVATBANK

Annual Report 2024



Annual Report 2024

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A focus on client needs!

Dear Sir or Madam

According to a frequently cited prejudice, private banks are generally well capitalised, but are unable to keep pace with large universal banks when it comes to digitalisation and adapting to changing client needs. The development of our private bank makes clear that while there may sometimes be a grain of truth to some prejudices, they often do not reflect reality. In our case, it is indeed true that we have traditionally maintained a strong balance sheet, even in comparison to our competitors. In the past financial year, for example, our tier 1 ratio remained at a high level, now standing at 29.9%. This allows us to finance future growth independently and make targeted investments in new technologies for the benefit of our clients.

This brings me to the second part of the aforementioned prejudice about private banks. The claim that they lag behind universal banks when it comes to progress and technology can be refuted in our case by simply looking at some key developments during the 2024 financial year:

- Our bank has continuously expanded its expertise in the blockchain and crypto segment over the past six years. We have thus succeeded in positioning ourselves in a lucrative market niche, while launching additional services and tapping into further client segments. In March 2024, we consolidated and further strengthened all these offers, which cater to private, institutional and corporate clients, under the new “ARCHIP by Maerki Baumann” brand.
- In June 2024, we entered into a partnership with Bitcoin Suisse Ltd. The collaboration allows us to leverage Bitcoin Suisse’s proven expertise in managing our investment solutions in this area, while offering our tried-and-tested private banking services to new clients with a crypto background.
- At the end of October, we announced plans for our bank to establish a branch in Abu Dhabi. Our new “Middle East Hub” will focus on corporate clients in the Gulf region that rely on blockchain technology and crypto applications.
- In November 2024, we announced the formation of

our new Technology Advisory Board under the expert leadership of Marc P. Bernegger. The expert body, which also includes PD Dr Alexander Ilic and Sandra Tobler, will focus on strategic topics related to technology. We firmly believe that disruptive technologies and new companies such as fintechs will have a major impact on our industry going forward.

- Finally, we launched our new Entrepreneur Banking department at the beginning of this year, further expanding our range of services for entrepreneurs. A specialised team will in future advise our clients on optimal asset structuring.

All of this has been achieved without neglecting our traditional advisory business, which remains crucial. We want to and will continue to offer our clients personal, expert advice and a long-term partnership. This includes traditional banking services as well as retirement planning and the involvement of the next generation in asset-related strategic and operational matters. All our efforts are focussed on finding tailored solutions for our clients and thus continuously proving ourselves worthy of the great trust they place in us.

None of this would be possible without the great dedication and professionalism of our employees. On behalf of my sister Carole Schmied-Syz and the entire Board of Directors, I would like to extend my heartfelt thanks to all of you. The Maerki Baumann team, which we have continuously and systematically expanded in recent years, includes many young, particularly tech-savvy professionals as well as numerous employees whose services we have been able to count on for many years. Both are essential! I would like to take this opportunity to express my special thanks to our CEO Stephan A. Zwahlen and the entire Executive Board. Their tireless efforts as well as their long-term thinking and actions have allowed us to successfully implement so many pioneering projects, especially in the past financial year.

In tune with the times – keeping our finger on the pulse of the latest developments will continue to shape our work this year. The overall economic climate and the mood on the markets that are important for our business will remain challenging. Geopolitical developments, including the as yet unresolved Ukraine war,

armed conflicts in the Middle East and the new administration in the US, will have a major impact. All of this will pose great challenges that may also affect our work. Nevertheless, I am very confident about the new financial year. With our strong capitalisation, our systematic focus on the needs of our clients and our investments in modern technologies, we are well positioned for future success.

I would therefore like to thank our clients for the loyalty and trust they have shown our bank, often over a period of many years. We will do everything in our power to continue to earn this trust. As a private bank, we remain committed to our traditional values as well as our focus on modern technologies and services.

On behalf of the Board of Directors

A handwritten signature in black ink, consisting of several vertical strokes followed by a horizontal line and a wavy flourish.

Hans G. Syz-Witmer
Chairman of the Board of Directors

“We want to find tailored solutions for our clients, thus proving that the great trust placed in us is well deserved.”

Hans G. Syz-Witmer



Board of Directors from left to right:
Hans G. Syz-Witmer, Dr Carole Schmied-Syz,
Urs Lauffer, Michele Moor, Jörg Zulauf

Members of the Board of Directors: short CVs

Hans G. Syz-Witmer

Chairman of the Board of Directors

Hans G. Syz-Witmer (b.1957) has chaired our private bank since 1997. Furthermore, he has also been Vice-Chairman of the Board of Directors of Maerki Baumann Holding Ltd. since 2016 (he was Chairman from 2007 to 2016); since 2003, he has been a member of the Board of Directors of CHSZ-Holding AG.

As an entrepreneur, Hans G. Syz-Witmer owns Condor Films AG and is a member of several Boards of Directors and Boards of Trustees, such as Aquila & Co. AG (member of the Board of Directors), the Schulthess Klinik (Vice-Chairman of the Board of Trustees), the Tonhalle-Gesellschaft Zürich (Vice-Chairman and Treasurer), the Kongresshaus-Stiftung (Vice-Chairman of the Board of Trustees), the Baugarten Zürich Genossenschaft und Stiftung (Chairman of the Board of Trustees and Directors), the Friedrich Steinfels AG (member of the Board of Directors), the Arthouse Movie Commercio group (member of the Board of Directors) and the Stiftung Prof. Dr. Max Cloëtta (member of the Board of Trustees).

Dr Carole Schmied-Syz

Vice-Chairwoman of the Board of Directors

Carole Schmied-Syz (b.1963), Dr iur., has been a member of our private bank's Board of Directors since 1998 and is Vice-Chairwoman since 2005. Since 2016 she has been Chairwoman of Maerki Baumann Holding Ltd. (she was Vice-Chairwoman from 2007 to 2016), a member of the Board of Directors of CHSZ-Holding AG since 2003 as well as a member of the Board of Directors of BVZ Holding AG since 2024.

Carole Schmied-Syz is active as an academic lawyer in the fields of contract and liability law. She used to be politically active as well: for example, she was a member of the Zurich Constitutional Council. She holds a number of other mandates: she is a trustee of the Right To Play Foundation, the Wilhelm Doerenkampf-Foundation, and in the cultural field she is a member of the Board of the Friends of the Tonhalle-Gesellschaft Zürich. Furthermore, she chairs our bank's art committee.

Urs Lauffer

Member of the Board of Directors

Urs Lauffer (b.1958) is a Swiss certified PR adviser / management consultant. He has been a member of our private bank's Board of Directors since 2010, a member of the Board of Directors of Maerki Baumann Holding Ltd. since 2009 and a member of the Board of Directors of CHSZ-Holding AG since 2007, serving as Chairman since 2021.

Urs Lauffer is a co-owner of Lauffer & Frischknecht, which operates in the field of management consultancy for communication. He is also a member of various Boards of Directors and Boards of Trustees, holding roles such as Vice-Chairman of the Board of Directors of Emil Frey Holding AG, Chairman of the Fritz Gerber Foundation for talented young people, Chairman of the Paradies Foundation for Social Innovation, Chairman of the Rahn Foundation and Vice-Chairman of the Swiss Life Perspectives Foundation. He is also a member of the Board of Directors of F. Hoffmann-La Roche Ltd.

Michele Moor

Member of the Board of Directors

Michele Moor (b.1965), lic. oec. HSG and dipl. Ing. ETH, has a CAS in FinTech and since 2014, has been a member of the Board of Directors of our private bank.

From 2000 to 2013 Michele Moor was Managing Partner of the Wegelin & Co. private bank, and since 2014 he has been a Director of MM Holdinggesellschaft AG, his own group of companies based in Lugano, which is primarily active in finance, finance technology, medical technology and real estate. Michele Moor was Chairman of the Swiss Officers' Association between 2005 and 2008, and has been reelected for the position in 2025.

Jörg Zulauf

Member of the Board of Directors

Jörg Zulauf (b.1958), lic. iur., lawyer, MBA (UCLA Anderson), has been a member of the Board of Directors and Chairman of the Audit & Risk Committee of our private bank since 2022.

He was Vice-Chairman of the Executive Board and Head of the Finance Department at the Federation of Migros Cooperatives for more than 20 years. In this role, Jörg Zulauf was, moreover, a member and Vice-Chairman of the Board of Directors of Migros Bank AG, where he sat on the Audit Committee, Risk Committee and Credit Committee. He was also a member of other Boards of Directors and Trustees, including those of Hotelplan Holding AG, Ex Libris AG, the Migros Pension Fund, Generali Schweiz AG and the University Children's Hospital Zurich. Today, Jörg Zulauf is a member of the Board of Directors of Innflow AG as well as Galencia AG, and the Chairman of the Board of Directors of the SV-Group AG.

Innovation creates differentiation

Geopolitical tensions, fragile economies and societal debates were also key concerns for our clients during 2024. This once again highlighted the advantages of Maerki Baumann as a partner for financial matters – independence, security and reliability. We believe that our private bank coming out on top against 100 other banks in the renowned private banking rating of the business magazine “Bilanz” is testament to our client-centric approach and our advisory and investment expertise. In addition to our proven services, we attach great importance to the ongoing development of our business model, as innovation ensures a modern and differentiated offering.

In this context, the increasing dominance of technology is an important area of entrepreneurial activity. Maerki Baumann already positioned itself as a pioneer among Swiss banks back in 2019 by providing companies and private individuals from the blockchain and crypto community with banking services and offering private banking clients access to digital assets. Various milestones have been reached since this time, with the bank having succeeded in offering support to several hundred tech companies, reducing the average age of its private clients by 12 years and establishing an agile corporate culture. In 2024, our family business once again increased its business volume in the tech banking sector and further advanced its forward-looking strategy under the umbrella of the “ARCHIP” crypto brand.

Maerki Baumann’s entrepreneurial spirit has also led it to expand its private banking offering with the addition of the new Entrepreneur Banking department as of 1 January, 2025. We want to offer entrepreneurs advice on optimal asset structuring through a specialised team, with a focus on company assets, pension assets and private assets, taking account of the relevant tax aspects. At the same time, we launched a 1e pension solution for companies, which offers management employees a high degree of self-determination in the handling of their occupational retirement capital. Here too, we remained true to our commitment to offer services with a high degree of innovation and differentiation. The solution comprises seven attractive

investment strategies, with two offering a crypto allocation of 2% and 4%, respectively.

Business performance of Maerki Baumann

Maerki Baumann generated a gross profit of CHF 17.16 million and a net profit of CHF 13.32 million in the 2024 financial year, representing an improvement of 13% and 14%, respectively, relative to the prior 12-month period. This strong result was driven by an increase across all major revenue streams. The basis for this was put in place over recent years through the ongoing diversification of our income structure. In addition to the client-centric approach adopted by the private banking and indirect real estate businesses, the positioning of Maerki Baumann in the market niche of blockchain- and technology-oriented corporate clients as well as the optimisation of balance sheet management (treasury) contributed to our performance. A particularly noteworthy highlight of the 2024 financial year was the growth in client assets under management by a very substantial CHF 2.0 billion to CHF 11.2 billion.

At CHF 14.83 million, the result from the interest business exceeded the prior-year figure by around CHF 0.97 million or 7%, a development that can primarily be attributed to targeted balance sheet management. The result from the commission and services business stood at CHF 38.88 million, increasing by CHF 4.91 million or 14% on a year-on-year basis. This increase was primarily due to higher periodic fees in the private banking, tech banking and indirect real estate businesses as well as significantly improved transaction fees. The result from trading activities increased by 29% relative to the previous year to CHF 6.12 million thanks to higher foreign exchange income owing to the growth in the corporate client business. Despite constant investment income, other ordinary income fell by CHF 0.77 or 40% on a year-on-year basis due to temporary valuation adjustments to financial assets.

Headcount increased from 90 to 96 during the reporting year. The increase in personnel was related to greater business volumes and the increase in operational complexity. The CHF 3.23 million or 12% increase

in personnel expenses compared to the previous year was primarily due to capacity expansion and variable compensation. The CHF 1.28 million or 11% increase in general and administrative expenses stemmed from increased business volumes and the investments made. Operating expenses totalled CHF 43.81 million, corresponding to an increase of CHF 4.51 million or 11%. Despite rising costs, the cost-income ratio fell and improved by 0.3 percentage points to 71.85% in the reporting year thanks to the pleasing earnings growth. Maerki Baumann's client assets under management reached an all-time high of CHF 11.2 billion in 2024, marking an increase of CHF 2.0 billion or 23%. Approximately 60% of this massive rise could be attributed to the investment performance, with 40% resulting from organic growth (net new money). Key contributions here came from the growth in private banking, tech banking – both with corporate and private clients – and the indirect real estate business. In keeping with our market strategy, 75.2% of our client assets under management at the end of 2024 related to the Swiss market, and 6.9% to the German market. With an eye on future growth ambitions, our private bank conducted a large-scale project during the reporting year, involving approximately one-third of the workforce in optimising the operating business.

Maerki Baumann has well-established systems in place for identifying, limiting and monitoring its key risks. The Board of Directors and Executive Board regularly engage with the relevant market, credit, liquidity and operational risks. The bank's conservative risk and business policy is reflected in its outstanding liquidity and equity ratios. The liquidity coverage ratio averaged 313.4% in 2024, well above the regulatory requirement of 100%. The soundness of our private bank was improved further with the expansion of our core capital to CHF 89.1 million, equating to an increase of 6.1%. The core capital or tier 1 ratio thus remained high at 29.9% following the appropriation of profit at the end of 2024, exceeding the minimum regulatory requirement of 10.93%. Our bank classifies a proportion of the hidden reserves relating to the bank building as supplementary or tier 2 capital

which amounts to CHF 9.1 million after the deduction of deferred taxes. The total capital ratio stood at a solid 32.8% at the end of the year. This very robust capital base not only testifies to the stability of Maerki Baumann's balance sheet structure, but also gives it the necessary flexibility to finance future growth. Finally, the confirmation of our very good "A-" issuer rating underlined the soundness and future potential of our bank.

Outlook

The Swiss banking sector continues to benefit from the country's attractiveness as a business location, even amid increasing competition between global financial centres. Key strengths include Switzerland's stable political system, credible institutions, stable currency and first-class financial market structure. Switzerland's service-oriented tradition, exceptionally skilled specialists and academic resources, including the Swiss Finance Institute, the country's universities and the Federal Institutes of Technology, further bolster the sector. However, many banks remain confronted with the challenge of scrutinising their existing business models and, where necessary, adapting them. Yet only by doing so can the Swiss financial centre successfully navigate its way through this period of transformation against the backdrop of a demanding environment.

Under the aegis of the new US administration, global competition in the financial industry is likely to intensify, as are the protectionist tendencies of certain countries. What is more, new technologies and non-traditional competitors from outside the industry are becoming more dominant. For our financial centre, it is key that we maintain innovation-friendly legislation as well as pragmatic regulation and supervision, an attractive tax regime and a flexible labour market. We should return to the fundamental liberal values that made the prosperity of our economy and the success of the Swiss banking industry possible in the first place. Banks and financial intermediaries alike need to recognise evolving client needs and exploit technological opportunities. Maerki Baumann will ensure it continues to stand out from the

crowd over the long term thanks to investments in the future and innovative strength. The dialogue with the newly created Technology Advisory Board will provide crucial support in further developing and digitalising our services. Above all, we will endeavour to transform Maerki Baumann into a modern private bank for the benefit of our clients. Our high level of entrepreneurial agility guarantees that we are able to respond quickly to changing client needs and new framework conditions. In performing our work, we also cultivate the involvement of our committed employees in a deliberate manner. We can assure you of one thing: despite all the changes, we will uphold the values that underpin our family company – in keeping with our motto of “trust has a future”.

On behalf of the Executive Board

A handwritten signature in black ink, appearing to read 'S. Zwahlen', is positioned above the name and title of the signatory.

Dr Stephan A. Zwahlen
Chief Executive Officer

“Maerki Baumann will ensure it continues to stand out from the crowd over the long term thanks to investments in the future and innovative strength.”

Dr Stephan A. Zwahlen



Executive Board from left to right:
Dr Stephan A. Zwahlen
Lukas S. Risi
Dr Alexander Ising

Members of the Executive Board: short CVs

Dr Stephan A. Zwahlen Chief Executive Officer

Stephan A. Zwahlen (b.1978), Dr oec. HSG, has been Chief Executive Officer (CEO) since February 2016. He joined our private bank's Executive Board as Head Investment Solutions & Services in April 2009. From September 2010 he had the additional role of Deputy CEO before being appointed CEO.

Until 2009, Stephan Zwahlen worked at UBS Global Wealth Management in the international mandate business. From 2005 to 2007 he was employed at Maerki Baumann & Co. AG, where he was responsible for the strategic repositioning of the bank and the founding of a transaction bank. He then managed various strategic projects within the Maerki Baumann Group as Head Corporate Development. Stephan Zwahlen began his career at the Swiss Institute of Banking and Finance (s/bf-HSG), which is attached to the University of St. Gallen.

Stephan Zwahlen studied – and obtained a doctorate in – Business Administration with a specialisation in banking and finance at the University of St. Gallen (HSG) and the Richard Ivey School of Business in London, Ontario. Stephan Zwahlen has supported the interests of the Swiss financial centre for many years as an active board member of the Zurich Banking Association and of the Association of Swiss Asset and Wealth Management Banks (VAV). He maintains close links with the world of academia in his role as lecturer for banking at the University of St. Gallen and as a member of the Foundation Board of the Swiss Finance Institute (SFI).

Stephan Zwahlen is married and has two daughters. As well as spending time with his family, he enjoys travelling, tennis, golf, skiing and modern art.

Lukas S. Risi Deputy CEO Head Private Banking

Lukas S. Risi (b.1974), lic. iur., LL.M., has been Head Private Banking and Deputy CEO since February 2016. Lukas Risi joined Maerki Baumann & Co. AG as General Counsel and Head Legal & Compliance in 2009. Since November 2012 he had also headed the Risk & Internal Control Department. He was appointed to our private bank's Executive Board as General Counsel and Head Corporate Services in January 2014.

From 2003 to 2008 Lukas Risi worked as Legal Counsel at Bank Julius Bär, having previously been a lawyer and notary for a law firm in Zug.

Lukas Risi studied law at the University of Fribourg, subsequently qualifying as a lawyer and notary in Zug. He was awarded the degree of Master of Law (LL.M.) in European law by the University of Stockholm.

From 2011 to 2015 Lukas Risi was a member of the Swiss Bankers Association's Commission for the Protection of Swiss Assets.

Lukas Risi is married and has a son and a daughter. He enjoys spending his free time with his family. His interests include travelling, outdoor sports and going to concerts.

Dr Alexander Ising

Member of the Executive Board
Head Corporate Services

Alexander Ising (b.1978), Dr oec. HSG, has been Head Corporate Services and a member of the Executive Board since October 2016. He is also Head of the Crisis Task Force and the Credit Committee as well as a member of the Asset Liability Committee. He is responsible for finance, banking operations, mortgages & retirement planning and the internal trading department, as well as for the continuing development of our investment solutions and for meeting regulatory and fiscal requirements.

Alexander Ising joined Maerki Baumann & Co. AG back in 2009, initially holding various positions in investment management. He had previously worked at the Wegelein & Co. private bank as a fund analyst. Alexander Ising studied economics at the Ludwig Maximilians University of Munich. He obtained his doctorate after conducting research at Columbia University in New York and working for the Swiss Institute for Banking and Finance at the University of St.Gallen, focusing mainly on finance. Alexander Ising is married, and has a daughter and a son. He likes to spend his free time with his family, hiking, skiing or travelling.

Ownership and organisational structure

Ownership

Maerki Baumann & Co. AG is a private bank and wholly owned subsidiary of Maerki Baumann Holding Ltd., of which the ownership structure is as follows:

- CHSZ-Holding AG, Zurich	51.3%
- Hans G. Syz-Witmer	21.8%
- Dr Carole Schmied-Syz	21.8%
- Third-party shareholders	5.1%

The Board of Directors of Maerki Baumann Holding Ltd. is comprised of Dr Carole Schmied-Syz (Chairwoman), Hans G. Syz-Witmer (Vice-Chairman) and Urs Lauffer. CHSZ-Holding AG is owned 50% each by Hans G. Syz-Witmer and Dr Carole Schmied-Syz. The Board of Directors of CHSZ-Holding AG is comprised of Urs Lauffer (Chairman), Hans G. Syz-Witmer and Dr Carole Schmied-Syz.

Board of Directors

Hans G. Syz-Witmer, Küssnacht, Chairman
Dr Carole Schmied-Syz, Erlenbach, Vice-Chairwoman
Urs Lauffer, Steinmaur*
Michele Moor, Cureglia*
Jörg Zulauf, Thalwil*

Audit & Risk Committee**

Jörg Zulauf, Thalwil, Chairman*
Michele Moor, Cureglia*
Dr Carole Schmied-Syz, Erlenbach

Executive Board

Dr Stephan A. Zwahlen, CEO
Lukas S. Risi, Deputy CEO, Head Private Banking
Dr Alexander Ising, Head Corporate Services

Extended Executive Board

Rolf Frey, Head Indirect Real Estate

Senior Management

Emilio Amati, Domenico Ansaldi, Khalil Aouak, Roger Arnet, Anita Binz, Michael Boge, Thomas Bollhalder, Stefan Brunner, Patrick Bürgi, Andreas Fröhlicher, Nils Ganz, Myriam Ghezzi, Milko Hensel, Marcel Hintermann, Philippe Hungerbühler, Annette Käppeli, Christian Kappes, Joël Koller, Jörg Krämer, Rolf Kunz, Reto Künzi, Stefan Meier, Markus Meili, Monika Mose-Lüscher, Armin Müller, Marco Müller, Sascha Näf, Will Nef, Konstantinos Ntefeloudis, Marko Pavic, Gérard Piasko, Reinhard Rutz, Armin Schmid, Dr Raphaela Schröder, Roger Sharma, Timur Siber, Marcel Spalinger, Nicole Trachsel, Sandra Treier, Fabian Welandagoda, Remo Wissmann, Marc Wyss, Mirielle Wyss

Internal Audit

gw&p ag financial services advisory, Zurich

Auditors

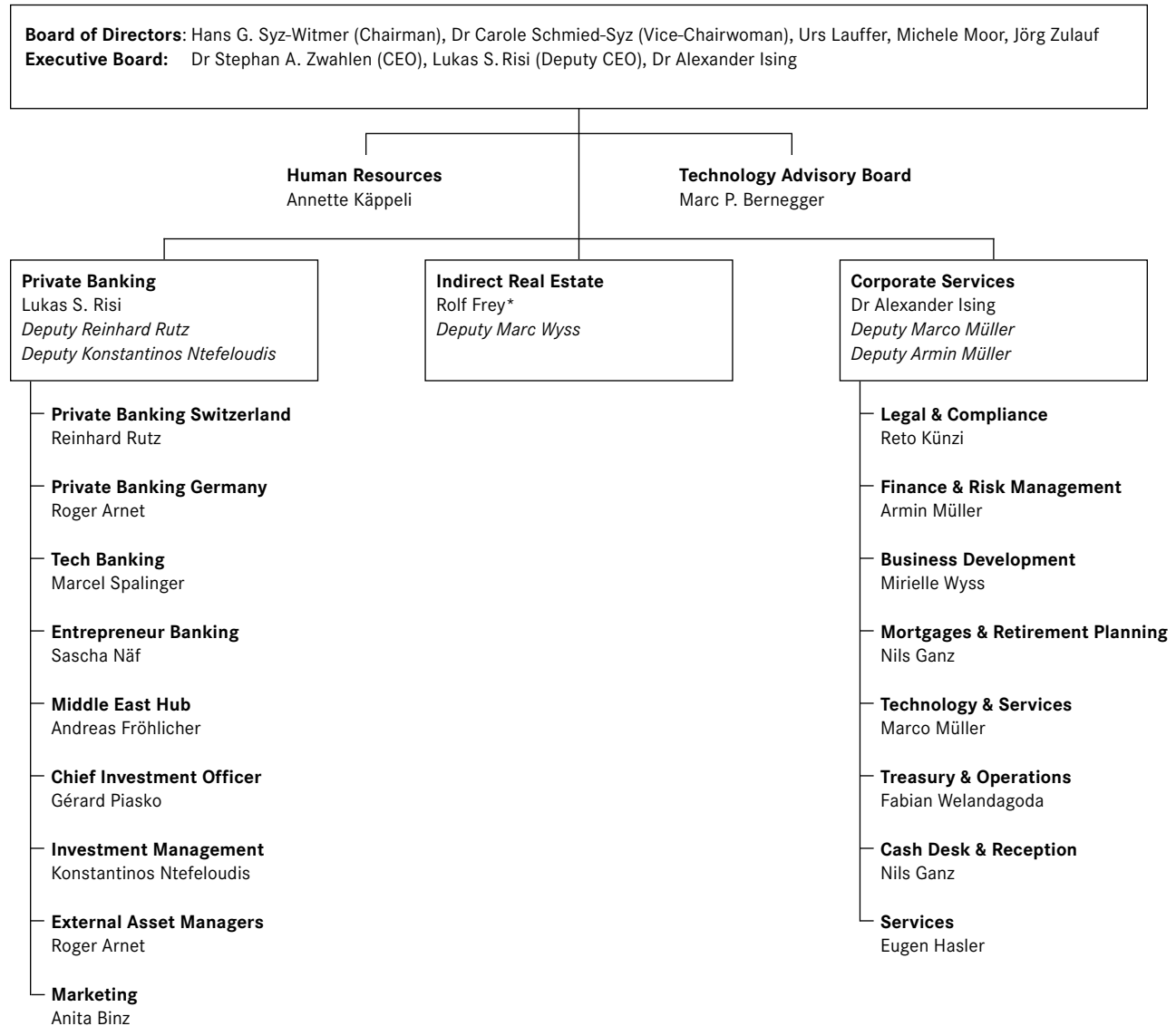
PricewaterhouseCoopers AG, Zurich

As at 1 April 2025

* Independent members of the Board of Directors, as defined by the regulations of the Swiss Financial Market Supervisory Authority (FINMA).

** According to the current FINMA rules, the bank is not required to have either an Audit Committee or a Risk Committee.

Organisational chart



As at 1 April 2025

* Member of the extended Executive Board

Key figures

in CHF 1000	2024	2023
Profit (result of the period)	13 316	11 716
Gross profit	17 164	15 179
Net commission business and services income	38 880	33 972
Net trading income	6 116	4 741
Net interest income	14 834	13 860
Operating expenses	43 811	39 304
Total assets	924 864	752 717
Client assets	11 228 654	9 165 384
Eligible capital	99 221	93 472
Required regulatory capital	23 857	21 799
Excess capital	75 364	71 673
Tier 1 capital ratio	29.9%	30.8%
Total capital ratio	32.8%	33.8%
Number of employees (full-time equivalents)	96	90

Financial statements

Balance sheet

in CHF 1000	Notes	31.12.2024	31.12.2023	Change
Assets				
Liquid assets		226 944	168 342	58 601
Amounts due from banks		141 155	42 000	99 155
Amounts due from clients	2	66 818	61 891	4 927
Mortgage loans	2	145 379	143 068	2 310
Trading portfolio assets	3	537	666	-129
Positive replacement values of derivative financial instruments	4	3 767	3 103	663
Financial investments	5	310 347	307 133	3 214
Accrued income and prepaid expenses		8 863	7 314	1 548
Participations	6, 7	3 842	3 842	0
Tangible fixed assets	8	14 348	14 015	333
Other assets	10	2 866	1 342	1 524
Total assets		924 864	752 717	172 147
Total subordinated claims		-	-	-

in CHF 1 000	Notes	31.12.2024	31.12.2023	Change
Liabilities				
Amounts due to banks		7 417	13 370	-5 954
Amounts due in respect of client deposits		801 356	629 541	171 815
Negative replacement values of derivative financial instruments	4	517	4 262	-3 745
Bond issues and central mortgage institution loans	14	16 000	16 700	-700
Accrued expenses and deferred income		15 599	11 817	3 782
Other liabilities	10	2 612	1 979	634
Provisions	15	753	753	-
Reserves for general banking risks		14 247	14 247	-
Share capital	16	3 000	3 000	-
Statutory capital reserve		147	147	-
of which tax-exempt capital contribution reserve		147	147	-
Statutory retained earnings reserve		18 650	18 650	-
Voluntary retained earnings reserve		21 000	17 500	3 500
Profit carried forward		10 251	9 035	1 216
Profit (result of the period)		13 316	11 716	1 600
Total liabilities		924 864	752 717	172 147
Total subordinated liabilities		16 251	16 962	-711
of which with conversion obligation and/or debt waiver		16 251	16 962	-711
Off-balance-sheet transactions				
Contingent liabilities	2, 26	12 674	11 070	1 604
Irrevocable commitments	2	11 181	7 166	4 015

Income statement

in CHF 1000	Notes	2024	2023	Change
Result from interest operations				
Interest and discount income	30	16 576	13 467	3 109
Interest and dividend income from trading portfolio		-	-	-
Interest and dividend income from financial investments		2 535	2 787	-251
Interest expense	30	-3 802	-2 118	-1 684
Gross result from interest operations		15 309	14 135	1 174
Changes in value adjustments for default risks and losses from interest operations		-474	-275	-199
Subtotal net result from interest operations		14 834	13 860	974
Result from commission business and services				
Commission income from securities trading and investment activities		42 651	37 514	5 137
Commission income from lending activities		142	109	33
Commission income from other services		1 434	1 122	313
Commission expense		-5 347	-4 772	-575
Subtotal result from commission business and services		38 880	33 972	4 909
Result from trading activities and the fair value option		6 116	4 741	1 375
Other result from ordinary activities				
Result from the disposal of financial investments		-	127	-127
Income from participations		1 218	1 195	23
Other ordinary income		511	589	-77
Other ordinary expenses		-585	-	-585
Subtotal other result from ordinary activities		1 145	1 910	-765

in CHF 1000	Notes	2024	2023	Change
Operating expenses				
Personnel expenses	31	-30 550	-27 320	-3 230
General and administrative expenses	32	-13 261	-11 983	-1 278
Subtotal operating expenses		-43 811	-39 304	-4 508
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-657	-582	-75
Changes to provisions and other value adjustments and losses		-137	-220	83
Operating result		16 370	14 377	1 993
Extraordinary income	33	-	-	-
Extraordinary expenses	33	-	-	-
Changes in reserves for general banking risks	33	-	-	-
Taxes	34	-3 054	-2 661	-394
Profit (result of the period)		13 316	11 716	1 600
Appropriation of profit				
Profit (result of the period)		13 316	11 716	1 600
Profit carried forward		10 251	9 035	1 216
Distributable profit		23 567	20 751	2 816
Appropriation of profit				
Allocation to statutory retained earnings reserves		-	-	-
Allocation to voluntary retained earnings reserves		-4 000	-3 500	-500
Distributions from distributable profit		-7 500	-7 000	-500
Other appropriation of profit		-	-	-
New amount carried forward		12 067	10 251	1 816

Statement of changes in equity

in CHF 1 000	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserves and profit/loss carried forward	Own shares (negative item)	Result of the period	Total
Equity at start of current period	3 000	147	18 650	14 247	26 535	-	11 716	74 295
Dividends and other distributions							-7 000	-7 000
Other allocations to (releases from) other reserves		-	-	-	3 500		-3 500	-
Net change of profit carried forward					1 216		-1 216	-
Profit/loss of the period							13 316	13 316
Equity at end of current period	3 000	147	18 650	14 247	31 251	-	13 316	80 610

Notes to the financial statements

Description of business activities

Company, legal form, registered office and business activities

Established in 1932, Maerki Baumann & Co. AG is a limited company under Swiss law and has its registered office in Zurich. It is mainly active in the areas of asset management and investment advisory services for private and institutional clients as well as the provision of services to external asset managers. In this context, it also conducts lending business. Its main business area and principal source of income is the commission and service fee business, which accounts for approximately 64% of ordinary income. Interest margin business contributes 24% to ordinary income and trading business 10%. Other ordinary income accounts for around 2%.

Business areas

The main business areas can be described as follows:

- Investment advisory services for private and institutional clients
- Asset management for private and institutional clients
- Provision of services to external asset managers
- Indirect real estate investments for institutional clients
- Lending to private clients (collateral loans and mortgage solutions)
- Securities and foreign exchange trading (including digital assets)
- Business accounts for technology firms (blockchain and crypto)

Geographically, the bank's client relationships are primarily concentrated in Switzerland and other parts of Europe (mainly Germany). Maerki Baumann has been granted "simplified authorisation" to operate in Germany by the Federal Financial Supervisory Authority (BaFin).

Commission and service fee business

Asset management and investment advisory services are the major components in the bank's commission and service fee business. These services are used by both our private and institutional clients. Services provided to external asset managers as well as the business accounts for technology firms also generate significant

income for the bank.

Trading business

Clients are offered the full range of execution and settlement services for all customary types of trading transactions, including the trading of various digital assets. The bank does not engage in any significant trading in securities for its own account. Proprietary trading in foreign currencies is primarily required for the smooth processing of business transactions with clients and is restricted to currencies for which there is a liquid market.

Lending business

The bank adheres to a restrictive lending policy and as a rule grants collateralised loans against liquid securities in diversified portfolios. Conservative loan-to-value ratios ensure that default risk is kept to a minimum. The loans reported as mortgages are exclusively secured by Swiss real estate.

Risk management

Risk policy

As with other financial institutions, the bank is exposed to various bank-specific risks: credit, market and liquidity risks, as well as operational and legal risks. A conscious and prudent approach to these risks is a prerequisite for the long-term success of the bank. Maerki Baumann believes in the importance of comprehensive risk management for the bank as well as for client assets.

The risk policy aims to limit the negative impact of risks on income, protect the bank from losses, and ensure reliability for clients. The bank organises its risk management on the basis of the three lines of defence principle: the risks are managed by the responsible line units (first line). Risk Control, which is part of the Finance & Risk department and reports to the Head Corporate Services, ensures the risk policy is complied with and implemented, while the Legal & Compliance department confirms that the regulatory requirements are met (second line). Internal Audit ensures that the

risk management framework is independently reviewed (third line).

Risk management and control

The Board of Directors is the highest governing body of the risk management organisation. It determines the risk policy, including the risk philosophy, risk assessment and risk management, which it reviews on an annual basis. At the same interval, it defines – based on the risk capacity – willingness to take risks, risk tolerance and risk limits; it monitors adherence to the risk limits as well as implementation of the risk policy. It sets risk limits for individual risk categories/transaction types and lays down standards for the risk management and risk control processes.

The Board of Directors receives a comprehensive risk report to enable it to perform its monitoring function. This report provides information about the risk situation, capital adequacy, compliance with the risk limits, as well as risk mitigation measures.

The Executive Board is responsible for implementing the risk policy issued by the Board of Directors; it ensures the development of an appropriate risk management organisation as well as the use of suitable risk monitoring systems. The Executive Board sets out in detail the requirements laid down by the Board of Directors for individual risk categories/transaction types. As an independent monitoring body, Risk Control monitors the risks entered into by the bank. It designs appropriate risk management systems, implements them, and provides the information required for the monitoring of risk policy, risk tolerance and risk limits. Monitoring is primarily focused on credit and market risks, operational risks as well as liquidity risks.

Credit risks

Credit risk is the risk of losses arising because clients or other counterparties are unable to meet their expected, contractually agreed payments. Credit risks exist in relation to lending, irrevocable credit lines and contingent liabilities as well as instruments used for asset and liability management. Maerki Baumann identifies, assesses, manages and monitors the following types

of risk, particularly in relation to its lending operations:

- counterparty risks
- country risks
- collateral risks
- cluster risks

Counterparty risks in relation to asset and liability management

Maerki Baumann is exposed to credit risk as a consequence of its business with counterparties for the purposes of processing client transactions as well as asset and liability management. Therefore, as a matter of principle, the bank only works with first-class counterparties.

The bank conducts an assessment of the counterparty risk involved before entering into any business relationship with a counterparty in the interbank business. Maerki Baumann restricts credit risk by means of limits as well as the need for counterparties to be approved by the Executive Board and the Board of Directors.

Credit risks are monitored by Risk Control on a daily basis. In addition, changes in counterparty ratings and CDS levels are monitored regularly. In the case of extreme market events, the situation is reviewed promptly in order to respond immediately to heightened risks.

Lending to clients

Loans are granted to the bank's clients in return for first-class, readily marketable collateral or Swiss mortgage collateral.

Unsecured loans or loans not secured by marketable collateral are only approved in justified, exceptional cases. The bank mainly issues collateralised loans (secured by assets and eligible securities deposited with the bank) and mortgage loans (secured by mortgage notes or a mortgage assignment).

As a rule, Maerki Baumann grants collateralised loans against liquid securities in diversified portfolios. Loan-to-value ratios are conservative, in order to minimise the default risk. In addition, Maerki Baumann grants mortgages to clients as well as employees. The loans reported as mortgages are exclusively secured by Swiss

real estate.

Risk is managed through careful selection, a thorough financial assessment and personal knowledge of the clients, as well as the cautious structuring of transactions and vigilant credit monitoring. With that in mind, the bank does not enter into credit risks without having first subjected the transaction to a thorough credit assessment. Mandatory elements of the assessment are:

- Creditworthiness: includes assessing the integrity, business acumen and business conduct of the persons participating in a transaction;
- Solvency: includes the financial situation and business potential of clients, as well as the economic backdrop;
- Structure of the business: the structure and commercial purpose of a transaction must be clearly identifiable and in line with the contractual provisions; the intrinsic value and marketability of collateral also need to be guaranteed;
- Repayment: the sources of repayment and ability to withdraw from a credit exposure must be ascertained when concluding the transaction.

The credit risks arising from lending to clients are monitored on a daily basis.

Market risks

Interest rate risks

Interest rate risks are of major importance to Maerki Baumann. These risks arise mainly as a result of maturity incongruence on the asset and liability sides of the balance sheet. Responsibility for active management lies with the bank's Asset/Liability Management Committee (ALM Committee). Measurement is performed using industry standard ALM systems. Sensitivity and gap data are used to measure the potential impact of interest rate risks on the bank's profitability and equity. Positions with an indefinite fixed term are depicted using a replication model. The underlying assumptions are reviewed by the bank annually and adjusted if necessary.

Analysis of the economic situation and the resulting production of interest rate forecasts enable the income and value effects of interest rate changes to be analysed on a regular basis. Depending on the assessment

of interest rate trends, the ALM Committee takes corresponding hedging measures within predefined risk limits and defined hedging strategies. Derivative instruments can be used for that purpose. Interest rate risks are monitored by Risk Control.

Currency risks

Through the management of currency risks, the bank aims to minimise any negative effect of currency changes on its earnings. The objective is essentially to balance out liabilities in foreign currency with assets in the same foreign currency. Currency risks are subject to nominal limits. Proprietary trading is primarily required for the smooth processing of business transactions with clients and is restricted to currencies and precious metals for which there is a liquid market.

Risks in trading business

The bank does not conduct active trading operations with the intention of benefiting from short-term market fluctuations. For accounting reasons, positions arising from the processing of client transactions or hedging of balance sheet items are shown as trading business. The bank does not engage in market-maker activities. Trading takes place in standardised as well as OTC instruments. Trading in derivatives is mainly undertaken for the account of clients; activities undertaken for the bank's own account are restricted to hedging transactions in connection with its own positions as well as transactions in connection with asset and liability management. Market risks arising from trading business are monitored by Risk Control on a daily basis.

Liquidity risks

Liquidity risks are controlled using commercial criteria, managed by the Treasury & Operations in accordance with the provisions of banking law, and monitored by Risk Control. For control purposes, liquidity inflows and outflows are simulated against the backdrop of various scenarios. These scenarios include the impact of refinancing crises and general liquidity crises.

The aim of liquidity management is to ensure a solid

liquidity position that will enable the bank to meet its payment obligations on a punctual basis at any time. Monitoring is based on the statutory limits as well as the additional limits set by the bank's Board of Directors.

Operational risks

Operational risks are defined as the risk of losses resulting from the inappropriateness or failure of internal processes, employees, IT systems, infrastructure facilities, or as a consequence of external events or the influence of third parties. This definition includes IT, cyber as well as security risks. IT risks occur at the level of IT systems, processes and infrastructure. Cyber risks comprise information security and IT risks to which the bank is exposed via the internet or third-party networks. The definition additionally includes legal and compliance risks. Operational risks are taken as consequential risks of business activities and are avoided, mitigated, transferred or borne by the bank itself based on cost-benefit considerations. Compliance and reputation impacts are also taken into account. Together with its definition of the business strategy and business activities, the Board of Directors defines the risk tolerance in relation to operational risks. Risk tolerance is specified in quantitative terms through limits and in qualitative terms through the internal rules on business activities (regulations, policies). Avoidance or mitigation of operating risks must take place primarily at source, the objective being to reduce risks to a tolerable level. Critical processes are protected by means of emergency and disaster prevention planning.

Legal and compliance risks are managed by the Legal & Compliance department by means of active monitoring of the legal requirements. Operational risks are identified and assessed annually by means of the risk assessment. The annual risk assessment also includes an assessment of internal control processes, in which the operational effectiveness of the controls is assessed and any improvement measures are implemented. The risk assessment takes place before and after consideration of existing risk mitigation measures specified by the Executive Board. In its compliance report, the Legal & Compliance department conducts a qualitative risk

assessment of legal and compliance risks on an annual basis.

Operational risks are monitored in terms of the individual risks as well as at bank level. Line managers are responsible for monitoring at individual risk level. Risk Control monitors the risks at bank level and is responsible for maintaining the bank-wide register of operational risks as well as for the analysis and evaluation of operational risk data. Material internal operational risk events, relevant external events, the development of the risk situation and the implementation status of risk mitigation measures are reported to the bank's Executive Board and Board of Directors at least quarterly. In addition to the normal risk management process, Risk Control performs ad-hoc risk analyses as required, analyses losses and claims that have arisen and maintains close dialogue with other organisational entities that have access to information about operational risks within the bank on account of their function.

All measures for controlling operational risks are part of the Internal Controls System (ICS). The ICS covers all control structures and processes, procedures, methods and measures, which at every level of the bank constitute the basis for achieving the business policy objectives as well as ensuring orderly banking operations.

The entire ICS is reviewed annually. The ICS is assessed at overall bank as well as process level in terms of the appropriateness and effectiveness of the risk control measures implemented. The results of the ICS review are reported to the Executive Board and the Board of Directors on an annual basis.

Methods used to identify default risks and determine the need for value adjustments

Identifying default risks

Mortgage-backed loans

The fair value of owner-occupied residential properties is determined regularly using hedonistic assessment methods or external real estate valuations. Moreover, the affordability of the loan for the borrower is reviewed at regular intervals. Mortgage loans are

generally granted to clients with investment holdings and to employees.

Rental income is reviewed at regular intervals in the case of multi-family homes, commercial and specialist properties, and also where there are indications of significant changes in the level of rental income or vacancy rates. In addition, interest and amortisation arrears are analysed. On this basis, the bank identifies higher-risk mortgages. Where appropriate, further collateral is required or the shortfall in collateral is reviewed in order to determine whether a corresponding valuation adjustment needs to be made.

Loans backed by securities or other marketable collateral

Exposure to securities-backed loans and the value of the collateral are monitored constantly. If the value of the securities serving as collateral falls below the amount of the credit exposure, the bank requests additional collateral or a reduction in the debt amount. In the event of an increase in the shortfall, or of exceptional market conditions, the collateral is liquidated and the loan closed out.

Unsecured loans

Unsecured loans and loans not secured by marketable collateral are granted in exceptional cases only and require the approval of the Executive Board and the Board of Directors.

Determining the need for value adjustments

As an institution participating in supervisory category 5, value adjustments for default risks on non-impaired loans need to be created for latent default risks. The bank has decided to create additional value adjustments for default risks on non-impaired loans for inherent default risks.

Value adjustments for default risks on impaired loans

Loans are impaired if there is a high probability that the debtor will be unable to meet his future obligations. Signs of impairment are present in the following cases:

- where the debtor is in considerable financial difficulties;

- where an actual breach of contract has occurred;
- where concessions are granted to the debtor owing to economic or legal circumstances in connection with financial difficulties on the part of the debtor, which the creditor would not otherwise grant;
- where there is a high probability of the debtor facing bankruptcy or restructuring;
- where an impairment loss is recorded for the asset concerned in a preceding reporting period;
- where an active market for this financial asset disappears owing to financial difficulties;
- in the event of past experience with collection of the receivable suggesting that the full nominal value cannot be recovered.

Impaired loans are shown at liquidation value, as is any collateral. Individual value adjustments are made for impaired loans. These are based on regular analyses of the individual credit exposures based on the debtor's creditworthiness and the counterparty risk as well as the estimated net recoverable amount of the collateral. Where the recovery of the receivable is dependent exclusively on the realisation of the collateral, an allowance is made to completely cover the unsecured portion.

Value adjustments for default risks on non-impaired loans

In the case of losses incurred that cannot be assigned to a specific borrower, value adjustments are created for latent default risks. Value adjustments are created for inherent default risks in the case of loans that are not impaired and where losses have not yet been incurred. The bank does not create value adjustments for expected losses on non-impaired loans. In accordance with the requirements of FINMA, the value adjustments for latent and inherent default risks are reported in the Note "Value adjustments, provisions and reserves for general banking risks" in their entirety under the value adjustments for default risks on non-impaired loans (value adjustments for inherent default risks).

Value adjustments for latent default risks

Default risks are deemed latent and covered by value

adjustments for latent default risks if, due to events that have already occurred by the date on which the annual financial statements were prepared, losses are expected but cannot yet be assigned to specific borrowers. Such events may include empirical values recorded by the bank showing the regular occurrence of losses on amounts due from clients and mortgages where the cause lies in the past financial year but information about the loss event in relation to the individual borrower was not yet known to the bank by the date on which the annual financial statements were prepared. A historical perspective shows that the bank did not have any credit defaults to report in previous years. Other events of this type may include major events that occur on a sporadic basis, including natural disasters, pandemics, economic shocks or turmoil in financial and money markets. In the case of major sporadic events that were recorded prior to the close of the financial year but whose impact on the individual exposures cannot be assessed individually, the potential effects on affected regions or sectors are estimated and corresponding value adjustments created where there is a risk of loss. The COVID-19 pandemic had no impact on the bank's borrowers, as the bank does not engage in commercial lending. Any COVID-19 credits that were granted are secured by corresponding guarantees.

Value adjustments for inherent default risks

Every credit transaction involves an inherent default risk. Value adjustments for inherent default risks are value adjustments for losses that have not yet occurred. The following balance sheet items are included in the estimate of inherent loss risks:

- Amounts due from banks
- Amounts due from clients
- Mortgages
- Financial investments (debt instruments held to maturity)

Value adjustments for inherent default risks are estimated based on allocation of the exposures of the bank and counterparty to a rating category in accordance with the FINMA concordance table for non-securitised exposures.

The probability of default is estimated with reference to a particular point in time. This is based on current conditions and incorporates residual maturities and forecasts of future overall economic conditions on the balance sheet date. The bank estimates a probability of default for the seven rating categories as follows:

Rating category	Description	Comparable ratings of external agencies	Probability of default depending on residual maturity (1-15 years)
1	Investment grade	AAA	0.00% – 0.86%
2		AA	0.00% – 1.16%
3		A	0.04% – 1.71%
4		BBB	0.09% – 6.07%
5	Speculative	BB	0.88% – 18.16%
6		B	5.33% – 31.16%
7	Exposed	C and D	25.98% – 52.65%

The bandwidth refers to the differing residual maturity of the exposure.

Provisions for default risks on off-balance-sheet transactions

In the case of default risks on off-balance-sheet transactions in the “Contingent liabilities” and “Irrevocable commitments” items for which no provisions have yet been made due to the absence of a likely cash outflow that can be reliably estimated, additional provisions are created for inherent and latent default risks.

In the case of losses incurred on off-balance-sheet transactions that cannot yet be assigned to a specific borrower, provisions are created for latent default risks.

In the case of off-balance-sheet transactions that are not impaired and where losses have not yet been incurred, provisions are created for inherent default risks. The bank does not create provisions for expected losses on off-balance-sheet transactions. In the case of the creation of provisions for default risks on off-balance-sheet transactions, the same procedures, systems and methods are used as for the creation of value adjustments on impaired and non-impaired loans.

Use of value adjustments and provisions for latent and inherent default risks

Value adjustments and provisions for inherent default risks may be used in particular in a crisis situation for the creation of individual value adjustments on impaired loans and for provisions for default risks on off-balance-sheet transactions without the value adjustments and provisions for inherent default risks being replenished immediately.

In the event of an exceptionally large requirement for individual value adjustments for impaired loans, the bank evaluates whether it intends to use the value adjustments and provisions created for inherent default risks to cover the required individual value adjustments and provisions.

The need for individual value adjustments and provisions is deemed exceptionally strong if it exceeds 10% of the item "Gross result from interest operations". The value adjustments and provisions created in the year under review were not used to cover individual value adjustments and provisions.

Replenishing a funding gap

If the use of value adjustments and provisions for inherent default risks with no immediate replenishment leads to a funding gap, this funding gap will be rectified through replenishment within a maximum of five financial years.

Funding gap in value adjustments and provisions for inherent default risks

The requirements regarding the creation of value adjustments and provisions for inherent default risks entered into force on 1 January 2020. The bank implemented these provisions in 2021 and is currently in the process of initial creation of these value adjustments on a dynamic, straight-line basis. As at 31 December 2024, the value adjustments are estimated at CHF 1 285 000 for the year 2025. The transitional provisions of the FINMA Accounting Ordinance (FINMA-AO) permit initial creation up to 31 December 2025. In addition to the current value adjustments and provisions for inherent risks of CHF 1 028 000, a further CHF 257 000

therefore needs to be created by the end of 2025.

There is currently no funding gap in value adjustments and provisions for inherent default risks due to utilisation to cover required individual value adjustments and provisions.

Valuation of collateral

Mortgage-backed loans

In the mortgage business, an up-to-date collateral valuation is available for every loan granted. Valuations are dependent on the type and use of the property. The bank uses a hedonic model to assess the value of residential property. This compares the price based on detailed characteristics of the property concerned with similar property transactions. In the case of multi-family homes, commercial and specialist properties, the rental income from the property is also taken into account. Where an in-house estimate of the property being valued is not possible, a valuation report must be prepared by an independent expert (architect/construction engineer/property valuer). If the credit rating deteriorates sharply and there is a risk that the exposure will become non-performing, a liquidation value will additionally be calculated.

Securities backed by loans or other marketable collateral

For lombard loans and other securities-backed loans, diversified portfolios with transferable financial instruments for which there is generally a liquid and active market are primarily accepted. The bank applies conservative discounts to the market values to cover the market risk associated with liquid and marketable securities and determines the loan-to-value ratio.

Business policy on the use of derivatives and hedge accounting

Business policy on the use of derivatives

Derivative instruments are used for trading and hedging purposes. Trading takes place in standardised and OTC instruments for the bank's own account as well as

for the account of clients. In particular, this includes instruments for interest rates, currencies, equity instruments/indices and, to a lesser extent, precious metals. As part of its risk management process, the bank uses derivatives mainly to hedge interest rate and foreign currency risks. Hedging transactions are mainly conducted with external counterparties.

Business policy on the use of hedge accounting

Types of underlying and hedging transactions

The bank uses hedge accounting, above all, in connection with interest rate risks relating to interest-sensitive assets and liabilities in the banking book. Hedging is effected through the use of interest-rate swaps.

Composition of groups of financial instruments

Certain interest-sensitive positions in the banking book (above all mortgages and financial investments) are grouped into various interest bands per currency and hedged by means of macro hedges. Alternatively, a sufficiently large position in the banking book can be hedged individually by means of a micro hedge.

Economic correlation between underlying and hedging transactions

As soon as a financial instrument is classified as a hedging relationship, the bank documents the relationship between the hedging instrument and the hedged underlying transaction. Among other things, it documents the risk management objectives and strategy behind the hedge and the methods to evaluate the effectiveness of the hedging relationship.

The economic correlation between the underlying and the hedge is evaluated on an ongoing basis through effectiveness tests, including through the observation of inverse value development and the respective degree of correlation.

Measuring effectiveness

A hedge is deemed to be effective to a significant extent if the following criteria are essentially fulfilled:

- The hedge is deemed to be highly effective both when first applied and during the corresponding term.
- There is a close economic correlation between the

underlying transaction and hedging transaction.

- There is an inverse relationship between value changes on the part of the underlying and the hedging transaction with respect to the risk being hedged.

Ineffectiveness

As soon as a hedging transaction no longer fulfils the criteria of effectiveness, it is reclassified as a trading transaction and the component from the ineffective part is booked to the income statement position "Result from trading activities and the fair value option".

Personnel

At year-end the bank had 96 full-time equivalent employees (previous year: 90).

Material events after the balance sheet date

No material events have occurred since the balance sheet date which significantly influence the bank's assets, financial position or earnings.

Accounting and valuation principles

General principles

The bookkeeping, accounting and valuation principles are based on the Swiss Code of Obligations, the Banking Act, the Banking Ordinance, the FINMA Accounting Ordinance and Circular 2020/1 “Accounting – banks” of the Swiss Financial Market Supervisory Authority (FINMA). These financial statements are deemed to be reliable assessment statutory single-entity financial statements, which present a true and fair view of the commercial situation of the bank in such a way that allows a third party to form a reliable opinion. The financial statements may contain hidden reserves. Transactions are recognised in accordance with the trade date principle. Assets and liabilities as well as off-balance-sheet transactions are valued individually. The main valuation principles are described below. There may be rounding differences in the values shown in the tables in the Notes as compared to the values in the balance sheet and income statement.

This Annual Report is also available in German. The German version is authoritative.

General valuation principles

The annual financial statements are prepared based on a going-concern assumption and items are stated in the balance sheet as going-concern values. The items under a particular balance-sheet heading are individually valued. As a matter of principle, there is no netting of assets and liabilities or of expenses and income. The netting of assets and liabilities is only permissible in the following cases:

- Assets and liabilities are netted provided they arise from similar transactions with the same party, are in the same currency with the receivable due on the same date or earlier, and cannot result in any counterparty risk.
- Deduction of value adjustments from the corresponding asset position.
- Netting in the compensation account of positive and negative value adjustments not recognised in the income statement in the reporting period.
- Holdings of own bonds are netted with the corresponding liability position.

Positive and negative replacement values of derivative financial instruments vis-à-vis the same counterparty may be netted if there are recognised, legally enforceable netting agreements.

Expenses and income are netted only in the following cases:

- Newly created default-risk-related value adjustments, losses from interest-related business and newly formed provisions and other value adjustments and losses are netted with corresponding recoveries and with value adjustments and provisions no longer required.
- Price gains from trades and transactions with price losses from these trades or transactions measured in accordance with the fair value option.
- Positive value adjustments for financial investments valued at lower of cost or market with negative value adjustments for the same.

Client assets that take the form of digital assets are held in custody separately for each client on the blockchain, hence they are assignable to the individual client at any time. Their separability is therefore ensured, and client assets held in the form of digital assets appear as safe custody assets in client custody account statements rather than being included on the bank's balance sheet.

Basis of consolidation

Maerki Baumann & Co. AG is fully consolidated into the Maerki Baumann Group. Maerki Baumann & Co. AG does not possess any holdings that need to be consolidated.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the applicable mid-rates as of the balance sheet date. Exchange gains and losses resulting from valuation are shown in "Net trading income". Transactions in foreign currencies during the year are converted at the exchange rate on the trade date. The most important foreign currencies for the balance sheet were converted at the following rates on the balance sheet date:

Currency	31.12.2024	31.12.2023
EUR	0.9386	0.9310
USD	0.9067	0.8422

Liquid assets

Liquid assets are shown at nominal value.

Amounts due from banks and clients, mortgages

These items are shown in the balance sheet at nominal value less necessary value adjustments. Precious metal holdings in metal accounts are stated at fair value, if the corresponding metals are traded on a price-efficient, liquid market.

The methods for identifying default risks and determining the need for value adjustments are explained in detail in the Notes under "Methods used to identify default risks and determine the need for value adjustments":

- Exposed loans where it is unlikely that the debtor will be able to meet his future obligations are valued individually and shown at liquidation value. Individual value adjustments are made for any impairments.
- In the case of losses incurred that cannot be assigned to a specific borrower, value adjustments are created for latent default risks.
- Value adjustments are created for inherent default

risks in the case of loans that are not impaired and where losses have not yet been incurred.

- The bank does not create value adjustments for expected losses on non-impaired loans.

Amounts due to banks and clients in savings and deposits

These items are shown at nominal value. Precious metal liabilities in metal accounts are stated at fair value, if the corresponding metals are traded on a price-efficient, liquid market.

Trading portfolios and obligations relating to trading portfolios

The bank's own positions in securities, precious metals and digital assets that are actively managed in order to benefit from market price fluctuations or achieve arbitrage profits are classified as trading portfolios. Trading portfolios are valued and stated at market prices as at the balance sheet date.

Positions for which there is no representative market or, in exceptional cases, where fair value is unavailable, are stated at the lower of cost or market.

Gains and losses resulting from this valuation, as well as gains and losses realised during the period, are shown in "Net trading income and the fair value option". Interest and dividends on trading portfolios are reported as "Interest and dividend income from trading portfolios" under "Result from interest operations". There is no netting of refinancing income with trading portfolios.

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are used for both trading and hedging purposes.

Trading transactions

All derivative financial instruments are measured at fair value, and are carried on the balance sheet at their positive or negative replacement values. The fair value is based on market prices, prices quoted by traders, discounted cash flow and option pricing models. Any profit realised in trades with derivative financial instruments

is booked under “Net income from trading activities and the fair value option”.

Hedging transactions

The bank also uses derivative financial instruments in the context of its assets/liability management activities to manage interest rate risks. Hedging transactions are valued in the same way as the hedged underlying transactions. The profit on the hedge is assigned to the same income position as the corresponding profit on the hedged transaction. The valuation gain of hedging instruments is booked to the compensation account if no value adjustment has been made for the underlying transaction. The net balance of the compensation account is indicated in the “Other assets” or “Other liabilities” positions.

Hedging relationships and the objectives and strategies of the hedging business are documented by the bank upon conclusion of each derivative hedging transaction. The effectiveness of the hedging relationship is periodically reviewed. Hedging transactions for which the hedging relationship is no longer wholly effective or is only partly effective are treated in the same way as trading portfolios in respect of the ineffective part.

Client transactions

Replacement values of derivative financial instruments from client transactions appear on the balance sheet where a risk of loss may arise for the bank during the residual term of the contract if the client or the other counterparty (exchange, member of an exchange, issuer of the instrument, broker, etc.) can no longer meet his commitments. The bank includes the replacement values from commission business for both OTC and exchange-traded contracts on its balance sheet.

Financial investments

Equities, proprietary physical precious metal holdings and proprietary digital assets held as financial investments are valued in accordance with the principle of lower of cost or market.

Fixed-interest investments which are expected to be

held to maturity are valued according to the acquisition cost principle; premiums and discounts are accrued over the remaining term (accrual method). Interest and dividend income is reported under “Interest and dividend income from financial investments”.

Where financial investments which are expected to be held to maturity are sold or redeemed early, the gains and losses realised, which correspond to the interest component, are accrued over the remaining term until maturity of the transaction via “Other assets” and “Other liabilities”.

Debt investments which are not expected to be held to maturity as well as equities, own holdings of precious metals and own digital assets held as financial investments are carried at the lower of cost or market. Valuation adjustments arising from subsequent measurement are recorded net in the item “Other ordinary expenses” or “Other ordinary income”.

Participations

Participations are equity stakes in companies which the bank intends to hold as a long-term investment, irrespective of the proportion of voting shares. Participations are individually recognised at the cost of acquisition less any economically required valuation adjustments. A review is carried out on each balance sheet date as to whether the value of the individual participations is impaired. The assessment is performed on the basis of indications that individual assets might be affected by such impairment. If signs of impairment are detected, the bank defines the recoverable value. The recoverable value is determined separately for each asset. The recoverable amount is the higher of net fair value and value in use. An asset is deemed impaired if the carrying amount exceeds the realisable value. Where an impairment exists, the carrying amount is reduced to the recoverable value and the impairment charged to the item “Valuation adjustments on participations and write-offs of tangible fixed assets and intangible assets”. Gains realised on the sale of participations are booked under “Extraordinary income”, and losses incurred under “Extraordinary expenses”.

Tangible fixed assets

Tangible fixed assets are recognised at acquisition price and depreciated over a conservatively estimated useful life. They are tested annually for impairment. If the impairment test results in a different useful life or a decrease in value, an extraordinary write-off is performed and the residual book value is depreciated according to schedule over the remaining useful life. The estimated useful life for the different categories of tangible fixed assets is as follows:

- Bank buildings (excluding land): maximum 50 years
- Software, IT and communications equipment: maximum 3 years
- Other tangible fixed assets: maximum 10 years

Pension liabilities

The bank operates a full-insurance defined contribution scheme for employees. The actual financial effects of employee benefit obligations are calculated on the basis of the annual financial statements of the employee benefits institution, which in turn are based on Swiss GAAP FER 26. A judgement is made as to whether any surplus or shortfall for employee benefits institutions could result in economic gains or losses for the bank. Any economic benefits or existing employer's contribution reserves can be capitalised; for economic risks, however, provisions are created in the balance sheet.

In addition, there is a legally independent employer's fund for supporting employees and retirees in case of financial difficulties. Employer contributions are reported as personnel expenses.

Since 1 January 2020, Maerki Baumann has established a 1e solution to complement its existing full-insurance solution; this gives employees on a higher income additional flexibility in terms of investing their retirement assets.

Provisions

Legal and constructive obligations are valued on a regular basis. Where an outflow of resources is likely and can be reliably estimated, a corresponding provision is made. Existing provisions are revalued as per each balance sheet date. Based on this reassessment they are increased, maintained at the same level or released.

In the case of default risks on off-balance-sheet transactions in the "Contingent liabilities" and "Irrevocable undertakings" items, for which no provisions have yet been made due to the absence of a likely cash outflow that can be reliably estimated, additional provisions are created for inherent and latent default risks. The methods for identifying default risks and determining the need for provisions are explained in detail in the Notes under "Methods used to identify default risks and determine the need for value adjustments":

- In the case of losses incurred on off-balance-sheet transactions that cannot yet be assigned to a specific borrower, provisions are created for latent default risks.
- In the case of off-balance-sheet transactions that are not impaired and where losses have not yet been incurred, provisions are created for inherent default risks.
- The bank does not create provisions for expected losses on off-balance-sheet transactions.

Provisions are recognised as follows via the individual items of the income statement:

- Provisions for deferred taxes: "Taxes" item
- Pension provisions and restructuring provisions in connection with personnel: "Personnel expenses" item
- Other provisions: "Changes in provisions and other value adjustments and losses" item

Provisions may include hidden reserves, which are reported under "Other provisions".

Reserves for general banking risks

Reserves for general bank risks are precautionary reserves established to cover risks in the bank's operating activities.

The creation and release of reserves are recorded in the income statement in "Changes in reserves for general bank risks". In accordance with Article 18 of the Swiss Federal Capital Adequacy Ordinance, this provision is accounted for as equity and was already subject to taxation.

Result from interest operations

Currency swaps for the interest business are also concluded as part of the bank's asset and liability management strategy. These generate interest income. The profit achieved on currency swaps concluded in connection with the interest business is reported under "Interest and discount income".

Negative interest paid in the lending business is recorded as a reduction under "Interest and discount income". Negative interest received in the deposit business is recorded as a reduction under "Interest expense".

Taxes

Ongoing expenses relating to income and capital tax are reported in the income statement under "Taxes". No deferred taxes are recognised.

Contingent liabilities, irrevocable undertakings, (additional) payment liabilities

Off-balance-sheet transactions are reported at nominal value. Provisions are established for discernible risks.

Treatment of overdue interest

Interest and corresponding commissions that have been due for more than 90 days are deemed overdue. Should a debtor be more than 90 days in arrears on interest payments, the interest due is allocated directly to the value adjustments. In this case, a credit to income is only made after the interest payment has actually been made. If a receivable is deemed to be non-recoverable, it is written off. Loans on which value adjustments have been made are classified as exposed loans until they have been repaid in full.

Changes compared with the previous year

The accounting and valuation principles are unchanged versus the prior year.

Information on the balance sheet

1. Breakdown of securities financing transactions (assets and liabilities)

none

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

in CHF 1000	Type of collateral			Total	
	Mortgage	Other collateral	Unsecured		
Loans					
Amounts due from clients	-	66 788	330	67 118	
Mortgage loans	145 739			145 739	
Residential property	143 339	-	-	143 339	
Other	2 400	-	-	2 400	
Total loans	2024	145 739	66 788	330	212 857
(before netting with value adjustments)	2023	143 338	61 828	158	205 325
Total loans	2024	145 379	66 652	166	212 197
(after netting with value adjustments)	2023	143 068	61 828	62	204 959
Off-balance-sheet					
Contingent liabilities	-	12 674	-	12 674	
Irrevocable commitments	-	9 234	1 947	11 181	
Total off-balance-sheet	2024	-	21 908	1 947	23 855
	2023	-	16 098	2 138	18 236
Impaired loans/receivables					
	2024	-	-	-	-
	2023	-	-	-	-

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

in CHF 1 000	31.12.2024	31.12.2023
Assets		
Trading portfolio assets		
Debt securities	537	666
of which listed	-	-
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Total trading portfolio assets	537	666
Other financial instruments at fair value		
none		
Total of trading portfolio assets and other financial instruments at fair value	537	666
of which determined using a valuation model	-	-
of which securities eligible for repo transactions in accordance with liquidity requirements	-	-

Trading portfolio transactions entered into with cryptocurrencies for own account are reported under the headings “Other trading assets” or “Other trading liabilities”.

On the balance sheet date there were no liabilities from trading portfolio liabilities or other financial instruments stated at fair value.

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

in CHF 1 000	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments						
Forward contracts incl. FRAs	-	-	-	-	-	-
Swaps	-	-	-	210	-	10 000
Futures	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (Exchange-traded)	-	-	-	-	-	-
Foreign exchange/precious metals						
Forward contracts	3 262	222	198 075	-	-	-
Combined interest rate/currency swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Options (OTC)	1	1	291	-	-	-
Options (Exchange-traded)	-	-	-	-	-	-
Equity securities/indices						
Forward contracts	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (Exchange-traded)	294	294	13 462	-	-	-
Credit derivatives						
	none	none	none	none	none	none
Other						
	none	none	none	none	none	none

4. Presentation of derivative financial instruments (assets and liabilities) (continued)

in CHF 1 000		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Total before netting agreements	2024	3 557	517	211 827	210	-	10 000
	2023	2 393	4 262	323 435	710	-	10 000
Total after netting agreements	2024	3 557	517	211 827	210	-	10 000
	2023	2 393	4 262	323 435	710	-	10 000

in CHF 1 000		Total	
		Positive replacement values	Negative replacement values
Total after netting agreements	2024	3 767	517
	2023	3 103	4 262

Breakdown by counterparty

in CHF 1 000		Central clearing houses	Banks and securities dealers	Other clients
		Positive replacement values (after consideration of netting agreements)		-

5. Breakdown of financial investments

in CHF 1 000	Book value		Fair value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debt securities	298 773	296 005	298 670	287 336
of which intended to be held to maturity	298 773	296 005	298 670	287 336
of which not intended to be held to maturity (available for sale)	-	-	-	-
Equity securities	11 574	11 127	12 716	11 504
Total	310 347	307 133	311 386	298 840
of which securities eligible for repo transactions in accordance with liquidity requirements	213 926	152 710	214 342	148 337

Breakdown of counterparties by rating (FINMA Concordance table)

in CHF 1 000	1 & 2	3	4	5 & 6	7	Unrated
Debt securities: book values	261 420	28 322	4 888	-	-	4 143

6. Presentation of participations

in CHF 1 000	Other participations	
	With market value	Without market value
Acquisition cost	-	3 845
Accumulated value adjustments	-	-3
Book value at end of previous year	-	3 842
Current year		
Reclassifications	-	-
Additions	-	-
Disposals/Foreign currency differences	-	-
Value adjustments	-	-
Book value at end of current year	-	3 842
Market value	-	n/a

7. Disclosure of companies in which the bank holds a permanent direct or indirect significant participation

Company name and domicile	Business activity	Company capital (in CHF)	Share of capital in %	Share of votes in %	Held directly, indirectly
SIX Group Ltd, Zurich	Financial Services	19 521 905	Minority	Minority	directly

8. Presentation of tangible fixed assets

in CHF 1000	Bank buildings	Software	Other tangible fixed assets	Total tangible fixed assets
Acquisition cost	24 819	5 321	3 400	33 540
Accumulated depreciation	-11 311	-5 027	-3 187	-19 524
Book value at end of previous year	13 508	295	213	14 015
Current year				
Additions	197	600	193	990
Disposals	-	-	-	-
Depreciation	-213	-356	-88	-657
Reversals	-	-	-	-
Book value at end of current year	13 492	538	318	14 348

Lease commitments from operating leases

in CHF 1000	31.12.2024	31.12.2023
Due within 12 months	-	5
Due between 12 months and 5 years	-	-
Due after more than 5 years	-	-
Total leasing obligations not recognised in the balance sheet	-	5

9. Presentation of intangible assets

none

10. Breakdown of other assets and other liabilities

in CHF 1000	Other assets		Other liabilities	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Compensation account	-	-	210	710
Settlement accounts	-	-	966	140
Indirect taxes	2 027	960	1 333	1 032
Other	839	382	103	96
Total	2 866	1 342	2 612	1 979

11. Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

in CHF 1000	Book values	Effective commitments	Book values	Effective commitments
	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Pledged/assigned assets				
Due from banks	-	p.m.	4 150	3 211
Financial investments to cover margin requirements of banks	15 608	p.m.	19 448	p.m.

Assets under reservation of ownership

none

12. Disclosure on the liabilities of own pension schemes

none

13. Presentation of the economic situation of own pension schemes (employer contribution reserves)

in CHF 1 000

Employer contribution reserves	31.12.2024	31.12.2023
Nominal value	2 500	1 500
Waiver of use	-	-
Net amount	2 500	1 500

Impact of employer contribution reserves on personnel expenses

in CHF 1 000	2024	2023
	1 000	500

The employer contribution reserves are reported at their nominal value as per the statement issued by the pension scheme. They are not capitalised. The nominal amount of the employer contribution reserves is not discounted.

in CHF 1 000	2024	2023
Pension expenses in personnel expenses: pension fund	2 998	2 398
Paid-in contributions for the reporting period: pension fund	2 998	2 398

See also the information provided in the accounting and valuation principles; the bank switched to a full-insurance solution as of 1 January 2012, therefore there is no economic benefit for the bank. All insurance and investment risks are fully covered by insurance at all times, whereby the investment risks with the supplementary fund (1-e solution) are borne by the beneficiaries. Beneficiaries have no regulatory claims on the employer pension fund that could result in a future obligation on the company.

14. Bonds and mandatory convertible bonds outstanding

in CHF 1 000

Interest rate	Type of bond	Year of issue	Maturity	Callable as of	Outstanding amount
3.000%	subordinated additional Tier 1 bond	2021	indefinite	22.06.2027	16 000
Total as at 31.12.2024					16 000

15. Presentation of value adjustments and provisions/reserves for general banking risks

in CHF 1 000

	Balance at end of 2023	Use in conformity with designated purpose	Foreign currency differences	Reclassifications	Past due interest, recoveries	New creations charged to income statement	Releases to income statement	Balance at end of 2024
Provisions								
Provisions for deferred taxes	-	-	-	-	-	-	-	-
Provisions for default risks	-	-	-	-	-	-	-	-
Provisions for other business risks	541	-	-	-	-	-	-	541
Other provisions	212	-	-	-	-	-	-	212
Total provisions	753	-	-	-	-	-	-	753

15. Presentation of value adjustments and provisions/reserves for general banking risks (continued)

in CHF 1000

	Balance at end of 2023	Use in con- formity with designated purpose	Foreign currency differences	Reclassifi- cations	Past due interest, recoveries	New creations charged to income statement	Releases to income statement	Balance at end of 2024
Value adjustments for default risks and country risks								
Value adjustments for default risks on impaired loans	-	-	-	-	-	-	-	-
Value adjustments for default risks on non-impaired loans (value adjustments for inherent default risks)	621	-	-	-	-	407	-	1 028
Total value adjustments for default risks and country risks	621	-	-	-	-	407	-	1 028
Reserves for general banking risks (tax paid)	14 247	-	-	-	-	-	-	14 247

16. Presentation of the share capital

	2024			2023		
	Total par value (in CHF)	No. of shares	Capital eligible for dividend (in CHF)	Total par value (in CHF)	No. of shares	Capital eligible for dividend (in CHF)
Share capital	3 000 000	30 000	3 000 000	3 000 000	30 000	3 000 000

17. Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosure of any employee participation schemes

none

18. Disclosure of amounts due from/to related parties

in CHF 1 000	Amounts due from		Amounts due to	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Significant shareholders	6 700	7 400	18 696	1 539
Group companies	-	-	-	-
Linked companies	-	-	96	96
Transactions with members of governing bodies	-	-	89	119
Other related parties and companies	-	13 500	-	6 332

Amounts due from and amounts due to significant shareholders in the bank who are simultaneously members of governing bodies are shown in the first item “Significant shareholders”. Ordinary banking transactions are conducted on the terms applicable to employees. The amounts due from significant shareholders include no unsecured amounts.

In the previous year, the account balances held at InCore Bank Ltd. were recognised under “Other related parties and companies”. Maerki Baumann Holding Ltd. sold its 49% holding in InCore Bank Ltd. in 2024.

19. Holders of significant participations and groups of holders of participations with pooled voting rights

in CHF 1 000	2024		2023	
	Nominal	% of equity	Nominal	% of equity
Maerki Baumann Holding Ltd. *	3 000	100%	3 000	100%

*21.8% held by Hans G. Syz-Witmer, Küssnacht, 21.8% held by Dr Carole Schmied-Syz, Erlenbach, 51.3% held by CHSZ-Holding AG, Zurich. CHSZ-Holding AG is held by Hans G. Syz-Witmer, Küssnacht, and Dr Carole Schmied-Syz, Erlenbach (both 50%).

20. Disclosure of own shares and composition of equity capital

	31.12.2024	31.12.2023
Number of own registered shares	-	-
Details on different categories of the share capital		
Registered shares		
Quantity in number of shares	30 000	30 000
Nominal in CHF	100	100
Paid in	100%	100%
Rights and restrictions	none	none
in CHF 1 000		
Share capital	3 000	3 000
Voluntary reserves	51 313	45 497
Statutory reserves	18 797	18 797
Total equity capital (after appropriation of profit)	73 110	67 295
non-distributable reserves	32 581	29 863

Distributions out of statutory profit reserves and statutory capital reserves are only permitted if, taken together, they exceed 50% of the nominal share capital. Under company law, CHF 1.5 million is therefore not eligible for distribution. Moreover, the regulatory minimum capital and equity requirements have to be taken into account. These further restrict the scope for profit distributions.

21. Presentation of the maturity structure of financial instruments

in CHF 1000							Due	Total
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years		
Assets/financial instruments								
Liquid assets	226 944	-	-	-	-	-	226 944	
Amounts due from banks	80 022	-	61 133	-	-	-	141 155	
Amounts due from clients	-	3 575	22 583	36 281	3 379	1 000	66 818	
Mortgage loans	-	699	17 155	32 670	62 262	32 592	145 379	
Trading portfolio assets	537	-	-	-	-	-	537	
Positive replacement values of derivative financial instruments	-	-	3 340	217	210	-	3 767	
Financial investments	11 574	-	27 835	94 584	164 085	12 269	310 347	
Total 2024	319 076	4 274	132 047	163 751	229 936	45 861	894 946	
Total 2023	222 136	1 676	35 703	97 670	326 022	42 997	726 204	
Debt capital/financial instruments								
Amounts due to banks	7 417	-	-	-	-	-	7 417	
Amounts due in respect of client deposits	674 570	94 718	24 560	7 507	-	-	801 356	
Negative replacement values of derivative financial instruments	-	-	301	216	-	-	517	
Bond issues and central mortgage institution loans	-	-	-	-	16 000	-	16 000	
Total 2024	681 987	94 718	24 861	7 723	16 000	-	825 289	
Total 2023	551 240	40 197	45 882	9 853	16 700	-	663 873	

22. Presentation of assets and liabilities by domestic and foreign origin

in CHF 1 000	31.12.2024		31.12.2023	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	226 944	-	168 342	-
Amounts due from banks	116 620	24 535	33 189	8 811
Amounts due from clients	46 051	20 767	42 958	18 933
Mortgage loans	145 379	-	143 068	-
Trading portfolio assets	537	-	-	666
Positive replacement values of derivative financial instruments	3 657	110	2 379	724
Financial investments	134 143	176 204	127 858	179 275
Accrued income and prepaid expenses	8 863	-	7 314	-
Participations	3 826	16	3 826	16
Tangible fixed assets	14 348	-	14 015	-
Other assets	2 866	-	1 342	-
Total assets	703 232	221 632	544 292	208 425

22. Presentation of assets and liabilities by domestic and foreign origin (continued)

in CHF 1 000	31.12.2024		31.12.2023	
	Domestic	Foreign	Domestic	Foreign
Liabilities				
Amounts due to banks	7 417	-	13 370	-
Amounts due in respect of client deposits	509 069	292 287	368 474	261 067
Negative replacement values of derivative financial instruments	450	67	3 733	529
Bond issues and central mortgage institution loans	16 000	-	16 700	-
Accrued expenses and deferred income	15 599	-	11 817	-
Other liabilities	2 612	-	1 979	-
Provisions	753	-	753	-
Reserves for general banking risks	14 247	-	14 247	-
Share capital	3 000	-	3 000	-
Statutory capital reserve	147	-	147	-
of which tax-exempt capital contribution reserve	147	-	147	-
Statutory retained earnings reserve	18 650	-	18 650	-
Voluntary retained earnings reserve	21 000	-	17 500	-
Profit carried forward	10 251	-	9 035	-
Profit (result of the period)	13 316	-	11 716	-
Total liabilities	632 511	292 354	491 121	261 595

23. Breakdown of total assets by country or group of countries

in CHF 1000	31.12.2024		31.12.2023	
	CHF 1000	%	CHF 1000	%
Assets				
Europe	148 473	16.1%	136 329	18.1%
Other countries	73 159	7.9%	72 096	9.6%
Total foreign country assets	221 632	24.0%	208 425	27.7%
Switzerland	703 232	76.0%	544 292	72.3%
Total assets	924 864	100.0%	752 717	100.0%

24. Breakdown of total assets by credit rating of country groups (risk domicile/net foreign exposure)

in CHF 1000	31.12.2024		31.12.2023	
	CHF 1000	%	CHF 1000	%
FINMA Concordance table				
1 & 2	194 798	87.9%	178 215	85.5%
3	2 000	0.9%	6 613	3.2%
4	3 957	1.8%	3 940	1.9%
5	-	0.0%	-	0.0%
6	-	0.0%	-	0.0%
7	-	0.0%	-	0.0%
No rating	-	0.0%	-	0.0%
Lombard loans *	20 877	9.4%	19 657	9.4%
Total assets	221 632	100.0%	208 425	100.0%

*A clear breakdown by risk domicile is not possible. However, the collateral is broadly diversified.

25. Balance sheet by currencies

as at 31.12.2024

in CHF 1000	CHF	EUR	USD	Other
Assets				
Liquid assets	226 187	648	99	10
Amounts due from banks	15 611	77 644	39 160	8 741
Amounts due from clients	51 073	10 224	4 964	558
Mortgage loans	144 383	-	995	-
Trading portfolio assets	537	-	-	-
Positive replacement values of derivative financial instruments	3 688	33	35	11
Financial investments	160 102	59 300	90 946	-
Accrued income and prepaid expenses	8 863	-	-	-
Participations	3 826	16	-	-
Tangible fixed assets	14 348	-	-	-
Other assets	2 866	-	-	-
Total assets shown in balance sheet	631 482	147 864	136 199	9 319
Delivery claims on forward transactions	1 519	96 454	92 057	8 473
Total assets	633 001	244 317	228 257	17 792

25. Balance sheet by currencies (continued)

as at 31.12.2024

in CHF 1 000	CHF	EUR	USD	Other
Liabilities				
Amounts due to banks	5 648	-	1 138	631
Amounts due in respect of client deposits	341 842	229 143	213 545	16 825
Negative replacement values of derivative financial instruments	439	33	35	11
Bond issues and central mortgage institution loans	16 000	-	-	-
Accrued expenses and deferred income	15 599	-	-	-
Other liabilities	2 411	22	162	18
Provisions	753	-	-	-
Reserves for general banking risks	14 247	-	-	-
Share capital	3 000	-	-	-
Statutory capital reserve	147	-	-	-
of which tax-exempt capital contribution reserve	147	-	-	-
Statutory retained earnings reserve	18 650	-	-	-
Voluntary retained earnings reserve	21 000	-	-	-
Profit carried forward	10 251	-	-	-
Profit (result of the period)	13 316	-	-	-
Total liabilities shown in the balance sheet	463 302	229 197	214 880	17 485
Delivery liabilities on forward transactions	166 382	15 206	13 342	257
Total liabilities	629 684	244 403	228 222	17 742
Net position per currency	3 317	-86	35	50

Information on the off-balance-sheet business

26. Breakdown of contingent liabilities and contingent assets

in CHF 1000	31.12.2024	31.12.2023	Change
Guarantees to secure credits and similar	12 674	11 070	1 604
Performance guarantees and similar	-	-	-
Other contingent liabilities	-	-	-
Total contingent liabilities	12 674	11 070	1 604
Contingent assets arising from tax losses carried forward	-	-	-
Other contingent assets	-	-	-
Total contingent assets	-	-	-

27. Breakdown of credit commitments

none

28. Breakdown of fiduciary transactions

in CHF 1000	31.12.2024	31.12.2023	Change
Fiduciary investments with third-party companies	299 108	160 591	138 517
Fiduciary investments with group companies and linked companies	-	-	-
Fiduciary loans and other fiduciary transactions	-	-	-
Total fiduciary transactions	299 108	160 591	138 517

29. Breakdown of managed assets

in CHF million	31.12.2024	31.12.2023	Change
Assets in collective investment schemes managed by the bank	-	-	-
Assets under discretionary asset management agreements	6 625	5 455	1 170
Other managed assets	4 604	3 711	893
Total managed assets (including double counting)	11 229	9 165	2 063
of which double counting	-	-	-
Total managed assets (including double counting) at beginning	9 165	9 156	9
Net new money inflow or net money outflow	821	-391	1 212
Price gains/losses, interests, dividends and currency gains/losses	1 243	400	842
Other effects	-	-	-
Total managed assets (including double counting) at end	11 229	9 165	2 063

Total managed assets include assets (including digital assets) associated with the processing of investment-related transactions. Own shares are also included in this item, as they are not treated as client assets held exclusively for safe deposit purposes. Assets managed by the bank under a discretionary mandate may be held in custody accounts at other banks. Assets with a discretionary mandate are those client assets where investment decisions are made by the bank. Other assets under management are those assets where investment decisions are made by the client. In the year under review, no reclassification was undertaken from or into this category.

Net asset flow is comprised of the net result of the inflow and outflow of client funds and assets held in custody accounts at the current value at the time of the relevant transaction. Interest, charges and fees credited or charged to customers by the bank are not included in net asset flow.

Information on the income statement

30. Disclosure of material refinancing income in the item "Interest and discount income" as well as material negative interest

in CHF 1000	2024	2023	Change
Negative interest in lending business (reduction in interest and discount income)	-1	-1	0
Negative interest received on deposit business	0	0	0

31. Personnel expenses

in CHF 1000	2024	2023	Change
Salaries	25 223	23 016	2 207
Social insurance benefits	4 725	3 959	766
Value adjustments of pension funds	-	-	-
Other personnel expenses	602	345	257
Total personnel expenses	30 550	27 320	3 230

32. Other operating expenses

in CHF 1000	2024	2023	Change
Office space expenses	497	455	42
Expenses for information and communications technology	2 226	1 916	311
Expenses for vehicles, equipment, furniture and other fixtures	175	189	-14
Fees of audit firm	241	211	30
of which for financial and regulatory audits	227	210	17
of which for other services	14	1	13
Other operating expenses	10 122	9 213	909
Total other operating expenses	13 261	11 983	1 278

33. Explanations regarding material losses, extraordinary income and expenses and material releases of hidden reserves, reserves for general banking risks and valuation adjustments and provisions no longer required

none

34. Current and deferred taxes/disclosure of the tax rate

in CHF 1 000	2024	2023	Change
Current taxes	3 054	2 661	394
Deferred taxes	-	-	-
Total taxes	3 054	2 661	394
Average tax rate on the basis of operating result	18.7%	18.5%	

The weighted average tax rate is 18.5%.

Disclosure relating to equity capital and liquidity

Regulatory disclosure obligations for banks

The disclosure requirements associated with capital adequacy and liquidity in accordance with the FINMA Circular 2016/01 “Disclosure – banks” are published online at www.maerki-baumann.ch/CorporateGovernance.

The disclosure report is prepared annually and published as a separate document on the website. As a category 5 bank, we publish the “partial disclosure”. The most important key figures regarding equity capital and liquidity are listed below.

Eligible and regulatory capital (after appropriation of profit)

in CHF 1000	31.12.2024	31.12.2023
Eligible Capital		
Common equity Tier 1 capital (CET1)	73 110	67 295
Additional core capital (AT1)	16 000	16 700
Core capital (T1)	89 110	83 995
Supplementary capital (T2)	10 111	9 478
Total eligible capital	99 221	93 472
Required Capital (minimum)	Approach used	
Credit risk	International BIS SA-CCR, comprehensive	13 662
Non-counterparty-related risks	International BIS SA-CCR, comprehensive	1 148
Market risk	Market risk standard approach	232
Operational risk	Basic indicator approach	7 812
Other minimum required capital		1 004
Total minimum required capital		23 857
Countercyclical capital buffer		1 269
Sum of risk weighted positions		298 214
Countercyclical capital buffer in relation to the sum of risk weighted positions	0.4%	0.5%

Eligible and regulatory capital (continued)

in CHF 1 000	31.12.2024	31.12.2023			
Capital Ratios					
Common equity Tier 1 capital ratio (CET1 ratio)	24.5%	24.7%			
Tier 1 capital ratio	29.9%	30.8%			
Ratio of regulatory capital (Tier 1 & Tier 2) without countercyclical capital buffer	33.3%	34.3%			
Ratio of regulatory capital (Tier 1 & Tier 2) with countercyclical capital buffer	32.8%	33.8%			
Basel III Leverage Ratio					
Total exposure	942 761	770 554			
Basel III leverage ratio (core capital in % of total exposure)	9.5%	10.9%			
Funding ratio (NSFR)					
Available stable refinancing	644 611	547 476			
Required stable refinancing	249 360	272 469			
Funding ratio, NSFR (in %)	258.5%	200.9%			
Liquidity ratio (LCR)					
	Q4 2024 average	Q3 2024 average	Q2 2024 average	Q1 2024 average	Q4 2023 average
LCR numerator: Total high-quality liquid assets	420 639	412 207	426 935	389 567	316 891
LCR denominator: Total net cash outflow	91 757	148 614	152 696	163 554	160 255
Liquidity ratio, LCR (in %)	458.4%	277.4%	279.6%	238.2%	197.7%

Proposals to the General Meeting

The Board of Directors proposes the following motions to the General Meeting to be held on 7 April 2025:

1. To approve the Annual Report consisting of management report and financial statements for 2024.
2. To grant discharge to the members of the Board of Directors and the Executive Board in respect of their conduct of business in the 2024 financial year.
3. To appropriate the annual profit plus the profit brought forward from the previous year:

in CHF 1000	2024
Profit carried forward	10 251
Plus annual profit	13 316
At the disposal of the General Meeting	23 567
Dividend	-7 500
Allocation to statutory retained earnings reserve	0
Allocation to voluntary retained earnings reserve	-4 000
Carried forward to new account	12 067

4. Re-election of the standing members of the Board of Directors for a one-year term, namely:
 - Hans G. Syz-Witmer
 - Dr Carole Schmied-Syz
 - Urs Lauffer
 - Michele Moor
 - Jörg Zulauf
5. Reappointment of PricewaterhouseCoopers AG, Zurich, as statutory auditor for one year.

Report of the statutory auditor to the General Meeting of Maerki Baumann & Co. AG, Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maerki Baumann & Co. AG, ('the Company'), which comprise the balance sheet as of 31 December 2024, 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 accompanying financial statements (pages 24 to 68) 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 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 financial statements in accordance with 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

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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: <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 the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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

PricewaterhouseCoopers AG



Roman Berlinger
Licensed audit expert
Auditor in charge



Dario Mazzucca
Licensed audit expert

Zurich, 19 March 2025

Enclosures:

- Financial statements (balance sheet, income statement, statement of changes in equity and notes)
- Board of Directors' proposal in accordance with art. 728a para. 1 item 2 CO

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