

Financial Services Act (FinSA)

FINSA BROCHURE

1. INTRODUCTION TO FINSA

The Financial Services Act (FinSA) entered into force on 1 January 2020 and is part of the new Swiss financial market regulations. FinSA contains comprehensive rules of conduct for financial services, creates a level playing field for financial service providers and improves client protection.

This brochure provides you with essential information about financial services at FAB Private Bank (Suisse) SA, including relevant information about the impact of FinSA on our current client relationship with you.

Should you wish to know more about any of the topics covered in this brochure, your Private Banker will be pleased to answer any questions you may have.

2. INTRODUCTION TO FAB

FAB Private Bank (Suisse) SA (hereinafter “FAB” or the “Bank”) is a wholly owned, yet independent, subsidiary of First Abu Dhabi Bank PJSC (‘FAB Group). It offers a close collaboration between seasoned private bankers and investment advisors to help achieve our clients’ investment objectives. It has adopted an independent open architecture approach on investment products, and a state-of-the-art digital banking

The FAB Group is headquartered in Abu Dhabi, and is one of the world’s largest financial institutions. It is regularly voted in the “World’s 50 Safest Banks”, the “Safest Bank in the Middle East” as well as possessing the strong credit ratings of any bank in the Middle East, and its international network spans five continents.

3. CONTACT AND LICENCE INFORMATION

Please find below the Bank’s contact and licence information:

FAB Private Bank (Suisse) SA

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1211 Geneva

P.O. Box 5055

Telephone : +41 (0)22 707 50 00

Telefax : +41 (0)22 707 50 10

E-Mail : info@fabsuisse.ch

FAB is licensed as a bank and regulated by the Financial Market Supervisory Authority FINMA (Laupenstrasse 27, 3003 Bern).

4. FINANCIAL SERVICES PROVIDED BY FAB

FAB’s private banking offers a wide range of financial services designed to help clients manage their wealth according to their needs. Our wealth solutions include trade execution, advisory, discretionary portfolio management, real estate and lombard lending.

4.1 Trade Execution (Execution-only)

For clients who have advanced knowledge and understanding of the markets, FAB trades directly on the financial markets. Through FAB’s execution-only service, clients can trade on a wide range of securities including bonds, equities, and foreign exchange, as well as access our selection of proprietary and third-party funds. When you choose to trade through your private banker, our robust trading platforms will ensure competitive market pricing, seamless settlement and that your trades are executed promptly. In contrast to an investment advisory mandate, the mere acceptance and transmission of client orders is characterised by the fact that clients make investment decisions without the advice of FAB.

4.2 Advisory

FAB’s investment advisory approach is based on the principles of trust, reliability and transparency. Our advisory team will act for and with you to identify the right investment opportunities in the global and regional markets across all asset classes. You will benefit from proactive, personalised advice while you retain full control of the decision making. Our investment advisors continuously monitor your portfolio, investigating the impact of market events, and work with you to implement strategies defined by your risk profile and in line with your portfolio. In contrast to discretionary portfolio management, advisory requires the client to make its own investment decisions. In other words, the client is free to decide whether to follow the investment advice or not.

4.3 Discretionary Portfolio Management

FAB's discretionary portfolio management service is designed for clients who want active and professional management of their wealth. FAB provides a wide range of portfolio management options, allowing the flexibility to apply conventional mandates across all asset classes, geographies and investment styles. Our team of experienced investment specialists will manage your portfolio within the client's personal and financial circumstances as well as the individual investment objectives and investment strategy. FAB has access to a wide range of external and internal research that allows us to constantly watch the markets and take immediate advantage of investment opportunities.

4.4 Real Estate

Real Estate is an important asset class for many investors. FAB has dedicated experts committed to meeting all real estate investment needs for its clients. Depending on the client's needs a private banker supported by a credit structurer will be able to tailor a specific solution for real estate financing.

4.5 Lombard lending

FAB offers clients a variety of credit and lending solutions on marketable securities.

5. SUITABILITY & APPROPRIATENESS ASSESSMENT

Financial service providers are obliged to carry out a suitability and appropriateness assessment when providing portfolio management and advisory services. The assessment is based on the information provided by the client to FAB. The quantity of information required depends on the specific client classification (see section six). More information must be gathered for private clients than for clients classified as professional or institutional clients as it is assumed that they have the necessary knowledge and experience to make investment decisions and that the investment risks associated with financial services are financially bearable.

5.1 Suitability assessment

In the case of portfolio management and advisory mandates, FAB assesses whether the recommended financial service and the respective financial instruments are suitable for the client. For this purpose, FAB gathers information in advance about the client's personal knowledge and experience, the investment objectives and financial situation. Only if the client has sufficient knowledge and experience and the respective financial instrument and financial service meet the client's personal investment objectives and financial situation FAB provides advice on the execution of the transaction or executes the respective financial service for the client. In case FAB comes to the conclusion that a certain transaction is not suitable, the client will be informed accordingly.

5.2 Appropriateness assessment

FAB regularly performs an appropriateness assessment before providing a financial service to its clients. In order to ensure to act in the best interest of its clients, the individual knowledge and experience will be evaluated. Based on these criteria, an assessment is made as to whether the respective financial instrument or the financial service to be provided is appropriate for the client. In case FAB comes to the conclusion that a certain transaction is not appropriate, the client will be informed accordingly.

6. CLIENT CLASSIFICATION

FinSA requires all financial service providers to categorise its clients to whom they provide financial services as: (a) retail clients, (b) professional clients, or (c) institutional clients.

6.1 Retail clients

Retail clients are basically all clients who are not institutional or professional clients according to FinSA. Retail clients enjoy the highest possible level of client protection. This includes additional information and documentation duties on each relevant transaction, but this can mean that they have a reduced range of investment opportunities.

6.2 Professional clients

In contrast to retail clients, professional clients enjoy a lower level of investor protection. According to FinSA, the following entities qualify by default as professional clients:

- Financial intermediaries under the meaning of the Swiss Banking Act (BankA), CISA and FinIA
- Swiss-regulated insurers
- Foreign financial intermediaries and insurance institutions subject to prudential supervision
- Central banks
- Public entities with professional treasury operations

- Pension funds with professional treasury operations
- Companies with professional treasury operations
- Large companies that exceed at least two of the following thresholds (a balance sheet of CHF 20 million, turnover of CHF 40 million or equity of CHF 2 million)
- Private investment structures with professional treasury operations set up for high-net-worth individuals.

6.3 Institutional clients

Institutional clients enjoy the smallest possible client protection. According to FinSA institutional clients are:

- Supervised financial intermediaries (e.g. banks or licensed portfolio managers)
- Insurance companies
- Central banks
- Certain public corporations with professional treasury

6.4 Differences between the categories of clients

FinSA confers different levels of protection to clients, with retail clients receiving the most comprehensive level of protection.

	Retail clients	Professional clients	Institutional Clients
When providing investment advisory services, depending on the type of advice, we carry out an appropriateness or suitability assessment. When providing discretionary portfolio management services, we carry out a suitability assessment. Note: in the case of «execution only» transactions with no advice by FAB, neither an appropriateness nor a suitability assessment is conducted.	Yes	Yes ⁽¹⁾	No
We document your needs and the reasons for our recommendation during the investment advisory process and provide you with the documentation on request.	Yes	Yes	No
You have access to a wider range of funds and investment opportunities	No ⁽²⁾	Yes	Yes
When you purchase certain financial instruments, we provide you with a Key Information Document (KID) as part of our investment advisory services. In the case of «execution only» transactions, this information is provided only if available.	Yes	No (except at client's request)	No (except at client's request)
We are obliged to obtain best execution when handling your securities orders.	Yes ⁽³⁾	Yes	No

1. Limited appropriateness or suitability assessment for professional clients, as it is generally assumed that they have relevant knowledge and experience and that they are able to bear the investment risks financially.
2. Exception: clients with a Discretionary Portfolio Management
3. Unless you have waived the requirement to receive the KID before an order is executed, the Bank will not be able to process an order until a KID is provided to you (for relevant assets), to give you sufficient time to read and understand the KID.

7. RECLASSIFICATION (OPTING-OUT/-IN)

Clients which has been classified by default as retail clients, can declare that they wish to be treated as a professional client (opting-out). For this purpose, the client must meet one of the following criteria.

- The client has the necessary knowledge based on training, education and professional experience or on the basis of comparable experience in the financial sector to understand the risks associated with the investments and has eligible assets of at least CHF 500'000.
- The client has at his/her disposal eligible assets¹ of at least CHF 2 million.

Correspondingly, professional clients can declare that they wish to be treated as retail clients (opting-in) in order to benefit from a higher level of client protection. The same applies to institutional clients, who can declare at any time that they wish to be classified as professional clients.

8. FEES

Please contact your private banker to get more information about the fees in relation to our financial services.

9. CONFLICTS OF INTEREST

In order to avoid conflicts of interest which might occur when providing financial services, FAB has implemented an internal policy. The aim of the policy is to protect the reputation of FAB, meet the regulatory requirements and maintain the trust of clients and counterparties. The policy is part of FAB's ongoing commitment to uphold the highest ethical standards in regard to the client relationship and in dealing with potential conflicts of interest.

9.1 Compensation from third parties

Within the framework of its financial distribution activities, FAB may receive a discount, trailer fee, retrocession or other attributions from the First Abu Dhabi Bank Group or from independent third parties. The Bank is performing a variety of services to ensure an efficient and high-quality distribution infrastructure, and the amounts received are compensation for the services performed in relation to the distribution of the relevant products.

9.2 Business affiliations with third parties

Currently, FAB has no business affiliations with third parties which might result in a conflict of interest.

10. RISKS IN FINANCIAL INSTRUMENTS TRADING

Investing in financial instruments bears the risk of losing money. The various types of financial instruments and associated risks are explained in detail in the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association (SBA).

The brochure can be downloaded at: <https://www.bankfab.com/en-ch/about-fab/about-fab-switzerland>

11. COMPLAINTS HANDLING AND OMBUDSMAN

If we have not met your expectations at any time, then please contact your private banker. If you are still not satisfied, then please contact the Bank as per the contact details mentioned under point number 3. If we are unable to find an amicable solution, you can contact the Swiss Banking Ombudsman, Bahnhofplatz 9, P.O. Box, CH-8021 Zurich. This is the Ombudsman service responsible for the Bank and is a free and neutral information and mediation agency.

Glossary

1. Eligible assets: are financial investments held directly or indirectly, specifically:
 - a) Sight or time deposits with banks and securities firms.
 - b) Certified and uncertified securities
 - c) Collective investment schemes and structured products
 - d) Derivatives
 - e) Precious metals
 - f) Life insurance policies with surrender value
 - g) Restitution claims from other assets held in trust

Please note that direct investments in real estate and claims from social insurance schemes as well as occupational pension assets do not qualify as eligible financial investments.