



# ANNUAL REPORT 2019



UNION BANCAIRE PRIVÉE





# CONTENTS

- 3 Activity report
- 11 Responsibility
- 17 Risk management
- 23 Consolidated accounts 2019
- 31 Governance
- 43 Portrait
- 49 Our offices worldwide





# ACTIVITY REPORT

# STRENGTHENING OUR OPERATIONS AND OFFERING



We made substantial investments in several areas in 2019 with innovation and corporate responsibility as our leading principles.

## Global economy in transition

Following the shocks caused by sharp corrections in the last quarter of 2018, global equity markets picked up at the beginning of 2019, boosted by the end of the US Federal Reserve's monetary tightening. The last year saw desynchronisation between the world's major economies: while the US stayed strong, most of the other main powers suffered a marked slowdown, which took them to the brink of recession at the end of 2019.

With the uncertainty related to the heightened trade tensions increasingly casting a shadow over the global growth outlook, central banks were compelled to reintroduce monetary easing measures. This step pushed bond yields towards new historical lows – and even into negative territory in some cases.

In 2020, besides the impact of the coronavirus-related crisis which, at the time of writing, is still developing, the global economy should enter a phase of instability, with fiscal stimulus taking precedence over monetary easing and lifting some of the burden of cyclical adjustment off the shoulders of central banks. This suggests that periods of volatility will appear, which could persist until budgetary measures are put in place by all the major economies.

After long delays, the United Kingdom and the European Union look as if they are about to approach Brexit with cooler heads. On the other hand, the recently agreed truce in the China–US trade war still looks fragile. The resulting risk for the European economy is therefore likely to persist for a few months.

## Broad-based innovation

Despite the equity bull run in 2019, the financial sector continued to face multiple challenges that could reshape the future for some players. They have had to tackle persistent negative interest rates, pressure on margins, new forms of competition, the blurring of lines between the private and institutional segments, and the acceleration of the digital revolution.

To be able to beat these challenges and continue to set ourselves apart through the quality of our services and the performance of our investment solutions, it is crucial that UBP anticipates, innovates, enhances and adapts its offering to shifting demands and to new market patterns.

This is a strategy that we pursued actively in 2019. With innovation as our main drive, we strengthened our operations and our offering over the year. From launching investment strategies and services to reorganising our Wealth Management division, hiring new teams, and moving to new premises in London, we have been able to undertake and innovate on a range of fronts without missing a beat. The robustness of our results and the solid growth of assets under management have confirmed the validity of this approach, as have the numerous awards that UBP's teams and products received.

Among those awards one is particularly representative of our adaptability. In 2018, we took several measures to favour responsible wealth and asset management by extending environmental, social and governance (ESG) criteria across our entire investment universe, and by developing innovative investment strategies. One of these – Positive Impact Equity, which focuses on companies which make a positive social

and environmental impact – won the European Fund Launch of the Year award at the fifteenth Funds Europe Awards in London last November.

This recognition, as well as its excellent reception among clients, who increasingly see responsibility as an equally important factor in their investments as long-term financial returns, have encouraged us to pursue our innovations in this area. One development has been to open up to our private clients a range of responsible investment solutions that was so far available only to institutional clients.

This resonates with our wish to manage our own environmental and social footprint: in 2019 we formalised our corporate social responsibility (CSR) approach and set up its dedicated governance structure. UBP is a family-owned private bank, and responsibility and sustainability are in its DNA. Future generations are at the very heart of our growth strategy.

## Significant net inflows and strong profitability

The investments we have made in recent years are already starting to pay off. At the end of 2019, assets managed by the Group stood at CHF 140.3 billion, up from CHF 126.8 billion at the end of 2018, a year-on-year rise of 10.6%. Net asset inflows reached CHF 4.5 billion at the end of 2019, largely coming from private clients but also from the institutional segment. Asia made a significant contribution to UBP's organic growth in 2019, as did the Middle East and Eastern Europe.

Our revenues rose modestly by +0.6% to CHF 1.07 billion. The interest margin remained stable despite the effects of negative interest rates, while brokerage fees grew by 8%.

Our operating expenses totalled CHF 725.2 million for 2019 (compared with CHF 698 million in 2018). This rise (+3.9%) was the result of acquisitions made in London (ACPI) and Luxembourg (BCL), along with significant investments in digital.

Our net profit came to CHF 187.8 million, versus CHF 202.4 million the previous year (-7.2%). This includes the sale of real estate in London, as well as a USD 14 million payment to the US Department of Justice under the Swiss Bank Program. With a cost/income ratio of 67.9%, UBP has maintained its solid profitability, attesting to our operational efficiency and our strict cost control.

### **Wealth Management: reorganisation and new offering to adapt to markets**

Our wealth and asset management environment continues to evolve. Laws and tax regulations as well as our clients' expectations are changing and diverging across Europe, Asia and our developing markets, calling for different approaches depending on the region. Our ability to react to these shifts has enabled us to significantly increase our assets under management, supported largely by strong organic growth, as shown by another year of solid inflows (of net new money) from our key markets, as well as the positive market performance

To maintain that momentum, we have redesigned Wealth Management's governance structure and reorganised our activities by region. While maintaining transverse risk control, the aim of this new arrangement is to tailor the services we offer to the specific features of each of our markets. It is also a step further along the path of our integrated bank model combining wealth and asset management.

Today, Wealth Management's activities for the whole of the Group are divided into three major regions: Asia, which encompasses Hong Kong, Singapore and the non-resident Indian (NRI) market in Singapore and Dubai; Developing Markets, which comprises the markets of Eastern Europe, Latin America, Israel, the Middle East & Africa, and Turkey; Europe which brings together our branches in Zurich, Lugano, London, Milan and Monaco, our subsidiary in Luxembourg, the Swiss market, the external asset manager (EAM) segment and those European countries managed out of Geneva.

### **Wealth Management Europe: fresh momentum**

The Bank has also continued to strengthen its domestic business in Europe. With the integration of Banque Carnegie Luxembourg (BCL) finalised on 25 January 2019, our structure in Luxembourg took on a new dynamic. This should enable us to expand our Nordic client base and to consolidate the role of our Luxembourg subsidiary as UBP's European hub.

Having finalised the purchase of ACPI on 31 December 2018, our London branch has also reshuffled and redefined its priorities; strengthening UBP's presence on the UK market and growing Wealth Management's market share, as well as making London a centre of expertise for our Asset Management division, particularly for hedge funds, responsible investing, and private debt. Eleven months after the ACPI integration, our teams left their respective offices and moved to our new premises in Seymour Mews House, a few streets north of Mayfair. This investment demonstrates UBP's willingness to develop its presence in London over the longer term. Furthermore, bringing the teams together under the same roof will encourage cooperation between Asset Management and Wealth Management, with the aim of offering our clients the best of both worlds.

## Wealth Management Asia: steady business growth

In 2019, our ambitions in Asia were reinforced by positive net inflows of new money, attesting to our momentum in this rapidly expanding market, which made a strong contribution to UBP's organic growth in 2019.

The awards that we won also demonstrated the excellence of our teams and their hard work, which has enabled our Bank to rapidly become one of the top twenty players in Asia. UBP was named Best Private Bank Singapore and Best Private Bank Pure Play Asia at the 2019 Asian Private Banker Awards in February last year. With these awards the jury recognised our firm commitment to sustained business growth in the region and also underlined the success of our, "One Bank, One Team" approach, which emphasises our integrated bank model.

Another significant development was in Singapore, where our branch was granted its licence to operate as a wholesale bank. This means that, since 1 April 2019, it has been able to offer services in Singapore dollars, including deposits and loans, and a wider range of investment solutions for domestic clients.

## Wealth Management Developing Markets: closer team synergies

The areas that make up the Developing Markets region are known for being strong wealth creators. Although they face very different geopolitical and regulatory hurdles, our Eastern Europe, Latin America, and Near & Middle East clients have shown a keen interest in innovative solutions (such as private markets and bespoke certificates) and thematic investments

(such as new technologies and responsible investing). Our mostly high net worth client base also seeks political and economic stability, and therefore likes to have access to our main booking centres. They also appreciate our wealth planning expertise with which we support them in their wealth transfer arrangements and their new enterprises.

By targeting our offering by region, we can now capitalise on the synergies and shared characteristics of those different markets (e.g. the dollar as the base currency and demand for high-yield solutions). We can launch products for the Developing Markets region as a whole, which we then adjust to fit each country's specific regulatory requirements. As part of this strategy we have continued to invest, particularly in human resources by hiring new highly skilled wealth management teams in Monaco and Dubai.

We have also sustained our efforts to convert execution-only relationships into discretionary portfolio management and advisory mandates, which has brought the penetration rate to over 65%.

## Asset Management: inflows

2019 was a tough year overall for our Asset Management division, with our institutional clients taking profits, particularly at the start of the year. Nonetheless, our business showed resilience. We earned the trust of some 45 new institutional and distribution clients and our assets under management reached CHF 43.3 billion at the end of 2019, up 4% year on year.

Net inflows were largely into yield-generating products, such as corporate and high-yield bonds, while the prevailing sense of uncertainty kept some investors away from the assets

carrying the highest risk, such as equities, convertible bonds and emerging debt.

Our Asset Management division continued to develop our responsible investment capabilities, in particular with the Positive Impact Equity strategy, expanding our range of sustainable investment products which now includes four funds.

Our teams also launched several new thematic strategies, including Europe Market Neutral, based on a quantitative process that uses artificial intelligence, Global Credit 2023, and Multifunds Secular Trends, which seeks to capture growth generated by the major trends affecting society today (such as climate change, disruptive innovation, and demographics). Meanwhile we continued to broaden our selection of strategic partners in order to offer our clients the best managers on the market in given asset classes. Among those we work closely with are Global Credit Advisers, Income Partners, and Shannon River.

In our search for new investment alternatives, given that yields remain low and investors are shying away somewhat from listed companies, Asset Management put together an exclusive private market offering. It combines unlisted assets, private debt, and co-investments, both internally and with players such as Fasanara and Rothschild & Co.

By recruiting a new alternative asset management team with an excellent reputation and a strong track record our Bank

has demonstrated its conviction that alternatives is a segment that is particularly well suited to the current environment. The team's arrival towards the end of the year coincided with the decision to relocate most of our alternative investment activities to London and Geneva in order to move closer to our client base and to boost interactions between teams.

### Treasury & Trading: firm activity

Volatility generally remained very low in 2019, even lower than in 2018, in particular in the currency markets. Nonetheless, we achieved adequate FX trading performances, seizing opportunities on selected currency pairs, particularly sterling. Renewed activity on structured products was a sign of clients' appetite for solutions that offer asymmetric performances.

This demand has enabled us to achieve high revenues. The diversification of our range means we can expect to spread our services to a broader client base.

On the treasury side, we continued to manage the balance sheet conservatively, as demonstrated by the level of liquidity and available capital. Despite this we have been able to offset the negative effects of the monetary policy reversal by slightly extending the average maturity of our short-term investments.

The increased interactions between T&T and Wealth Management have channelled more requests towards

the Direct Access Client service, which gives experienced investors privileged access to T&T's trading room, along with the guarantee of professional quality execution services.

### Continued digital transformation in IT

Being part of the digital revolution is a high priority for UBP, hence our continuing investments in technology. The IT infrastructure overhaul to improve our information system and to make it more efficient continues according to plan.

As part of our partnership with IBM, the renovation of our core banking systems progressed, and IBM is now partially responsible for the maintenance and development of some of our legacy applications.

This project is being deployed alongside our data governance strategy, which aims to improve data quality and use big data.

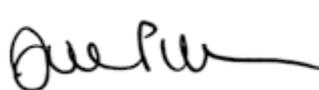
We rolled out further functionalities on our new e-Banking system and the mobile app for our Wealth Management clients over the course of the year. Advisory clients can now receive personalised content and have access to all the information they need to manage their portfolios. We have also deployed new client account management tools across all our branches and subsidiaries in the EMEA region with the aim of cutting response times significantly and thereby improving client satisfaction.

In terms of cybersecurity, we continued to make significant investments in 2019, both in technology and staff training and awareness so as to protect our information systems.

### A solid financial base

Our prudent balance sheet oversight is reflected in our short-term liquidity coverage ratio, which stood at 316.4% at the end of 2019, more than three times the minimum level needed as per Basel III regulations. Our Tier 1 ratio, at 25.6%, also remains well above both Basel III and FINMA requirements.

UBP is still one of the best-capitalised and strongest banks among its peers, as attested by the long-term Aa2 rating (with stable outlook) assigned to us by Moody's at the beginning of 2019. This gives our Group the financial means it needs to continue its development not only in Switzerland, but also worldwide.

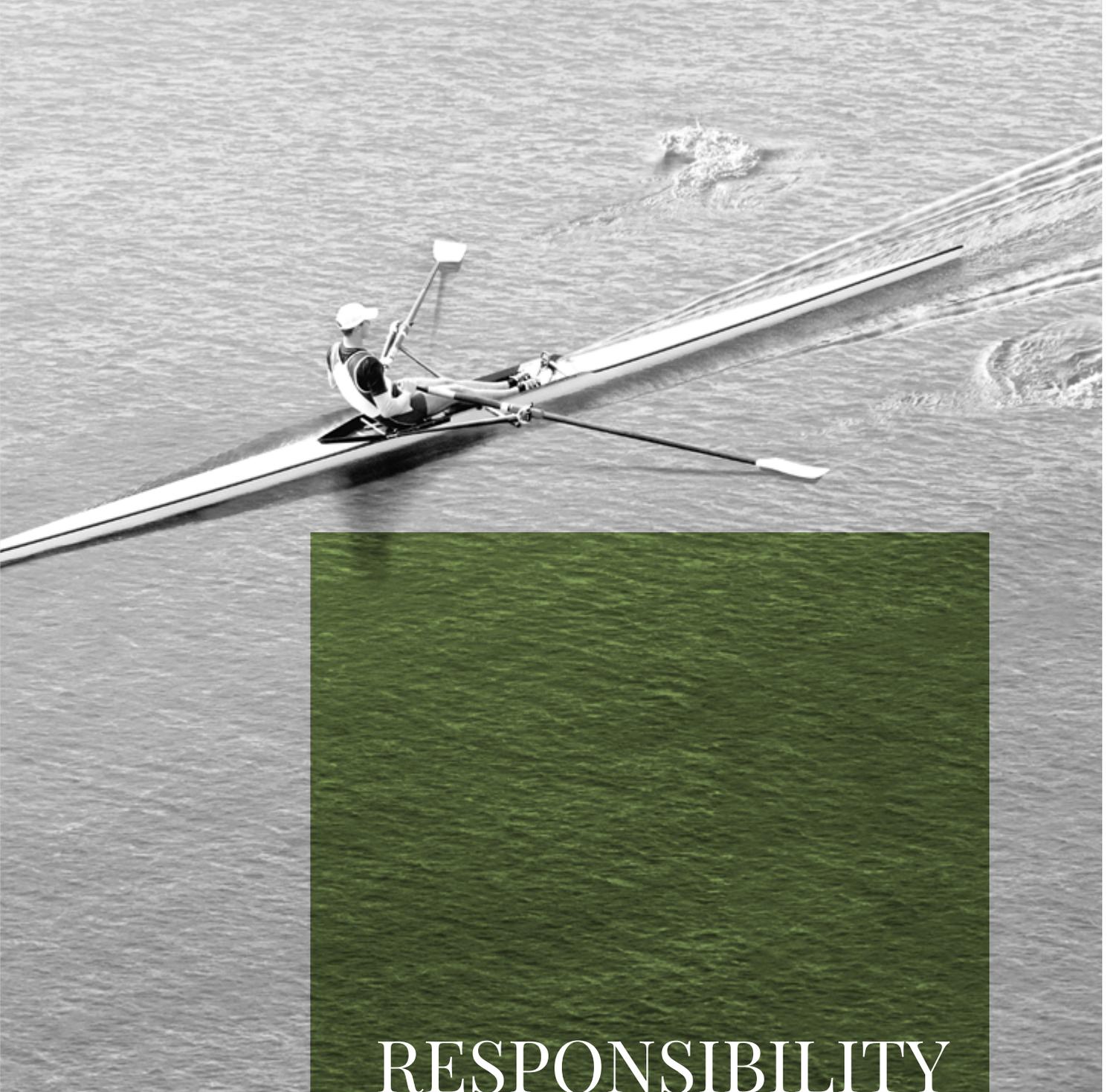


**Daniel de Picciotto**  
Chairman of the Board  
of Directors



**Guy de Picciotto**  
Chief Executive Officer





RESPONSIBILITY



We are firmly of the view that the financial sector has an essential role to play in tackling the world's big social and environmental challenges. Responsibility is one of UBP's core values and, as a family-owned bank, we put sustainability and future generations at the heart of our development model.

## NEW DEDICATED GOVERNANCE STRUCTURE

We have strengthened our responsibility and sustainability governance framework with the creation of the Responsible Investment Committee (RICO) and the Corporate Social Responsibility Committee (CSRCO), both of which report to the Sustainability Board.

The Sustainability Board, chaired by Co-CEO Asset Management Nicolas Faller, is in charge of developing the Bank's responsible investing strategy and CSR approach. It also monitors implementation of the action plans it has approved.

The RICO defines, implements and supervises UBP's responsible investment policy. It ensures the sustainability criteria defined are duly incorporated into our entire investment universe and the Exclusion, Watch and Inclusion Lists approved by the Sustainability Board are followed.

As for the CSRCO, it is responsible for defining, implementing and supervising UBP's CSR approach, ensuring that all aspects concerned – environmental protection, human resources, and community engagement – are covered.

## RESPONSIBLE INVESTING

UBP has long believed in the importance of responsible wealth and asset management. In 2012 the Bank signed the United Nations Principles for Responsible Investment (UNPRI), the worldwide reference in terms of responsible and sustainable investment. We joined Swiss Sustainable Finance (SSF) and Sustainable Finance Geneva (SFG) in 2018.

More recently, the Bank became one of the twelve members of the Cambridge Institute for Sustainability Leadership's (CISL) 'Investment Leaders Group', a select global network of pension funds, insurers and asset managers committed to advancing the practice of responsible investment. As such

we were closely involved in the production of the report “In Search of Impact – Measuring the Full Value of Capital”, published in January 2019. This is the first in-depth study of its kind on the means of clear and comparable measurement of the social or environmental impact of investments.

### Strengthened offering

Applying environmental, social and governance (ESG) criteria to Asset Management's entire investment universe in 2018 was one step in our commitment to responsible investing. Since 1 January 2019, when voting at general assemblies of companies in which it invests, UBP aligns itself with the Institutional Shareholder Services (ISS) recommendations as outlined in their Sustainability Proxy Voting Policy. Those recommendations, which incorporate ESG considerations, are in line with the Bank's commitments as a signatory of the UN PRI.

A new range of responsible investment mandates recently added to our existing offering allows clients to create tailored multi-asset discretionary management solutions based on their own personal values. Those values can be reflected with ESG-specific criteria and by measuring the carbon footprint of investments.

### Recognised expertise

We saw our responsible investing expertise confirmed in 2019, receiving sustainability certification from authorities in several countries. In Belgium, two funds in our responsible offering were awarded the Towards Sustainability label by the Fédération belge des institutions financières (Febelfin). Two new funds also received that certification in France, where one other fund had received the Label ISR in 2018.

Our efforts to strengthen our ESG record across the UBP Group were also rewarded with improved scores in the UN's 2019 PRI assessment report, including the highest score of A+ for the Strategy & Governance category (the assessment and transparency reports regarding UBP are available on [www.ubp.com](http://www.ubp.com)).



## Sustained engagement

In 2019 we supported some key sustainable investment initiatives:

- Task Force on Climate-related Financial Disclosures (TCFD)

As a signatory of the UN PRI, our Bank has committed to following the recommendations of this international body, which encourages transparency in climate-related financial risk disclosures by companies. Under this commitment UBP will publish the carbon footprint of its investments as of 2020.

- UN PRI Investor Statement on Deforestation and Forest Fires in the Amazon

Alongside some 250 investors UBP signed a UN PRI declaration calling on companies to preserve the Amazon rain forest by combating deforestation in Brazil, Bolivia and other neighbouring countries.

- Actions with Swiss Sustainable Finance (SSF) and Sustainable Finance Geneva (SFG)

A year after joining SSF, UBP put words into action by contributing to the production of the 2019 Swiss Sustainable Investment Market Study. Later in the year, in October, the Bank backed the Building Bridges summit, a conference in Geneva designed to facilitate relations between the financial sector and international and non-governmental organisations in order to speed up the development of sustainable finance.

## Impact investing

Today UBP possesses recognised expertise in impact investing, a strategy that focuses on companies that actively aim to improve social and environmental conditions. To ensure that our approach fulfils the most stringent impact criteria, we have formalised the Bank's governance in this regard by creating two dedicated entities, the Impact Advisory Board and the Impact Investment Committee.

The Impact Advisory Board, which is chaired by Anne de Picciotto, a member of UBP's Board of Directors, is composed of three external advisers with recognised expertise in impact investing. Its mission is to meet every six months to assess the investment case for the companies held in our impact investment solutions. As for the Impact Investment Committee, it comprises UBP employees working in impact and responsible investing. It is in charge of implementing the Bank's impact investing strategy and ensuring this is done employing industry best practices.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our commitment to a sustainable world is reflected not only in our product offering but also in our determination to manage UBP's social and environmental footprint through our CSR policy. In 2019 we reached several milestones and defined a roadmap to strengthen awareness of and identification with social responsibility within the Bank.

### Carbon footprint

As part of our efforts to reduce UBP's carbon footprint, we have taken a number of steps to measure and reduce it over the long term.

All the electricity consumed at the head office in Geneva is now fully renewable and sourced with local hydraulic power. In addition, we have made a commitment to the cantonal authorities to uphold a ten-year plan to renovate our buildings in order to be able to reuse the heat rejected by our facilities and reduce our electricity consumption. Also in Geneva, in 2018 we signed up to the the éco21 scheme of the Geneva utility company (Service Industriels de Genève) in order to improve our energy efficiency, and the measures we have taken earned us the éco21 certification in 2019.

Another energy-saving factor has been the update of all our PCs to Windows 10, which included the introduction of hibernation mode, and this should lead to a near 60% fall in our energy consumption.

## Recruitment and working conditions

In the area of human resources, UBP pays particular attention to fair treatment and health & safety among its staff. Among our leading principles are meritocracy and equal rights, and discrimination is firmly condemned.

Last year we ran a study on diversity in our workforce in order to assess the need for improvements, which will be implemented in 2020. The study confirmed that our tradition of multiculturalism endures, with 60 nationalities represented to date among our teams. It also revealed that the proportion of women keeps increasing, reaching 41% at the end of 2019.

The Human Resources department formalised the concept of a health policy within UBP in Switzerland, logging all the programmes and facilities already available to staff (such as insurance and a flu vaccination) and pinpointing additional measures required, in particular regarding raising awareness of health at work.

UBP has also invested substantially in lifelong learning in order to give its staff ample opportunity to continuously develop and keep their skills at the highest level. Training the younger generations is also a priority, and the Group employs some fifty interns and trains twelve apprentices across its sites every year.

## Community engagement and philanthropy

UBP has always supported the community, and cultural, educational, and research projects through donations and sponsorships.

In a bid to encourage its staff to get charitably involved, the Bank has subscribed to online network Alaya, a platform connecting its staff with local and international charities that run projects with a high social impact. Any staff member can sign up and get involved as a volunteer by offering their expertise, their time in the field, or help with collecting donations. In order to facilitate this involvement the Bank gives each staff member a day of leave per year for charity work. In 2019 nearly thirty individual and group projects were launched on the platform across our sites worldwide and 244 employees joined it to support some twenty charities.

Meanwhile UBP initiated several of its own actions. Among them were our Get Your Trainers On drive, in which staff counted their steps to raise funds for cancer research, with almost 300 Geneva, Zurich and Basel colleagues participating. In Hong Kong UBP mobilised to renovate 24 small flats for underprivileged families.

All in all 2019 saw an acceleration in our journey towards sustainability, both through our business as wealth and asset managers, and under the impulse of our CSR policy. By enshrining CSR and responsible investment into the highest level of our governance we have created a robust framework for pursuing our goals in terms of environmental protection and community support and, making our contribution.





RISK  
MANAGEMENT



At UBP we consider risk management an essential part of our strategy, not only because it is required by law, but also as a distinctive feature of our service offering. It requires expertise and therefore adds real value for clients.

Risk management at UBP goes beyond the requirements that arise from being a bank – it is part of our corporate culture and has been since UBP was founded. At all levels of the Bank, we regard anticipating, analysing, managing and monitoring risk as fundamental activities, and our governing bodies have always paid the closest attention to them. The aim is to look out for our clients, ensure the development and long-term future of our business in a controlled manner, and maintain our reputation.

UBP's approach to risk management is that it should be independent, rigorous and an integral part of all our processes. Accordingly, we achieve effective risk management by examining and assessing risks and by providing appropriate supervision and control resources. Other key aspects are communication and training for employees at all levels, enabling each of them to play an active role in ensuring that risk management is consistent across the Group. This rigorous approach has been adopted by all our staff, and it is a key factor underpinning our success.

### Overall risk

At UBP we consider risk management an essential part of our strategy, not only because it is required by law and responds to political, social, economic and market trends, but also as a distinctive feature of our service offering. It requires expertise and therefore adds real value for clients.

The risk management mandate determined by the Board of Directors through its Risk Committee and by the Executive Committee aims to ensure that all risks associated with the Group's activities are identified, assessed and controlled. It is embodied by in-house directives and procedures designed

to ensure maximum safety for both clients and shareholders. Our approach is very demanding in terms of employee skills and the quality of our procedures and IT infrastructure, and we actively promote an internal risk management culture.

At UBP, therefore, the Risk Management department relies on a set of detailed rules and information systems dealing specifically with the Group's activities. The Risks & Compliance division's main role is to detect, check and report on all risks that are material or require attention from the Bank's business operations. In terms of organisational structure, we have four levels of governance and main responsibilities in terms of managing and controlling risk:

- The Board of Directors, through the Board's Risk Committee, determines the general risk management policy and strategy (identifying risks, defining risk appetite, determining control standards, setting limits) and oversees them at global level.
- The Executive Committee and Risk Committee ensure that the risk policy is implemented operationally and makes recommendations in that area.
- Risk Management independently carries out second-level risk checks on a daily basis, working closely with the Compliance and Credit departments.
- Our divisions' business segments carry out first-level checks: Treasury & Trading, Wealth Management, Asset Management and Group Shared Services.

As a whole, our system aims to manage the various risk categories described below. It covers market, credit, suitability, operating, reputational, as well as regulatory risk.

## Market risk

Management of the market risks inherent in treasury and trading activities involves setting limits in terms of positions, sensitivity, value at risk (VaR), maximum losses, primary market exposure, issuers and countries. That approach is supplemented by stress scenario simulations and risk-adjusted performance measurement (RAPM) including VaR backtesting. Specific and daily reports are produced to allow detailed management of these risks.

## Credit risk

Credit risk concerns the risk of loss should a counterparty fail to honour its contractual obligations to repay a loan or fulfil any other predetermined financial obligation.

To deal with those possibilities, the Group has a clearly defined system for managing counterparty, regulatory, and country risk.

### Credit risks concerning Wealth Management clients

Credit risks include current account loans and advances and risks arising from guarantees and transactions on derivatives, on forex, on securities, and on any other financial instruments. In general, loans granted to private banking clients are secured by pledged collateral (Lombard loans). This type of loan comprises over 90% of the client loan book.

The pledged portfolios are appraised individually and monitored by the Credit Risk Control unit and a loan rate assigned to each position, based on factors such as the type

of instrument, its credit rating where applicable, country risk, default risk, and its liquidity, together with the diversification of the investments. The assets are valued daily at the spot price. Daily supervision and management of loan rates is based on predefined safety thresholds (additional margin calls and realisation of pledged assets).

### **Credit risks concerning professional counterparties and country risk**

Exposure to professional counterparty risk is assumed only with counterparties who have very high credit ratings. Risk is limited by the use of an adequate, flexible system of limits adapted to each category of product and counterparty and to the settlement period. Operational limits are set according to counterparty credit risk exposure using a dynamic model based on CDS spreads and ratings. Generally the Group grants credit facilities only to those counterparties whose S&P long-term credit rating is A (or equivalent) or higher and whose registered office is in an OECD country.

We monitor and manage counterparty and country risk for market and Treasury activities on an ongoing basis and centrally, using a real-time system.

### **Operating risk**

Operating risk is an inherent part of our business and may result from errors, failures to comply with internal procedures, external events and human actions.

To manage and monitor operating risk, we have set up a comprehensive system based on different methods to identify, assess, monitor, control and mitigate that risk, including self-assessment, mapping, key indicators, scenario analysis and other risk management and assessment tools. We place a particular focus on the introduction and operation of new products, activities, processes and systems. Data

protection and strengthening information technology systems to preserve them against fraud and other cyber-attacks is also a high priority at UBP. Measures are in place to preserve data relating to clients, counterparties, the Bank and its staff in a secure environment, ensuring our systems continue to function in the event of external breaches, in order to maintain sound management, process development and the Group's expansion.

Operating risk is monitored continuously, using risk mapping and indicators, and is covered by specific procedures – e.g. emergency and business continuity plans, supplier and contractor management, and IT and fraud risk management – to ensure that our activities may proceed uninterrupted.

We use continuous professional development as a way of instilling a deep-seated awareness of operating risk, regulatory requirements, and sector best practices within the Group. Specific training programmes are also provided for new staff joining through acquisitions.

### **Reputational risk**

Our reputation is one of our most precious assets. Damage to the Bank's reputation, for example as a result of negative publicity, could adversely affect our business development and our position in the financial markets. The potential effects could include loss of revenue, litigation, sanctions or increased supervision by the regulatory authorities, and a loss of client trust and loyalty.

We therefore do our utmost to protect our reputation with constant vigilance and by applying the overall risk management approach described above, which enables us to ensure a standard of activity that is beyond reproach. This comes with precise rules governing reporting, conflict of interest management, code of conduct, and ethics. These are supplemented by training sessions to strengthen the

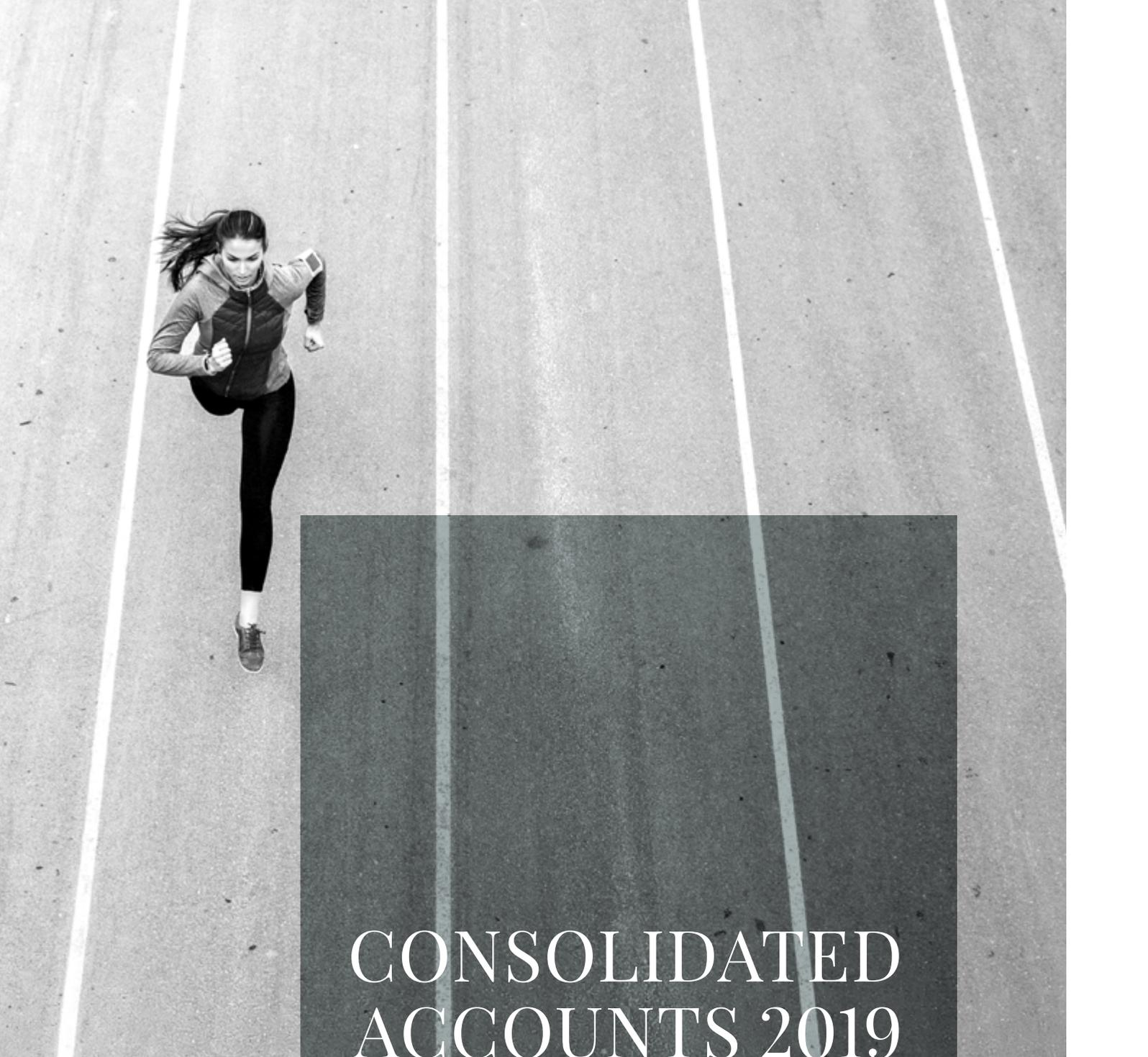
business culture and ensure that the Bank's fundamental values are respected and preserved.

### Regulatory risk

Banks around the world are subject to a large number of new rules, including rules governing cross-border and advisory activities and relating to capital markets activities (proper execution and market abuse). In response to those rules we have strengthened our general control and compliance framework to ensure that our activities meet all new requirements. A regulatory oversight service ensuring new rules are correctly implemented is in place and is complemented by clear security instructions to business lines. In addition to strengthening controls and ensuring compliance by adopting new in-house directives and procedures, we have introduced training programmes to make sure staff properly understand new regulations. The purpose of such courses is also to define who is to run controls, and where and how to apply them, in order to ensure each staff member acts beyond reproach and the Bank's organisation runs smoothly and efficiently.

Risk management at UBP goes beyond the requirements that arise from being a bank – it is part of our corporate culture and has been since UBP was founded.





CONSOLIDATED  
ACCOUNTS 2019



# KEY FIGURES

in CHF millions, unless otherwise stated

	As at 31.12.2019	As at 31.12.2018	Variation in %
Assets under management (in CHF billions)	140.3	126.8	10.6%
Total operating income	1,067	1,061	0.6%
Total operating expenses	725	698	3.9%
Operating result before provisions	216	258	(16.2%)
Net profit	188	202	(7.2%)
Total assets	32,756	32,571	0.6%
Shareholders' equity	2,355	2,303	2.3%
Staff headcount (FTE)	1,743	1,781	(2.1%)
Operating cost/income ratio	67.9%	65.8%	-
Return on equity	8.2%	9.1%	-
Shareholders' equity / total assets ratio	7.2%	7.1%	-
Tier 1 equity ratio	25.6%	26.6%	-
Liquidity coverage ratio	316.4%	301.4%	-
Leverage ratio	5.8%	5.6%	-
Moody's long-term deposit rating	Aa2	Aa2	-

# CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(in CHF thousands)

	2019	2018	Variation in %
<b>Assets</b>			
Cash and cash equivalents	7,099,857	8,435,045	(15.8%)
Due from banks	2,057,494	1,083,437	89.9%
Due from securities financing transactions	454,151	814,300	(44.2%)
Due from clients	9,418,196	8,909,196	5.7%
Mortgages	1,686,248	1,620,091	4.1%
Trading portfolio assets	688,044	394,723	74.3%
Positive replacement values of derivative financial instruments	382,284	501,912	(23.8%)
Other financial instruments at fair value	957,917	793,102	20.8%
Financial investments	9,091,438	9,205,249	(1.2%)
Accrued income and prepaid expenses	147,737	143,085	3.3%
Non-consolidated participations	3,173	2,615	21.3%
Tangible fixed assets	306,436	295,718	3.6%
Intangible assets	286,361	324,698	(11.8%)
Other assets	176,264	47,603	270.3%
<b>Total assets</b>	<b>32,755,600</b>	<b>32,570,774</b>	<b>0.6%</b>
<b>Total subordinated claims</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Consolidated balance sheet as at 31 December

(in CHF thousands)

	2019	2018	Variation in %
<b>Liabilities</b>			
Due to banks	722,431	617,320	17.0%
Liabilities from securities financing transactions	2,963,872	4,593,034	(35.5%)
Due in respect of client deposits	24,326,892	23,137,793	5.1%
Liabilities from trading portfolios	521	-	-
Negative replacement values of derivative financial instruments	571,338	389,183	46.8%
Liabilities from other financial instruments at fair value	1,378,138	989,734	39.2%
Accrued expenses and deferred income	333,619	379,462	(12.1%)
Other liabilities	60,652	127,867	(52.6%)
Provisions	42,913	33,672	27.4%
<b>Total liabilities</b>	<b>30,400,376</b>	<b>30,268,065</b>	<b>0.4%</b>
Reserves for general banking risks	215,375	215,375	0.0%
Share capital	300,000	300,000	0.0%
Capital reserves	867,336	867,336	0.0%
Reserves and retained earnings	785,067	717,593	9.4%
Minority interests in equity	(323)	-	-
Group profit	187,769	202,405	(7.2%)
of which minority interests in Group profit	82	-	-
<b>Total equity</b>	<b>2,355,224</b>	<b>2,302,709</b>	<b>2.3%</b>
<b>Total liabilities and equity</b>	<b>32,755,600</b>	<b>32,570,774</b>	<b>0.6%</b>
<b>Total subordinated liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Off-balance sheet transactions as at 31 December

Contingent liabilities	422,196	405,587	4.1%
Irrevocable commitments	146,925	71,554	105.3%
Liabilities to pay up shares and to make additional payments	322,929	210,860	53.1%
Credit commitments (deferred payments)	872	599	45.6%

# CONSOLIDATED STATEMENT OF INCOME

(in CHF thousands)

	2019	2018	Variation in %
<b>Consolidated statement of ordinary income and expenses on banking operations</b>			
<b>Result from interest operations</b>			
Interest and discount income	592,215	489,759	20.9%
Interest and dividends from financial investments	93,602	106,144	(11.8%)
Interest expense	(383,390)	(291,481)	31.5%
<b>Gross result from interest operations</b>	<b>302,427</b>	<b>304,422</b>	<b>(0.7%)</b>
Changes in value adjustments and provisions for default risks and losses from interest operations	(4,270)	-	-
<b>Net result from interest operations</b>	<b>298,157</b>	<b>304,422</b>	<b>(2.1%)</b>
<b>Fees and commissions</b>			
Commission income on securities trading and investment transactions	689,466	661,735	4.2%
Credit-related fees and commissions	2,833	2,661	6.5%
Other fees and commissions income	4,182	3,116	34.2%
Commission expense	(18,591)	(16,165)	15.0%
<b>Fees and commissions</b>	<b>677,890</b>	<b>651,347</b>	<b>4.1%</b>
<b>Result from trading activities and the fair value option</b>	<b>83,806</b>	<b>94,000</b>	<b>(10.8%)</b>
<b>Other results from ordinary activities</b>			
Result from the disposal of financial investments	(524)	6,952	(107.5%)
Income from participations	5,726	1,655	246.0%
of which, from participations reported using the equity method	(322)	(1,018)	(68.4%)
of which, from other non-consolidated participations	6,048	2,673	126.3%
Result from real estate	663	1,028	(35.5%)
Other ordinary income	1,643	1,615	1.7%
<b>Other results from ordinary activities</b>	<b>7,508</b>	<b>11,250</b>	<b>(33.3%)</b>
<b>Total income</b>	<b>1,067,361</b>	<b>1,061,019</b>	<b>0.6%</b>

(in CHF thousands)

	2019	2018	Variation in %
<b>Operating expenses</b>			
Personnel expenses	(524,175)	(515,199)	1.7%
General and administrative expenses	(201,069)	(182,828)	10.0%
<b>Total operating expenses</b>	<b>(725,244)</b>	<b>(698,027)</b>	<b>3.9%</b>
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(123,742)	(101,288)	22.2%
Changes to provisions and other value adjustments, and losses	(2,436)	(4,166)	(41.5%)
<b>Operating result before provisions</b>	<b>215,939</b>	<b>257,538</b>	<b>(16.2%)</b>
Provision for US Program	(13,574)	-	-
<b>Operating result</b>	<b>202,365</b>	<b>257,538</b>	<b>(21.4%)</b>
Extraordinary income	34,361	4,750	623.4%
Taxes	(48,957)	(59,883)	(18.2%)
<b>Group profit</b>	<b>187,769</b>	<b>202,405</b>	<b>(7.2%)</b>
of which minority interests in Group profit	82	-	-



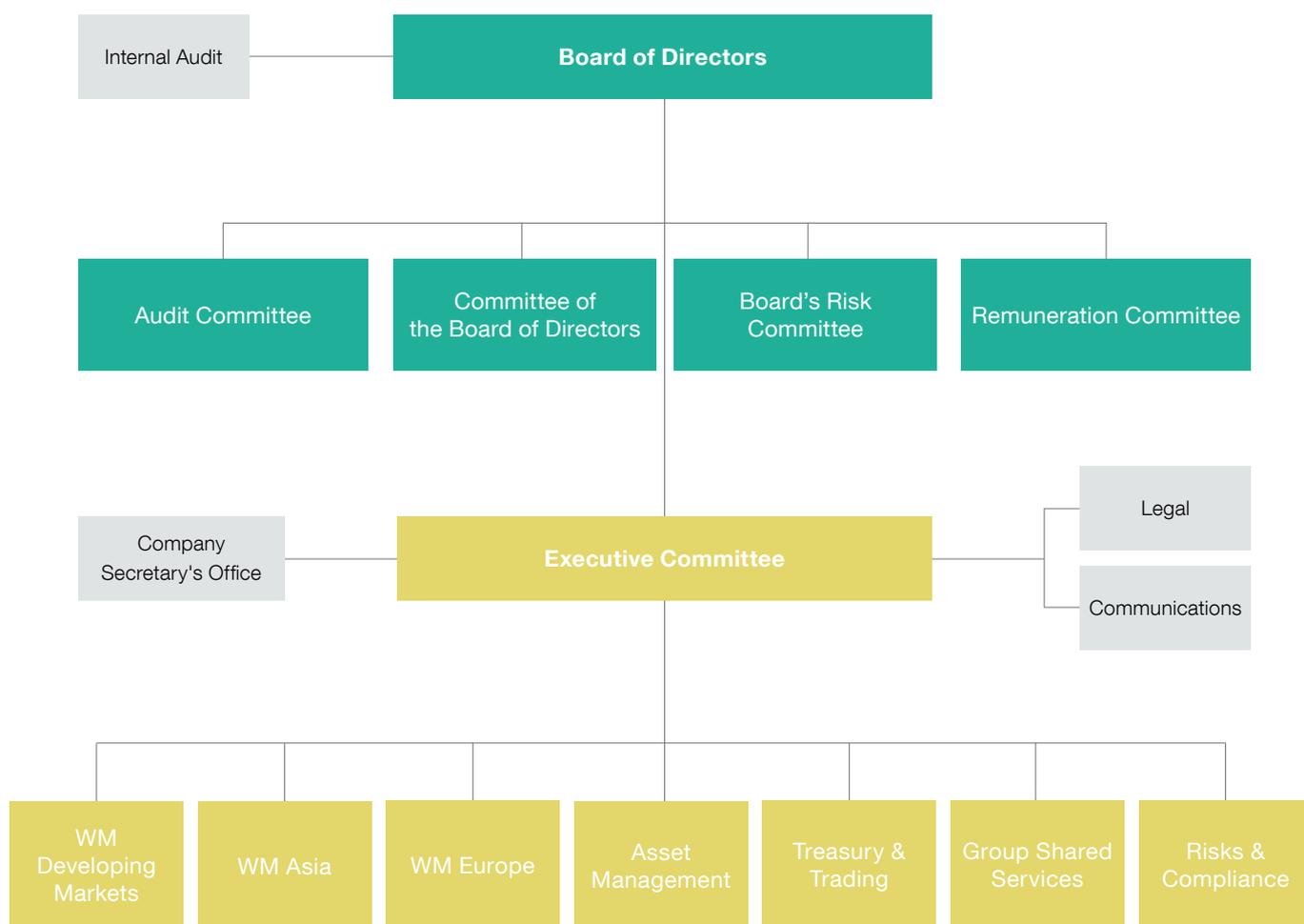


# GOVERNANCE



UBP's organisational structure is based on recognised corporate governance standards. The Board of Directors and committees consist mostly of independent directors, and they perform a self-assessment exercise every year. The duties and powers of the Board of Directors, its committees and the Executive Committee are defined by our internal regulations, which are approved by FINMA.

# ORGANISATIONAL STRUCTURE



UBP's organisation reflects our drive to offer the best combination of skills for institutional and private clients alike. We have an integrated model that brings together all of our investment expertise within our Asset Management division, while all capital market activities are run by the Treasury & Trading division. These two divisions complement each other, with no silo mentality, which makes our model unique in the market. We are constantly seeking to develop custom solutions for our private clients, and this structure allows us to give them access to know-how that is traditionally available only to institutional investors. Our model also makes us more efficient in dealing with a more complex regulatory environment.

# ROLES AND RESPONSIBILITIES

## BOARD OF DIRECTORS

The Board of Directors defines our long-term vision, strategy and general policy. In particular, it determines our structure and governance rules. It has top-level oversight over the management of Group business operations and takes all strategically important decisions regarding the management of business operations and appointments in key positions.

The Board of Directors meets at least four times per year.

The Chairman of the Executive Committee sits in on the Board of Directors' meetings as a permanent guest, and presents an activity report on a quarterly basis.

## COMMITTEE OF THE BOARD OF DIRECTORS

The Committee of the Board acts as an interface between the Board of Directors and the Executive Committee. It determines the framework for delivering our strategy, approves our communication strategy, directly oversees the management of day-to-day operations, checks that decisions by the Board of Directors are properly implemented and monitors the Executive Committee's activities.

The Committee of the Board meets once a month.

The Chairman and the members of the Executive Committee sit in on the Board of Directors' meetings as permanent guests, and present an activity report on a monthly basis.

### Chairman

Daniel de Picciotto

### Members

Pierre-Alain Blum\*

Nicolas Brunschwig\*

Anne Rotman de Picciotto

Eftychia (La) Fischer\*

Richard Katz\*

John Manser\*

### Company Secretary

Claudio Rollini

### Chairman

Marcel Rohner\*

### Members

Anne Rotman de Picciotto

Daniel de Picciotto

Eftychia (La) Fischer\*

John Manser\*

Olivier Vodoz\*

\*Independent members

# BOARD'S RISK COMMITTEE

The BRC analyses, supervises and assesses the Bank-wide implementation and oversight of an effective global risk-management and -steering process. It meets monthly.

The CEO and the Heads of Group Shared Services, Treasury & Trading, and Risks & Compliance attend meetings as permanent guests.

**Chairman**

Marcel Rohner\*

**Members**

- Anne Rotman de Picciotto
- Daniel de Picciotto
- Eftychia (La) Fischer\*
- John Manser\*
- Olivier Vodoz\*



**Committee of the Board of Directors / Board's Risk Committee**

From left to right: John Manser, Eftychia (La) Fischer, Olivier Vodoz, Anne Rotman de Picciotto, Marcel Rohner, Daniel de Picciotto.

## AUDIT COMMITTEE

The Audit Committee supervises work done by Internal Audit, ensures that Internal Audit has the resources and skills it needs to fulfil its duties, and acts as an interface between the Board of Directors and the external auditor.

The Audit Committee meets at least five times per year.

At every Committee meeting, the reports and matters listed on the agenda are presented and discussed in the presence of the Executive Committee members concerned.

### **Chairman**

Olivier Vodoz\*

### **Members**

Anne Rotman de Picciotto

Marcel Rohner\*

## REMUNERATION COMMITTEE

The Remuneration Committee annually determines and assesses our remuneration policy, as approved by the Board of Directors, and considers the recruitment and appointment of Executive Committee members and senior managerial staff. It also oversees the implementation of our agreed policy regarding the promotion, development, retention and succession of senior managerial staff, whose performance it reviews regularly.

The Remuneration Committee meets at least twice per year.

The remuneration of the members of UBP's managing bodies (Board of Directors and Executive Committee) is based on their qualifications, experience, and responsibilities, taking into account the labour market and competition. It is in line with the Bank's strategy and risk management policy. The members of the Board of Directors are paid fees the amount of which is set annually. As for the members of the Executive Committee, their remuneration has a fixed and a variable component. The variable portion depends upon the results of the Bank and of the division concerned, as well as on the person's individual performance, and the potential of both the division and the person is also taken into account. Part of this variable pay is deferred (spread over three years).

### **Chairman**

John Manser\*

### **Members**

Anne Rotman de Picciotto

Nicolas Brunschwig\*

\*Independent members

## EXECUTIVE COMMITTEE

The Executive Committee's role is to implement our strategy and objectives, as defined by the Board of Directors, and is in charge of running and managing day-to-day business operations. It also co-ordinates our administrative organisation, checks that statutory and regulatory rules and the risk management policy are properly applied, and seeks to ensure that secure, profitable business relationships are established and developed, with and for clients.

The Executive Committee meets once a week.

### Chairman

Guy de Picciotto  
CEO

### Company Secretary

Claudio Rollini

### Members

Ian Cramb  
Group Shared Services

Nadège Lesueur-Pène  
WM Developing Markets

Michael Blake  
WM Asia

René Mottas<sup>1</sup>  
WM Europe

Nicolas Faller  
Co-CEO Asset Management

Michaël Lok  
Co-CEO Asset Management

Philip Adler  
Treasury & Trading

Raoul Jacot-Descombes  
Risks & Compliance



### Executive Committee

From left to right: Michael Blake, Ian Cramb, Nadège Lesueur-Pène, Michaël Lok, Guy de Picciotto, René Mottas, Raoul Jacot-Descombes, Claudio Rollini (Company Secretary), Philip Adler, Nicolas Faller.

<sup>1</sup>Permanent guest

# PROFILES AND BACKGROUNDS

## BOARD OF DIRECTORS

### Daniel de Picciotto

Daniel de Picciotto has been Chairman of UBP's Board since 2016. He has been a member of the Board since 2010, before which he spent ten years on the Executive Committee. He joined the Bank in 1985 as Head of the Private Banking division's Research Department, before becoming Head of Private Banking in 1990 and then Head of Asset Management in 1996.

As at 31 December 2019, Daniel de Picciotto was also a member of CBI Holding SA's board of directors.

### Marcel Rohner

Marcel Rohner has been a member of UBP's Board since 2010 and its Vice-Chairman since 2016 and has chaired the Committee of the Board since 2015. He has a wealth of experience in the fields of banking, finance and risk management. He worked for almost 20 years at UBS AG, holding roles including Chairman and CEO of Global Wealth Management & Business Banking in 2005, Member of the Executive Committee from 2002 to 2009 and CEO of UBS Group from 2007 to 2009. Marcel Rohner has a PhD in economics from the University of Zurich.

As at 31 December 2019, he was also a member of the boards of the following companies: Löwenfeld AG, Löwenfeld Beteiligungen AG, Warteck Invest AG, Armada Investment AG, Helvetische Bank AG, Acoro Asset Management AG, and of the Advisory Board of the University of Zurich's Department of Economics. In 2018 he became Chairman of the Association of Swiss Asset and Wealth Management Banks.

### Olivier Vodoz

Olivier Vodoz was first elected to UBP's Board in 1998, a position he currently occupies as General Counsel as well as being the Chairman of the Audit Committee. Between 1989 and 1997 he was in government in Geneva canton, holding

the positions of President of the Department of Finance and President of the Department of Defence, prior to which he was a member of Geneva's cantonal parliament. Olivier Vodoz has a degree in law from the University of Geneva and is a licensed legal practitioner in Geneva. Earlier in his career, he spent 20 years as a lawyer and partner at Geneva law firm Haissly & Vodoz. He has also worked as Ethics Commissioner at the Geneva police department, as well as being a member of the Assembly of the International Committee of the Red Cross from 1998 to 2013 and its Vice-Chairman from 2006 to 2013.

As at 31 December 2019, he was a member of the boards of the following companies, among others: Parkgest Holding, SIX Exchange Regulation, Swiss Risk and Care SA, Opsion – Open Pension collective fund.

### Pierre-Alain Blum

Pierre-Alain Blum has been a member of UBP's Board since 1990. His background is in the high-end watch industry, where his roles have included managing luxury watchmaker Ebel for 25 years. He left that company in 1994 to set up IKF Holdings SA. At the start of his career, Pierre-Alain Blum served his apprenticeship with a New York watch and jewellery distribution company.

As at 31 December 2019, he was a member of the boards of the following companies, among others: IKF Holding SA, IKF Management SA, Sored SA, Swiss Madeness Solutions Group SA, Team Partner SA, Parkview AG, Madeness Solutions Lab SA, Swiss Luxe Technology SA, Golay Fils & Stahl SA.

### Nicolas Brunschwig

Nicolas Brunschwig has been a member of UBP's Board since 1998. He is a partner of the Brunschwig Holding group, which owns retailer Bongénie Grieder. Having joined that company in 1981, he is now in charge of central services and partnerships. Between 1989 and 2001, he was a member of the Geneva cantonal parliament, where his roles included chairing the

Finance and Tax Committees. He was also chairman of the Fédération des Entreprises Romandes (employers' association for companies in French-speaking Switzerland) for seven years. Nicolas Brunschwig graduated with a diploma in Economics from the University of Geneva.

As at 31 December 2019, he was a member of the boards of the following companies, among others: Brunschwig (Holding) SA, Brunschwig & Cie SA, Ecole Moser SA, Scrasa SA, Soreval SA, Parkgest Holding Genève SA, Rolex SA, Rolex Holding SA. At that date he also sat on the Geneva International Motor Show's committee and pension fund board, as well as on the Wilsdorf Foundation board.

### **Anne Rotman de Picciotto**

Anne Rotman de Picciotto has been a member of UBP's Board since 2006. She is also a member of the Bank's Audit Committee and Remuneration Committee. After spending several years in Goldman Sachs' Asset Management division, she joined UBP's London branch management team in 2002, where she was responsible for business development with a focus on high net worth individuals and institutional relationships. Anne Rotman de Picciotto holds a BA in Business Administration from HEC in Lausanne, as well as an MBA from the INSEAD business school.

As at 31 December 2019, she was Chairwoman of the Board of CBI Holding SA, and sat on several other boards, including that of Dagnar Ltd.

### **Eftychia (La) Fischer**

Eftychia Fischer has been a member of UBP's Board and Committee of the Board since 2015. She joined the Bank in 2010 as Head of the Treasury & Trading division and was also joint-Head of the Asset Management division until 2015. Before joining UBP, she held various high-level roles at EFG International, Julius Baer, JP Morgan and UBS, and ran her own asset management company in Zurich. Eftychia Fischer

holds a BSc from Imperial College, London and has completed the AMP (Advanced Management Program) run by Wharton University in the United States. She holds both Chartered Financial Analyst (CFA) and Financial Risk Management (FRM) qualifications.

As at 31 December 2019, she was also a member of the boards of the following companies: Alberca Foundation, Sherpa Asset Management, Vaudoise Assurances Holding, Mutuelle Vaudoise.

### **Richard Katz**

Richard Katz has been a member of UBP's Board of Directors since 2009. He has been involved in investment management and investment banking for over forty years and worked for N M Rothschild & Sons Limited (London) from 1969 until 1993. He has advised governments, central banks and similar institutions. Richard Katz was a Supervisory Director of the Quantum Endowment Fund and one of its subsidiaries between 1986 and 2014.

### **John Manser**

John Manser has been a member of UBP's Board since 2008. He gained a solid grounding in finance in his early career working for the Cantonal Bank of St. Gallen, UBS in Geneva and Citibank in Geneva, London, New York and São Paulo. In the 1980s he became the head of the finance department at Ciba-Geigy AG in Basel. That company's merger with Sandoz in 1996 gave rise to Novartis, where he was Group Treasurer until 2007. John Manser holds MBAs from the Alexander Hamilton Institute and the University of Columbia (New York). He also holds the Swiss Federal Banking diploma.

As at 31 December 2019, he was also on the board of Hiag Immobilien AG and a member of the investment committee of the University of Basel.

## EXECUTIVE COMMITTEE

### Guy de Picciotto

Guy de Picciotto has been UBP's CEO and Chairman of the Group's Executive Committee since 1998. He began his career as a management consultant in Switzerland and Belgium, before focusing on the banking sector with roles at UBS, Morgan Stanley, Bear Stearns and Sanyo Securities in Tokyo and New York. He joined the Bank in 1988, where he occupied various executive roles before being appointed Chairman of the Executive Committee. He holds a degree in economics and business management and has completed advanced Executive Management courses at IMD in Lausanne and INSEAD in Fontainebleau.

As at 31 December 2019, Guy de Picciotto was a member of, among others, CBI Holding SA's board of directors. At that date he was also on the board of the Geneva Financial Center foundation.

### Ian Cramb

Ian Cramb has been UBP's Chief Operating Officer and a member of its Executive Committee since 2009. Before joining UBP, he was EMEA Consumer Chief Operating Officer at Citigroup, where he had previously held other high-level roles including those of Risk Manager, Head of HR, Chief of Staff and COO. He holds a modern languages degree from Durham University.

### Nadège Lesueur-Pène

Nadège Lesueur-Pène is Head of Wealth Management Developing Markets. She has been a member of the Executive

Committee since 2019. Before joining UBP in 2015 she was head of emerging markets within wealth management at BNP Paribas (Switzerland). She has also held high-level investment management roles at HSBC in Paris and Paribas in Moscow. Nadège Lesueur-Pène holds a DEA in Russian philology from Langues'O and a double Master's in international management from ESCP-EAP (Paris), and studied political science at IEP (Paris).

### Michael Blake

Michael Blake is Head of Wealth Management Asia, a post he holds alongside his role as CEO Asia. He became a member of the Executive Committee in 2019. Prior to joining the Bank in 2016, he was Chief Executive of Coutts International, and before that Head of Asia Pacific Management Office at UBS. He has lived and worked in Asia, Switzerland and London over the past fifteen years and is active in various international affairs forums. Michael Blake read Philosophy, Politics and Economics at Oxford University.

### René Mottas

René Mottas is Head of Wealth Management Europe. He became a permanent guest of the Executive Committee in 2019. Before joining UBP he was Country Head Luxembourg at UBS, after holding several high-profile posts for that bank. Prior to that he was Head of Wealth Management Europe at Clariden Bank before moving to Goldman Sachs Bank (Switzerland) as its CEO. René Mottas has completed senior management diplomas with Stanford-NUS in Singapore and the London Business School.

### Nicolas Faller

Nicolas Faller has been Co-CEO of UBP's Asset Management division and a member of its Executive Committee since 2015. He joined UBP in 2010 as Head of Sales Europe and was appointed Head of Global Sales in 2011, then Head of Institutional Clients in 2013. Before joining UBP, he was Global Head of Distribution at BNP Paribas Investment Partners, after holding several high-level roles at Fortis Investments. Nicolas Faller is a graduate of the University of Mulhouse and France's Ecole Supérieure de Gestion.

### Michaël Lok

Michaël Lok has been Co-CEO of UBP's Asset Management division since 2015 and a member of its Executive Committee since 2016. Before joining UBP, he worked at Indosuez Wealth Management (Crédit Agricole group) as Global Head of Asset Management, after holding roles as Head of Investment and Head of Risk & Quantitative Portfolio Management. Before that, he was a portfolio and fund manager at Banque Martin Maurel and HSBC France. Michaël Lok holds two Master's degrees, one in Finance (DESS) and one in Banking and Finance (DEA), from the University of Aix-en-Provence.

### Philip Adler

Philip Adler has been UBP's Head of Treasury & Trading since 2016 and a member of its Executive Committee since 2017. Before joining UBP, he had been a member of the Executive Committee and Head of Capital Markets at Crédit Agricole Indosuez (Switzerland) SA since 2008. He previously worked at UBS SA, Commerzbank AG and the Crédit Agricole group. Philip Adler has more than 30 years of experience in banking.

### Raoul Jacot-Descombes

Raoul Jacot-Descombes has been UBP's Group Head of Risks & Compliance and a member of its Executive Committee since he joined the Bank on 1 January 2015. He started his career as a lawyer, before moving to the Swiss Anti-Money-Laundering Authority and then becoming General Counsel & Executive Managing Director at ACM, which was then acquired by Swissquote Bank. He also held the role of Director in KPMG's Forensic division, in charge of Western Switzerland. Raoul Jacot-Descombes holds a Master's degree in law from the University of Neuchâtel in Switzerland, and is a licensed legal practitioner.

### Claudio Rollini

Claudio Rollini has been UBP's Company Secretary since 2013. He joined the Bank after holding various high-level roles at companies including British American Tobacco in Lausanne and London, and at the Geneva-based Fédération des Entreprises Romandes (employers' association for companies in French-speaking Switzerland). He has more than 25 years of professional experience in corporate governance and communication, devising strategies for negotiation, institutional relations and regulatory affairs. Claudio Rollini initially trained as a lawyer, and holds a Master's degree in Law from the University of Geneva.



UNION BANCAIRE PRIVÉE  
96 - 98

PORTRAIT

# HISTORY

23

sites worldwide

1,743

staff

25.6%

Tier 1 equity ratio

1969

Year created

Union Bancaire Privée is one of the biggest family-owned private banks in the world. But what makes UBP really unique is its corporate culture, which combines modernity and tradition. All the Bank's staff draw their inspiration and drive from the founding family's blend of strong moral values and pragmatism, which has always been and will remain the key to UBP's success.

## A family affair

Having originated in Portugal in the Age of Discovery, the de Picciotto family has been honing its skills over ten generations in both diplomacy and trade. This long line of successful merchants and high-profile consuls continues to this day with the family bank, UBP, which represents both an extension and culmination of this history.

## The birth of a bank

Edgar de Picciotto arrived in Switzerland in 1954 after having finished his studies, and founded his own bank in 1969: Compagnie de Banque et d'Investissements (CBI), which would go on to become Union Bancaire Privée (UBP) in 1990. With just CHF 8 million in start-up capital, the Bank grew considerably in just five decades and today it manages around CHF 140.3 billion in assets for private and institutional clients, and employs some 1,743 people in twenty countries.

## A lasting company

Today, just as it always has, UBP belongs to the de Picciotto family, which controls the Bank through CBI Holding SA. Edgar de Picciotto, who founded the Bank, was the Chairman of the Board until he passed away in March 2016, after which



his eldest son, Daniel, who had been on the Board since 2010, took over the position. Edgar's daughter, Anne Rotman de Picciotto, has held a seat on the Board since 2006. Continuity is also embodied by another one of Edgar's sons, Guy de Picciotto, who has served as Chief Executive Officer since 1998, overseeing the Bank's operational management. With the second generation of the family having managed the business for several years, UBP can lay claim to a successful legacy and has ensured its longevity.

### Growth through acquisitions

From the outset, UBP has strived to consolidate its position on its preferred markets while strengthening its financial expertise through targeted acquisitions and partnerships. While the Bank has been able to grow organically since its creation, especially thanks to its reputation and its ability to manage performance for its clients, it also owes its growth to the acquisitions of several major players in wealth management, both in Switzerland and abroad. One example of this was the purchase of the American Express Bank in 1990 – at that point the biggest banking takeover ever seen in Switzerland – which would quadruple its size. Over the last twenty-five years, UBP has carried out close to 20 acquisitions, including some major ones, such as that of the Discount Bank and Trust Company in 2002, the Swiss subsidiary of ABN AMRO in 2011, the international private banking business of Lloyds Banking Group in 2013 and most recently the international wealth management business of Royal Bank of Scotland (RBS), which operated under the name of Coutts, in 2015. In 2018 UBP announced two acquisitions in Europe: that of London-based independent wealth manager ACPI Investments Limited, which was finalised on 31 December 2018, and in Luxembourg, that of Banque Carnegie Luxembourg S.A., which was fully integrated on 25 January 2019.

All the Bank's staff draw their inspiration and drive from the founding family's blend of strong moral values and pragmatism, which has always been and will remain the key to UBP's success.



# CORPORATE CULTURE

The dedication of UBP's staff is testament to a unique corporate culture inspired by its founder, who has been able to instil the family values. In just half a century, UBP has become a highly successful bank, marrying these ethics with a culture of results. This subtle blend has afforded us our position among the world's leading wealth managers.

UBP's slogan, "The Drive You Demand" pervades every aspect of the firm's values. It sums up our corporate culture, which is one based on dynamism, energy, instinct, dedication and teamwork. The term "drive" expresses the willingness of the Bank and its people to boldly look towards the future with strength, leadership and audacity.

## THE DRIVE YOU DEMAND

As one of the major players in asset management and finance, UBP is recognised today as a solid partner, known both for its expertise and for what it offers. It owes this privileged position, in part, to its talent for anticipation. This advantage, which is based on our ability to think outside the box, forms an integral part of the way we at UBP work: it means understanding movements and trends; forming our own opinion; building convictions without blindly following consensus thinking, and then acting appropriately.

We are bold, but have never abandoned a cautious approach to business management, ensuring the Bank's health and solidity – an attitude that has enabled us to develop a long-term strategy while fostering continual growth. UBP's dynamism and strength are what make the difference today.

# VALUES

Dedication, conviction, agility, responsibility. UBP's four key values express our determination to achieve our aims and to live up to our clients' expectations and safeguard their interests. Every day, all of our people embody these values, and they inspire and guide every single one of us, regardless of our specialisation.

## Dedication

Finding the best solution to every situation demands constant dedication and an exclusively client-oriented approach. With this in mind, our staff work tirelessly, conscientiously, open-mindedly and willingly to satisfy every last detail of our clients' needs. The level of service and performance we demand of our staff is the same as that which clients demand of their bank.

## Conviction

Our long-term vision enables us to make choices based on strong convictions – an advantage that serves to grow both

our own and our clients' businesses. One only has to look at the Bank's rapid growth, which today has earned it the respect and recognition of its peers, and its ability to offer its clients investment solutions that are always innovative and performance-oriented.

## Agility

Thanks to its size and structure, UBP is very flexible and ensures fast decision-making, enabling it to carry out large-scale operations and seize investment opportunities when they appear on the markets. This unique skill from which our clients benefit as much as the Bank, is one of the key factors in our success.

## Responsibility

At every level and in everything we do, we ensure that integrity, ethics and fairness take precedence. At UBP, responsibility is an integral value, both for the individual and for the company; it is a prerequisite for ensuring irreproachable business conduct.







OUR OFFICES  
WORLDWIDE



## HEAD OFFICE

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