

## Information on Investor Protection at NPB

NPB Neue Privat Bank AG is an owner-managed Swiss private bank. As entrepreneurs, we emphasize personal responsibility, performance and foresight. The protection of our clients' assets and transparency is a high priority for us within the framework of a sustainable joint business relationship. The information below should help you to understand important aspects of the investment business and investor protection. The following investor protection principles are based on the Swiss Federal Financial Services Act (FinSA, ger. FIDLEG; "FIDLEG") and the European Directive on Markets in Financial Instruments, ("MIFID II")..

### 1. Information about NPB

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NPB Neue Privat Bank AG was founded in 2001 by four partners and a small circle of Swiss private investors as a pure wealth management bank. It is an autonomous and independent Swiss private bank with offices in Zurich only. ([www.npb-bank.ch](http://www.npb-bank.ch)). For its activities as a bank and securities dealer, NPB has a licence as a bank and securities dealer by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Bern, and is subject to its supervision.

It is also a member of the Swiss Bankers Association and is for the protection of client funds affiliated to the Swiss Banks' and Securities Dealers' Depositor Protection Association. Further information on the scope of the liabilities protected by the Deposit Guarantee System can be found on the website of the Swiss Banks and Securities Dealers Deposit Guarantee Association ([www.esisuisse.ch](http://www.esisuisse.ch)).

NPB's outsourcing partner for IT systems and business processes is the InCore Bank AG. InCore Bank AG emerged in 2007 from the private bank Maerki Baumann & Co. as the first transaction bank in Switzerland. It merged with SOBACO Solutions AG in 2017 to offer customers future-oriented IT and outsourcing solutions from a single source.

### 2. Services

#### 2.1 Investment management mandate

Investment management mandate refers to the management of client assets by the Bank

through investments in various asset classes and financial instruments (bonds, equities, alternative investments, etc.) in accordance with the investment strategy agreed upon with the client. The investment strategy is determined by taking into consideration the client's investment objectives, financial circumstances, risk tolerance, knowledge and experience.

## **2.2 Investment advice mandate**

In contrast to the investment management mandate, the Bank provides within an investment advice mandate services and recommendations tailored to the client with regard to investments in various financial instruments. However, the investment decision remains with the client. Accordingly, NPB only carries out transactions on the explicit order of the client. NPB advises the client comprehensively on the management of his assets and takes into account his needs and knowledge of investment instruments. As in the case of investment management mandate, before opening an account, the law requires that appropriate information about the client be obtained, in particular knowledge and experience with financial investments.

## **2.3 Execution Only**

NPB carries out purchase or sale transactions (with non-complex financial instruments) solely initiated by the client as Execution Only (transaction without consulting). In contrast to asset management and investment advice, the Bank does not check whether the client has the relevant knowledge and experience.

In the case of a financial instrument that the Bank classifies as complex, it informs the client that the Bank does not have the necessary information regarding the client's knowledge and experience and that it is at the client's sole discretion whether he wishes to refrain from the transaction or to carry it out despite this information.

## **3. Client Classification**

Pursuant to FIDLEG, NPB is obliged to classify its clients according to precisely prescribed criteria into the following categories: "retail client", "professional client" and "institutional client". Similarly, clients domiciled in the EEA area are classified according to MiFID II in the categories "retail client", "professional client" and "eligible counterparty". The strength of investor protection depends on the classification with protection being strongest for private clients / private investors. The classification is based on the knowledge and experience of the client, his financial circumstances and the frequency, scope and nature of financial transactions carried out in the past. All new customers are informed of their classification, existing customers only when their previous classification has changed.

### **3.1 Retail client**

NPB considers all clients who cannot be assigned to another classification as retail clients. Retail clients enjoy the highest level of protection provided by law.

### 3.2 Professional client

A retail client may arrange with the bank to be reclassified as a "professional client" if certain conditions relating to financial circumstances, knowledge, and experience in the financial sector are met. If the client fulfils the criteria according to FIDLEG (the EEA clients according to MiFID II), the client is classified as a professional client.

It should be noted that the change in classification also entails a change in the level of protection provided by law. In the case of a professional client, NPB may assume that the person acting has sufficient knowledge and experience to adequately assess the risks of an investment decision.

NPB only accepts applications by private clients to become professional clients if the legally prescribed conditions are met. If the client is interested, NPB will be pleased to send the corresponding forms.

### 3.3 Eligible counterparty / Institutional client

Solely supervised legal entities, governments, central banks and organisations that are supranational organisations are eligible as "institutional clients" (FIDLEG) that is "eligible counterparties" (MiFID II).

## 4. Suitability and Appropriateness

In order to optimize the investment strategy and the investment instruments to the circumstances and wishes of the clients within the framework of investment management or investment advice, NPB collects information from the clients within the framework of a so-called suitability and appropriateness test.

In the **suitability test** the Bank determines whether the customer has the necessary knowledge and experience to understand the risks associated with the investment service offered or the desired financial instrument. Accordingly, NPB asks the client to provide it with a number of necessary information in order to offer him optimal services. This includes information about investment objectives, financial circumstances, and the willingness to take risks as well as the client's knowledge and experience.

Furthermore, it must be determined whether the client, with his knowledge and experience, understands the resulting investment risks.

The client's **investment objectives** include information on planned investment purpose, time horizon and risk profile.

The client's **financial circumstances** include information on his total assets, amount of his regular income and expenditures, his financial obligations as well as planned investments.

The **willingness to take risk** includes the understanding of risk and return and how prepared the client is to tolerate losses.

In the **appropriateness test (transaction related)** the bank determines whether the desired financial instrument is suitable for the client. The suitability of the financial instrument is assessed according to whether it corresponds to the investment objectives of the client and whether the

resulting investment risks are financially acceptable for the client according to his investment objectives and his willingness to take risks.

In addition, knowledge and experience of the client's with regard to various financial instruments and investment services must be determined. If an authorized person places the order, the knowledge and experience of this authorized representative is taken into account. In addition, knowledge and experience of the client's with regard to various financial instruments and investment services must be determined. If an authorized person places the order, the knowledge and experience of this authorized representative is taken into account.

## **5. Required information**

### **5.1. Principles of order execution "Best execution"**

"Best Execution" is the obligation to take all reasonable steps to obtain the best result when NPB executes financial transactions on behalf of the client. In cooperation with its outsourcing partner, NPB has defined principles of order execution.

### **5.2. Fees**

The costs in connection with financial services and supplementary services of NPB are listed in NPB overview of fees and will be gladly provided upon request. In an exemplary simulation the client is informed once before the execution of the order about the costs of the securities service.

The costs in connection with a securities transaction are also shown in the respective transaction statements and aggregated in the statement of assets.

### **5.3. Reports, transaction confirmation, reporting**

Transaction confirmations are sent to you by NPB immediately after execution of a securities transaction. At regular intervals you will receive a statement of assets with an overview of all accounts and your securities custody account.

### **5.4. Research**

NPB uses its own and external research to provide the best possible investment advice and asset management. The external research is acquired by NPB against payment.

### **5.5. Remuneration and conflicts of interests**

NPB primarily uses investment funds that are free of retrocession or remuneration for investment management mandate and investment advice clients. Within the framework of dependent investment management or investment advice, the bank may nevertheless receive remuneration in individual cases.

NPB provides so-called dependent investment advice within the scope of Article 24 of Directive 2014/65/EU on markets in financial instruments. The client agrees that the Bank may accept

and retain benefits provided that there is no conflict of interest and thereby improving the quality of the service provided to the client.

**Remuneration paid by NPB to third parties:**

If NPB has received the client relationship via a third party (e.g. finder), the bank can pay the intermediary a fixed intermediary fee or a part of the income derived from this business relationship.

If the client is advised by an independent (external) asset manager and uses NPB for safekeeping of their securities account and the execution of trading transactions, the bank can pay the independent asset manager a part of the income derived from this business relationship.

Conflicts of interest in potential fee income in connection with investments in or the safekeeping of products, are avoided as far as possible in investment decisions and investment advice.

NPB informs the client transparently about received or paid remuneration. In addition, the client has the possibility to receive further information on the received or paid remuneration on request.

**5.6. Disclosure of information in securities trading**

NPB is obliged to report to the supervisory authorities of individual countries on transactions in securities trading. The reports must contain information on the buyer / seller of these securities and the person who placed the trade order. If such a person is a legal entity, it will be reported with its Legal Entity Identifier (LEI)..

**5.7. Call recording and electronic communication**

All telephone conversations are recorded. In addition, the most important contents of personal conversations are held on memos to document the goals and wishes of the customer and to ensure the traceability of recommendations to the customer. The recordings are stored on a permanent data medium, taking into account data protection.

**5.8. Ombudsman**

In case of disagreements with the client the NPB has joined the «Stiftung Schweizerischer Ombudsman», Bahnhofplatz 9, 8021 Zurich ([www.bankingombudsman.ch](http://www.bankingombudsman.ch)).

The client can initiate a mediation procedure with the ombudsman, which is in principle free of costs, if he has not yet approached an ordinary court.

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