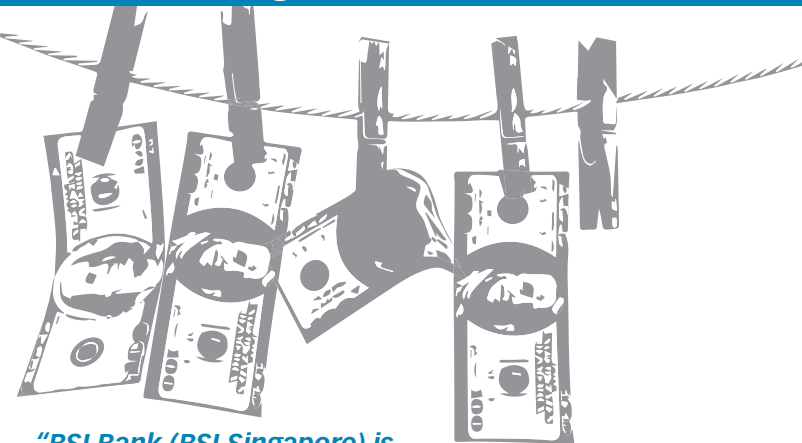


# Swiss' BSI caught in 1MDB storm



***"BSI Bank (BSI Singapore) is the worst case of control lapses and gross misconduct that we have seen in the Singapore financial sector"***

– MAS managing director, Ravi Menon

- The Lugano-based BSI SA's Singapore operations began offering private banking services in November 2005. The bank has 200 employees in Singapore
- In 2010, BSI Singapore hired over 90 staff from Singapore office of RBS Coutts in what was deemed one of the largest staff transfers between rivals
- In February 2016, Swiss bank EFG International agreed to pay US\$1.34 billion to acquire Brazil's BTG Pactual SA's Swiss private-banking unit BSI. This followed 5 months after BTG Pactual bought BSI from Italian insurer Assicurazioni Generali SpA
- BSI was custodian bank for key investments by 1MDB totalling nearly US\$4 billion. Its clients included 1MDB, its related entities and Malaysian tycoon Jho Low



- In MAS statement, six members of BSI Bank have been referred to the public prosecutor to evaluate for possible criminal offences. They include:  
**Hans Peter Brunner** (top left), former BSI Singapore CEO  
**Raj Sriram** (bottom left), former deputy CEO  
**Kevin Michael Swampillai**, head of wealth management services who has been suspended  
**Yak Yew Chee**, former senior private banker  
**Yeo Jiawei**, former wealth planner  
**Yvonne Seah Yew Foong**, former senior private banker (Brunner, Sriram, Swampillai and Yak were formerly with RBS Coutts)

- Swiss FINMA's findings on BSI – ***"right up to top management level, there was a lack of critical attitude needed to identify, limit and oversee risks inherent in the relationships"***
- Serious shortcomings in transactions involving relationships with politically exposed persons (PEPs)
- In 1MDB context, BSI had business relationships with a range of sovereign wealth funds whose accounts were booked in Singapore and Switzerland. This was BSI's largest and most profitable client group
- BSI failed to monitor relationships with 1MDB client group with around 100 related accounts; bank was happy to accept explanation that the funds involved were a "gift" in one case involving deposit of US\$20m