

# General Client Information

ON OUR BANK  
AND INVESTOR PROTECTION



Dear Client

As a private bank, providing you with comprehensive and personal support is a top priority for us. In order to meet these high standards of service, we are constantly evolving and adjusting to reflect global trends and requirements.

This brochure provides you with information on us, the financial services we provide and how Rahn+Bodmer Co. implements the regulatory requirements with regard to investor protection. Please get in touch with your client advisor if you have any questions on the content of this brochure or require further information.

The information included in this brochure may change from time to time. You can find the latest version on our website at [www.rahnbodmer.ch/en/documents](http://www.rahnbodmer.ch/en/documents) or can be obtained from us.

Rahn+Bodmer Co.

#### Legal notice

This brochure meets the information obligations under the Swiss Financial Services Act (FinSA) and forms an integral part of the contractual relationship between the client and Rahn+Bodmer Co. when performing financial services. The brochure does not constitute an offer or a recommendation to use a financial service or execute transactions in financial instruments.

All personal nouns and pronouns in this document refer to both genders and the plural for better readability.

# 1 Rahn+Bodmer Co.

1.1	About us	6
1.2	Communication	7

## 2 Client categorisation

2.1	General information	7
2.2	Client segments on offer	7
2.3	Investor qualification status under the Collective Investment Schemes Act (CISA)	10

## 3 Financial services on offer

3.1	General information	12
3.2	Execution Only Mandate	12
3.3	Advisory mandates	14
3.4	Asset Management Mandate	18
3.5	Granting of loans for transactions in financial instruments	19

## 4 Appropriateness and suitability review

4.1	Overview	20
4.2	Appropriateness review	21
4.3	Suitability review	21

5	Risks associated with financial instruments	22
6	Commercial links and conflicts of interest	
6.1	General information	22
6.2	Range of market products taken into account	23
6.3	Inducements	23
7	Costs associated with our services	24
8	Complaints procedure / mediation procedure	
8.1	Complaints management at Rahn+Bodmer Co.	25
8.2	Mediation procedure before the Swiss Banking Ombudsman	25
9	Swiss deposit insurance scheme	26

# Rahn+Bodmer Co.

## About us

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Rahn+Bodmer Co. is a private bank that has its registered office in Zurich, entered as a limited partnership in the commercial register of the Canton of Zurich.

For the purposes of our activities, we have a banking licence awarded by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Bern (telephone: +41 31 327 91 00), and are subject to its supervision. We are a member of the Swiss Bankers Association and are affiliated with the Swiss deposit insurance scheme esisuisse to protect our clients' funds (see clause 9).

We are not licensed abroad, including in the European Union (EU) or the European Economic Area (EEA), which is why all business relationships with clients (even clients domiciled abroad) are subject exclusively to Swiss law.

### Detailed information:

Name:	Rahn+Bodmer Co.
Business address:	Münstergasse 2, 8021 Zurich, Switzerland
Tel.:	+41 44 639 11 11
E-mail:	info@rahnbodmer.ch
Internet:	www.rahnbodmer.ch
UID/VAT No.:	CHE-107.853.659
BIC/SWIFT code:	RAHNCHZZ
LEI:	391200J4ZNC2CK0M1E29

## 1.2 **Communication**

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Rahn+Bodmer Co. communicates with its clients in German or English as the client prefers.

# 2 **Client categorisation**

## 2.1 **General information**

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Under the Swiss Financial Services Act (FinSA), we are obliged to assign our clients to client segments (see clause 2.2). The client segment determines the scope of the investor protection level to be applied and has an impact, among other things, on the extent of the information and clarification obligations that apply in connection with our financial services. The client segment that a client is assigned to applies to all current and future business relationships and all financial services.

Clients are also categorised under the Swiss Collective Investment Schemes Act (see clause 2.3).

## 2.2 **Client segments on offer**

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We assign our clients to either the «retail client» or the «professional client» segment.

### 2.2.1 **Retail client**

This segment includes all clients that are not classed as professional clients (see clause 2.2.2). Retail clients can be individuals, legal entities or partnerships. Retail clients enjoy the highest level of investor protection and the most extensive information and clarification obligations. On the other hand, the range of financial instruments on offer to retail clients, for example, can be restricted.

### 2.2.2 **Professional client**

Clients are considered to be professional clients if they meet the statutory requirements. Professional clients are considered to be experienced investors who have a bigger investment universe available to them than retail clients do, and who require a lower level of investor protection. We assume that professional clients have the knowledge and experience regarding financial services and financial instruments that are needed to make investment decisions. What is more, these professional clients are in a position to assess whether the associated investment risks are appropriate and financially viable for them. This is why the level of investor protection offered to professional clients is lower than that offered to retail clients.

Clients that we categorise as professional clients will be informed by us accordingly.



2.2.3 **Overview of the main differences in investor protection at Rahn+Bodmer Co.**

In our investment advisory activities, we conduct an appropriateness or suitability assessment depending on the advisory mandate (see clause 3.3), while in our asset management activities, we perform a suitability assessment (see clause 4).

› Retail client	Yes
› Professional client	To a limited extent

The client has access to collective investment schemes for qualified investors under the Collective Investment Schemes Act (see clause 2.3).

› Retail client	No <sup>1</sup>
› Professional client	Yes <sup>2</sup>

When purchasing certain financial instruments, we provide the client with a Key Information Document (KID) in the course of personally recommended financial instruments; in cases involving transactions in which financial instruments were not personally recommended, we only provide this document insofar as it is available. The KID sets out the main information on the features of the financial instrument. If the client receives support from an external asset manager or another financial intermediary, only this asset manager or financial intermediary is responsible for fulfilling the information obligations vis-à-vis the client.

› Retail client	Yes
› Professional client	On request

<sup>1</sup> An exception to this: retail clients with an asset management or advisory mandate.  
<sup>2</sup> An exception to this: restrictions may apply to investment funds that the FINMA has not approved for offer in Switzerland.

#### 2.2.4 **Opting Options**

Clients can change client segment subject to the requirements set out below. The change applies to all current and future business relationships and to all financial services; partial reclassification is not possible.

Retail clients who want to switch from the retail client to the professional client segment (known as opting out) have to meet certain statutory requirements before they can be reclassified (amount of assets, professional qualifications, etc.). Retail clients who wish to change the client segment must submit an application form to us. Clients who switch to the professional client segment will lose the higher level of protection that they enjoy as retail clients.

Professional clients who wish to switch from the professional client to the retail client segment (known as opting in) merely have to submit a declaration to this effect. This declaration must be submitted to us in writing or in any other manner that can be evidenced in the form of text (e.g. e-banking or e-mail).

#### 2.3 **Investor qualification status under the Collective Investment Schemes Act (CISA)**

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In addition to the client segments referred to above, the CISA also assigns clients to different categories depending on their investor qualification status. These categories have to be taken into account when collective investment schemes (investment funds) are offered/purchased.

The Act splits investors into «qualified investors» and «non-qualified investors». Furthermore, the CISA specifies that collective investment

schemes are open to all investors insofar as the legislation, articles of association or fund regulations do not exclusively restrict the group of investors to qualified investors.

A qualified investor is not subject to the same investor protection as a non-qualified investor, but may invest in collective investment schemes that are solely reserved for such investors. These collective investment schemes do not require authorisation from the FINMA or a representative or paying agent in Switzerland. Moreover, such collective investment schemes may be exempt from the following provisions: requirement to produce a semi-annual report, right to provide investors with the right to terminate their investment at any time or the requirement to issue and redeem units in cash.

Clients are classed as qualified investors if they meet one of the following criteria:

- › Client categorisation as a professional client (see clause 2.2.2).
- › The client is categorised as a retail client (see clause 2.2.1) and has concluded a long-term asset management or advisory mandate with us or with another financial intermediary (for example, an external asset manager). In such cases, clients can declare that they do not wish to be regarded as qualified investors at any time. This declaration must be submitted to us in writing or in any other manner that can be evidenced in the form of text (e.g. e-Banking or e-mail). If clients submit this declaration, we cannot make use of any collective investment schemes that are open exclusively to qualified investors in the context of an advisory or asset management mandate. These investments are no longer open to the client. This investor qualification status has no impact on other financial instruments.

## 3 Financial services on offer

### 3.1 General information

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Rahn+Bodmer Co. offers a broad range of banking and financial services. In addition to the financial services under the FinSA listed below, we offer additional services such as financing solutions and financial or estate planning. The services offered can vary from client to client (for example depending on their domicile).

### 3.2 Execution Only Mandate

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This mandate includes our basic services, such as (custody) account management, payment transactions, the execution of orders to buy and sell financial instruments and the custody of assets.

In this mandate, the services we offer are restricted to accepting and/ or transmitting orders placed by the client or the client's authorised representative (for example an external asset manager), or to the purchase or sale of financial instruments. Clients are responsible for putting their own portfolio together, monitoring their financial investments and monitoring the portfolio. As a result, they do not need any advice or recommendations from us regarding the structuring of their portfolio, financial instruments or other financial investments.

We do not conduct any appropriateness or suitability assessment (see clause 4) in this mandate, meaning that no risk profile is prepared and no investment strategy agreed. Consequently, we also do not perform any checks to see whether the investment risks associated with a financial instrument are financially viable for the clients, or whether they have the right knowledge and experience for the financial

instrument concerned. The same applies if a third party (for example an external asset manager) is acting on the client's behalf with power of attorney, or if clients execute transactions on their own initiative, without having received advice from us, despite having issued us an advisory or asset management mandate (known as non-advisory business).

#### Risk information:

The following risks, in particular, can arise in the Execution Only Mandate. These lie within the client's sphere of influence, meaning that they have to be borne by the client, too:

- › **Asset preservation:** The financial instruments in the portfolio can lose value. This risk varies from financial instrument to financial instrument (see clause 5).
- › **Lack of information:** Clients in this mandate make their investment decisions without having received advice or recommendations from us. This means that clients need expert knowledge to be able to understand the financial instruments and also need to have time to devote to the financial markets. Otherwise, there is a risk that clients will invest in financial instruments that are not suitable for them. A lack of, or insufficient, financial knowledge could also result in clients making investment decisions that are not consistent with their financial circumstances and/or investment objectives.
- › **Monitoring:** We do not monitor clients' portfolios or financial investments, meaning that clients themselves are responsible for putting together their own portfolios and monitoring both the portfolio and the individual financial investments. Inadequate structuring (e.g. cluster risks) or monitoring can result in losses or other risks.

### 3.3 **Advisory mandates**

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In our advisory mandates, we help our clients to make investment decisions by providing them with advice and recommendations. Our clients decide when they want to call on the support of their client advisor, and how much support they need. Clients make their own investment decisions and decide for themselves to what extent they want to follow our recommendations. We merely execute their transactions based on the instructions they issue.

We offer the following two mandates:

#### 3.3.1 **Investment Advisory Mandate**

In this mandate, we provide advice and recommendations regarding financial instruments in connection with individual transactions and without taking the client's portfolio into account (known as transaction-based investment advice). This also means that we cannot give clients any advice on how to structure their portfolio. Our advice is provided exclusively on the basis of a written Investment Advisory Agreement.

We conduct an appropriateness assessment for retail clients (see clause 4). No risk profile is prepared and no investment strategy agreed.

We do not check whether a financial instrument is suitable for the clients concerned, i.e. whether a financial instrument is a good fit for their other financial investments or investment objectives and financial situation. Clients are responsible for putting their own portfolio together, monitoring their financial investments and monitoring the portfolio.

Risk information:

The following risks, in particular, can arise in the Investment Advisory Mandate. These lie within the client's sphere of influence, meaning that they have to be borne by the client, too:

- › Asset preservation: The financial instruments in the portfolio can lose value. This risk varies from financial instrument to financial instrument (see clause 5).
- › Lack of information: We need the information we collect from the client as part of the appropriateness assessment (see clause 4) to ensure that our investment advice/recommendations is/are appropriate for the client. Incorrect or incomplete information can result in us not being able to provide a client with appropriate advice. As this mandate does not involve us checking whether a financial instrument is suitable for clients, a lack of, or insufficient, financial knowledge on the clients' part could result in them making investment decisions that are not consistent with their financial circumstances and/or investment objectives.
- › Issuing orders: Our advice and recommendations are provided in relation to a specific date and may, as a consequence of market events, soon be outdated; they are only valid as at the time of provision. Market prices, valuations, assessments and the like are based on standard sources of information in the banking industry. They are indicative and are subject to change at any time. In particular, a delay in issuing an order after receiving our recommendation may result in losses if the market situation changes.
- › Advice and monitoring: In this mandate, we provide advice and recommendations without taking the client's portfolio into account. In addition, we do not give clients any advice on how to structure

their portfolio. We do not monitor the portfolio or the financial investments. This means that clients themselves are responsible for putting together their own portfolios and monitoring both the portfolio and the individual financial investments. Inadequate structuring (e.g. cluster risks) or monitoring can result in losses or other risks.

### 3.3.2 **Portfolio Advisory Mandate**

In this mandate, we provide advice and recommendations regarding financial instruments taking the client's portfolio into account (known as portfolio-based investment advice). Our advice is provided exclusively on the basis of a written Portfolio Advisory Agreement.

We conduct a suitability assessment for retail clients (see clause 4). We create a risk profile with our clients and agree on the right investment strategy for them.

We check the portfolio at periodic intervals to make sure that the ranges defined for the selected investment strategy are not exceeded. If a portfolio deviates from the agreed investment strategy, we will recommend the clients suitable measures. Clients are responsible for putting their own portfolio together and monitoring their financial investments.

Risk information:

The following risks, in particular, can arise in the Portfolio Advisory Mandate. These lie within the client's sphere of influence, meaning that they have to be borne by the client, too:

- › Investment strategy: The risks that can arise vary depending on the investment strategy that has been agreed. The risks associated with the investment strategy are described in the Portfolio Advisory Agreement.



- › Asset preservation: The financial instruments in the portfolio can lose value. This risk varies from financial instrument to financial instrument (see clause 5).
- › Lack of information: We need the information we collect from the client as part of the suitability assessment (see clause 4) to ensure that our investment advice/recommendations is/are suitable for the client. Incorrect, incomplete and/or outdated information can distort the investment advice provided (namely resulting in the investment risk being too high for the client's actual risk capacity) or mean that we are unable to provide clients with no or any suitable investment recommendations.
- › Issuing orders: Our advice and recommendations are provided in relation to a specific date and may, as a consequence of market events, soon be outdated; they are only valid as at the time of provision. Market prices, valuations, assessments and the like are based on standard sources of information in the banking industry. They are indicative and are subject to change at any time. In particular, a delay in issuing an order after receiving our recommendation may result in losses if the market situation changes.
- › Monitoring: We check the portfolio at periodic intervals to make sure that the ranges defined for the agreed investment strategy are not exceeded. Ultimately, however, clients make the decisions, meaning that they are responsible for putting together their own portfolios and monitoring the individual financial investments themselves. Inadequate structuring (e.g. cluster risks) or monitoring can result in losses or other risks.

### 3.4 **Asset Management Mandate**

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In this mandate, clients delegate the authority to make investment decisions, as well as the ongoing management of their assets, to us. Asset management is performed exclusively on the basis of a written Asset Management Agreement.

We conduct a suitability assessment for retail clients (see clause 4). We create a risk profile with our clients and agree on the right investment strategy for them. We manage the portfolio taking into account our investment policy, the client's investment objectives, investment strategy and any additional investment guidelines. We select common bank financial instruments for the portfolio at our own discretion and execute transactions without consulting the client. We take care to ensure appropriate risk distribution insofar as the investment strategy allows. We monitor the portfolio on a regular basis and ensure that the financial investments are commensurate with the agreed investment strategy and the Bank's internal investment criteria.

Risk information:

The following risks, in particular, can arise in the Asset Management Mandate. These lie within the client's sphere of influence, meaning that they have to be borne by the client, too:

- › Investment strategy: The risks that can arise vary depending on the investment strategy that has been agreed. The risks associated with the investment strategy are described in the Asset Management Agreement.
- › Asset preservation: The financial instruments in the portfolio can lose value. This risk varies from financial instrument to financial instrument (see clause 5).

- › Lack of information: We need the information we collect from the client as part of the suitability assessment (see clause 4) to ensure that our asset management is appropriate for the client. Incorrect, incomplete and/or outdated information can distort the asset management (namely resulting in the investment risk being too high for the client's actual risk capacity) or mean that we are unable to make suitable investment decisions for the client.

### 3.5 **Granting of loans for transactions in financial instruments**

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We can grant loans for the execution of transactions in financial instruments provided that certain conditions are met. This is typically the case for Lombard loans, which can also be used for other financing purposes. Loan and pledge agreements have to be concluded before these loans can be granted. The portfolio and/or other liens serve as collateral for the loan granted.

Risk information:

If a portfolio is financed using borrowed capital, be it in full or in part, the following risks, in particular, need to be taken into account:

- › Leverage effect: The use of borrowed capital changes the portfolio's risk/reward characteristics. While the expected return on equity may be increased under certain circumstances, the higher return on equity comes hand-in-hand with a higher investment risk. In addition to higher return opportunities, this leverage effect also carries higher risks of loss. In the worst-case scenario, this can result in the capital invested being lost in full and in the client having additional repayment obligations under the loan.

- › Depreciation of collateral: If the value of the liens that serve as collateral for the loan granted fall under a certain threshold, the client may have to furnish additional collateral (margin call). In such cases, the client may be asked to repay part or all of the loan. If the client fails to furnish additional collateral or to repay the loan, the collateral furnished may be realised immediately, i.e. at a point in time that may not be favourable for the client. This creates an additional liquidity risk.
- › Currency risk: If the portfolio's reference currency is not the same as the base currency of the loan, additional risks can arise in connection with exchange rate fluctuations.

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## Appropriateness and suitability review

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### **Overview**

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For retail clients, we perform an appropriateness review in the Investment Advisory Mandate and a suitability review in the Portfolio Advisory Mandate and the Asset Management Mandates. Clients are obliged to provide us with the client information that we require in full and to inform us of any changes without delay. No suitability or appropriateness review is conducted if client orders are merely executed or transmitted (Execution Only Mandate or non-advisory business; see clause 3.2); please note that we no longer remind our clients of this when such transactions are executed.

For professional clients, we do not conduct any appropriateness review and, if necessary, we will only conduct a limited suitability review; we assume that these clients have the required level of knowledge and experience and can financially bear the investment risk associated with the financial service.

For clients acting via an authorised representative, we take the knowledge and experience of the authorised representative into account for the purposes of the appropriateness and suitability review.

#### 4.2 **Appropriateness review**

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The appropriateness review involves us enquiring with the client as to the client's knowledge of, and experience with, financial instruments and checking whether a recommended financial investment is appropriate for the client.

#### 4.3 **Suitability review**

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As part of the suitability review, we are obliged to collect information on the client's personal and financial situation, investment objectives, risk tolerance and knowledge/experience in investment business. We need this information to ensure that our portfolio advice is suitable for the client and that we recommend suitable transactions in financial instruments or can implement them as part of our asset management activities.

## 5 Risks associated with financial instruments

Financial investments offer opportunities, but also pose risks. For information on how individual types of financial instruments and the characteristics and risks typically associated with them, reference is made to the brochure entitled «Risks Involved in Trading Financial Instruments». The brochure is available to view on our website at [www.rahnbodmer.ch/en/documents](http://www.rahnbodmer.ch/en/documents) or can be obtained from us. Clients can also request clarification from us at any time regarding the risks associated with a financial instrument or financial investment.

Detailed risks associated with a particular financial instrument, for which a Key Information Document (KID) or prospectus is to be prepared, can also be found in these documents.

## 6 Commercial links and conflicts of interest

### 6.1 General information

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Rahn+Bodmer Co. is an owner-run bank that acts independently of third parties. When performing our services, protecting our clients' interests is our top priority. As a private bank, we provide a whole range of financial services for a large number of clients.

We have issued internal directives and taken organisational precautions to identify any conflicts of interest and to avoid that those could be detrimental to our clients. If the measures taken are not sufficient to avoid a conflict of interest, conflicts of interest are disclosed to the clients concerned. This can be done in person, in agreements, information sheets, product information or on our website.

## 6.2 **Range of market products taken into account**

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We do not offer any financial instruments of our own. Nevertheless, we can arrange for third-party providers to create individual investment solutions for our clients (e.g. structured products) which can then be used as part of the financial services we offer. The creator (issuer) of these financial instruments is always another financial services provider with which we do not have any commercial links. Rahn+Bodmer Co. can, however, deal with the issuer as an investment manager or in another advisory function and agree on a fee for these activities.

## 6.3 **Inducements**

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In general, we do not accept any sales commission or trailer fees, other fees (such as retrocession payments) or discounts from third parties. It is, however, possible that we may receive other non-cash benefits from third parties, such as financial analyses (research) that we receive free of charge and other sales support services (e.g. employee training, technical support, information material, etc.).

We reserve the right to grant inducements to third parties (e.g. external asset managers or client intermediaries) for the acquisition of clients and/or the performance of certain services. Such inducements are generally calculated based on the commission/fees charged to the client and/or the client's assets held in custody with us. It is also possible that financial analyses or other sales support measures may be passed on to such parties. We will inform the clients concerned of any fees paid to an external asset manager at periodic intervals. Inducements like these never result in our services becoming more expensive for our clients. We will be happy to disclose further details on the agreements reached with third parties on request.

7

## Costs associated with our services

The fees and costs for our services and any third-party costs are shown in our «Conditions» brochure. These fees can vary depending on the size of the portfolio or specific investment needs and can be tailored to the client's requirements.

Clients will receive information on the agreed fees and any individual prices when they are charged in a transaction slip. Additionally, the periodic portfolio statements include information on the fees charged.



## 8 Complaints procedure / mediation procedure

### 8.1 **Complaints management at Rahn+Bodmer Co.**

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Having satisfied clients is our top priority. If, however, a client is not happy with a service we have performed, we strive to find a solution. In such cases, clients can contact their client advisor or our legal department directly:

Rahn+Bodmer Co., LECO, Münstergasse 2, 8021 Zurich, Switzerland  
Tel.: +41 44 639 11 94  
[compliance@rahnbodmer.ch](mailto:compliance@rahnbodmer.ch)

We need the following information if you contact us in writing:  
Client's contact details (last name, first name, address, telephone number, e-mail address), the business relationship concerned and a brief description of the matter and request.

### 8.2 **Mediation procedure before the Swiss Banking Ombudsman**

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If clients are not happy with our reply, they can contact the Swiss Banking Ombudsman. The Banking Ombudsman is an independent mediator for disputes between clients and a bank that is domiciled in Switzerland. The mediation procedure before the Swiss Banking Ombudsman is free of charge for clients.

The Banking Ombudsman can be contacted at:

Swiss Banking Ombudsman  
Bahnhofplatz 9, 8021 Zurich, Switzerland  
Tel.: +41 43 266 14 14  
Fax: +41 43 266 14 15  
[www.bankingombudsman.ch](http://www.bankingombudsman.ch)

9

## Swiss deposit insurance scheme

Are my deposits protected under the deposit insurance esisuisse?

Deposit insurance protects the credit balances of private and corporate clients in the event of a bank or securities firm's bankruptcy. This guarantee is regulated by law. The protection is limited to a maximum of CHF 100 000 per client and institution. Multiple accounts are added together. esisuisse guarantees that it will cover protected deposits as part of the self-regulation of Swiss banks and securities firms. Deposits at Rahn+Bodmer Co. are covered by the deposit insurance scheme. Detailed information can be found at [www.esisuisse.ch/en](http://www.esisuisse.ch/en).



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