

The background of the slide is a composite image. The top half shows an aerial view of Zurich, Switzerland, with its historic buildings and the prominent St. Peter's Church tower. The bottom half shows an aerial view of Singapore's Gardens by the Bay, featuring the iconic glass domes of the Supertrees and the surrounding greenery.

Sygnum Bank AG

Digital Asset Bank for Banks

Service Models for Banks

August 2022

Digital asset service models for banks

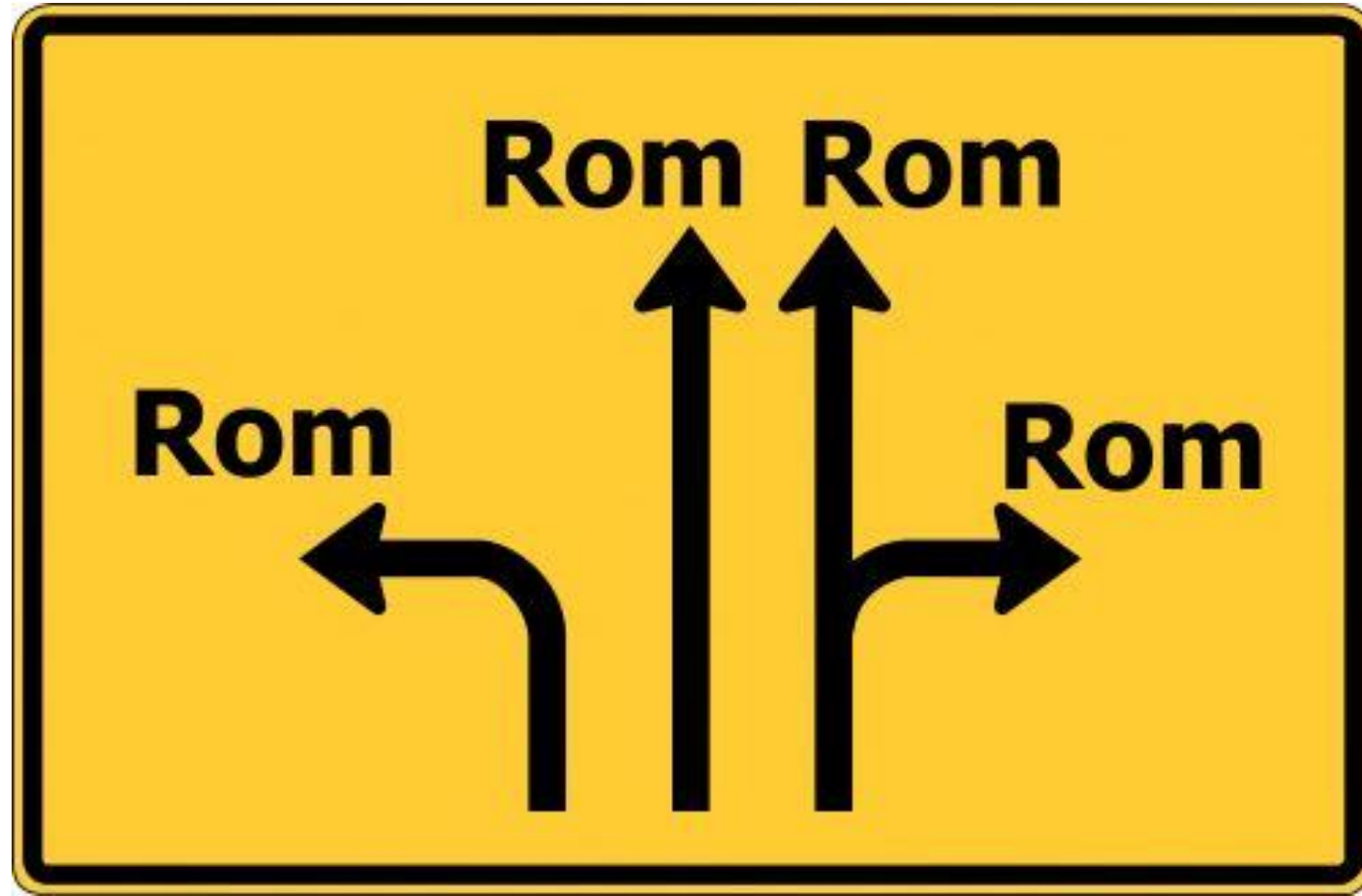


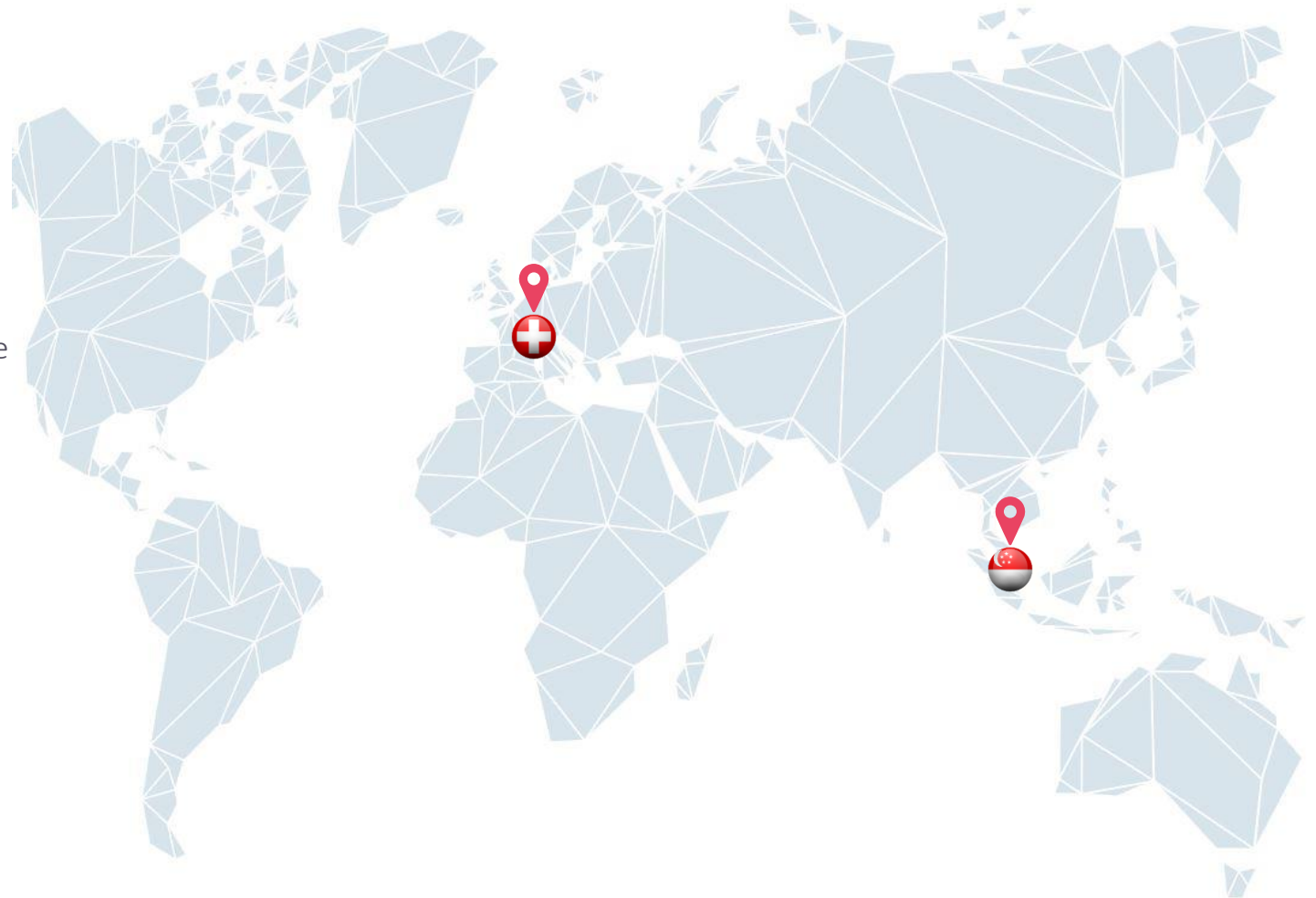
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- Sygnum - the world's first Digital Asset Bank
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Sygnum – the world’s first Digital Asset Bank

Sygnum is a global digital asset technology group:

- with a **Swiss banking and securities dealer licence** and a capital markets services licence in Singapore,
- acting as a **trusted partner** to invest in the digital asset economy with complete peace of mind
- acknowledging that **“future has heritage”** and filling the gap of the missing regulated actor in the ecosystem
- serving **wealthy private & institutional investors**, corporates, **banks** and other financial institutions
- continuously expanding its suite of **pioneering regulated digital asset banking products** and services
- bringing together **talent from all over the world** to collectively shape the world of future finance
- always living up to our core guiding principles: **TRUST – TECHNOLOGY – TOGETHER**



Seamlessly integrated and regulated digital asset banking services

Brokerage

Trade your digital assets securely and seamlessly 24/7

Sygnum's technology and operations are set up for highly secure and seamless trading of digital assets, allowing clients to focus on what is truly important – their investment decisions

Tokenization

Create added value for both issuers and investors through tokenization of new and existing assets

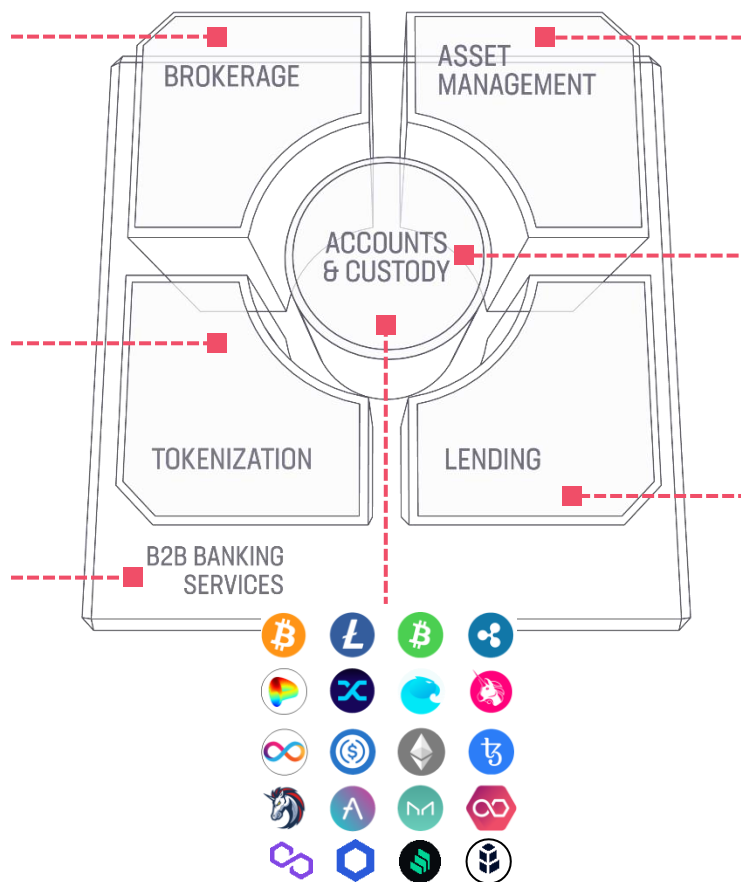
Sygnum's tokenization solution is built to improve the life-cycle management of securities issuance and investment, enabling issuers, such as SMEs, to reduce cost and time spent on raising capital and managing corporate actions

B2B Banking Services

Add regulated digital asset banking service to your business

Sygnum partners with existing financial institutions to enable them to provide regulated digital asset products and services to their own clients through white-label B2B banking services

We offer a banking-grade compliant, integrated solution to securely issue, store, trade and manage digital assets.



Asset Management

Diversify your investment portfolio with digital assets

Sygnum provides high-quality digital asset investment products, providing diversified exposure to an emerging megatrend

Accounts, custody and staking

Store your digital assets with institutional-grade trust

Sygnum's custody infrastructure, co-developed with Swisscom, is built with a multi-layer security framework enabling clients to invest in digital assets with complete trust

Lending

Increase your liquidity with digital asset lombard loans

Sygnum Bank's Lombard loans are designed to increase fiat liquidity against digital assets such as Bitcoin and Ethereum on Sygnum's banking platform

Strong leadership team in place to execute Sygnum's vision

Sygnum is backed by an experienced global team of board members, advisors and strategic partners

Industry leaders on board provide industry best practice governance



Thomas Buess
Director,
Chair of Audit
& Risk Committee



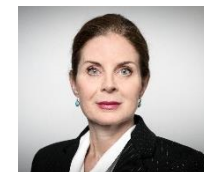
CHUA Kim Leng
Director,
Chair of AML
Committee



Manuel Krieger
Co-Founder
& Director



Dr. Luka Müller
Co-Founder
& Chairman



Dr. Gabriela Maria Payer
Vice Chairwoman,
Chair of Nom.
& Comp. Committee



Dr. Peter Wuffli
Director
Chair of Bus.
Dev. Committee

World class strategic partners and investors

Strategic partners



Investors



Distinguished advisory council aligned also as investors



ANG Kong Hua



Philipp Hildebrand



HSIEH Fu Hua



Stefan Linder



Jennifer Lewis



Loi Luu



Alexander Lipton



Dr. TEH Kok Peng



Leslie Teo



Patrick McGoldrick



David Gledhill



Bill Barhydt



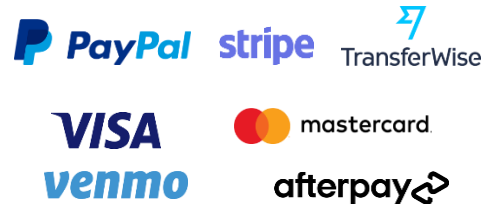
Dr. David Lee



Institutional and corporate investors are building on digital assets ...

Payment Providers

- Increasingly used/accepted in commerce



Financial Institutions

- Increasingly embraced by large institutional investors



Corporate Treasuries

- Increasingly used as store of value by corporate treasuries



Sovereigns & Pensions

- Starting to be adopted as sovereign reserve assets and incorporated into pension fund portfolios



Selected Media Coverage

Visa CEO says payments giant is moving into crypto in a 'very big way'

By Michael McSwiney

PayPal Bets Big on Crypto, Google and Amazon Might be Next

THE WALL STREET JOURNAL

Facebook's Libra Bets It Can Bank the Unbanked

Rakuten's Crypto Exchange Has Launched for Trading in 3 Cryptos

Forbes

You Can Now Buy Bitcoin At CVS, 7-Eleven, Rite-Aid

Mastercard will allow merchants to accept select cryptocurrencies on its network later this year

71% of Institutional Investors Plan to Buy or Invest in Digital Assets in the Future, According to New Research From Fidelity Digital AssetsSM

Bloomberg

Paul Tudor Jones Buys Bitcoin as a Hedge Against Inflation

By Erik Schatzler
May 7, 2020, 6:55 PM GMT+2 Updated on May 7, 2020, 9:46 PM GMT+2

VZ VermögensZentrum partners with Sygnum Bank

World's Largest Asset Manager Blackrock Enters Bitcoin Space

\$166B Asset Manager Renaissance Eyes Bitcoin Futures for Flagship Fund

Fidelity Becomes First Wall Street Firm to Launch Crypto Branch Trading Desk

MicroStrategy Adopts Bitcoin as Primary Treasury Reserve Asset

CNBC

MicroStrategy buys more than \$1 billion worth of bitcoin, adding to massive holdings

coindesk

MicroStrategy Buys \$250M in Bitcoin, Calling the Crypto 'Superior to Cash'

THE WALL STREET JOURNAL

Expert Take: Square Buys \$50 Million Worth Of Bitcoin

Japanese Gaming Giant Nexon Puts \$100M Worth Bitcoin On Balance Sheet

REUTERS

Square puts "skin in the game" with \$170 million more in bitcoin buy

In a world first, El Salvador makes bitcoin legal tender

New Zealand Retirement Fund Invests In Bitcoin

Israeli Pension Giant Put \$100M Into Grayscale Bitcoin Trust: Report

Cryptocurrency Comes to Retirement Plans as Coinbase Teams Up With 401(k) Provider

... but regulated and trusted partners are key

Cryptocurrency

The Fall of Terra: A Timeline of the Meteoric Rise and Crash of UST and LUNA

A detailed timeline of Terra's journey from its underdog start as a payments app in South Korea to a \$60 billion crypto ecosystem to one of the biggest failures in crypto.

By Krisztian Sandor, Ekin Genc



On May 7, the price of the then-\$18-billion algorithmic stablecoin terraUSD (UST), which is supposed to maintain a \$1 peg, started to wobble and fell to 35 cents on May 9. Its companion token, LUNA, which was meant to stabilize UST's price, fell from \$80 to a few cents by May 12

Coinbase chief says 'no risk of bankruptcy' after regulatory filing sparks alarm

Shares in crypto exchange fall 23% after bleak results and new risk disclosure



Coinbase chief executive Brian Armstrong tried to reassure users and apologised for failing to communicate 'proactively' when new wording was added to its terms © David Swanson/Reuters

FINANCIAL TIMES

According to the filing, the crypto that Coinbase holds in custody for users "could be subject to bankruptcy proceedings and such customers could be treated as our general unsecured creditors". As a result, users may find the platform "more risky and less attractive", potentially hurting its financial health, the filing said.

Despite Voyager's claims, its bank says FDIC insurance will not protect customer USD deposits from firm's bankruptcy

by Kollen Post



THE BLOCK

While the firm has never held insurance with the Federal Deposit Insurance Corporation (FDIC), in previous marketing materials Voyager Digital, LLC had touted that "USD held with Voyager is now FDIC insured" citing its strategic banking partnerships.

Two main routes towards a regulated digital asset exposure



Asset Management

Trust the Experts to get diversified Beta and Alpha exposure

- Access to the industry's premier fund managers via Sygnum's digital asset multi-manager fund
- Convenient investment into a diversified digital asset portfolio through the Sygnum Platform Winners Index ETP

Sygnum was the world's first bank to issue a Fund-of-Fund on Crypto Hedge Funds



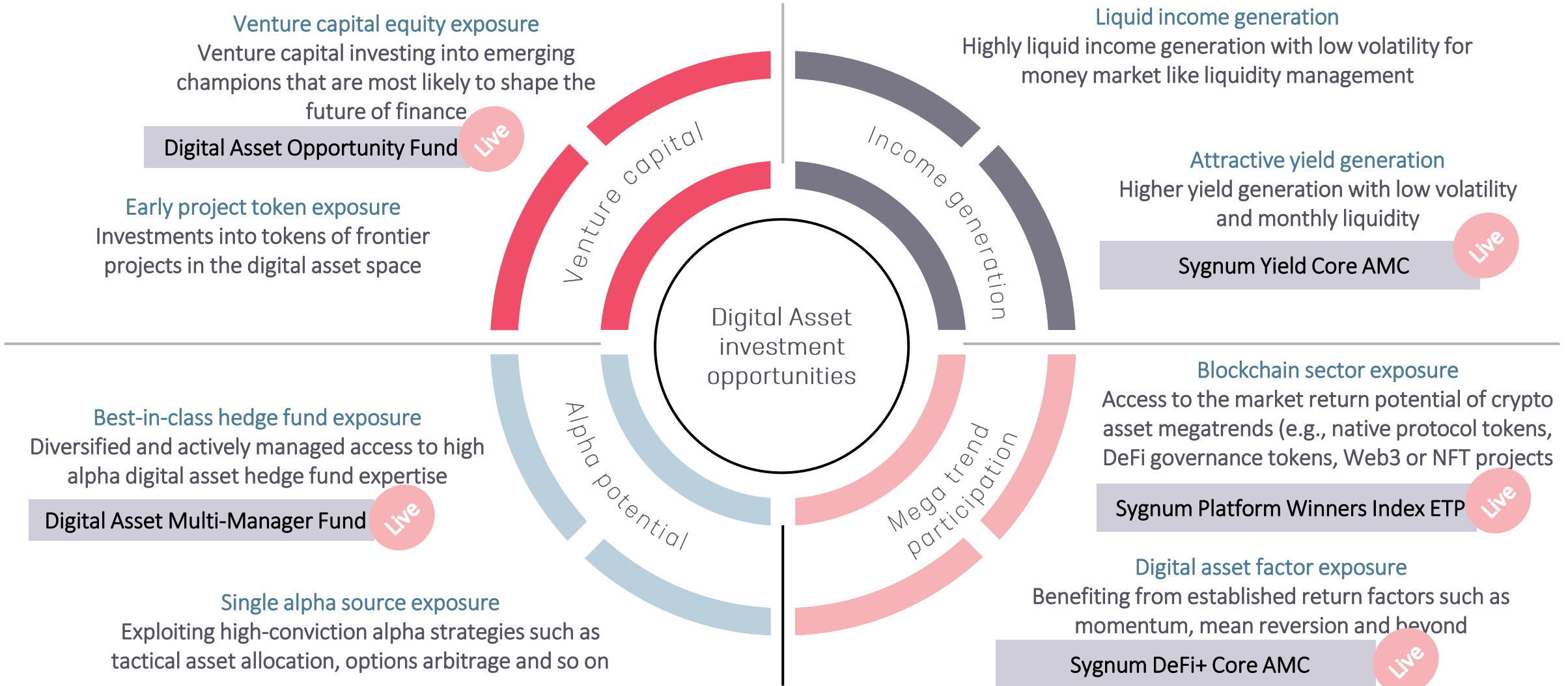
Digital Asset Banking

Get Self-guided Direct Exposure

- Institutional-grade custody and proprietary crypto AML solution
- 24/7 trading platform and compelling derivatives and Lombard loan offering
- Institutional access to yield-generation through Staking and DeFi applications

Sygnum was the world's first bank to launch Ethereum 2.0 staking services for its clients

Asset Management – full range of Digital Asset investment opportunities via traditional investment vehicles



Digital Asset Banking - B2B Banking Services and end-to-end technology solution for banks

Product access

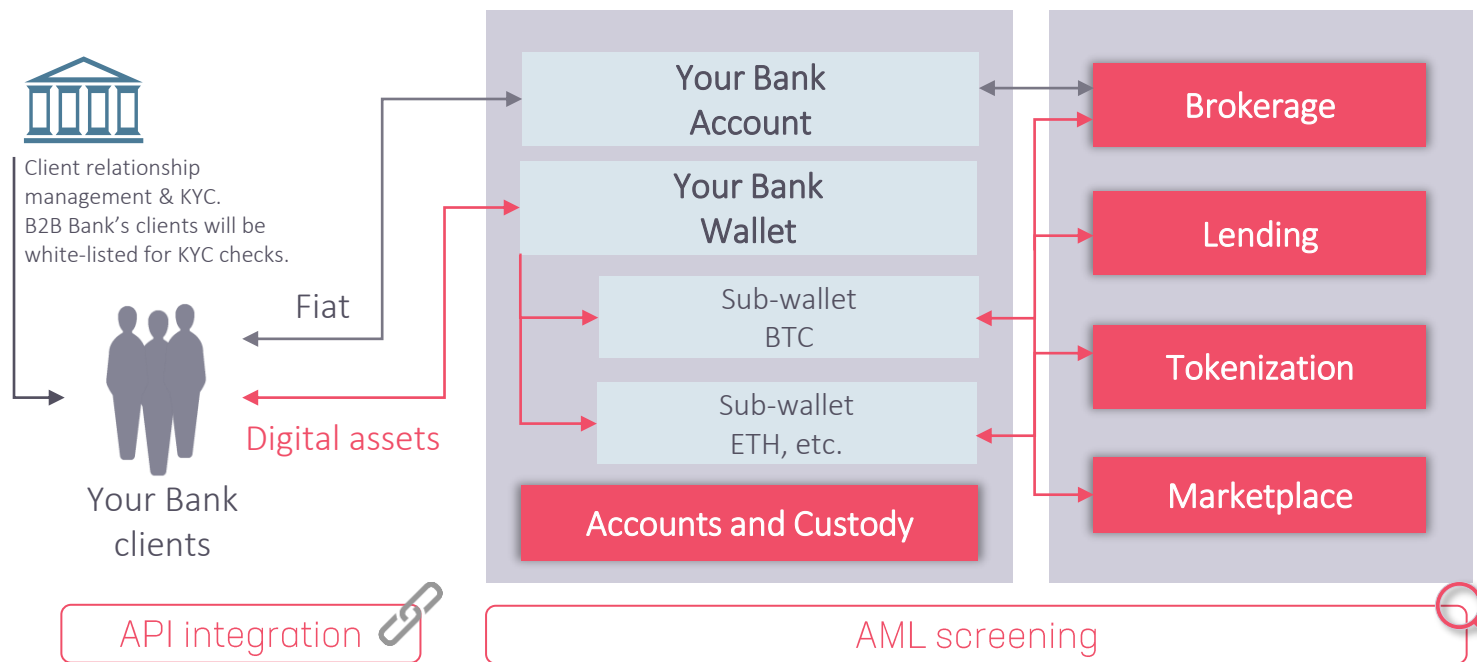
All clients have direct access to the entire suite of Sygnum's products

Regulated AML

Integrated benefit from proprietary digital asset specific AML services.

Segregated wallets

Digital assets held off both the B2B Bank's and Sygnum's balance sheet.



Empowered

Empowering of B2B bank partners to **provide regulated digital asset products and services** to their own clients through a white-label solution








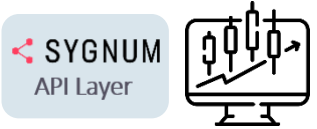

Innovative

Enabling of established banks to **position themselves as innovation leaders and to participate in the emerging digital assets economy**

Fast & simple

Allowing established banks to **go to market** in the digital asset economy in a fast, simple and cost-efficient way

Various service models based on GUI or API enablement

Engagement model	Step 1	Step 2	Step 3
<p>Direct Login into Sygnum's web GUI</p> <p><i>(fully manual setup used by mid-sized private banks that are used to trading PE or other non-Valor assets in the same way – fast and codeless access to validate demand and enable the service)</i></p>	 <p>Client of a Bank makes an order via his RM (email, phone call, client meeting)</p>	 <p>RM logs into Sygnum's GUI to provide a quote and execute the trade</p>	 <p>Order confirmation is forwarded via email to the end client (reconciled EoD via SWIFT)</p>
<p>eBanking with execution break</p> <p><i>(semi-automatic setup that ensures that the client interacts with the Banks's platform while Bank employees manually input the order into Sygnum's GUI)</i></p>	 <p>Client of the Bank logs into the Bank's eBanking and places an order</p>	 <p>Order is routed to Bank's OMS and further forwarded to the Execution Desk</p>	 <p>Trader executes order via Sygnum's GUI and inputs trade into OMS/CBS</p>
<p>Fully automated via APIs</p> <p><i>(automated setup enabled via FIX / REST APIs provided by Sygnum – scale volumes and reduce manual input)</i></p>	 <p>Client of the Bank logs into the Bank's eBanking and places an order</p>	 <p>Order is routed to the OMS that is connected to Sygnum API Integration Layer</p>	 <p>The order is executed without any manual intervention & position updated in OMS/CBS</p>

Our proposed approach: Go-Live in 60 days – scale dynamically

6 simple steps to set up collaboration

1. **Onboard** with Sygnum Bank AG
2. Define **access rights** to Sygnum e-Banking (Trading, Operations, Compliance)
3. Add **BTC, ETH, XRP, BCH, XTZ, LTC and ICP securities, incl. security numbers** to the Core Banking System
4. Establish a **price feed** for BTC, ETH, XRP, BCH, XTZ, LTC (provided by Sygnum)
5. Setup Sygnum Bank AG as **custodian / nostro**
6. Define **internal process flow** for client orders and settlement



Follow a 2-phased approach to achieve full scalability and profitability

Phase 1: Plug & Play

Timeline: T + 60 days

Objective

- Achieve tangible results in a short time
- Collect relevant client feedback/insights from a select group of clients
- Gather practical experience with digital assets across functions

Costs and efforts

- Integration effort: Low
- Operating costs: Moderate

Phase 2: Integration

Timeline: “Plug & Play” + 5-9 months¹

Objective

- Integrated, automated and fully scalable solution
- Long-term profitability in digital asset banking
- Expansion of offering based on increasing client demand

Costs and efforts

- Integration effort: Medium
- Operating costs: Low



Sygnum provides access to digital assets with limited initial effort and investments

Sygnum is already successfully working together with other banks

Result: Win-Win Situation¹

Pitching
T-60

Presentation of Sygnum's B2B Offering and follow-up Workshops

Onboarding
T+45

The partner bank account is set up and parameterized according to specifications

Enablement
Ongoing

Regular exchange between partner bank and Sygnum on topics relating to Operations, IT, Risk, Finance and Compliance

Closing of Contract
T+0

B2B service contract for digital assets is signed

First Transaction
T+54

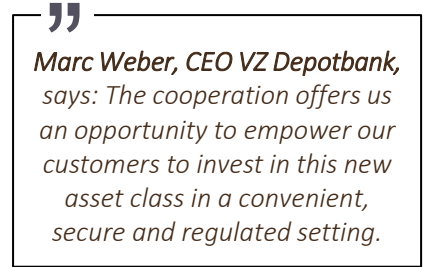
Partner bank successfully buys the first digital assets via Sygnum

Automation
Upon agreement

Flexible automation of the solution based on partner bank's needs and volumes



Geneva/Zurich: 24 February, 2021 – Bordier & Cie SCmA, a leading Swiss private bank founded in 1844, has expanded its offering to include cryptocurrencies by incorporating Sygnum's B2B banking platform. This partnership enables Bordier's clients to invest today in the digital asset economy with complete trust, and lays the foundation for a broader offering



Rang	Anbieter und Modell	Transaktionskosten	Depotgebühr	Kontogebühr	Platformgebühr	Total*
1	VZ Pauschal	-	-	-	1750	1750
2	Santopost Online Trading	1780	275	-	-	2055
3	PostFinance E-Trading	2800	300	0	-	3100
4	BBK EasyTrading	1700	1340	0	-	3040
5	Migros Bank Online Trading	1600	1200	0	-	2800
6	money-one Depot (BEK)	3120	1260	0	-	4380
7	BankLease E-banking	0	3200	1877	0	5077
8	AKB Eigenverwaltung	3100	1723	0	-	4823
9	360 Onlinebank	4000	1340	0	-	5340
10	SGKB Online Trading	4800	1340	0	-	6140
11	Bank One Trading & Banking	3900	2500	12	-	6412
12	UBS e-banking	0	7200	1385	0	8585
13	Credit Suisse Direct Net	7800	1385	0	-	9185

1. Win for customers of your Bank thanks to regulated access to a new and thriving asset class, Win for your Bank thanks to the technologically and regulatory safe expansion of their product range and the introduction of new sources of income/revenues, Win for Sygnum Bank thanks to the inclusion of your Bank as a renowned private bank in the steadily growing European and global digital asset ecosystem



There is no straight path. The journey is the destination.



More to come

Topic	Crypto-currency	Smart Contracts and Proof of stake	Tokenization	Decentralized Finance	NFT	BTC as legal tender	Metaverse and others
Banking adoption	Custody, trading, transfers, options	Staking	Art & collectibles, VC, Mid-Cap, Real Estate, client as issuer/investor	Lending/borrowing Decentralized Exchanges	Custody, make non bankable assets bankable	To be defined	To be defined
Your Bank's offering	Custody, trading, portfolio context	Custody and trading of underlying token	Sygnum Tokenization stack available	Sygnum Asset Management offering available	To be defined	To be defined	To be defined

- The journey is the destination – start with custody and trading and expands the offering over time
- Your Bank has access to the full product suite of Sygnum and can decide when, what and to whom it will be made available

Q&A

Disclaimer: The material in this presentation has been prepared by Sygnum Bank AG and is general background information about Sygnum's activities current as at the date of this presentation. Therefore, the information herein is considered indicative and planned. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Sygnum Bank AG which may be subject to change. Past performance is not a reliable indication of future performance.

Thank you



Fabian Dori

Deputy CEO, Head AM
fabian.dori@sygnum.com
+41 58 508 21 60



Fritz Jost

Chief B2B Officer
fritz.jost@sygnum.com
+41 58 508 20 24



Simon Kühne

B2B Growth Lead
simon.kuehne@sygnum.com
+41 58 508 20 73



Sai Agnikhotram

B2B Sales
sai.agnikhotram@sygnum.com
+41 58 508 20 14

