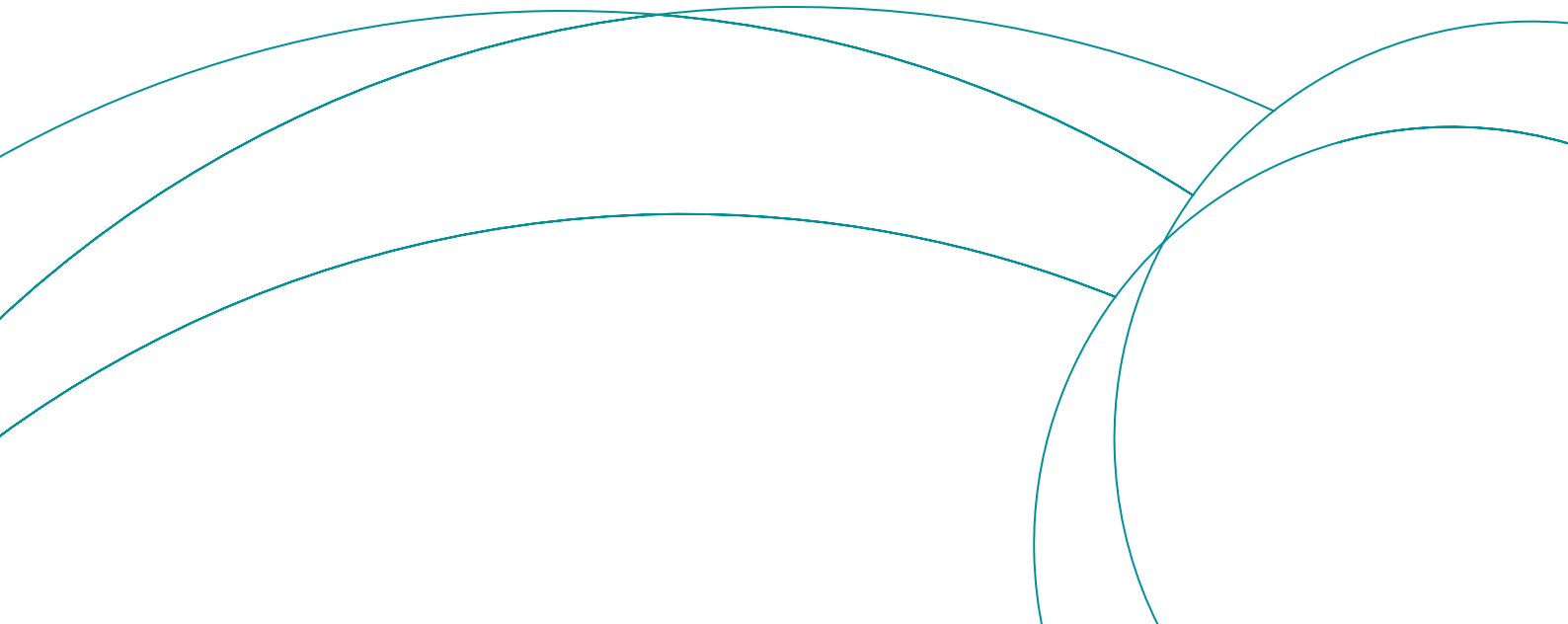




# 2020

ANNUAL REPORT





**QUINTET**  
PRIVATE BANK  
[www.quintet.com](http://www.quintet.com)



**PUILAETCO**  
A QUINTET PRIVATE BANK

Herrmann Debrouxlaan 46  
B-1160 Brussels  
Belgium  
[www.puilatco.be](http://www.puilatco.be)



**BROWN SHIPLEY**  
A QUINTET PRIVATE BANK

2 Moorgate  
London EC2R 6AG  
United Kingdom  
[www.brownshipley.com](http://www.brownshipley.com)



**MERCK FINCK**  
A QUINTET PRIVATE BANK

Pacellistrasse 16  
D-80333 Munich  
Germany  
[www.merckfinck.de](http://www.merckfinck.de)



**INSINGER  
GILISSEN**  
A QUINTET PRIVATE BANK

Herengracht 537  
1017 BV Amsterdam  
The Netherlands  
[www.insingergilissen.nl](http://www.insingergilissen.nl)



**QUINTET  
LUXEMBOURG**  
PRIVATE BANK

43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg  
[www.quintet.lu](http://www.quintet.lu)



**PUILAETCO  
LUXEMBOURG**  
A QUINTET PRIVATE BANK

163, rue du Kiem  
L-8030 Strassen  
Luxembourg  
[www.puilatco.lu](http://www.puilatco.lu)



**QUINTET  
SWITZERLAND**  
PRIVATE BANK

Bahnhofstrasse 13  
CH-8001 Zurich  
Switzerland  
[www.quintet.com/en-ch](http://www.quintet.com/en-ch)

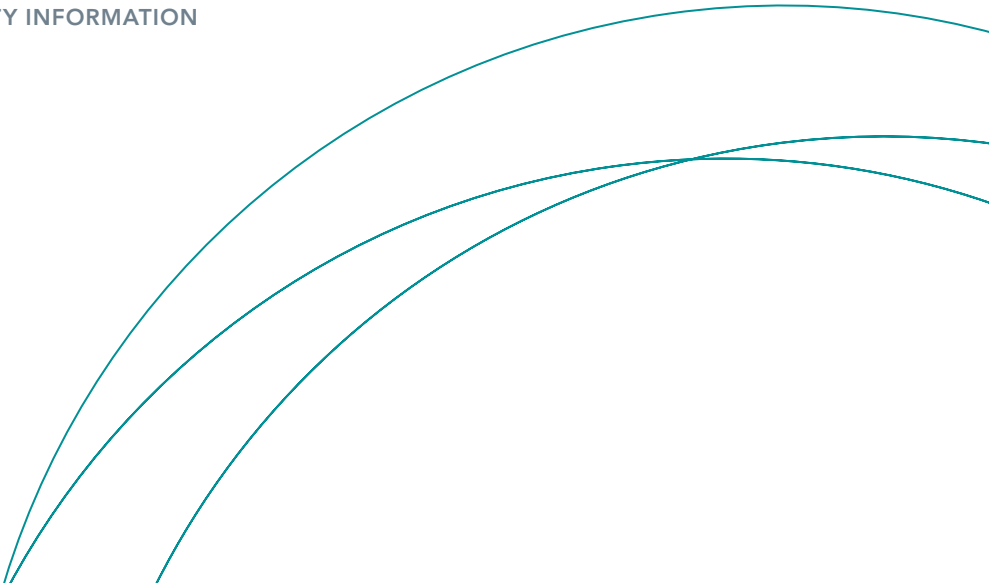


**QUINTET  
DANMARK**  
PRIVATE BANK

Sankt Annae Plads 13, 3 tv.  
DK-1250 Copenhagen K  
Denmark  
[www.quintet.com/dk](http://www.quintet.com/dk)

# CONTENTS

- 5 MESSAGE FROM THE CHAIRMAN
- 6 WELCOME FROM THE GROUP CEO
- 10 DIRECTORS & MANAGEMENT
- 14 2020 IN REVIEW
- 16 KEY CONSOLIDATED FIGURES
- 19 MANAGEMENT REPORT
  - 20 CONSOLIDATED MANAGEMENT REPORT
  - 24 ORGANIZATIONAL ACTIVITIES
  - 29 2020 IN REVIEW: AFFILIATES & BRANCHES
  - 34 NON-CONSOLIDATED MANAGEMENT REPORT
  - 35 APPENDICES TO CONSOLIDATED AND NON-CONSOLIDATED MANAGEMENT REPORT
  - 41 RESULT ALLOCATION PROPOSAL
  - 42 COMPOSITION OF THE BOARD OF DIRECTORS
  - 43 DECLARATION ON THE CONFORMITY OF THE 2020 ACCOUNTS
- 44 NON-FINANCIAL & DIVERSITY INFORMATION
- 52 CONTACT INFORMATION





# BUILDING A SUSTAINABLE FUTURE *together*

We understand that the greatest threat to our planet is waiting for someone else to save it. That's why at Quintet we're on a mission to do more. We believe in creating a richer life for all of our clients; not only by investing in sustainability, but living sustainably too.

Last year, we successfully delivered on our pledge to eliminate all single-use plastics from all of our premises. Now, we're looking at other ways that we can play our part in driving sustainability.

That's why we have partnered with Capture, the carbon footprint tracking app. In 2021 we commit to living our sustainable values through our own workforce, by monitoring, reducing and removing CO2 emissions from our lifestyle.

World-class investments for you,  
supporting a sustainable future for all.





# MESSAGE FROM THE CHAIRMAN

2020 will be a year remembered for many things. The balance of all our memories is heavily tipped towards the sad, the difficult and a sense of despair. All our lives have changed, and in many cases will have changed permanently. But, despite everything that has been thrown at humankind over this period, we have learned to adapt and change, and in so many respects we have become a more caring and sharing human race.

Businesses have been disrupted, and in too many cases damaged beyond repair. But again, new businesses have emerged or existing businesses have grown beyond recognition. We adapt and change, and with the huge technological progress of the past 20 years, we are able to move swiftly and flexibly.

The financial services industry has also suffered, but to a lesser extent than perhaps feared this time last year. Balance sheets and capital ratios were strong as we entered a deeply uncertain and volatile period, and of course central banks and governments also intervened to inject unimagined liquidity and funding into the most sustainable aspects of the economy. Good businesses attracted support, while others did not. The banking industry has yet to see the full extent of the fallout from those businesses that will not recover, and will need to manage inflationary pressures caused by these huge injections of funding as we move forward.

My abiding thoughts of Quintet during 2020 are of a business continuing with its plan, despite the backdrop of COVID-19. The completion of the Quintet Europe mergers, the hiring of new talent, the rebranding project and many, many



more significant milestones were achieved, while at the same time continuing to support clients and prospective clients. We were quick to adapt to the new world, and quick to reprioritize.

To all Quintet colleagues, I send my thanks and gratitude that, in one of the most significant upheavals for over 100 years, our business today is stronger and better recognized for the quality of service and offering than it was at the start of the pandemic. That is not something I thought we would be able to state in February 2020 when the world was beginning to realize that a pandemic (widely predicted for many decades) was likely to disrupt and damage the very foundations of all social, commercial and scientific achievements.

We will build back better, we will innovate and, above all, we will adapt and change to a new order, a new world, a different future but one in which we will all thrive once again.

A handwritten signature in black ink, appearing to read 'Rory Tapner', written over a light grey rectangular background.

**RORY TAPNER**  
Chairman of the Board of Directors

# WELCOME FROM THE GROUP CEO



6

2020 Annual Report

Many thanks for your interest in Quintet.

For Quintet, the year 2020 was, as for most individuals and organizations, a year of pandemic, trauma, challenge, grief and of working in the most unusual, demanding circumstances one could ever imagine. In addition, during 2020 we lost our CEO, Jürg Zeltner, much too early, to a short illness.

But the year 2020 was for Quintet also a year of accomplishment. When we think of what we accomplished, we should never forget the backdrop against which it all happened.

We are transforming the former KBL into Quintet. We are still in the early phase of a multi-year project to transform ourselves into a healthy, growing and profitable private banking franchise. Our results reflect the significant investment being made during 2020 to sustain this transformation.

Among the highlights of 2020, I would mention the creation of a single European banking entity. We made this undertaking the top priority among all the things we wanted to accomplish in 2020. It was done on time and on budget. The transformation to a single EU entity is about a lot more than the legal

entity organizational chart. With this transformation comes much increased cohesiveness in the way we work together. We have become a Group, not a group of loosely affiliated companies. And we will derive significant synergies from that.

We met our financial targets. They do reflect the investments we are making in our future. We delivered significant AuM growth, mainly from net new money entrusted to us by our clients. We exceeded our plans in terms of net new loan production, and trading and execution activity was high, especially in Q1 and Q2.

We also finalized our acquisition of Bank am Bellevue in Switzerland. This is the first step towards opening up a booking center in Switzerland from where we service clients in markets with strong growth in wealth: Asia, Latin America and the Middle East. And of course the Swiss market itself.

We opened a branch in Copenhagen and have already seen significant inflows of assets from the Nordic region, supported by our colleagues in Copenhagen and our Nordic team based in Luxembourg.

---

**WE ARE  
TRANSFORMING  
OURSELVES INTO A  
HEALTHY, GROWING  
AND PROFITABLE  
PRIVATE BANKING  
FRANCHISE**

---

And we have continued to strengthen the management bench, also by adding a significant number of new Client Advisors.

We carried out several transactions that strengthened our balance sheet as we enter deeper into the investment phase of our transformation. That includes the successful launch of a public issue of Additional Tier-1 securities. The demand for this offering allowed us to increase the transaction size to €125 million. It has continued to trade well in the secondary market.

Finally, we made significant progress towards our objective of becoming a recognized investment house. We created a single House View, whereby our CIO on behalf of the Group articulates our view as to how our clients should be invested – always in a proper portfolio context and in line with the risk appetite of our clients. Our *Counterpoint* publications speak to our views regularly and *Counterpoint Solutions* offer clients specific ideas about how they can manage their wealth. The improved performance of client portfolios reflects our work in this area.

We have also taken important decisions about our approach towards sustainable investment. As I am writing, we are planning the launch of a range of sustainable discretionary mandate and fund solutions. We believe that, long term, a sustainable investment solution should be the default choice we offer to our clients.

It is abundantly clear that it is possible to invest with impact without sacrificing returns. It's logical. Companies better prepared for the impact on their business of climate change – building resiliency and managing risk more carefully – are likely to offer an improved risk/reward ratio to their investors. And that is how markets are meant to work. We believe our role as fiduciary is aligned perfectly with our view that a well-managed sustainable portfolio should be the default choice for our clients.

Our purpose remains to be the most trusted fiduciary of family wealth. This is a very straightforward statement of promise. It speaks to who we want to be, but delivering is key. We have developed strong management measures that allow us to feel confident that we behave, towards clients



and each other, in a way that demonstrates that, at Quintet, our clients and their interests are what we obsess about.

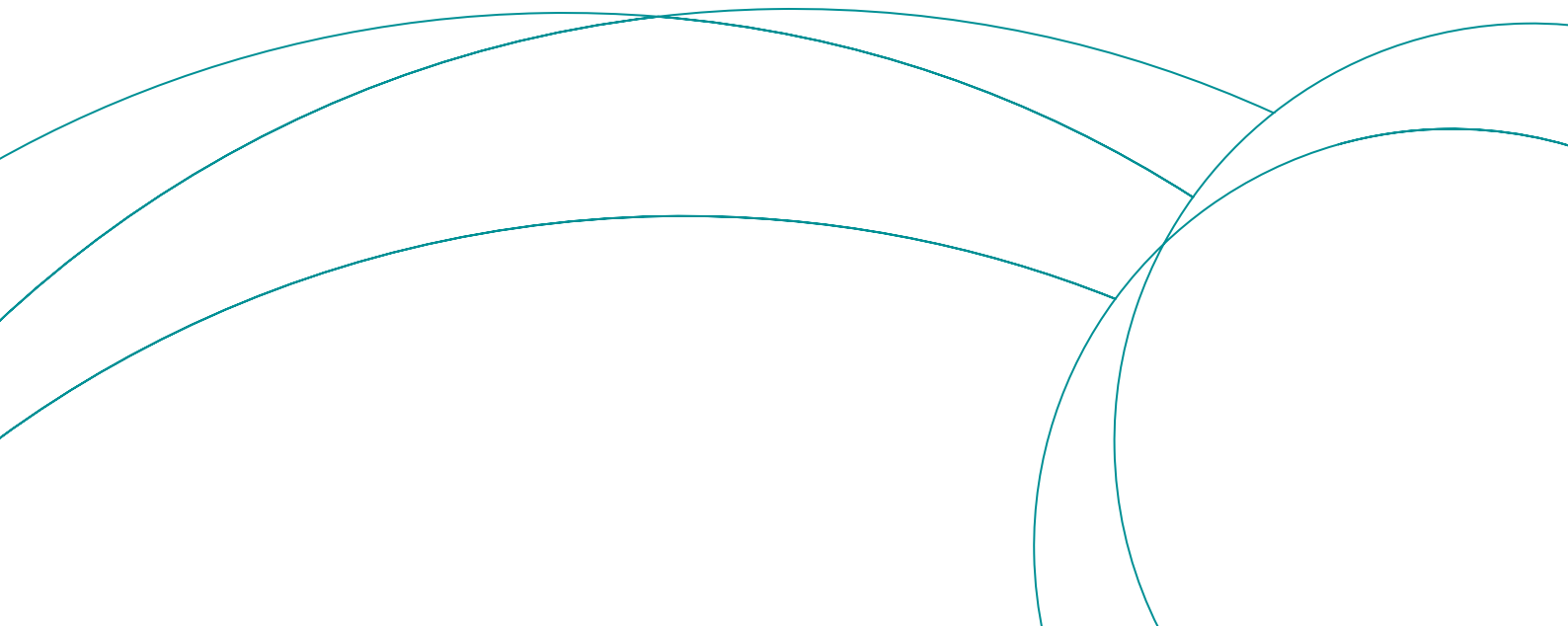
We have put in place a new internal evaluation framework where our leadership is measured substantially in terms of the partnership behavior that underpins our promise. Equally, we are directing scarce compensation resources to those colleagues who behave according to our vision of how a private client business should be managed: collaboratively and always with the best interest of the client foremost in mind.

Our strong belief is that if we continue to service our clients well, solving for their needs, within an efficient operational structure and with strong management of our resources, the outcome will be the bank we all want to create: one that is healthy and vibrant, growing and profitable.

Sincerely,



**JAKOB STOTT**  
Group CEO and member of the Board of Directors





We are the most trusted  
fiduciary of family wealth and  
earn trust by an unwavering  
commitment to doing the  
right thing



Nothing is more important than our fiduciary responsibility to do what is right for our clients and their families, who entrust us with their wealth.

That is why we are in business and what drives us each day. By listening carefully, thinking ahead and delivering performance, we earn their trust – and a seat at their kitchen table, where life’s most important decisions are made.

# DIRECTORS & MANAGEMENT

## BOARD OF DIRECTORS



**RORY TAPNER**  
Chairman



**ANNE RUTH HERKES**  
Director



**GEORGE NASRA**  
Deputy Chairman



**ANTOINE MARCOLIN**  
Director



<sup>1</sup>**ALLA BASHENKO**  
Director



**MARCO MAZZUCHELLI**  
Director



<sup>2</sup>**WILLEMIEN DEE**  
Employee Representative



<sup>2</sup>**MARIE-CHRISTINE SCHLAG**  
Employee Representative



<sup>2</sup>**FRANK ERTEL**  
Employee Representative



**JAKOB STOTT**  
Group CEO



**YVES FRANCIS**  
Director



<sup>2</sup>**JAN TOMASEK**  
Employee Representative

<sup>1</sup>As of January 19, 2021 - <sup>2</sup>As of January 1, 2021, subject to regulatory approval

## AUTHORIZED MANAGEMENT COMMITTEE



**JAKOB STOTT**  
Group CEO



**MARIA LEISTNER**  
Group Chief Legal Officer



**<sup>3</sup>BRYAN CRAWFORD**  
Group Co-Head of  
Global Products & Solutions



**SIEGFRIED MARISENS**  
Secretary General



**NICHOLAS HARVEY**  
Group CFO



**<sup>5</sup>THOMAS RODERMANN**  
CEO, Quintet Europe



**<sup>4</sup>ELI LEENAARS**  
Group COO



**<sup>6</sup>PHILIP TREMBLE**  
Group Chief Risk Officer

## AFFILIATE & BRANCH MANAGEMENT



**EMMANUEL FIEVET**  
Quintet Switzerland



**LUDIVINE PILATE**  
Puilaetco



**OLIVIER DE JAMBLINNE DE MEUX**  
Puilaetco Luxembourg



**<sup>7</sup>MICHAEL SAVENAY**  
Quintet Luxembourg



**<sup>7</sup>REINHARD KRAFFT**  
Merck Finck



**PETER SIERADZKI**  
InsingerGilissen



**ALAN MATHEWSON**  
Brown Shipley



**HENRIK WYRWIK**  
Quintet Danmark

<sup>3</sup>As of January 1, 2021, subject to regulatory approval - <sup>4</sup>As of June 1, 2021 - <sup>5</sup>As of December 15, 2020 - <sup>6</sup>As of March 15, 2021 -  
<sup>7</sup>As of March 1, 2021, subject to regulatory approval

## GROUP EXECUTIVE COMMITTEE

**DONNA BURNS**

Group Head of Human Resources

**GABRIEL CASTELLO**

Group Head of Latin America

**BRYAN CRAWFORD**

Group Co-Head of Global Products & Solutions

**AMAURY DE LAET**

Head of Belgian Market

**EMMANUEL FIEVET**

CEO, Quintet Switzerland

**NICHOLAS HARVEY**

Group Chief Financial Officer

**CLEMENS LANSING**

Group Co-Head of Global Products & Solutions

**ELI LEENAARS**

Group Chief Operating Officer

**MARIA LEISTNER**

Group Chief Legal Officer

**ERIC MANSUY**

Chief Information Technology & Operations Officer

**SIEGFRIED MARISSENS**

Secretary General

**ALAN MATHEWSON**

CEO, Brown Shipley

**STEPHAN MATTI**

Group Head of Asset Servicing & FIM

**THOMAS RODERMANN**

CEO, Quintet Europe

**PETER SIERADZKI**

CEO, InsingerGilissen

**JAKOB STOTT**

Group CEO

**BILL STREET**

Group Chief Investment Officer

**ANTHONY SWINGS**

Head of the Office of the Group CEO

**PHILIP TREMBLE**

Group Chief Risk Officer





# 2020 IN REVIEW

## JANUARY

KBL European Private Bankers rebrands as Quintet Private Bank

Quintet unveils "Counterpoint," its analysis of the global economy, financial markets and key asset classes

Quintet sponsors the *Relais pour la Vie* charity race in Luxembourg

Alan Mathewson, CEO, Brown Shipley, is named on the PAM list of the 50 Most Influential Executives in Wealth Management

## FEBRUARY

Quintet supports the Foundatioun Kriibskrank Kanner in Luxembourg, which helps children fighting cancer and their families

Brown Shipley hosts an exclusive London event for the launch of "Counterpoint," Quintet's investment outlook. Well-known entrepreneur Jo Malone CBE, Founder & Creative Director, Jo Loves, shares her journey

## MARCH

Jürg Zeltner, the firm's Group CEO and a member of the Board of Directors, passes away. Jakob Stott is nominated by the Board of Directors as Zeltner's successor

Coronavirus pandemic begins to disrupt the global economy. Quintet rapidly implements a series of actions to ensure business continuity and uninterrupted client service

Quintet's launches an integrated marketing campaign on the theme "A Richer Life"

## APRIL

Brown Shipley supports Critical NHS with a £10,000 donation. The charity focuses on feeding front-line NHS workers during the COVID-19 crisis

Brown Shipley finalizes the integration of NW Brown & Co Limited. This forms part of Brown Shipley's overall growth strategy to add further scale and unlock additional regional opportunities.

## MAY

Quintet opens for business in Switzerland following the closing of the acquisition of Bank am Bellevue

Quintet Switzerland unveils leadership team with highly experienced Executive Committee, led by CEO Emmanuel Fievet

Quintet announces 2019 financial results, highlighting investments in the future

Rory Tapner, former CEO of Coutts and member of UBS Group Executive Board, is appointed Chairman of Quintet

Bruno Pfister, former Chairman of Rothschild & Co Bank Zurich and Group CEO of Swiss Life, is appointed Chairman of Quintet Switzerland

## JUNE

Quintet unveils midyear investment outlook: "From despair to repair"

Brown Shipley launches first podcast on Wealth Planning

Thomas Rodermann is named Chairman of the Executive Board at Merck Finck Privatbankiers AG in addition to his role as a member of the Authorized Management Committee, Quintet Private Bank

## JULY

Quintet introduces Quintet Europe and announces intention to merge majority of European Union subsidiaries to support execution of long-term growth strategy

## AUGUST

Brown Shipley relocates to a new purpose-built, eco-friendly office in Nottingham

## SEPTEMBER

Merck Finck takes part in the webinar "Future of Sustainability" and the NextGen Digital Day

## OCTOBER

Quintet opens for business in Denmark

Quintet sets its sights on Asia by appointing Jing Zhang Brogle as Market Head, Asia International, at Quintet Switzerland

Merck Finck celebrates the 30<sup>th</sup> anniversary of Merck Finck Stiftungsfonds, Germany's first foundation fund

André Del Piero is named Market Head, Domestic Switzerland, at Quintet Switzerland

Philip Higson unveils Quintet's Family Investment Office leadership team, which operates out of three hubs: Luxembourg, the United Kingdom and Switzerland

## NOVEMBER

Quintet is recognized for the best branding in private banking by PWM/The Banker

InsingerGilissen is nominated for the third year in a row as "Best Private Bank in the Netherlands" at the IEX Gouden Stier Awards

Quintet holds a "Richer Life" roundtable debate on reducing global carbon emissions. The session is hosted by James Purcell, Group Head of Sustainable Investment, with a panel including journalists, leaders of NGOs, entrepreneurs and innovators

Merck Finck is awarded the quality standard FNG from the Socially Responsible Investment Forum

## DECEMBER

The Quintet Europe business unit is launched, following approval by the relevant regulatory authorities

Quintet signs a strategic agreement with Singular Bank, extending the opportunity for Quintet España clients to be served by Singular Bank. Consequently, Quintet España will wind down its operations and its clients will be offered the opportunity to transfer their accounts to Singular Bank, which in turn intends to hire the majority of Quintet España front-office staff

Following signing of the Women in Finance Charter in January 2018, with a commitment to minimum 25% female representation in senior management, Brown Shipley achieves that target

# KEY CONSOLIDATED FIGURES

(Consolidated figures as of December 31)	2017	2018	2019	2020
<b>RESULTS (in € million)</b>				
Operating income	487.9	444.8	443.1	<b>513.0</b>
Operating expenses	-446.1	-433.6	-470.5	<b>-534.0</b>
Impairments	1.0	-1.7	-13.3	<b>-1.3</b>
Share in results of associated companies	0.1	-0.1	-1.5	<b>-1.2</b>
Gains/(losses) on non-current assets held-for-sale, not qualifying as discontinued operations	-	-2.5 <sup>(3)</sup>	-	-
Pre-tax profit (from continuing operations)	42.9	7.0	-42.2	<b>-17.9</b>
Income taxes	-4.2	-6.2	-1.5	<b>-2.4</b>
Discontinued operations, net of tax	-3.6 <sup>(1)</sup>	-	-	-
Net consolidated profit, group share	35.2	0.8	-43.7	<b>-20.3</b>
<b>FINANCIAL RATIOS (in %)</b>				
Common equity tier one ratio	17.2%	17.2%	18.0%	<b>19.6%</b>
Tier one ratio	17.2%	17.2%	18.0%	<b>23.6%</b>
Solvency ratio	17.2%	17.2%	18.0%	<b>23.6%</b>
Regulatory capital/balance sheet total	5.3%	4.6%	4.7%	<b>5.5%</b>
Loan-to-deposit ratio	29.3%	24.7%	32.8%	<b>43.4%</b>
ROAE	3.2%	0.1%	-4.1%	<b>-1.8%</b>
ROAA	0.3%	0.0%	-0.3%	<b>-0.2%</b>
ROA	0.3%	0.0%	-0.4%	<b>-0.2%</b>
Cost/income ratio	91.4%	97.5%	106.2%	<b>104.1%</b>



(Consolidated figures as of December 31)	2017	2018	2019	2020
<b>BALANCE SHEET TOTAL</b> (in € billion)	11.5	13.0	12.2	<b>13.3</b>
<b>ASSETS</b>				
Loans and advances to credit institutions (incl. on demand)	0.7	1.0	1.5	<b>1.2</b>
Loans and advances to others than credit institutions	2.5	2.6	3.2	<b>4.3</b>
Equity and debt instruments	4.3	4.4	4.7	<b>4.2</b>
<b>LIABILITIES</b>				
Deposits from credit institutions	0.6	0.7	0.6	<b>0.7</b>
Deposits from others than credit institutions	8.6	10.5	9.8	<b>10.5</b>
of which, subordinated debt	0.0	0.0	0.0	-
Total equity	1.1	1.1	1.1	<b>1.2</b>
<b>PRIVATE BANKING ASSETS UNDER MANAGEMENT</b>				
(in € billion)	47.6	45.0	52.7	<b>57.7</b>
Volume impact	+0.7%	-0.9% <sup>(2)</sup>	+1.9%	<b>+5.9%</b>
Price impact	+4.3%	-6.8% <sup>(2)</sup>	+15.8%	<b>+2.3%</b>
<b>ASSETS UNDER CUSTODY</b> (in € billion)				
	14.9	14.3	17.4	<b>17.3</b>
<b>OTHER CLIENT ASSETS</b>				
(in € billion)	18.9	13.3	11.4	<b>10.0</b>

<sup>(1)</sup> IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" application on former KBL Monaco, KBL Richelieu, S.C.I. KBL Immo I and S.C.I. KBL Immo III (see note 1 and 2d of the 2017 Financial Statements)

<sup>(2)</sup> Volume/price impact excluding acquisitions and divestments

<sup>(3)</sup> Please refer to note 1 of the 2018 Financial Statements

The complete financial statements of Quintet Luxembourg and group are available on the website.

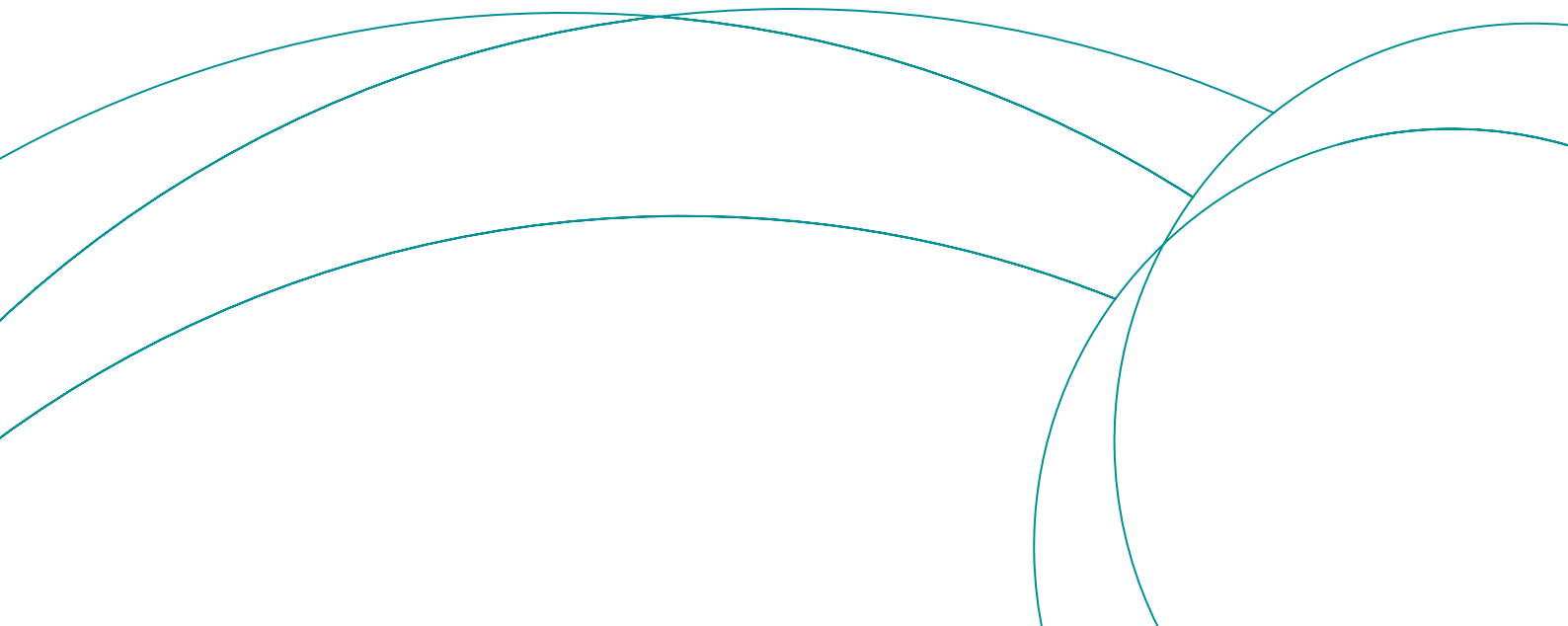
The Pillar III disclosures report will be published in summer 2021 on the website of Quintet: [www.quintet.com](http://www.quintet.com)

We grow and protect our clients' wealth as we would our own. Our worth is measured by the impact we deliver

We do more than manage wealth and make investment calls; we partner with people to help them live the life they want for themselves and their families. We recognize that it is a privilege – and a great responsibility – to protect and grow our clients' assets by investing on their behalf. That is why we safeguard their wealth as we would our own, always putting their well-being first.



# MANAGEMENT REPORT



# CONSOLIDATED MANAGEMENT REPORT

## GENERAL COMMENTS ON THE RESULTS AND THE BALANCE SHEET

Since 2019, Quintet Private Bank has been making very significant investments in the future – including in great people, product development, sales marketing and geographic expansion to support the firm’s long-term growth, in line with its ambitious strategy – and the group’s 2019 and 2020 financial results reflect that.

At the end of the 2020, Quintet’s consolidated balance sheet totaled €13.3 billion. This increase compared to 2019 (€12.2 billion) is primarily due to higher interbank and customer deposits at almost all group entities. This mainly affected the portion of excess liquidity deposited on the asset side at central banks. The structure of the firm’s financial position remains healthy and largely comparable to the previous year.

The solvency is solid and, at 23.6% (2019: 18%), remains well above regulatory requirements set by the European Central Bank. While the RWA are stable versus the previous year, the increase is the result of a capital injection of €50 million in the first quarter 2020 and the placement of €125 million in additional tier-1 (AT1) notes in October 2020. The proceeds from the notes are used to support the financing of Quintet’s long-term growth while further reinforcing the bank’s strong regulatory capital position.

The group has developed a clear growth strategy with the launch of a range of commercial and organizational projects that account for most of the last two years of losses: €20.3 million in 2020 and €43.7 million in 2019. Such investments in the firm’s future will support long-term growth in areas such as net new money generation and assets under management, as well as significantly improved bottom-line performance over time.

Despite a very unstable year due to the pandemic, Quintet has succeeded to preserve its net interest margin (€80 million in 2020 versus €82 million in 2019) and to increase its commissions by almost

8% (€317 million in 2020 versus €293 million in 2019).

In August 2020, for the rationalization and streamlining of building management, Quintet Group sold KBL Immo S.A. to Zenith Corp S.A., a real estate company, the buildings it occupies in Luxembourg and concluded a leaseback contract. The transaction generated a capital gain of €62.7 million in the “other income” category.

Operating expenses, marked by ongoing strategic projects, increased by almost 13% to €534 million (€470 million in 2019), primarily due to significant recruitment efforts, particularly of client advisors, as well as temporary support from professional services firms to assist in the transformation of the Bank.

The group did not perform any buy back of its own shares in 2020.

For detailed figures, please refer to the consolidated financial statements.

<https://www.quintet.com/en-GL/Pages/Annual-reports>

## RESEARCH & DEVELOPMENT

At Quintet Private Bank, we invest in innovation so we can serve our clients better. While that effort is broad-based, our firm focused on two specific research & development priorities in 2020: digital solutions and sustainable investment.

## DIGITAL SOLUTIONS

While COVID-19 has dramatically accelerated existing trends, the importance of digitalization to Quintet will remain paramount even when the pandemic is behind us. To that end, we foster a digital culture – which goes far beyond ensuring that systems and solutions are up to date, or equipping our workforce with the appropriate tools. At Quintet, living a digital culture means that we are customer-centric, agile, innovative



and data-driven. We embrace transparency and collaboration, while promoting continuous learning.

In alignment with our group-wide digital roadmap, we focus on promoting existing and upcoming multi-channel services that enhance customer experience – including by freeing time for Quintet client advisors to concentrate on the kitchen-table conversations that matter most. We also leveraging digital data to generate value for our business, including by analyzing customer expectations and behavior, ensuring relevance for our clients.

Based on an open-architecture “Innovation Lab” approach, we continue to develop and introduce a range of digital tools that enhance client experience and improve process efficiency. These activities are led by Quintet’s Digital Competence Center; each digital project also includes relevant representatives from the front office and IT, who jointly think, design, develop and implement common solutions to the shared technological challenges faced by our clients and our firm.

In 2020 at our Belgian branch, for example, Puilaetco saw a nearly 15% annual increase in the number of clients accessing their portfolio digitally, through the MyPuilaetco app, and 50% growth in unique customer visits to the app. Overall, nearly 1,400 additional clients now have access to the app, while 94% of new accounts are now opened by client advisors digitally.

To cite another example, in the Netherlands, a digital Innovation Lab was launched in March 2019 – with front-office representatives, in-house digital specialists and app developers – to introduce a mobile payment solution for InsingerGilissen clients. Working in close collaboration, they reviewed a range of potential mobile payment functionalities to feature on the Mijn InsingerGilissen app, then tested the same with select clients. Six months after the project was launched, leveraging a truly agile development cycle, a new mobile payment tool was introduced. Just over a year since introducing mobile payment options, nearly half of all Dutch client payments (from a payment account) are now made online, including from a mobile device.

### **SUSTAINABLE INVESTMENT**

In 2020, Quintet committed to making sustainable investing its default approach and, to that end, initiated a transformation program across the

investment and operational value chain. From macro assumptions, to strategic asset allocation, and increasingly through instrument selection, our firm has been working to integrate sustainability in a credible and client-friendly fashion.

Client interest in this area has been supported by strong investment performance. For example, in 2020, the popular MSCI SRI indices outperformed their conventional counterparts – up 4.2% compared to MSCI USA and up 1.0% vs. MSCI Eurozone. Accordingly, Quintet is introducing a flagship sustainable discretionary mandate, based on an open-architecture approach and making full use of the sustainable investing toolkit – from leaders, to improvers, to themes, and a range of dedicated assets. In parallel, we are working on the launch of the world’s first multi-asset, climate-neutral investment fund.

Reflecting our belief that sustainable investment solutions should be the default choice we offer to our clients, James Purcell was appointed Group Head of Sustainable Investment in early 2020, with a mandate to drive our group-wide responsible investment strategy, incorporating environmental, social and governance factors in all our investment practices and in line with our commitment as a signatory to the United Nations-supported Principles for Responsible Investment and a member of Climate Action 100+. More recently, a Sustainability Strategist was appointed to develop a Quintet-wide approach to corporate social responsibility. Importantly, that function is embedded in Quintet’s Chief Investment Office.

### **STRATEGIC OUTLOOK**

Quintet Private Bank is focused on growth.

While today in the early phase of a multi-year project to transform our firm into a healthy, growing and profitable private banking franchise, our ambition over the coming years is to significantly grow assets under management – including the right mix of domestic and offshore assets – while also increasing group net profit by multiples. As a consequence of continually reinvesting in the future, including as a market consolidator, we intend to likewise significantly increase Quintet’s current value.

Underpinned by a clear purpose – to be the most trusted fiduciary of family wealth – and a shared

obsession with client interests and customer experience, our long-term growth strategy is defined by the response to two overarching questions: Where should we compete? And how should we compete?

Quintet will continue to operate in Europe, one of the world's largest wealth management markets, with several million households with over €1 million in net private wealth. We will continue to build upon our strengths and reinforce growth in our domestic markets. In that regard, the December 2020 merger of our firm's European Union-based subsidiaries – and the introduction of the "Quintet Europe" business unit – was a milestone achievement.

The introduction of Quintet Europe will allow us to spend more time focused on the individuals and families we serve, while reducing organizational complexity and increasing operational efficiency. Our clients will benefit from shorter lines of communication, more rapid decision-making and faster service. They will also benefit from a one-bank approach, delivered by a single larger bank rather than several smaller subsidiaries.

At the same time, we will increase our exposure to growth markets, both outside Europe and in new European markets, by expanding our international cross-border business and putting in place teams focused on serving clients in those parts of the world where wealth is being created. That includes, for example, Asia, Latin America and the Middle East. The entry into new markets will necessarily reflect appropriate governance and robust risk management.

In terms of how to compete, Quintet is focused on four areas: our product, brand, intellectual property and the people behind it. In 2020, we strengthened and aligned a comprehensive products and services strategy, launched a new parent brand and a coherent group-wide brand strategy, introduced far more robust intellectual property, provided by our investment specialists, and continue to invest in training, development and talent acquisition.

Quintet continues to pursue these strategic plans – which, despite the pandemic, remain unchanged, on track and endorsed by the Board and Quintet's shareholders. That includes ongoing internal transformation, so we operate with less complexity and far greater efficiency; the further enhancement of our products and services offering; robust

commercial development; geographic expansion; and the ongoing recruitment of great people across the bank, especially client advisors.

Quintet's 2020 results reflect the significant investment being made to sustain this transformation. It is important to note that these investments are fully funded by the significant capital that has been injected by Quintet's shareholders, including over €300 million of fresh capital since the firm was acquired by Precision Capital in 2012.

As well, in October 2020, Quintet successfully placed €125 million in additional tier-1 notes, listed on the Luxembourg Stock Exchange (Euro MTF). The positive response to this inaugural issuance underscores the high level of institutional investor confidence in Quintet's fundamentals and strategic growth plans. By diversifying our funding sources, we are even better positioned to realize our ambitious goals.

Meanwhile, Quintet's liquidity and capital positions remain very strong, and well above regulatory thresholds, reflecting the expectation of Quintet's Board and shareholders of best-in-class balance-sheet management.

## TRAINING & DEVELOPMENT

Training and development are central to further enhancing our client services and improving overall client experience. That's why we invest in the skills and development of our people and recruit experienced professional staff. Indeed, all our people – from the mailroom to the boardroom – are contributing to our ability to better serve each individual client.

Across the group's footprint, Quintet promotes internal mobility, creating opportunities for relevant staff to transfer their knowledge and skills within the organization.

Likewise, we strongly encourage cross-border cooperation, organizing events that bring together staff from multiple markets, including virtually. Such meetings facilitate the sharing of local experience and insight – and the creation of shared strategies to better serve all our clients, no matter where they are based.

## SOCIAL COMMITMENT

With some 2,000 employees across 50 European cities, our group has a unique opportunity to

make a difference in local communities. Today, we continue to reinforce our commitment to corporate social responsibility, supporting various worthy causes throughout Europe.

At Quintet, we believe in doing well for our clients and doing good in our communities. By contributing resources, time and capital to laudable causes and important ideas, we serve as an agent of positive social change. Quintet provides ongoing funding for a broad range of

non-profit cultural organizations. In addition to direct financial support, our bank strongly encourages staff to participate in initiatives that benefit local communities.

#### **GROUP EMPLOYEES**

As of December 31, 2020, Quintet employed 2,048 staff, compared to 1,976 at the end of 2019. Of those 2,048 staff, approximately 67% work in subsidiaries outside Luxembourg.

# ORGANIZATIONAL ACTIVITIES

## WEALTH MANAGEMENT

Quintet Private Bank's core activity is wealth management.

As a firm that is obsessed with meeting client needs and delivering excellent customer experience, we strive to be the most trusted fiduciary of family wealth. We recognize that such trust must be earned, each day.

Quintet is a private bank for people who see the world differently: We partner with individuals and families to help them invest in the life they want, providing insight and introducing opportunities – always putting their well-being first. As an organization, we cut through complexity so we can devote our time to our clients and the pursuit of their best interests.

Through our single House View, we share our perspective as to how our clients should be invested – in a proper portfolio context and in line with their individual risk appetite – focusing on delivering superior risk-adjusted long-term performance. In doing so, we believe that a well-managed sustainable portfolio should be the

default choice for our clients. This core belief is aligned with our fiduciary responsibilities.

Quintet is a deeply personal private bank, combining a local presence in 50 European cities with global insight, providing efficient access to liquidity to fund our clients' future, ideas that will make their wealth grow and experts who will guide them. In extending such services, we focus on relationships, not transactions – building bridges between business, family and wealth needs, extending both investment expertise and long-term financial planning.

At Quintet, we serve as independent advisors who take an open-architecture approach, measuring our worth by the impact we deliver – offering a transparent pricing and service structure. We manage the wealth of our clients in return for a competitive fee, recognizing that we stand or fall based on the quality of advice we offer.

Most importantly, at Quintet, we put our clients' interests first. Always.



## ASSET SERVICING & FINANCIAL INTERMEDIARIES

Quintet's Asset Servicing & Financial Intermediaries (FIM) business – which provides solutions to FIMs, multi-family offices, investment funds, corporates and private investment companies – is one of Quintet's jewels. Given Luxembourg's special strength in this area, most of Quintet's asset servicing business has historically been concentrated in the Grand Duchy.

This business line includes all the marketing and support functions focused on providing full, high-quality custodian and execution services to a sophisticated client base seeking customized solutions. Known at Quintet until the end of 2020 as "Global Institutional Solutions," it includes all activities and services for non-private clients. It consists of several desks and entities that operate together in a highly competitive environment, marked by ever more stringent regulatory constraints, such as increased supervision of the sub-custodian networks for custodian banks and enhanced monitoring of the activities delegated to management companies. The previous 12-month period was characterized by a fundamental review of our risk acceptance policy focusing on risk awareness and mitigation as well as client selectivity.

Throughout 2020, Quintet's Asset Servicing & FIM business, thanks to its client-focused structure, worked hard to provide a comprehensive offering of impeccable and tailor-made services to meet the needs of small and medium-sized management companies, private banks, insurance and life-insurance companies, as well as external asset managers and family offices, whether they based in Luxembourg, Europe or elsewhere in the world.

Within Asset Servicing & FIM, the Business Development team is the first point of contact for our future institutional and professional clients, with its three desks of multilingual, highly experienced specialists who have in-depth knowledge of client needs, whether the client is a fund promoter, insurer, external asset manager or family office.

A team of client advisors is responsible for day-to-day relationship management and operational

support for existing institutional and professional clients, assisted by a back-office known for its experience and competence. Their ability to meet client needs completes the wealth management value chain by positioning Quintet as a true "one-stop shop." Today, those client advisors serve more than 350 institutional and professional clients representing more than 8,000 structures and portfolios. It has more than €25 billion in assets under custody.

The Client Support & Monitoring team, responsible in particular for monitoring investment restrictions on the UCI for which Quintet is the custodian bank and for supervising the creation and execution of operational workflows, also responds to any operational questions from the client in close collaboration with the operational production lines.

In that regard, it is worth noting that Luxembourg is the world's second-largest investment fund domicile (after the United States), both in assets and vehicles, with a total of 3,627 structures and 14,571 sub-funds. As of November 30, 2020, the total net assets of collective investment undertakings and specialized investment funds in Luxembourg amounted to €4.88 billion compared to €4.67 billion at the end of November 2019, an increase of 4.54%. The increase in the financial center's net assets was €212 billion.

In Luxembourg, the number of UCI structures and sub-funds fell in 2020, by 152 and 256 respectively. Like in 2019, Specialized Investment Funds (SIF) attracted fewer new fund promoters to Luxembourg (-2.1%), while their net assets rose by +3.2% compared to November 2019.

To this can be added the Reserved Alternative Investment Funds (RAIF). Launched in 2016, this type of alternative investment vehicle has enriched the Luxembourg landscape. Since launch, every investment fund promoter has had the choice between an investment vehicle directly regulated by the CSSF (SIF, SICAR, Part II funds) or the RAIF, which is regulated and supervised indirectly. Since then, the number of structures has never stopped increasing. At the end of November 2019, there

was a total of 885 structures. One year later, this figure had almost doubled to 1,236 structures.

Quintet's Asset Servicing & FIM offering is not limited to Luxembourg or the fund industry. It also includes all the private banking support services, and provides external asset managers and family offices with cutting-edge tools such as customized reporting available on a specially developed IT platform. In addition, we provide small and medium-sized banks with access to financial markets, financial intermediation and global custody services, with recognized excellence in third-party funds and precious metals.

To succeed in a rapidly changing legal environment to which fund promoters must adapt constantly, our Legal Support team provides high-quality assistance in setting up investment structures and updating legal documentation (full and simplified prospectus, KIID, articles of association, etc.) throughout the entire life cycle of the fund. The team provides the client with its extensive experience and knowledge of the fund industry and helps with the legal analysis of any new product. The Legal Support team has a comprehensive understanding of the legal needs and constraints facing external asset managers, family offices and banks.

#### **EVOLUTION OF ASSETS ADMINISTERED BY KTL**

As of December 31, 2020, the net assets of 58 UCI structures totaling 183 sub-funds were worth €9.76 billion, slightly up on the end of 2019.

#### **EUROPEAN FUND ADMINISTRATION S.A.**

Since 1998, Kredietrust Luxembourg (KTL), the 100%-owned asset management subsidiary of Quintet, has subcontracted its fund accounting, registrar and transfer agent functions to a specialist company called European Fund Administration (EFA), of which Quintet is one of the founding shareholders.

At the end of 2020, EFA was administering more than 2,461 funds with total net assets of €140 billion for 179 clients from 19 countries.

For more than 20 years, EFA has been a leader in fund administration. Its mission is to provide a wide range of tailor-made services to a sophisticated and demanding clientele. These services include accounting and valuation of portfolios, acting as transfer agent and registrar, as well as providing middle-office tasks such as trade management or tax and regulatory reporting solutions for UCITS, UCI and alternative investment funds. Since 2007, EFA also developed a Private Assets business line and provides its high-quality expertise to real estate and venture capital/private equity-type funds.

This dedicated activity is specialized in all types of private assets, funds and other structures, regulated or non-regulated, in Luxembourg and in any other jurisdiction.

*Please note that the above figures are not audited as they pertain to EFA*

# CHIEF INVESTMENT OFFICE

## INVESTMENT STRATEGY, THEMATIC & SUSTAINABLE

The Group Chief Investment Office oversees the following multi-country teams, which are focused on carrying out specific roles to support Quintet investment activities:

### SUSTAINABLE

This is the fastest-growing area of finance. We embed sustainability as a default, and not just as an add-on. This is authentic, innovative and impactful. We embed sustainability throughout Quintet, from our corporate identity to our investment process. The latter extends across the value chain, from capital market assumptions, to the asset-class universe and instrument implementation.

### ASSET ALLOCATION

Asset allocation is the pathway to being the most trusted fiduciary of family wealth. The team defines optimal portfolios for the long term and then navigates the financial markets over a shorter-term horizon to grow our clients' wealth and help them achieve their individual goals, while creating a positive client experience.

They are responsible for strategic asset allocation (SAA) and tactical asset allocation (TAA) across Quintet. Helping our clients to stay invested over the long term is the best way to reach their goals.

The team follows a disciplined asset allocation process to use the risk budget most effectively. By creating a positive client experience through good performance and engaging communication on asset allocation topics, we aim to maximize client satisfaction and share of wallet.

### MACRO & FOREX

This team forecasts key trends shaping the economic and policy outlook to provide a macro framework for investment decisions. They translate such analyses

into investment views on interest rates, currencies and commodities, taking a top-down view.

In addition, they formulate and communicate thought-leadership views to all stakeholders. This is featured in a range of publications and formats, internally and externally, and provides a single compelling narrative, expressed in four languages.

The goal is to produce provocative research and analysis to help deliver positive risk-adjusted returns and earn the trust of the individuals and families we serve. We follow a rigorous macro & forex forecasting process and deliver engaging content to capture mindshare, increase CIO and company visibility, and contribute to the investment process.

### DIRECT LINE EQUITY AND FIXED INCOME

These teams create equity and fixed-income propositions for our clients that are unique and different. We believe in a high-conviction thematic discretionary portfolio management-led approach. A disciplined, repeatable and transparent investment process.

### THEMATIC

The future of the economy and environment is shaped by powerful structural trends. We help clients invest in the technologies and services of the future. This team utilizes a quintet of structural forces to assess a changing world: demographic change, regulatory waves, social shifts, sustainability, and technological progress.

### KREDIETRUST LUXEMBOURG

Established in Luxembourg in 1987, Kredietrust Luxembourg (KTL) is a 100%-owned asset management subsidiary of Quintet Private Bank. KTL's core activities include the management of investment funds under the commercial brand "Rivertree." KTL also provides investment fund services for third-party management companies, acts as a transfer agent and as an administrative agent.



## GLOBAL MARKETS, TREASURY, FX & BULLION

Global Markets provides integrated one-stop-shop solutions to meet the financial market needs of Quintet clients across all segments: from affluent, HNWI and UHNWI private clients to external asset managers, family offices and institutions. In line with this, Global Markets offers execution for a full range of products listed and traded over the counter.

We completed over 23,000 fixed-income transactions on behalf of private and institutional clients in 2020, while also consolidating our position as a buy-side client with keenly monitored market pricing.

Our fund-execution business remains a key inflection point with our private and institutional clients. We offer our clients a universe of more than 35,000 funds, managed by 500 transfer agents. In 2020, we handled nearly 100,000 trades for a volume of more than €8 billion. In addition, we manage high volumes in ETF through our care-order service. In 2020, we executed almost 57,000

equity and derivative orders for a volume of more than €6.8 billion.

As our asset allocation teams constantly adjust their fund recommendations, Global Markets seeks to deliver efficient and accurate execution through enhanced technology and connectivity.

The Treasury team offers our clients deposit rates on the money markets in a wide range of currencies.

On the currency front, Global Markets' clients mainly trade in the G7 currencies. We nevertheless offer a full range of spot, forward and swap solutions on all currencies, deliverable and non-deliverable, for both private and institutional clients.

Global Markets has longstanding expertise in precious metals. We actively trade gold, silver, platinum and palladium, both physically (bars and coins) and in forward contracts. We also offer secure custody services.

# 2020 IN REVIEW: AFFILIATES & BRANCHES

## BROWN SHIPLEY

Despite the COVID-19 pandemic, which led to the majority of staff working remotely, Brown Shipley's 2020 performance was resilient. Quintet's UK wealth manager continues to grow, having quickly adapted to remote working and enhancing its digital channels to continue meeting client needs. That includes by upgrading the capabilities of the MyBrownShipley app, where clients can now receive an instant lending quote. Clients appreciate this approach, and we have an average net promoter score of 60, compared to the industry average of 46.

We are focused on strategic growth. In April 2020, we finalized the integration of NW Brown & Co Limited into Brown Shipley. We also made a number of senior front-office hires, including a new Head of Private Banking and new Heads of London, Manchester and Edinburgh. Additionally, we have enhanced the bench strength of our Risk and support functions.

We have been recognized for our offering, including receiving the WealthBriefing award for Best Credit Provider and the Wealthnet award for Top Financial Companies, as well as being shortlisted for a number of other awards. We also continue to raise our profile across key UK media.



## INSINGERGILISSEN

InsingerGilissen, Quintet's Dutch branch, can look back on an exceptional year. 2020 was demanding at every level but, despite the impact of the pandemic, also very successful.

InsingerGilissen earlier launched its "Richer Life campaign," fully rolled out in several Quintet markets and on social media, which led to new business opportunities and coherence in company-wide communication. It supported our company values perfectly in a year when we all had to adapt to extraordinary external conditions.

Starting in March, events and physical meetings were replaced by webinars, Teams conferences were held with clients and colleagues, and there was more social media activity than ever before. With colleagues split between various offices and at home, and no face-to-face contact with clients, business operations nevertheless continued normally – and thrived.

In this unprecedented year, InsingerGilissen was delighted to be named "Best Private Bank in the Netherlands" by the independent market news platform IEX for the third year in a row, outperforming its peers with five-star ratings in organizational set-up, costs, risk management, investment policy and returns. InsingerGilissen saw a record level of lending, new clients and net inflows, despite the challenges.

Notably, client satisfaction has gone up, as can be seen from our ongoing client satisfaction tracker. Tangible improvements were also made in our investment research offering, with the introduction of Quintet's "Counterpoint," a suite of daily, weekly, monthly and half-yearly online publications.



## MERCK FINCK

Merck Finck, Quintet's German branch, is the trusted partner for wealthy German clients and their families. From 16 locations across Germany, some 300 dedicated staff offer a wide range of wealth management solutions to their clients on a daily basis. In 2020, Merck Finck celebrated the 150<sup>th</sup> anniversary of its founding. The Merck Finck *Stiftungsfonds* (Germany's first foundation fund) turned 30 and was awarded the top five-star rating from Morningstar in the "defensive mixed funds" category.

Merck Finck continued its digital journey by launching a new advisory tool and optimized portfolio reporting.

In June 2020, Thomas Rodermann was appointed the new Chairman of the Executive Board at Merck Finck Privatbankiers AG. This was in addition to his role as member of the Group Executive Committee at Quintet Private Bank. He prepared the integration of Merck Finck into the parent company Quintet Private Bank (Europe) S.A., which was successfully completed on December 15, 2020.

On this date, Merck Finck became the German branch of Quintet Private Bank, led by a dedicated country management team. At the same time, Rodermann was named a member of the Authorized Management Committee of Quintet Private Bank and CEO of Quintet Europe.



## PUILAETCO LUXEMBOURG

2020 will be a year future generations remember as one in which the world faced the COVID-19 pandemic and tried first to contain it and then to defeat it.

To operate during that extraordinary time, Puilaetco Luxembourg had to modify its organization completely, with sometimes no more than 20% of staff working on site while all others worked from home. These circumstances meant that the bank had to pass a live and urgent business continuity test. We did so successfully.

Client portfolio management results at the end of the year were generally in line with the positive performance of stock market investment strategies. Defensive and bond strategies were not profitable, however, and the bank's opinion of such strategies remains negative for 2021.

Over the year, we continued to focus on our core business, managing the wealth of our private clients. There was no recruitment at Puilaetco Luxembourg in 2020, since cost control remains one of management's top priorities. Other priorities include risk and compliance, where the bank continued to adapt its high level of control to the challenging environment of constantly evolving regulations.

Puilaetco Luxembourg was back in the credit business in 2020, granting safe Lombard loans (up to €10 million or more with the support of its parent company). Very good results were recorded, providing a profitable alternative to use the bank's cash and that of its clients.

The bank's deposits increased by 1% compared to the previous year, mainly due to the markets, with a substantial volume effect compensating for gross outflows. These were partly due to the transfer of some client assets to banks outside Quintet.



## PUILAETCO

Headquartered in Brussels, with offices in six other cities in Belgium, Puilaetco offers efficient personalized, holistic and sustainable wealth management solutions.

Building upon a commitment to excellence and high-added-value services that began in 1868, we embrace the spirit of change required by a constantly evolving environment, including by investing in digital solutions. This enabled us to quickly respond to the pandemic: staff members easily switched to home working and offered video-conference solutions to stay in touch with our clients.

In this and everything we do, our goal is to build a richer life with our clients – today, tomorrow and for generations to come. Puilaetco aims to become the best-known private bank in the Belgian market.

Our more than 200 staff provide a wide range of personalized services for our HNWI clients, including wealth planning, investment management, loans, fine art collection management and sustainable investing. In 2020, we conducted a thorough review of our offer in order to ensure that the right services are offered to each client, in line with their profile.

A client-focused organization with over €10 billion in assets under management, Puilaetco continues to develop, strengthening existing relationships, attracting new clients and looking to the future with confidence.



## QUINTET LUXEMBOURG

Quintet Luxembourg is a leading wealth manager in the Grand Duchy, staffed by 300 professionals, including 50 client advisors.

For more than 70 years, we have served as a trusted wealth management partner that strives to meet the evolving needs of our clients each day and for generations to come.

We provide a wide range of holistic services, including wealth planning and structuring, credit, asset management, global market access, and institutional and professional services.

We offer deep local insight and – through Quintet’s 50-city network of boutique private banks – global perspective.

Each private client benefits from a long-term, one-to-one relationship with a client advisor who listens to their needs and understands their experience before proposing open-architecture solutions that are structured to meet their individual requirements.

Asset Servicing & FIM clients, in turn, benefit from access to tailored investment vehicles, a world-class dealing room, independent asset management and a network of sub-custodian banks of the highest quality from a single point of entry: their client advisor.

While clients can always count on a personal relationship, a range of services is also available via myQuintet and myQuintetpro, the bank’s online platforms.



## QUINTET SWITZERLAND

Quintet Private Bank (Switzerland) Ltd, a member of Quintet Private Bank, is located in the heart of Zurich's financial center and serves wealthy individuals and families with diverse and complex long-term needs. In May 2020, Switzerland's newest private bank opened for business following the successful closing of the acquisition of Bank am Bellevue, the former wealth-management division of Bellevue Group.

People are the key to Quintet Switzerland's success. We have already successfully attracted a range of industry leaders and talent across all functions. In addition to some 20 professionals who formerly served at Bank am Bellevue, Quintet Switzerland onboarded around 50 people over the course of 2020, allowing the bank to take significant steps towards implementing its ambitious plans. The team also worked hard towards upgrading core banking systems and other processes with the aim of expanding its platform to include even more sophisticated clients and higher volumes.

Quintet Switzerland's commercial strategy is to become a center of competence for international cross-border business (Asia, Latin America, Middle East) for our group, as well as to open access to Switzerland, one of the largest wealth-management markets.

Quintet Switzerland's comprehensive advisory approach, multi-family-office capabilities and cross-border offering are what sets it apart. At a time when independent, client-focused advice matters more than ever, Quintet continues to deepen its group-wide commitment to sustainable investment. Since inception, the bank's balanced strategy has resulted in attractive returns in core DPM (Quintet Diversified) and, at the same time, strategic risk management and good stock selection in Swiss Equity Hedged has paid off, leading to very satisfactory performance for clients.



## QUINTET DANMARK

Quintet Danmark, a branch of Quintet Private Bank (Europe), was established in 2020, officially opening for business in July 2020 in the heart of Copenhagen. We offer our clients a variety of wealth management services, including discretionary portfolio management, investment advisory, financial planning, credits, SICAV and SIF.

Quintet Danmark carries out its activities solely using established operational processes performed from Luxembourg on its behalf.

Quintet Danmark is focused on meeting the long-term wealth management needs of Danish individuals and their families, combining a highly personalized approach with independent advice and open-architecture investment solutions.

The branch is led by Henrik Wyrwik, a senior manager with more than 30 years of industry experience. With a small team of experienced and motivated colleagues who share the same commitment to doing the right thing for each client they serve, Quintet Danmark acts with agility and energy to challenge the status quo.

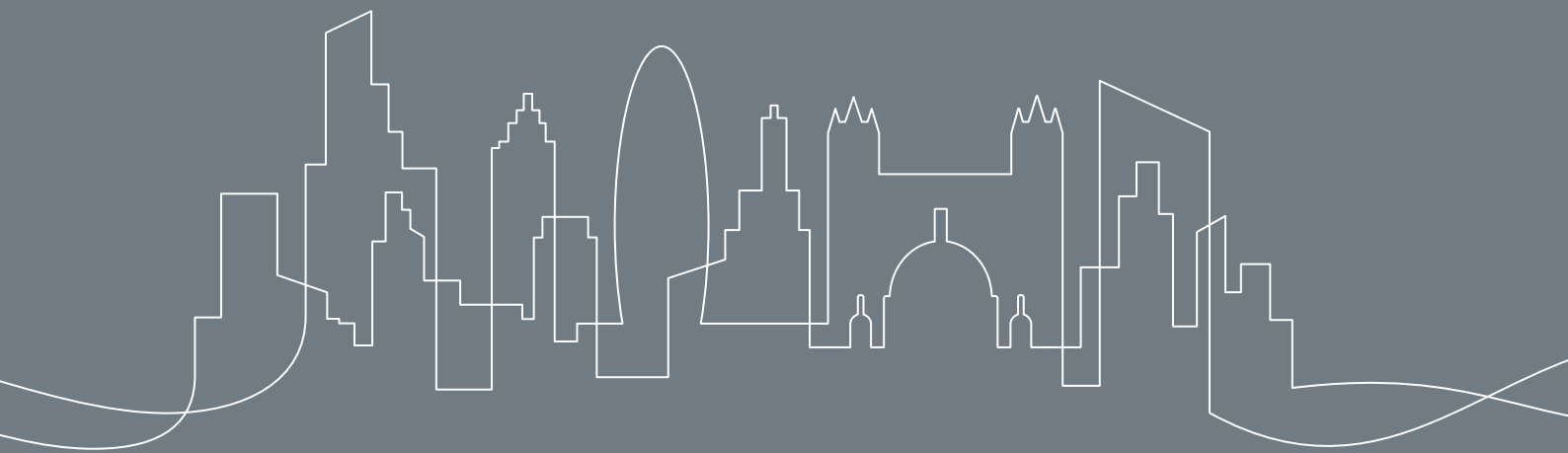
Drawing upon the insight and resources of the wider Quintet family, Quintet Danmark seeks to build a robust business that stands out from the crowd. We see enormous long-term opportunities to extend Quintet's highly personalized approach to wealth management to the Nordics, a region where independent thinking and entrepreneurship is part of the DNA.

We are actively recruiting additional staff, in particular experienced client advisors, as our business continues to grow.



# We add insight and reduce complexity

Our clients count on our expert insight, provided by a diverse team of experienced professionals who balance firm convictions and an open-architecture approach – ensuring that each client has access to the solutions that are right for them. Through such objective investment advice and organizational agility, we cut through complexity and focus on meeting the needs of the individuals and families we serve.



# NON-CONSOLIDATED MANAGEMENT REPORT

## GENERAL COMMENTS ON THE RESULTS AND THE BALANCE SHEET

As of 31 December 2020, Quintet Europe's non-consolidated financial statements include:

- Quintet España, the Spanish branch opened on 7 April 2010
- Quintet Danmark, the Danish branch based in Copenhagen, opened for business on 1 July 2020 (legally opened in May 2020), representing a major step forward in the Group's long-term plan to establish and grow a robust Northern European franchise, through organic initiatives and potential acquisitions
- Merck Finck, the German branch
- InsingerGilissen, the Dutch branch
- Puilaetco, the Belgian branch

The last three entities merged with Quintet Luxembourg on 15 December 2020 with a retroactivity to 1 January 2020 in the context of the "Quintet Europe" project.

At the end of the financial year 2020, Quintet Europe's balance sheet totalled €12.2 billion. This increase versus 2019 (€8.7 billion) is mainly due to the merger of the German, Dutch and Belgian subsidiaries that became branches. On a pro-forma basis (out of the merger), the total balance sheet reached €9.2 billion at year-end 2020 and reveals increasing lending activity in a financial position which remains healthy and comparable to the previous year.

Solvency is solid and remains well above regulatory threshold imposed by the European Central Bank at 28.5% (2019: 40.1%). The decrease of the year is the result of the merger (more risk-weighted assets and lower CET1, both due to the inclusion of the branches) mitigated by a capital injection of €50 million in the first quarter 2020 and the placement of €125 million in additional tier-1 (AT1) notes in October 2020. The proceeds from the notes are used to support the financing of Quintet's long-term growth while further reinforcing the bank's strong regulatory capital position.

Affected by the implementation of the new "Quintet Europe" commercial and organizational strategy, Quintet Europe shows a 2020 loss of €-98.3 million compared to a profit of €60.3 million in 2019.

In 2019, the Bank proceeded to the sale and transfer of buildings owned or occupied in Luxembourg. Those operations generated a profit of €127.4 million in the other income category.

For detailed figures, please refer to the non-consolidated financial statements.

<https://www.quintet.com/en-GL/Pages/Annual-reports>



# APPENDICES TO CONSOLIDATED AND NON-CONSOLIDATED MANAGEMENT REPORT

## APPENDIX 1

### DEPOSIT GUARANTEE

These directives were transposed into Luxembourg law by the law of 18 December 2015.

In Luxembourg, the national deposit guarantee scheme (DGS) is represented by the FGDL ("Fonds de garantie des dépôts Luxembourg," see the website [www.fgdl.lu](http://www.fgdl.lu)).

The purpose of the FGDL is to protect clients of the member institutions in case a bank goes bankrupt.

Quintet (and its branches) are an FGDL member. As a member, account holders (natural persons and legal entities) in Quintet and its branches (InsingerGilissen, Merck Finck, Puilaetco, Quintet Danmark and Quintet Spain) are protected by the FGDL up to a maximum of €100,000 per person/account (additional guarantees are in place for temporary deposits, see the FGDL website for details).

In case of failure, FGDL ensures compensation of depositors within seven days.

In order to be compliant with the legislation, Quintet and its branches have since 31 December 2013, implemented a system which is able to produce a Single Customer View (SCV) file including data about all eligible cash depositors along with the customers references. The Quintet system is tested twice a year. This set of information is requested by the CSSF in order to facilitate the reimbursement of depositors in case of the bank's failure.

Each year, Quintet pays a contribution to the FGDL for its financing.

In 2020, Quintet paid €110,780 for the FGDL (2019: €170,666) and €3,513,600 for the Luxembourg Resolution Fund (2019: €2,498,855).

Considering the amount paid for the FGDL during the current year, the same amount of €110,780 was transferred back from the unavailable to the available reserves.

As for investor protection, the Luxembourg investor compensation scheme (SILL: "Système d'indemnisation des investisseurs Luxembourg") covers investors (natural persons and legal entities) in the scope of the legislation (law of 18 December 2015). The investment transactions made by the same investor are covered up to an amount equivalent to €20,000.

Quintet and its branches are also an SILL member, in the scope of which eligible investors are covered.

## APPENDIX 2

### COMPLIANCE RISK

The Compliance function's specific responsibilities include:

- Identify, evaluate and assess compliance risks through the Compliance Risk Assessment methodology
- Identify the standards to which the Group and each of its entities are subject in the exercise of their activities in the various markets and keep records of the main rules
- Implement a code of conduct and internal rules of conduct and integrity, Compliance standards and policies; check that they are respected and regularly assess their suitability as regards to organizational and operational structure, strategy, activities and risks of its entity, as well as regards to applicable legal and regulatory requirements
- Organize and coordinate a risk-based Compliance Monitoring Program to control the level of compliance of all relevant activities and how the identified compliance risks (Compliance Risk Assessment) have been mitigated. All relevant changes to the group/entity's compliance risk profile (e.g. reorganization, new strategic markets) will be taken into account in the Compliance Risk Assessment and in the Compliance Monitoring Program
- Centralize all information on detected Compliance problems. If this information

is not a direct result of Compliance's own involvement, it will examine the relevant internal documents (Internal Audit reports, Risk function reports, Legal department opinions, Executive and Management Committees' minutes/papers, Board of Director meeting minutes, etc.) or external documents (external legal opinions, external auditor's reports, correspondence with the supervisory authorities, etc.)

- Analyze the detected issues, recommend corrective measures and monitor their implementation
- Assist and advise senior management, the AMC and the Board of Directors as well as the members of the Specialized Board Committee (if any) in managing compliance risks and standards, including by informing them of developments that may have a subsequent impact on the area of Compliance
- Ensure employees are well trained and have a sufficient level of Compliance awareness by developing and implementing an ongoing Compliance Awareness Program and by providing day-to-day assistance as to Compliance areas
- Be involved in the implementation and approval of new activities/products, in the development of new business relationships and in developing the transactions and network of the Group at international level
- Be involved in the development of internal policies and procedures in Compliance areas
- Correspond independently with the FIU (Financial Intelligence Unit) or with any other supervisory authority when its relates to Compliance notification/declaration duties
- Report on the above to the AMC and the Board of Directors/Specialized Board Committee (if any), as appropriate. Furthermore, the Board Compliance & Legal Committee (BCLC) is informed of, and regularly monitors, the adequacy of

Compliance measures. This committee is delegated by the Board and meets on a quarterly basis

## 2.1. ADVICE AND PREVENTION

Compliance advises and supports the bank's various business lines. It regularly supports commercial initiatives and the questions that can arise from them. Compliance is also involved in the bank's client acceptance and revision procedure.

It should be noted that Compliance takes part in the validation of new products and services for their marketing to clients. The goal of this process, which incorporates support materials such as brochures and term sheets, is to ensure that clients understand products and their risks and make informed investment decisions that comply with existing regulations. This process was strengthened by the entry into force of MiFID II.

Compliance is also involved with various regulatory projects. Compliance participates in the group-wide high-level assessment analysis and provides workstreams with appropriate regulatory roadmaps. In addition to its ongoing monitoring and support of branches and subsidiaries, the group continued to support the rollout of the Compliance Awareness program across Quintet.

This program is primarily based upon a systematic and structured multi-annual approach with training sessions, depending on the person's level of exposure to Compliance risks. The program is accompanied by regular information for employees and managers on Compliance risks according to what is topical (internal or external).

## 2.2. CONTROL

The Compliance control framework is part of the bank's general internal control framework. The Compliance Monitoring teams continue to oversee the Compliance Monitoring Programme (CMP). This tool maps compliance risks and regularly checks that these risks are under control. If

necessary, suggestions for improving the plan are put forward. The plan has been drawn up based on the results of a Compliance Risk Assessment exercise. This methodology for evaluating compliance risk targets a more refined and better documented risk analysis to better allocate Compliance resources to the greatest risks.

Specialized anti-money laundering tools are in place at Quintet entities. These solutions improve the review processes for the group's clients, whether new or existing, both by analyzing client behavior and by screening the client database and international lists of persons subject to legal action or restrictive measures. An external tool specialized in the detection of market abuse and insider trading is in place while also being used to automate checks to ensure that the Best Execution policy is adhered to when processing client orders.

Quintet is constantly adapting its control procedures and reiterating to staff the ongoing need to protect clients.

## **APPENDIX 3**

### **RISK MANAGEMENT**

#### **3.1. MISSION & ACHIEVEMENTS**

Quintet's risk appetite is revised, updated and approved by the Board of Directors at minimum once per year or when a change of organizational risk profile is implemented. Changes are thereafter communicated to the whole organization. During this phase, the Group considers the evolution of risk appetite, regulatory and internal capital requirements, and the risk-bearing capacity of the Group.

During the course of 2020, the risk taxonomy has been thoroughly updated. The Risk Appetite Statement and relevant risk frameworks have been reviewed and strengthened to support the current and planned business development of the Group. The ICAAP, ILAAP and Recovery Plan have been substantially improved following new regulatory guidelines and ECB recommendations.

In 2020, quantitative developments were mainly concerned with the setting of risk models in compliance with the prescriptions of model risk aimed at identifying, monitoring and mitigating model risk. Consequently, onboarded models have gone through a cycle of review, adjustment and independent validation. The effort will continue over the course of 2021.

The scope of operational risk has expanded over the last few years and includes, for example, conduct risk, compliance, legal, regulations, data protection, information risk and non-financial risk.

Group Operational Risk implemented the Enterprise-wide Risk Management Framework (ERMF) to govern the organization and management of non-financial risk within Quintet Group.

All non-financial risks have a Risk Appetite Statement and Framework document with clear and enforceable Group standards.

In 2020, the Group conducted the annual RCSA exercise in which all key processes were assessed to also identify the changes in the universe of risk impacting the business and support functions.

Inherent risks were identified through a full review process performed by respective functions with the support of the GORC and BRM functions, and through a control-testing programme resulting in the residual risks' conclusion and potential ERI items.

In term of Information Risk – acting as an independent second line of defense in close collaboration with IT Security and Data Protection Officer – the development of a dedicated Information Risk Framework (including a proper risk appetite and a comprehensive set of policies) has been achieved and rolled out across the Group.

#### **3.2. STRUCTURE & ORGANIZATION**

In view of the Group's structural transformation, the second line of risk defense has been reorganized by

strengthening its teams around group competence centers.

Risk Control entities fulfill a second line of defense role, the first line being assumed by the entities at the source of risk. In this context, they ensure that each key risk the Group may be exposed to is properly identified, measured, monitored and reported.

As of December 31, 2020, Group Risk Control is organized into four departments with a total of 43.1 full-time equivalent employees (FTEs) across its entities.

The **Group Information Risk Control** department's objective is to act as a second line of defense for controlling IT and Security risks related to digital/electronic information and assets.

The department (5.7 FTEs) is in charge of developing and maintaining the Information Risk Control Framework, to implement related IT risk policies, to monitor control implementation and to ensure adequate reporting over its activities to dedicated instances.

The key activities are the following:

- Implementation and maintenance of the Information Risk Management Framework, including:
  - An effective information risk management governance and information risk appetite approach
  - Definition of information-risk control policies aligned with the Bank's information-risk appetite and regulatory requirements
- Identification, review and measurement of information risks:
  - Review, assessment and follow-up of IT risk analysis performed by the first line of defense in the context of IT-related projects, IT environments and relationships with external IT providers
  - Review, assessment and follow-up of information risk control self-assessments (RCSA) as performed by the first line of defense
- Monitoring, control assessments and follow-up on mitigation of information risks:
  - Information risks are regularly monitored, and relevant Key Risk Indicators are assessed and adjusted
  - Information risk mitigation action plans are followed-up upon to ensure proper implementation and/or possible residual risk acceptance
- Information risk incident monitoring:
  - Incidents are reviewed and monitored to ensure resolution and adequate escalation to the dedicated entities
  - Involvement in specific investigations upon the request of the Authorized Management Committee
- Escalation and internal reporting:
  - Indicators, direction proposals, exceptions and potential issues are regularly escalated and reported to dedicated instances (e.g. Group Information Security & Risk Committee, Board Risk Committee) for adequate information, management and decisions
- Alignment and awareness programs:
  - The information risk-control culture is spread within the Group, including through communication to branches and

subsidiaries and local representatives to ensure effective reporting at the Group level

- Similarly, information-risk control policies and best practices on critical topics are communicated to staff through adequate awareness programs

The **Credit Risk Control department**, with 10.5 FTEs, is in charge of monitoring credit risk for Luxembourg and for the Group, which arises from the following activities:

- Lombard & mortgage lending to private clients in support of the Bank's core private banking activity
- Committed and uncommitted credit lines granted to investment funds in support of institutional & professional services activity

The department is also involved in defining and complying with criteria for accepting securities taken as collateral, and acts as secretary for the Group credit committee.

The **Lending Management** department reports to the Head of Credit Risk Control. Lending Management is in charge of:

- The implementation of loans by the parent company (especially the drafting of the loan documentation, as well as the complete setting up of the securities in accordance with the credit decision)
- Risk monitoring of each parent company loan facility during its lifetime
- Secretarial support for the Luxembourg and Group credit committees and acting as secretary for the Luxembourg Credit Committee

The **Group Operational Risk Control (GORC)** department, with 13.5 FTEs, has the following responsibilities:

- Independent second line of defense function that oversees, challenges and advises the activities of the first line of defense to prevent operational risk losses
- Identify, assess and manage operational risk and ensure alignment with the risk appetite
- Maintain a robust control environment by strengthening the risk culture and enabling business growth and preserving value

The department is also accountable for:

- Independent validation of the appropriateness of identification, evaluation and responsive actions determined by management
- Reporting and monitoring of issues, including escalation where appropriate
- Establishing and managing discussion forums for operational risk issues

In addition, the following activities form part of the GORC responsibilities:

- Risk Control Advisory
- Risk reviews with new business/markets/products/process improvement/change/transformation/outourcing
- Enterprise-wide Risk Inventory (ERI) governance, oversight and reporting
- Second line of defense control testing (check and challenge)
- Reporting to the AMC, Boards and regulators
- Scenario analysis & ICAAP reporting
- Risk culture and awareness operational risk training

In each key entity, a committee (the Board Risk Compliance & Legal Committee, or "BRCLC" in subsidiaries and the Board Risk Committee, or "BRC," at Quintet) supervises operational risk management process and takes appropriate decisions.

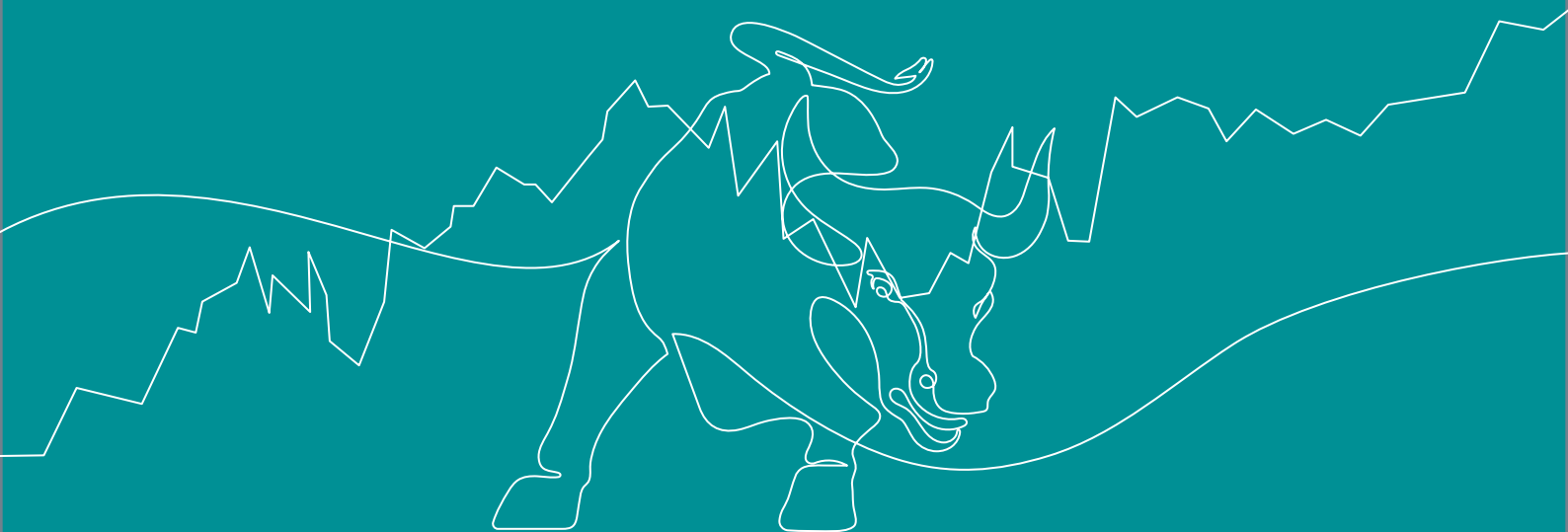
The **Financial Risk & Reporting** department (13.4 FTEs) has various responsibilities:

- It monitors and escalates market risk (interest rate, price, currency, real estate and liquidity risks) carried by the entire balance sheet, including both ALM and trading activities to the different levels of management from Global Markets/ALM senior management to the Board Risk Committee. Group liquidity risk, including the reporting and the interpretation and implementation of EU regulatory requirements, is also under the Financial Risk & Reporting responsibilities
- The department is also responsible for (i) portfolios of fixed-income investments, in the context of the reinvestment of excess liquidity, (ii) counterparty risk linked to money market transactions contracted between Global Markets and a network of banking counterparties, and (iii) credit risk carried by the network of sub-custodians
- The department is in charge of risk modelling and quantitative analysis. It designs and implements all risk models (market, credit and operational VaRs, internal stress test, product scoring, ECL, etc.) and provides quantitative support to other Group and local functions. The department is as well responsible for risk data management, designing and maintaining an efficient risk database and reporting tool
- The department covers transversal risk matters, such as internal and regulatory risk reporting (i.e. monthly/quarterly risk reports, ICAAP, Recovery Plan, Single Resolution Board reporting, etc.) and regulatory watch in addition to the risk-related projects through the Group

# RESULT ALLOCATION PROPOSAL

At its meeting on March 31, 2021, the Board of Directors proposes to allocate the 2020 net loss of €-98,312,227 to the retained earnings.

On April 23, 2021, this allocation will be submitted for the approval of the Annual General Meeting.





# COMPOSITION OF THE BOARD OF DIRECTORS

The Ordinary General Meeting of April 15, 2020, approved the renewal of the mandates of the following Directors:

- Jan Maarten de Jong
- George Nasra
- Albert Wildgen
- Marco Mazzucchelli
- Peter Vandekerckhove

The Ordinary General Meeting of April 15, 2020, also approved the appointment of Rory Tapner and Jakob Stott as members of the Board of Directors subject to regulatory approval.

42

Following the approval of Rory Tapner as Chair, Jan Maarten de Jong handed over the Chairmanship of the Board of Directors to Rory Tapner on May 26, 2020, and resigned the same day.

Jakob Stott was confirmed as a Board member on June 22, 2020.

The mandates of the following Directors ended on December 15, 2020:

- Anne Reuland
- Peter Vandekerckhove
- Alfred Bouckaert
- Albert Wildgen

# DECLARATION ON THE CONFORMITY OF THE 2020 ACCOUNTS

We, Jakob Stott, Group CEO, and Nicholas Harvey, Group Chief Financial Officer, confirm, to the best of our knowledge, that the consolidated accounts, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the consolidated assets, liabilities, financial position and consolidated profit or loss of the Quintet group, and that the consolidated management report includes a fair review of the development and performance of the business and the position of the Quintet group together with a description of the principal risks and uncertainties that the group faces.

Luxembourg; March 31, 2021



**JAKOB STOTT**  
Group CEO



**NICHOLAS HARVEY**  
Group Chief Financial Officer

# NON-FINANCIAL & DIVERSITY INFORMATION

In line with European Commission Directive 2014/95/EU on the disclosure of non-financial and diversity information, Quintet Private Bank is pleased to provide its annual report of environmental, social and governance-related initiatives and impacts, complementing the information provided in the group's 2020 consolidated and non-consolidated report.

Wherever possible, the information and data contained in this report encompass the activities of the group as a whole. Given that the group's headquarters are in Luxembourg, where 33% of its staff is based, particular emphasis is placed on Quintet's environmental, social and governance-related initiatives and impacts in the Grand Duchy.

### SUSTAINABILITY & RESPONSIBILITY

In a period marked by rapid social change and deepening environmental concerns, sustainability – in every sense of the word – has never been more important for companies, no matter where they are based or their sector or activity.

Financial services organizations have a unique opportunity to demonstrate to their stakeholders (including but not limited to clients, employees and the community at large) that they act responsibly. At Quintet, we are committed to doing well for our clients, doing right by our people and doing well in the communities in which we operate. That commitment is shared across our group and brought to life by our 2,000 staff in 50 European cities. As a fully compliant company, we ensure that we are a sustainable, trusted and committed partner for our clients, truly integrated in our communities.

Founded in Luxembourg more than 70 years ago and with centuries of collective heritage, we know that our group must continue to change with the times to bring that commitment to life. We are therefore pleased to report, for the fourth time, our environmental, social and governance-related initiatives and impacts – recognizing that such reporting can and must grow richer over time.

### ENVIRONMENTAL IMPACT

In 2020, as a consequence of the pandemic, our planet heaved a sigh of relief. As economic activity slowed and people travelled less, the pall of smog over countless cities thinned. At Quintet, like at firms worldwide, our own environmental impact was reduced dramatically, as reflected in this report.



As we look forward to the post-pandemic world, we all need to contribute to a recovery that delivers lasting, positive change. We must build back better – not simply return to business as usual.

At Quintet, we can make a measurable impact in this regard through our actions as a firm and the investment solutions we provide, including through our commitment to making sustainable investing our default approach. We can deliver performance *and* make a lasting difference. There's no trade-off.

In every market in which we operate, Quintet is making a sustained effort to reduce its carbon footprint, including by minimizing electricity usage, maximizing the recycling of paper and other waste, privileging public transportation and seeking local solutions insofar as possible.

In Luxembourg, the Real Estate & Logistics department develops, executes and follows up on such environmental impact initiatives, acting under the supervision of the Group COO.

**Carbon footprint:** In September 2016, the group entered into a partnership with Egencia, a business travel solutions provider. Consequently, we track, trace and seek to reduce our carbon footprint at group level. At the same time, our policy is to favor and actively promote business-related travel by public transportation (including train, bus and on some occasions carpooling).

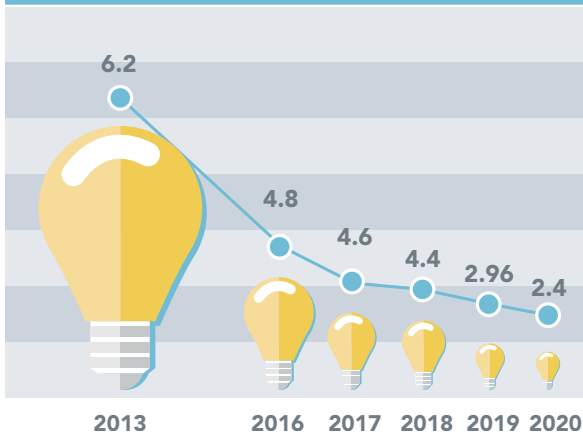


**FLIGHT CARBON FOOTPRINT BY CO2 EMISSIONS, IN KG, BY QUINTET ENTITY IN 2019 & 2020**

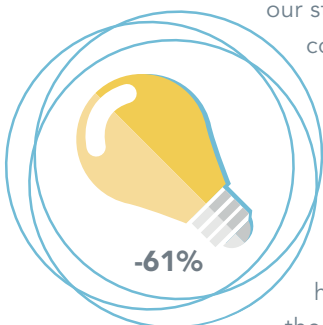
	2019	2020
Quintet Luxembourg	298,367	90,963
Merck Finck	176,645	42,988
InsingerGilissen	35,879	21,636
Brown Shipley	108,315	10,448
Quintet Switzerland	n/a	3,661
Puilaetco	9,862	1,500
<b>Total</b>	<b>629,068</b>	<b>171,196</b>

**Electricity consumption:** Over the past several years, reflecting increasing awareness of the environmental impact of electricity consumption, Quintet, in Luxembourg and across the group’s operations, has put in place measures to reduce consumption. In Luxembourg, for example, electricity consumption has been reduced by 61% since 2013.

**ELECTRICITY CONSUMPTION, IN GWH, BY QUINTET IN LUXEMBOURG FROM 2013-2020**

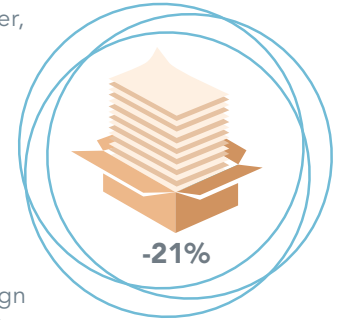


The decrease in electricity consumption at Quintet in Luxembourg in 2019 was due to the outsourcing of data centers and the reduction in the number of buildings. As for 2020, with most of our staff working from home, electricity consumption decreased further.



In addition, since January 2020, the supply of electrical energy in our Luxembourg offices has been derived entirely from renewable sources of hydroelectric power, as certified by the Luxembourg Energy Office.

**Paper usage:** In line with best practices, printers at every group entity are preconfigured to print in black and white and recto-verso, reducing paper and ink usage. All entities also use FSC-certified paper, ensuring that the wood within the product is from FSC-certified material, recycled material or controlled wood. The group also developed and put in place a long-term internal awareness campaign to reduce unnecessary and/or excessive printing. Consequently, the consumption of A4 paper in Luxembourg declined steadily. In 2020, we consumed 1.48 million sheets of paper in Luxembourg, which corresponds to 178 trees.



**FSC A4 PAPER CONSUMPTION AT QUINTET IN LUXEMBOURG FROM 2017-2020**

	2017	2018	2019	2020
Quintet Luxembourg	4,300,000	3,749,000	2,668,455	2,098,811

**Waste treatment:** In Luxembourg, Quintet earned SuperDrecksKëscht@fir Betreiber status 12 years ago, reflecting the organization’s sustained commitment to responsible treatment of waste, including the fact that some 50 tons of organic waste is annually converted into a source of industrial heating. The country’s Environmental Administration, the Chamber of Commerce, confers this status and Chamber of Trades based on the sustainable management of waste in line with environmental standards.

SuperDrecksKëscht@fir Betreiber status is certified according to the international norm ISO 14024: 2000. The treatment and recycling of waste by companies with such certification integrates the requirements of the norm ISO 14024.

Since March 2019, Quintet has been a member of the “Zero Single-Use Plastic” initiative of IMS Luxembourg in order to abolish single-use plastic and reduce waste. This project led to the eradication of disposable plastic utensils (such as plates, cups, cutlery and straws) in our canteen. Likewise, we set up a reusable food container called “EcoBox” for takeaway, removed plastic bottles from dispensers and introduced new waste sorting bins.



#### QUINTET IS A SIGNATORY TO THE "ZERO SINGLE USE PLASTIC" CHARTER

Throughout our operations, we committed to banning single-use plastics. At Quintet Switzerland, for example, clients and staff are provided with reusable dishes and cutlery. Everywhere we do business, we no longer provide any single-use plastic products – in line with a pledge our firm made early in 2020. We are proud to have lived up to that promise.

An initial audit of single-use plastic at Quintet in Luxembourg – conducted by IMS, a network of Luxembourg companies involved in CSR – showed annual consumption of 1,412 kilos of single-use plastic. A subsequent audit, conducted in December 2020, showed that annual consumption had been reduced to just 9 kilos, a reduction of 1.4 tons of single-use plastic.

#### Sustainable construction

Across Quintet, we are investing in environmentally-conscious infrastructure, changing the way we interact and work. In Switzerland, a sustainable acoustic ceiling was installed at our new offices at Gartenstrasse: the installation is made of recycled PET and not only improves acoustics, but also lends a dynamic and unique touch to offices and meeting rooms.

Brown Shipley relocated to a new purpose-built, eco-friendly office in Nottingham. The new office is part of Brown Shipley's drive to reduce its carbon footprint and includes features such as solar panels, electric vehicle charge points, energy efficient heating and lighting, covered cycle storage and recycling stations along with dedicated video conferencing rooms. The space is also designed to encourage flexible working.

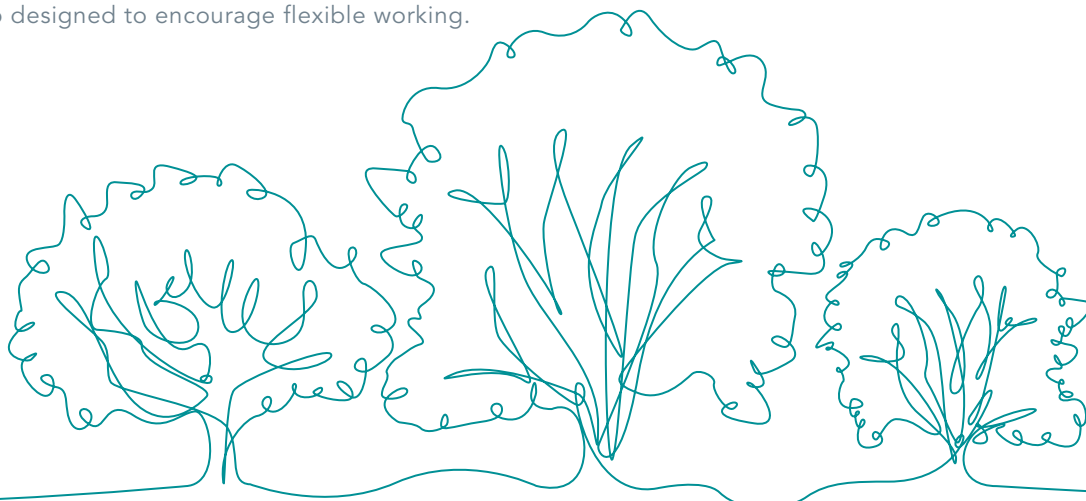
In 2019, InsingerGilissen acquired a 1930's villa in Eindhoven for its new office there. This historic building presented a challenge since it had a poor energy score (G). With sustainability and energy savings in mind, the renovation work took nine months and resulted in the building receiving the best energy score (A). Some of the green solutions used included LED lights with presence timers, roof-to-floor insulation, high-end central heating, etc.

#### INVESTOR ENGAGEMENT & ACTIVE OWNERSHIP

In February 2020, Quintet joined Climate Action 100+, a leading collaborative investor engagement initiative, seeking to ensure that the world's largest corporate greenhouse gas emitters take the necessary action on climate change. Investors such as Quintet participating in Climate Action 100+ engage the world's largest 100 "systemically important emitters," plus more than 60 other companies that have been identified as having material climate-change investment risks or that will be key to a broader net-zero emissions transition. We believe joining this initiative is a logical step to protect our planet and as we recognize the importance of climate risk in our investments.

We place sustainability at the heart of our business and as the driver of the investments we make on behalf of our clients. We engage as active owners because we are convinced that more sustainable practices make for better companies, benefitting shareholders, people and the planet.

Active ownership entails identifying companies with environmental, social and governance issues and/or business strategy deficiencies, and working with management through dialogue and shareholder meetings to improve company practices and performances.



Voting by Quintet and all its affiliates is centralized by a Voting Committee. The latter monitors recommendations of our proxy voting provider, Glass Lewis, to ensure consistency with Quintet policies. This centralized organization ensures harmonized decisions for all our holdings. We seek to vote, where possible and feasible, at all shareholder meetings of the companies in which we invest for our clients. Currently, we vote for direct line equities held by Brown Shipley, InsingerGilissen Asset Management and Rivertree Investment Funds.



**OVER 10,000 PROPOSALS VOTED AT 710 MEETINGS**

Quintet exercises active ownership by voting at general meetings and through dialogue with companies. In 2020, Quintet voted on over 10,000 proposals at more than 710 shareholder meetings across the world.

During the year, we supported 96% of environmental-related proposals. We notably encouraged increased disclosure of companies' environmental risk and supported all proposals requesting companies to develop greenhouse gas emissions reduction goals. We also supported all proposals flagged by Climate Action 100+ for which we voted. These notably included lobbying disclosure resolutions at the meetings of Caterpillar, Duke Energy, Chevron and Delta Air Lines.

We supported 94% of social-related shareholder proposals. We widely supported proposals asking that companies sufficiently address human capital management and diversity issues, such as at the AGM of Alphabet, Amazon and Walmart.



**769 COMPANIES ENGAGED**

In 2020, our partner, EOS at Federated Hermes, engaged with 769 companies on our behalf on 2,849 environmental, social and governance issues and objectives.

Engagement addressed key risks, challenges and opportunities faced by companies, covering environmental, social, governance, strategy, risk and communication matters. Engagement covers companies in which we hold shares or bonds on behalf of our in-house managed funds and advisory and discretionary mandates.

**SOCIAL RESPONSIBILITY**

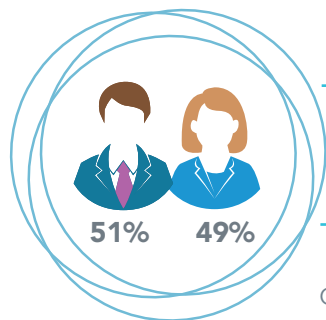
In every market in which we operate, Quintet recognizes diversity as a source of strength, invests in the life-long professional development of our people and commits to contributing to the well-being of the local community.

In each of our markets, the local HR department, supported by Group HR, develops, executes and follows up on policies and strategies to measure and promote staff diversity, and leads staff training and professional development activities. Corporate social responsibility activities are typically led by HR and Corporate Communications, with oversight by senior management and/or a committee dedicated to CSR actions, which must be in line with the established Group CSR Policy. Such budgets are allocated locally.

**Diversity:** Quintet is an equal-opportunity employer, committed to ensuring that every employee – no matter their gender, their age, their sexual orientation, the color of their skin or their physical abilities – is treated with the respect and fairness that everyone deserves. At the group's headquarters and across our pan-European network, we place special emphasis on improving gender parity, over time, at all levels of organization.

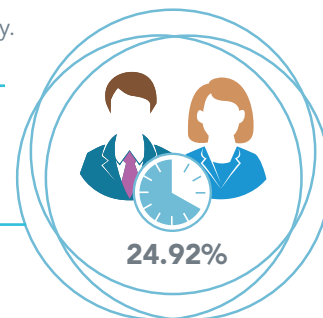
Approximately 50% of Luxembourg-based staff are female, while an average of 43% of staff in the group are women. Meanwhile, staff in Luxembourg (Quintet, KTL and Puilaetco Luxembourg) are highly multicultural, including 26 different nationalities, led by French (38%), Belgians (33%) and Luxembourgers (12%). On average, affiliates employ staff of 15 different nationalities.

The average age of a Quintet employee is 45, reflecting the level of experience typically required for staff in this sector of activity; our employees have served at the firm, on average, for 12 years.



**APPROXIMATELY 50% OF LUXEMBOURG-BASED STAFF ARE FEMALE**

Quintet actively seeks to hire, train and promote younger employees. In Luxembourg, relevant actions include an initiative known as the "Kaleidoscope Programme," a two-year, customized integration programme that allows high-achieving recent graduates to explore key departments of the bank and gain a uniquely comprehensive understanding of the financial services sector. This programme, initiated more than 30 years ago, has produced generations of executives, with two participants in 2020.



**PERCENTAGE OF PART-TIME STAFF AT QUINTET IN LUXEMBOURG (2020) 24.92%**

**Charitable giving:** With 2,000 employees based in 50 cities in Europe, Quintet has a unique opportunity to make a difference in local communities and to be a benchmark socially responsible financial institution everywhere it operates. Moreover, at Quintet, we believe we meet the needs of all our stakeholders by acting as a positive and effective influence in local communities. By contributing resources and capital to worthy causes and initiatives, we serve as an agent of positive social change.

In 2020, Quintet donated approximately €50,000 to charitable associations in Luxembourg, including the Fondatioun Kriibskrank Kanner (which accompanies children fighting cancer or a rare and life-threatening disease and their families) the Luxembourg Autism Foundation, Relais Pour la Vie, the Luxembourg Red Cross, Iles de Pix, Fondation Partage and many other causes. Whenever possible, Quintet facilitates opportunities for its staff to participate in charitable initiatives.

Outside the Grand Duchy, Quintet branches and affiliates are likewise very active in their local community, including by sponsoring children's welfare initiatives (Puilaetco), cultural initiatives (Merck Finck, InsingerGilissen and Puilaetco), and various fundraisers to support local charities (Brown Shipley).

In December 2020, Quintet appointed a corporate social responsibility strategist to develop a group-wide approach to CSR. This will ensure Quintet's operations and investment offering are fully aligned and that both share the same high standards. In 2022, we aim to report on our new corporate sustainability framework and, for the first time, on our group's consolidated carbon footprint.

**COMPOSITION OF QUINTET PRIVATE BANK ENTITIES BY AGE, SENIORITY, GENDER & NATIONALITY**

48  
2020 Annual Report

	Age	Seniority	Men	Women	Nat.
Quintet Private Bank	45.8	14.6	325	321	26
Merck Finck	48	13	150	128	7
Brown Shipley	43	8.4	229	171	19
Puilaetco Luxembourg	47	12.1	112	86	3
InsingerGilissen	47	12.2	232	123	20
Quintet Switzerland	43	n/a	57	28	17

**Training, development & well-being:** Training is an imperative for all Quintet staff, no matter their age or experience, especially given the rapid pace of change in the private banking sector. At Quintet, we provide our people with ongoing opportunities to grow personally and professionally. Training ranges from IT to soft skills to language learning – ensuring that career growth remains continuous.

Quintet promotes flexibility and recognizes the importance of work-life balance. In Luxembourg, more than one-quarter of all staff work part-time, and remote access is increasingly proposed as a solution – on a periodic basis, in line with relevant regulations – particularly for working parents. In 2020, due to the pandemic, the vast majority of all staff primarily worked from home.

Across the group, investments are made on an ongoing basis in employee well-being, including significant enhancements to the physical office



**COMPLIANCE NORMS & POLICIES**

The Quintet Group, being Quintet Private Bank including all its branches and subsidiaries (hereafter the "Group"), is committed to the preservation of its reputation and integrity through compliance with applicable laws, regulations and ethical standards in each of the markets in which it operates. All employees are expected to adhere to these laws, regulations and ethical standards, and management is responsible for ensuring such compliance. Compliance is therefore an essential ingredient of good corporate governance.

As outlined in Appendix 2, Compliance Risk, the Compliance function is defined in the Compliance Policy as a permanent and independent function. Its main aim is to protect Quintet Group against the risk of non-compliance and against the risk of damage due to the non-respect of internal or external rules that fall within the scope of Compliance or the fields attributed to it by the Board of Directors and the Authorized Management Committee. The operating procedures of this function – in terms of objectives, responsibilities and powers – are laid down in the Compliance Charter drawn up by the Compliance department and approved by the Authorized Management Committee and the Board of Directors.

**The Compliance Charter**

The Group Compliance Charter sets out the guiding principles of the Compliance function within the Quintet Group. It defines the mission statement, key roles and responsibilities, governance and organizational principles of the Compliance function.

It documents sound practices to help ensure that Compliance function activities are managed and controlled in an effective and consistent manner across the Quintet Group locations and legal entities.

In addition, it describes the different mechanisms and processes implemented in order to ensure the respective roles and responsibilities. Further it:

- Recognizes the right of Compliance to open investigations into any of the bank’s activities
- Defines the responsibilities and reporting lines of the Chief Compliance Officer
- Describes the relationships with Risk Management and Internal Audit
- Defines the applicable conditions and circumstances for calling on external experts
- Establishes the right of the Chief Compliance Officer to contact directly and on their own initiative the Chairman of the Board of Directors or, where appropriate, members of the Audit Committee or the Compliance Committee, as well as the CSSF

The Compliance function has in its scope all compliance risks in connection with all activities of the Group and its entities, and primarily addresses the following:

- The fight against money laundering and the financing of terrorism
- Prevention of market abuse
- Monitoring of personal transactions
- Protection of the integrity of the financial instruments markets

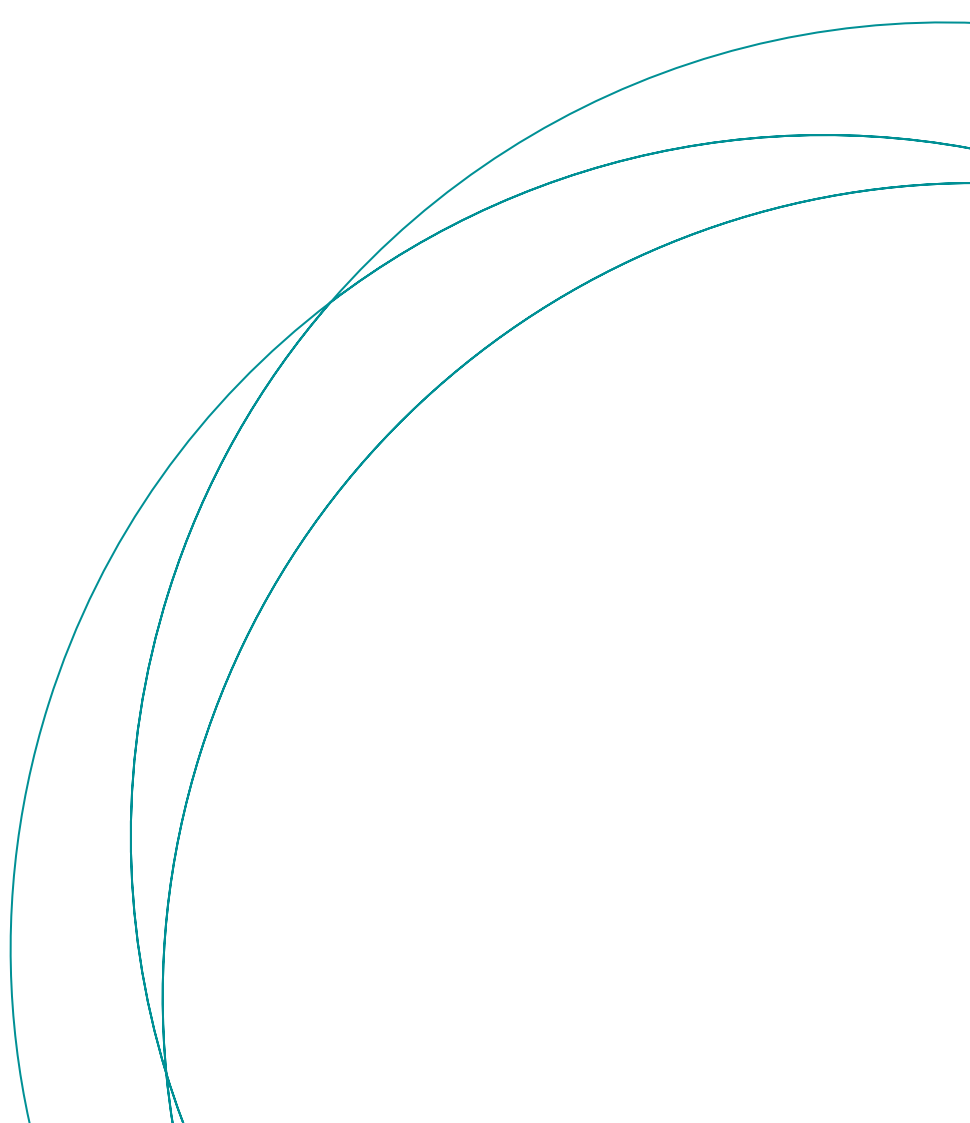


- Protection of customer, investor and consumer interests
- Observance of professional secrecy
- Avoidance and management of conflicts of interests
- Prevention of the use of the financial sector by third parties to circumvent their regulatory obligations
- Management of compliance risks related to cross-border activities
- Promotion of ethics and professional conduct (codes of conduct, Compliance manuals)
- The fight against fraud (internal and external) and corruption
- Monitoring of complaint handling
- Involvement in the new products approval process
- Taking actions against internal or external fraudulent behavior and breaches of discipline

The following primary Compliance policies, guidelines and standards – available via the Quintet Luxembourg website – are applicable across Quintet Private Bank:

- Compliance Charter
- Compliance Policy
- Code of Protection of Whistle Blowers
- Conflict of Interest Policy
- Conduct of Business Policy
- Code of Conduct
- Anti-corruption and Bribery Policy
- Cross-border Policy
- AML Group Standard
- Group Investor Protection Policy
- Market Abuse Policy
- Policy Relating to the Exercise of Mandates by Employees

Via various compulsory training sessions, every Quintet employee has been made fully aware of their role in the fight against money-laundering and terrorism financing.





# CONTACT INFORMATION

## QUINTET PRIVATE BANK (EUROPE) S.A.

43, boulevard Royal  
L-2955 Luxembourg  
T: +352 4797-1  
F: +352 4797-73900  
contact@quintet.com  
www.quintet.com  
R.C. Luxembourg B 6395

## PRIVATE BANKING

### PRIVATE BANKING

43, boulevard Royal  
L-2955 Luxembourg  
+352 4797-2099

### UHNWI SERVICES

43, boulevard Royal  
L-2955 Luxembourg  
+352 4797-3135

## GENERAL DEPARTMENTS

<b>Corporate Center Support</b>	+352 4797-3453
<b>Human Resources</b>	+352 4797-3906
<b>Legal</b>	+352 4797-3113
<b>Finance</b>	+352 4797-2987
<b>Tax</b>	+352 4797-2987
<b>Corporate Communications</b>	+352 4797-2658
<b>Risk</b>	+352 4797-3959



## PROFESSIONAL CLIENTS

### GLOBAL MARKETS

Money Markets	+352 2621-0311
Forex	+352 2621-0333
Bullion	+352 2621-0355
Repos & Securities Lending	+352 2621-0322
Fiduciary Deposits	+352 2621-0344
Execution Desk	
Money Market	+352 2621-0144
Fixed Income	+352 2621-0133
Listed Products (Equities, Derivatives, ETFs)	+352 2621-0211
Third-Party Funds	+352 2621-0222
Group Structured Solutions	+352 2621-0233
Business Management & Financial Institutions	+352 4797-2551

### AS&FIM – BUSINESS DEVELOPMENT

Business Development Fund Solutions Desk	+352 4797 3839
Business Development Inter-Bank & Insurance Companies Desk	+352 4797 4545
Business Development Financial Intermediaries (FIM) Desk	+352 4797 2496

### AS&FIM – CLIENT RELATIONSHIP MANAGEMENT

Client Relationship Management	+352 4797-2495
--------------------------------	----------------

### MISCELLANEOUS

myQuintet	+352 4797-2500
-----------	----------------

## KREDIETRUST LUXEMBOURG S.A.

88, Grand Rue	Asset Management	+352 4797-4592
L-1660 Luxembourg	Legal & Risk Management	+352 4797-3615
T: +352 4797-3822	Fund Structuring & Domiciliation	+352 4797-4550
F: +352 4797-73930	Investment Research	+352 4797-4565
R.C. Luxembourg B 65 896	Private Equity	+352 4797-3459

**QUINTET PRIVATE BANK (EUROPE) S.A.****ASSET SERVICING & FIM**

+352 4797-2316

**FINANCIAL INSTITUTIONS**

Global Markets

+352 4797-2551

financial.institutions@quintet.com

**BRANCHES & SUBSIDIARIES****BELGIUM**

PUILAETCO

46, avenue Herrmann Debroux

B-1160 Brussels

+32 2 679 45 11

www.puilaetco.be

BANQUE PUILAETCO

LUXEMBOURG

163, rue du Kiem

L-8030 Strassen

+352 47 30 251

www.puilaetco.lu

**DENMARK**

QUINTET DANMARK

Sankt Annae Plads 13, 3 tv

1250 Copenhagen C

+45 33 34 3580

www.quintet.dk

**NETHERLANDS**

INSINGERGILISSEN

Herengracht 537

NL-1017 BV Amsterdam

+31 20 521 5000

www.insingergilissen.nl

**GERMANY**

MERCK FINCK

Pacellistrasse 16

D-80333 Munich

+49 89 21 04 16 52

www.merckfinck.de

**SWITZERLAND**

QUINTET SWITZERLAND

Bahnhofstrasse 13

CH-8001 Zurich

+41 44 914 6000

www.quintet.com/en-ch

**LUXEMBOURG**

QUINTET LUXEMBOURG

43, boulevard Royal

L-2955 Luxembourg

+352 47 97 1

www.quintet.lu

**UNITED KINGDOM**

BROWN SHIPLEY

2 Moorgate

London

EC2R 6AG

+44 207 606 9833

www.brownshiple.com



**QUINTET PRIVATE BANK**

43, BOULEVARD ROYAL  
L-2955 LUXEMBOURG  
T: +352 47 97-1  
CONTACT@QUINTET.COM

[WWW.QUINTET.COM](http://WWW.QUINTET.COM)