

Avoiding loss of contact and dormant assets

Customer information

Every now and again contact between a bank and a customer can become lost for one reason or another and as a result assets deposited with the bank become «dormant». This can lead to difficulties and an undesirable situation for all concerned, especially when the assets are totally forgotten about by customers and their heirs.

New legislation and guidelines of the Swiss Bankers Association (www.swissbanking.org) on the treatment of assets without contact and dormant assets held at Swiss banks came into force on 1 January 2015. Such guidelines aim to prevent loss of contact and provide further elaboration on the new legislation. Below we have set out the measures that Swiss banks have taken to prevent loss of contact and to prevent assets becoming dormant.

What customers can do to avoid loss of contact

- Please inform us immediately if you change your address or if you use a different name (e.g. following marriage).
- Please also inform us if you go away for an extended period of time and any correspondence should be sent to a third party. Please let us know how we can reach you in case of urgent matters.
- It is generally advisable to designate a proxy who can be contacted by us, if necessary, or a trusted person to look after your banking affairs. However, we would only be able to provide such a person with information if they have been duly authorised by you in writing (preferably using the bank's form). You could also mention any assets held with us in your will, for example.

Measures in case contact is lost

In case contact is lost, we take the following steps in accordance with the regulations of the Swiss Bankers Association:

Immediate measures

As soon as we determine that our correspondence sent via post to a customer cannot be delivered (e.g. because of a change of address) and no recently documented contact with this customer is available (e.g. a visit to the bank or a log-in via e-banking), we will attempt to restore contact whilst maintaining banking secrecy.

Further measures in case contact is lost

Further search measures will be taken in accordance with the principle of proportionality and depending on the amount of the assets concerned. If necessary, we will also use a third party to investigate. Such third parties are subject to the same laws concerning confidentiality as the bank itself. Bank customer confidentiality is thereby preserved.

If our inquiries are unsuccessful or contact with the customer is not possible for other reasons, the assets will be deemed to be without contact. In that case, we will be under a duty pursuant to the guidelines of the Swiss Bankers' Association and the new legislation to take the following measures:

- The assets internally will be recorded centrally by the bank and administrated as being without contact for a period of 10 years.
- The assets will be specially earmarked in order to make them accessible to the contact points for searches for assets without contact at Swiss banks, which can be consulted via the Swiss Banking Ombudsman. Those responsible for the contact points, which are equipped

with modern security measures, are also subject to the banking confidentiality laws (bank customer confidentiality) as the banks themselves.

- After 10 years without contact, the assets will be considered to be dormant assets for a further 50 years.
- After 10 years without contact and 50 years of dormancy (i.e. 60 years without contact), the bank will make a final effort to restore contact with the customer by means of publication on a website. The publication will call on entitled persons to report such entitlement to the dormant assets within a period of one year. Publication will be made in respect of dormant assets worth more than CHF 500 or safety deposit boxes holding items of a value that cannot be immediately determined. No publication will be made in respect of assets with a value not exceeding CHF 500.
- If no entitled claimant comes forward in response to the publication, the bank will pass the dormant assets to the Federal Government. Likewise, any dormant assets not exceeding a value of CHF 500 will also be passed to the Federal Government after being without contact for 60 years. Any claim to the assets will expire on their passing to the Federal Government.

Continued rights in case of loss of contact

The customer's rights and his or her legal successors will remain intact even in the case of loss of contact or dormancy until the assets are passed to the Federal Government. Banks may only take action that diverges from the contractual agreement with the customer when such action is in the customer's assumed interest. Current accounts and similar assets will be invested prudently and, where possible, profitably (e.g. in the form of savings accounts, medium-term notes or investment funds with a conservative risk profile). Existing savings accounts will be continued on the current

terms. The same applies to asset management instructions insofar as the investment strategy held on record or the instructions given by the customer do not contradict their obvious interests. Custody accounts will be continued, and money from redeemed titles and accrued income will be reinvested in similar or other appropriate assets. The bank may also invest in other investment types in order to prevent a loss of value. In case the rent is no longer covered or to complete search measures and with a view to liquidation, safety deposit boxes may be opened and, subject to compliance with internal bank directions, their contents be stored centrally.

Costs

Our usual fees and charges also apply after loss of contact and during dormancy. Furthermore, we shall charge the customer for costs incurred for inquiries as well as for the special handling and supervision of assets without contact and dormant assets and for publication. If the fees and charges exceed the available assets, the customer relationship may be terminated.

Search for assets without contact or dormant assets

If you are aware of assets that are presumed to be without contact or dormant, and you believe you may be entitled to such assets (e.g. as an heir), please contact the relevant bank directly. If you do not know the respective bank, it is possible to perform a search via the Swiss Banking Ombudsman (www.bankingombudsman.ch). Please be aware that before a search can be made, you will require documentation to evidence your entitlement.

Should you wish to obtain further information, we would be happy to assist. We thank you for your help in the avoidance of assets without contact and dormant assets.