



By Email to: vernehmlassungen@sif.admin.ch

21.12.2025

BreakFree Suisse

Subject: Answer to the consultation procedure 2025/61:

https://fedlex.data.admin.ch/eli/dl/proj/2025/61/cons_1

Answer from BreakFree Switzerland to the consultation on the amendment to the Banking Act and the Capital Adequacy Ordinance (capital adequacy coverage of foreign holdings in the parent company of systemically important banks)

Dear Sir or Madam,

We thank you for the opportunity to comment on the above-matter as part of the consultation process.

Please find our response below.

Kind regards,

Collective BreakFree Suisse

Table of Contents:

I.	Introduction	2
II.	Financial Exposure to Reputational Risk	4
III.	Recent and Historical Trends in Reputational Risk Exposure	7
IV.	Conclusion	16
V.	Annexes	18

I. Introduction

The tightening of capital requirements aims to remedy the insufficient protection of the parent bank's capital against risks arising from participations in foreign subsidiaries that are, *“assets that may present numerous risks and suffer a sharp decline in value in a short period of time, thereby significantly affecting the parent bank's capital base,”* that was highlighted from the Credit Suisse crisis, according to the **Explanatory Report for the opening of the consultation procedure**.¹

Risks can be declined in several types. In the last few years, regulators have placed greater focus on the measurement and assessment of **reputational risk**. Several definitions exist but we understand reputational risk as *“the risk arising from negative perception on the part of clients, counterparties, shareholders, investors, debt-holders, market analysts, other relevant parties or regulators that can adversely affect a bank ability to maintain existing, or establish new, business relationships and continued access to sources of funding (e.g. through the interbank or securitisation markets)”* as defined by the **Basel Committee on Banking Supervision (BCBS)**. Within the Basel II framework, Pillar 2 guidance on reputational risk is also included, and requires implicit support: *“reputational risk can lead to the provision of implicit support, which may give rise to credit, liquidity, market and legal risk – all of which can have a negative impact on a bank's earnings, liquidity and capital position. A bank should identify potential sources of reputational risk to which it is exposed”*.²

Upstream of events such as heavy judicial sanctions or negative media coverage, **reputational risk** manifests itself through **concrete risk factors** and can be assessed through exposure to corrupt sectors, dependence on opaque counterparties, links to **politically exposed persons (PEPs)** in fragile legal environments, participation in environmentally and socially destructive projects, and repeated failures of **anti-money laundering controls (AML)**.

The events surrounding the **collapse of Credit Suisse**, together with **FINMA's** subsequent findings of **“severe shortcomings”** in **risk governance** provide important context for the present consultation. They illustrate how weaknesses in risk control and oversight at large banks can, over time, translate into **broader risks for Switzerland's financial stability**. As identified in the Explanatory Report, the **proportion of participation in foreign subsidiaries** is high compared to the **parent bank's capital base** in the case of UBS.

In our analysis, drawing on **recent financing and investment data**, we show that UBS - through its foreign subsidiaries - has **significant financial exposure to sectors and projects characterised by some or all of the risk factors listed**. We further demonstrate **consistent patterns of elevated risk** and evidence of governance weaknesses that **closely mirror the risk architecture that precipitated the Credit Suisse crisis** and that justify the need to fully capitalize foreign participations, in line with the **objectives of the revised Too-Big-To-Fail framework**.

¹ <https://www.efd.admin.ch/dam/fr/sd-web/5oBb-t6pz1qz/eigenmittel-erlaeuternder-bericht-fr.pdf>

² Ciaponi, G., et. al. (2021). *Reputational Risk for financial institutions: a proposal of quantitative approach*. Risk Management Magazine, Vol. 16, Issue 2 (Excerpt 5). AIFIRM.

Despite its public commitment to a “**conservative risk culture**”,³ UBS maintains **deep and repeated** financial relationships with actors operating in some of the most **corruption-sensitive industries** - oil and gas, mining, agro-industry, and opaque commodity trading. In banking, the nature of a client’s sector and position in the value chain directly shapes the **legal, political, and financial** risks borne by institutions that grant loans, include such actors in their portfolios, or offer advisory and underwriting services. A robust body of international research shows that the extractive industry is **structurally prone to bribery, political capture, and regulatory instability**, especially in jurisdictions where **legal frameworks are fragile**, including many low-income countries.^{4 5 6 7 8 9} Fedpol underscores these **systemic vulnerabilities**: in an April 2019 report on “activities in the field of raw materials,” it warns of **high corruption risks arising from the involvement of public companies and foreign public officials**, the magnitude of potential gains, the **opacity of transactions** - especially the **sale of state-owned assets** - and the **lack of specific regulations or international standards governing these operations**.¹⁰ In this context, UBS’s extensive investments, advisory mandates, and underwriting operations place the bank **at the centre of multiple high-risk networks**.

Logically, the sensitivity and reputational exposure linked to corruption in such sectors is amplified today by the **recent history of financial institutions** that have suffered severe reputational and balance-sheet damage following corruption scandals. The collapse of Credit Suisse illustrates how corrosive and destabilizing these patterns can become for the Swiss financial centre as a whole.^{11 12}

³ <https://edition.cnn.com/2023/03/23/investing/credit-suisse-ubs-impact-switzerland/index.html>

⁴ U4 Chr Michelsen Institute, 2024 <https://www.u4.no/topics/oil-gas-and-mining/basics>

⁵ <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2022-14-incorporation-offshore-shell-companies-indicator-corruption-risk-extractive-industries.pdf>

⁶ *Oil, politics, and “Corrupt Bastards”*, James et. al., 2022, Journal of Environmental Economics and Management <https://www.sciencedirect.com/science/article/abs/pii/S009506962100139X>

⁷ *Corruption as a natural resource curse: Evidence from the Chinese coal mining*, Dong et. al., 2019, China Economic Review <https://www.sciencedirect.com/science/article/abs/pii/S1043951X19300756>

⁸ OECD Foreign Bribery Report, 2014,

https://www.oecd.org/en/publications/corruption-in-the-extractive-value-chain_9789264256569-en.html

⁹ <https://fr.scribd.com/document/334560914/EY-Managing-Bribery-and-Corruption-Risk-in-the-Oil-and-Gas-Industry>, 2012

¹⁰ <https://www.fedpol.admin.ch/dam/fedpol/fr/data/kriminalitaet/geldwaescherei/nra-berichte/nra-bericht-april-2019-f.pdf>

¹¹ <https://www.reuters.com/business/finance/credit-suisse-collapse-threatens-switzerlands-wealth-management-crown-2023-03-22/>, 2023

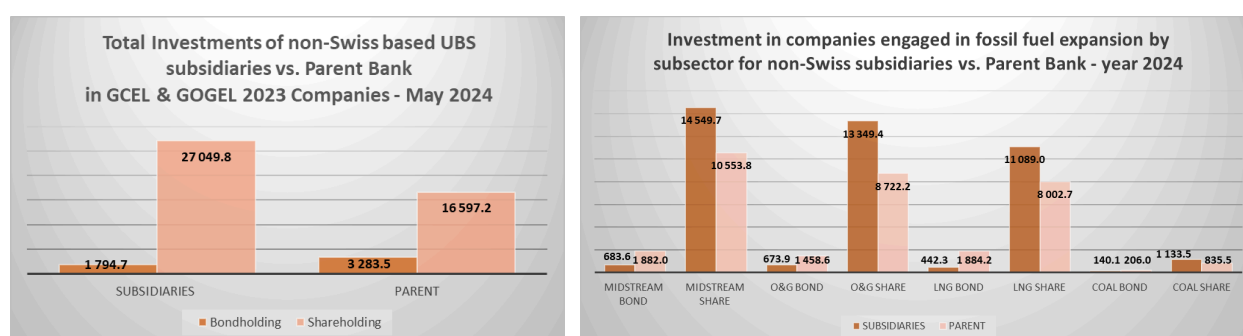
¹² 2023, <https://www.bbc.com/news/business-65009996>

II. Financial exposure to reputational risk

In the following section, we present detailed evidence on UBS's financial exposure - significantly channelled through its foreign subsidiaries - to investments in **fossil fuel expansion** per sector, fossil fuel financing and projects associated with **elevated reputational risk**. The data used in this analysis combines **investment exposure** and **banking finance flows** from **two complementary sources**.

Investing in Climate Chaos 2024 captures **investment data**, namely banks' and asset managers' holdings of **bonds and shares** in fossil fuel companies, reflecting longer-term capital allocation and ownership exposure. *Banking on Climate Chaos 2025* provides **financing flow data**, tracking banks' **lending and underwriting activities** - including corporate and project loans, bond underwriting, and share issuances - between 2021 and 2024. This financing data attributes the full value of each deal to participating banks at the time of commitment, regardless of whether funds are later drawn or repaid, and thus reflects **banks' active role in enabling fossil fuel expansion** through credit provision and capital market intermediation, rather than passive investment holdings. More details on the methodology is available in Annex and in the references.¹³

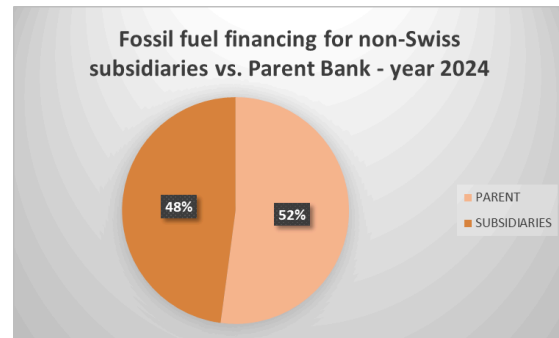
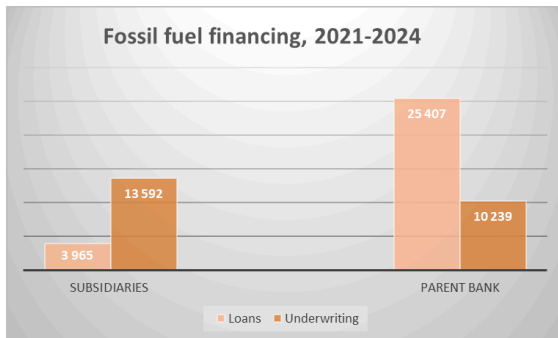
As of **May 2024**, UBS and Credit Suisse foreign subsidiaries have held investments worth approximately **\$29 billion USD** in fossil fuel expansion, as opposed to **~20 billion USD** for the parent bank, with higher amounts in **shares** than **bonds**. UBS foreign subsidiaries have exposure to companies involved in the **expansion** of: the **midstream** fossil fuel sector, with an estimated value of **\$15 billion USD**, the **upstream** fossil fuel sector, with an estimated value of **\$14 billion USD**, the **liquified natural gas (LNG)** sector, with an estimated value of **\$11.5 billion USD** and finally in the **expansion** of the **coal sector** with an estimated value of **\$1.3 billion USD**, as can be seen in the following two figures:



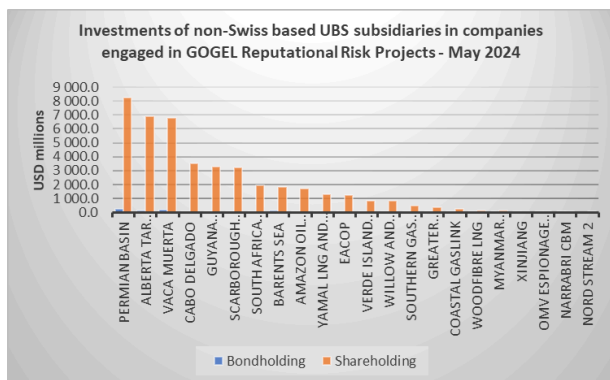
Furthermore, over the period **2021-2024**, UBS and Credit Suisse foreign subsidiaries have provided **more than \$17.6 billion USD** in fossil fuel financing, **loans and underwriting included**.¹⁴ When comparing financing between the parent bank and foreign subsidiaries, the coverage appears unbalanced between loans and underwritings over the period 2021-2024. The parent bank provides **6.4 times** more loan coverage than its foreign subsidiaries. However, the 2024 trend is more balanced in terms of overall coverage, where both parent and subsidiaries contribute **half** of the total financing coverage.

¹³https://www.bankingonclimatechaos.org/wp-content/uploads/2025/06/Methodology_FAQ_Banking_on_Climate_Chaos_2025.pdf

¹⁴ BOCC 2025, Banking on Climate Chaos report



Data from the database maintained by the NGO **Urgewald on Reputational Risk Projects** illustrates the extent to which major oil and gas projects worldwide are associated with violent conflict, severe environmental damage, and systemic harm to local communities. Across regions, affected populations, scientists, and civil society organisations are opposing these projects through protests and **legal action**. Many of these projects present such important social and environmental risks that they constitute **significant reputational risks** for the financial institutions backing the companies involved.



Through its Global Oil and Gas Exit List (**GOGEL**) platform, Urgewald identifies these **high-risk projects** and maps the oil and gas companies associated with them. Therefore, we have evaluated UBS' foreign subsidiaries coverage in these projects.

Foreign (non-Swiss based) UBS subsidiaries invested almost **\$8.5 billion USD** in companies active in fracking operations in the Permian Basin¹⁵ and **\$7 billion USD** in Vaca Muerta¹⁶, **\$7 billion USD** in companies active in oil extraction in Alberta Tar Sands¹⁷, and **\$3.6 billion USD** in LNG projects in **Cabo Delgado, Mozambique**.¹⁸ Cabo Delgado houses **three of the largest LNG projects in Africa: TotalEnergies' Mozambique LNG, Eni and ExxonMobil's Coral North FLNG and ExxonMobil, Eni and Chinese National Petroleum Company (CNPC)'s Rovuma LNG**. As an example, Cabo Delgado in Mozambique is associated with serious allegations of human rights violations and civil war dynamic in the region, environmental destruction, representing high litigation risks for financiers and stakeholders.¹⁹ In November 2025, the **European Center for Constitutional and Human Rights (ECCHR)** filed a **criminal complaint in France** accusing TotalEnergies of **complicity in war crimes, torture, and enforced disappearances** tied to security operations at the project site. These allegations focus on the so-called "*container massacre*" between July and September 2021, where Mozambican armed forces - including a Joint Task Force established with the support of TotalEnergies' subsidiary - allegedly detained, tortured, and killed civilians fleeing violence connected to the insurgency by the extremist group Al-Shabab. Internal documents suggest

¹⁵ <https://gogel.org/fracking-permian-basin>

¹⁶ <https://gogel.org/vaca-muerta>

¹⁷ <https://gogel.org/alberta-tar-sands>

¹⁸ <https://gogel.org/cabo-delgado-mozambique-resource-rich-war-zone>

¹⁹ <https://ieefa.org/resources/list-reasons-not-finance-totalenergies-mozambique-lng-project-grows>

TotalEnergies was aware of systematic human rights violations by these forces yet continued to provide material support under the security arrangement designed to protect the LNG project.²⁰ In December 2025, both the **UK and Dutch export credit agencies withdrew or declined to reconfirm their financial backing** for the Mozambique LNG project, citing heightened project risks, including human rights and security concerns around the site, thereby reducing public support for the development.²¹ The combination of conflict-related human rights abuses, ongoing legal challenges, persistent insecurity, and significant climate impact places Mozambique LNG among the oil and gas projects associated with **elevated reputational, legal, and financial risk** for banks, investors, and public finance institutions involved in its backing.

Similarly, **non-Swiss based UBS subsidiaries** invested almost **\$3.3 billion USD** in companies active in deepwater drilling off the coast of Guyana²², **\$3.3 billion USD** in companies active in Scarborough Gas project²³, **\$1.8 billion USD** in companies active in the Amazon Oil and Gas drilling²⁴ in **2024**. We also detail below the reputational risks faced by UBS related to this latter.

Non-Swiss based UBS subsidiaries also invested a total of **\$1.3 billion USD** in companies active in gas extraction in the Russian Arctic (Yamal LNG and Arctic LNG 2²⁵), **\$1.2 billion USD** in companies active in the EACOP project²⁶ and finally **\$0.9 billion USD** in companies active in the Philippines, participating in the LNG boom in the Verde Island Passage (VIP).²⁷

As an example, in **2024**, total investment in **Chevron Corp.** represented **\$3 billion USD**, of which **\$2 billion USD** was supported by **UBS' foreign subsidiaries**. Lately, and as we detail further below in the second section, in **December 2025**, UBS participated alongside JPMorgan, Morgan Stanley and RBC Capital Markets in a **\$154.2 million USD bond issuance for Chevron**, at a time when Chevron faces **mounting legal, environmental and political risks**. Chevron is involved in multiple reputational risk projects at the same time: Scarborough Gas, Vaca Muerta, Guyana offshore, Amazon Oil and Gas Drilling, fracking operations in the Permian Basin. As we detail below in the different case studies, it is also the case for several companies. Mentioning a few, we find **Exxon Mobil Corporation (total investments from UBS foreign subsidiaries of \$2 billion USD)**, involved in Guyana Offshore, Cabo Delgado, Alberta Tar Sands, Permian Basin, Amazon Oil and Gas Drilling, **TotalEnergies (total investments from UBS foreign subsidiaries of \$1.2 billion USD)**, involved in Vaca Muerta, Guyana Offshore, EACOP, Cabo Delgado, Yamal LNG and Arctic LNG 2, Alberta Tar Sands, Amazon Oil and Gas Drilling, **Shell plc (total investments from UBS foreign subsidiaries of \$0.7 billion USD)** involved in Scarborough Gas, Vaca Muerta, Alberta Tar Sands, Verde Island Passage, Amazon Oil and Gas Drilling or **BP plc (total investments from UBS foreign subsidiaries of \$0.4 billion USD)** involved in Vaca Muerta and the Permian Basin.

²⁰<https://www.ecchr.eu/en/press-release/totalenergies-faces-criminal-complaint-for-complicity-in-war-crimes-torture-and-enforced-disappearance-in-mozambique/>

²¹https://www.lemonde.fr/en/economy/article/2025/12/02/totalenergies-loses-uk-and-dutch-backing-for-mozambique-gas-project_6748056_19.html

²² <https://gogel.org/guyana-offshore>

²³ <https://gogel.org/scarborough-gas-field-and-burup-hub>

²⁴ <https://gogel.org/amazon-oil-and-gas-drilling>

²⁵ <https://gogel.org/yamal-lng-and-arctic-lng-2-gas-extraction-russian-arctic>

²⁶ <https://gogel.org/tilenga-kingfisher-eacop>

²⁷ <https://gogel.org/philippines-lng-boom-verde-island-passage>

III. Recent and historical patterns of exposure to reputational risk

Oil and gas traders and state-owned companies:

In a report published in **2021**, StandEarth and AmazonWatch demonstrated that banks have a **major blind spot in their lending practices**.²⁸ They create **syndicated renewable loans (revolving credit facilities (RCFs))** for their oil trading clients, but don't have **adequate oversight** to trace the money use, labelled '**general corporate purpose**', preventing them from detecting the risks linked to **business practices based on corruption**. Recent investigations by the **U.S. Justice Department** has revealed **more than a decade of bribery and corruption in national oil companies in Brazil and Ecuador** that was instituted by oil traders such as **Gunvor and Vitol**, letting the country's economies cycle into **increasing indebtedness**. In the following scorecard shown in *Table 1*, **banks are categorized according to their risk management and exposure** and given a grade and a rating for their overall risk in the **Amazon destruction**. As shown in *Figure 1*, frontrunner banks do **more reporting** than others - suggesting that **transparency** is key. UBS is classified as a contender bank, having policies above average, but whose **risk exposure**, especially its **involvement in investment for national oil companies** such as PetroAmazonas in Ecuador, and RCFs for oil traders such as Gunvor and Vitol, drives its overall risk level to '**high**', with a grade of **45%, D** (A: best score, F: worse).²⁹

Table 1. Bank rankings, grades, and corresponding risk levels.

RANK	BANK	GRADE	GRADE %	RISK LEVEL
1	Rabobank	B	70%	MODERATE
2	ABN AMRO	B-	68%	MODERATE
3	ING	B-	66%	MODERATE
4	BNP Paribas	C	56%	HIGH
5	UBS	D	45%	HIGH
6	Société Générale	D	45%	HIGH
7	Credit Suisse	D	44%	HIGH
8	Natixis	D	41%	HIGH
9	Crédit Agricole	D	40%	HIGH
10	Citigroup	F	38%	VERY HIGH
11	Goldman Sachs	F	34%	VERY HIGH
12	Deutsche Bank	F	32%	VERY HIGH
13	HSBC	F	30%	VERY HIGH
14	JPMorgan Chase	F	29%	VERY HIGH



Figure 1. Scatter chart of bank scores and corresponding overall risk of Amazon destruction.

- **Gunvor group (2019, Republic of Congo and Ivory Coast; Ecuador, 2012-2020 (alleged))**: Gunvor group and subsidiaries (including Gunvor S.A., formerly Castor Petroleum) received substantial financial support in the form of **equity, bonds, and syndicated loans** - such as RCFs - from a group of international banks including **UBS, despite well-documented**

²⁸ Amazon Watch & partners. (2021). Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance. <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

²⁹ <https://stand.earth/press-releases/report-fails-global-banks-for-financing-investment-in-oil-gas-in-amazon-rainforest/>

corruption risks. Indeed, in **2019**, Gunvor agreed to pay **\$95 million USD** to the **Swiss Office of the Attorney General** after admitting it had failed to take reasonable and necessary organizational measures to prevent its employees and agents from bribing public officials to gain access to petroleum markets in the **Republic of Congo** and **Côte d'Ivoire**. In those cases, intermediaries acting on Gunvor's behalf paid bribes to government officials to **secure oil contracts**.³⁰

Despite this clear legal outcome establishing Gunvor's involvement in corrupt practices, UBS and other banks participated in RCFs for the Gunvor Group totaling approximately **\$2.4 billion USD**, which became effective or were refinanced on **November 13, 2020**. Given **UBS's stated anti-corruption and client due diligence policies**, it remains **unclear** how these considerations were weighed in the decision to continue lending to Gunvor following the 2019 settlement.³⁰

Subsequently, Gunvor emerged at the center of **another major corruption scandal in Ecuador**. According to prosecutorial filings and investigative reporting, agents acting for Gunvor allegedly paid bribes to

Ecuadorian officials **between 2012 and August 2020 to secure oil contracts with Petroecuador**.³⁰ Investigations by Public Eye allege that **between 2013 and 2020** Gunvor funneled nearly **\$92 million USD** through offshore companies controlled by the **Peré brothers** - one of which held an account at UBS Zurich - to disguise bribe payments to senior Ecuadorian Petroecuador officials in exchange for access to oil contracts.³¹

- **PetroAmazonas/Petroecuador (state-oil companies, 2019):** In relation to investments and financing for PetroAmazonas, several former Petroecuador officials were charged in a **2019** anti-corruption case that saw the government recover **\$5 million USD** in corruption related assets. In **April 13, 2021**, Ecuador's comptroller and former energy minister were arrested as part of the ongoing corruption investigations.³⁰ At a time when Ecuador's oil sector was affected by serious corruption scandals, international banks lent hundreds of millions of dollars **to the country by purchasing bonds issued by its state oil company and by advising the government on its financial strategy**. This financing helped **sustain and expand oil production and reassured markets that Ecuador would continue servicing its debt**. However, it remains unclear whether these banks used their financial leverage to demand stronger anti-corruption safeguards or not, **despite**

Table 4. Scorecard banks financing the Gunvor Group

Loan Amount	Use	Agent	Société Générale	ABN AMRO	CITI	Crédit Agricole	Crédit Suisse	Deutsche Bank	Goldman Sachs	ING	Netis	Rabobank	UBS
\$1.005B	General corp. purpose, refinancing	Credit Suisse	✓	✓	✓	✓	✓			✓	✓	✓	✓
\$220M	General corp. purpose, refinancing	Credit Suisse	✓	✓	✓	✓	✓			✓	✓	✓	✓
\$1.165B	General corp. purpose, refinancing	Credit Suisse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
\$330M	Refinancing	Credit Suisse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
\$680M	Working Capital	Société Générale		\$50M			\$20M	\$40M		\$50M	\$30M		

³⁰ Amazon Watch & partners. (2021). *Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance*. <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

³¹<https://www.publiceye.ch/en/topics/commodities/a-predator-called-gunvor-in-the-amazon/ecuador-how-gunvor-initiated-a-decade-of-corruption>

elevated governance risks. Several of these same banks have **publicly acknowledged** the role of oil and gas extraction in driving deforestation in the western Amazon and have introduced environmental and social risk (ESR) policies **restricting trade finance for Amazon oil.** By **January 2021**, Credit Suisse had **formally adopted exclusions on trade finance for oil from the Amazon Headwaters.** UBS has similarly declined **trade finance transactions in the region** but has **not publicly committed to a formal exclusion or updated its ESR framework accordingly.**

Despite these measures, and as can be seen in *Figure 6.*, UBS and Credit Suisse, continued to hold respectively **\$232 million USD** and

\$146 million USD in sovereign bonds issued by PetroAmazonas. These banks also hold sovereign bonds linked to Petrobras (Brazil) and Ecopetrol (Colombia). As Ecuador's national oil company, Petroecuador is fully dedicated to oil extraction in the Amazon, with significant reserves located beneath **Yasuní National Park**, an **IUCN Category II Protected Area** and part of the largest Ramsar site in Ecuador (wetland, Ramsar convention).³²

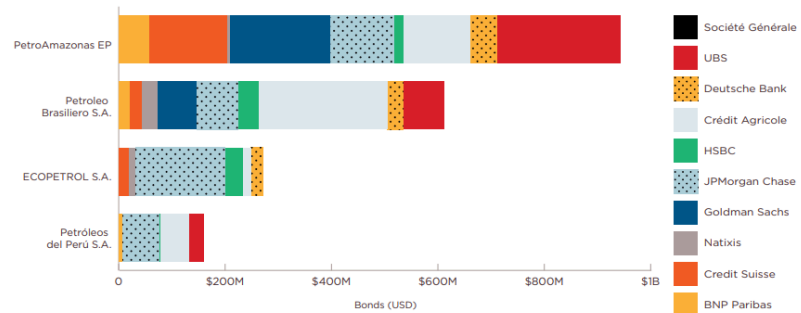


Figure 6. Banks hold bonds in all four of the national oil companies covered in this report. Banks hold sovereign bonds used by national oil companies to raise capital to fund oil expansion. These bonds are typically parcelled with other sovereign bonds and purchased through emerging market exchange traded funds (ETFs), which means that banks may not be making direct purchases of bonds in these state oil companies.

- **Petrobras & Operation Lava Jato (2014-2017):** Petrobras is a Brazilian state-owned oil company. UBS was holding **\$487 million USD** in Petrobras as of **2024**, with **\$472 million USD** in shares and **\$16 million USD** in bonds.³³ In this scandal, Petrobras executives and Brazilian politicians operated a vast bribery and kickback scheme, laundering proceeds through **undeclared Swiss bank accounts.** The Swiss authorities have seized nearly **\$400 million USD** in assets held in Switzerland of which **\$120 million USD** have been repatriated to Brazil.³² The Brazilian judiciary

operated a vast bribery and kickback scheme, laundering proceeds through **undeclared Swiss bank accounts.** The Swiss authorities have seized nearly **\$400 million USD** in assets held in Switzerland of which **\$120 million USD** have been repatriated to Brazil.³² The Brazilian judiciary

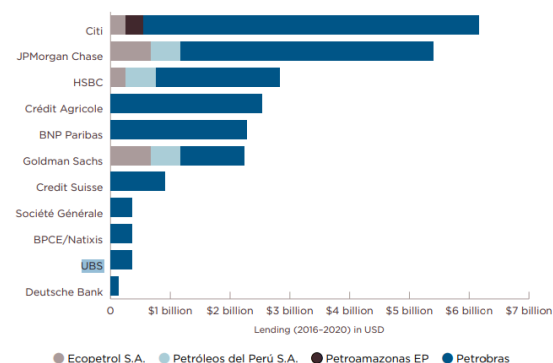


Figure 5. Financing for National Oil Companies (NOCs) in the Amazon from 2016 to 2020, adapted from Banking on Climate Chaos (RAN, 2021)

³² Amazon Watch & partners. (2021). *Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance.* <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

³³ <https://investinginclimatechaos.org/data?org=UBS>

has identified **\$2.1 million USD** in bribes paid by a **Glencore subsidiary**, transferred into a UBS Luxembourg account registered to a Marshall Islands shell company, **Seaview Shipbroking Ltd.**³⁴ Alleged breaches of compliance obligations involving UBS and other Swiss banks, linked to the use of shell companies and cross-border structures, were revealed in judicial investigations conducted by Brazilian prosecutors, based on thousands of documents submitted to the proceedings.³⁵

- Vitol group (Petrobras):** Vitol Holding BV is a Swiss trading company that paid bribes to officials in Ecuador, part of a region-wide corruption scheme that led to **\$164 million USD** in criminal penalties in the US and Brazil. Vitol Group has admitted paying **> \$8 million USD** in bribes to at least four Petrobras officials, and also recently paid **\$164 million USD** in **criminal penalties** to resolve bribery charges with Brazilian law enforcement officials. The financing exposure in that case represents RCFs exceeding **\$9.7 billion USD**, led by JPMorgan Chase, and financed and underwritten by banks including UBS and Crédit Suisse.³⁶

These scandals reflect a weak integration of anti-corruption outcomes into credit decisions and are **increasing the reputational risk borne by UBS' foreign subsidiaries when they participate in RCFs**. Furthermore, UBS has **no explicit rule banning oil financing in the Amazon Headwaters**, leaving it free to continue funding oil projects in one of the **world's most sensitive regions**. At the same time, it relies on the same internal ESG and risk policies that **previously allowed financing of oil traders and state oil companies involved in corruption and environmental harm**. Because these policies already failed to prevent such risks in the past, continuing to rely on them without changes is not a credible way to prevent similar problems in the future.

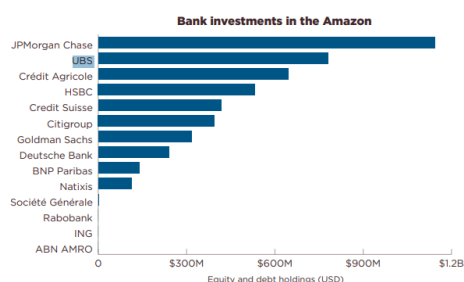


Figure 2. Equity and debt holdings in the Amazon by scorecard banks as of March 31, 2021.

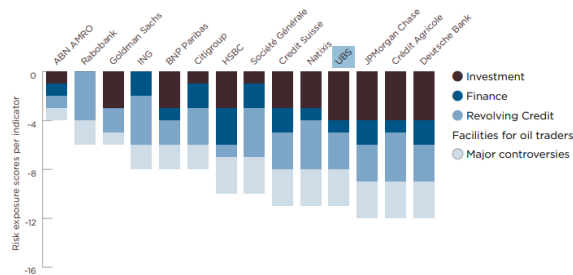


Figure 4. Each bank's level of risk exposure to oil and gas companies in the Amazon basin

Note: all figures and tables are from the report *"Banking on Amazon destruction"* from StandEarth and AmazonWatch.³²

³⁴ <https://www.publiceye.ch/fr/thematiques/negoce-de-matieres-premieres/affaire-petrobras>

³⁵ <https://www.letemps.ch/economie/finance/affaire-petrobras-revele-manquements-banques-suisse>

³⁶ Amazon Watch & partners. (2021). *Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance*. <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

- **Chromite Gas Holdings (2025)** - An expanding anti-corruption movement in the Philippines, initially triggered by scandals over fraudulent flood-control projects, is unfolding alongside major LNG investments backed by international finance. In **2025**, **three powerful Filipino business figures**, close to President **Ferdinand Marcos Jr. - Ramon Ang (San Miguel Corporation)**, **Sabin Aboitiz (Aboitiz Power)**, and **Manuel Pangilinan (Meralco PowerGen / Metro Pacific)** - concluded an **unprecedented LNG partnership** positioning the **Ilijan complex in Batangas** as a **national gas hub**. Through their joint vehicle, **Chromite Gas Holdings**, Aboitiz and Pangilinan injected **\$3.3 billion USD** into **South Premiere Power, Excellent Energy Resources, and Ilijan Primeline Industrial Estate**, three companies previously controlled by **San Miguel Corporation (SMC)**. The agreement enables the expansion of the **1,278 MW Ilijan LNG power plant** and the development of an additional **1,320 MW LNG facility** near the **Verde Island Passage**, one of the **world's most biodiverse marine areas, classified as a reputational risk project, as mentioned in our first section** to which UBS foreign subsidiaries are significantly exposed. The transaction was facilitated by **UBS's Singapore branch**, acting as **financial adviser** to Aboitiz Power and Meralco, and complementing UBS's broader partnerships with both groups and with SMC. While promoted as part of the "energy transition," the LNG projects have been widely criticised by civil-society organisations for their high greenhouse-gas emissions, risks to marine biodiversity, and **alleged violations of local community rights**.³⁷
- **Chevron (2025)** – In December 2025, UBS participated alongside JPMorgan, Morgan Stanley and RBC Capital Markets in a **\$154.2 million USD bond issuance for Chevron**, one of the **world's most polluting oil and gas companies**. This move stands in contrast to the **Swiss National Bank's full divestment from Chevron in May 2025**, amounting to **\$711 million USD**, based on its policy of **avoiding companies causing major systematic environmental harm**. UBS itself holds approximately **\$1.72 billion USD in Chevron shares**, at a time when Chevron faces mounting legal, environmental and political risks. In **April 2025**, Chevron was condemned to pay **\$744 million USD** for the destruction of coastal wetlands in **Louisiana**, a ruling now under pressure from the U.S. Department of Justice to be overturned on appeal. **Texaco**, Chevron's subsidiary since 2001, discharged litres of toxic waste into the Ecuadorian Amazon over several decades; after years of pressure, Chevron secured in November the **reversal of a landmark arbitral ruling against it**, amid concerns over political interference by Ecuador's government and following the company's earlier role in undermining a bipartisan U.S. anti-corruption amendment that would have required disclosure of payments to foreign governments.³⁸ Critics argue that UBS's support may facilitate **high-risk fossil fuel expansion** aligned with the **Trump administration's "energy dominance" agenda**, even as **deep-water drilling projects** previously halted by the Biden administration remain environmentally and socially contentious. UBS's strategy reflects its **growing dependence on the US market** - accounting for **around 34% of its profits** - and coincides with its withdrawal from the **Net-Zero Banking Alliance**, the postponement

³⁷ <https://lecourrier.ch/2025/12/03/dans-loeil-des-super-typhons/>

of operational emissions-reduction targets from 2025 to 2035, and the removal of ESG-linked executive compensation. The proximity of UBS leadership to key figures in the Trump administration further underscores this shift. Far from embodying the “*conservative risk culture*” claimed after the Credit Suisse collapse, UBS’s continued financing of Chevron through its foreign subsidiaries illustrates a pattern of engagement with environmentally destructive, politically exposed and likely to give rise to trend reversals as well as litigation-prone projects. This strategy amplifies financial, legal and reputational risks for the Swiss parent bank.³⁸

Agro Industry:

- **Caramuru (2021):** In **October 2021**, **UBS** and **BTG Pactual** (Brazilian investment bank) sold a **R\$354m (£56.4m)** “green” agribusiness bond: **CRA** (Certificado de Recebíveis do Agronegócio) for **Brazilian grain trader Caramuru**. The investigative journal Unearthed reported that one intended recipient of the funds was **Antônio Galvan**, a **large soy farmer and president of Brazil’s national soy producers’ trade association, Aprosoja**. Galvan is among the people implied in the ongoing investigation for **alleged conspiracy against Brazilian democratic institutions** and of encouraging criminal and violent acts, as well as from the current **Brazilian Supreme Court investigation** for alleged involvement in planning the **January 8, 2023 attacks** on the Brazil’s Congress, the Supreme Court and the Presidential Palace. Galvan had been fined for illegal deforestation (over 5 square kilometers) and illegal soy sales, accused of land theft (76 hectares from a neighbouring landowner). Galvan denied wrongdoing and stated the allegations were “without a single piece of evidence.” Investigations are still ongoing.³⁹

Politically-exposed people (PEPs):

- **Former Yemeni President Ali Abdallah Saleh - Yemen (2024):** UBS managed millions of dollars for **Ali Abdallah Saleh**, the former **president of Yemen**, and **failed for years to report strong indications of money laundering**, according to findings by **Switzerland’s Federal Department of Finance (FDF)** revealed by **SRF Investigativ**.⁴⁰ Ali Abdallah Saleh ruled Yemen for over three decades (1978-2012) and was classified as a **PEP**, a status that **legally requires enhanced due diligence by banks**. Since 2000, different international reports have mentioned he was involved in corruption and money laundering. In 2014, the United Nations imposed sanctions on him for undermining peace and security in Yemen, which Switzerland subsequently enforced, including travel bans and financial sanctions. A 2015 UN expert report estimated that Saleh had amassed between **\$30 and \$62 billion USD**, much of it transferred abroad. According to the report, this wealth was largely derived from **illegal activities and corruption**, notably through **oil and gas contracts**, including the awarding of exploration rights and energy deals under non-transparent conditions.⁴⁰ Despite this, **UBS maintained extensive business relationships with Saleh and his inner circle**. The FDF concluded that UBS’s

³⁸ <https://lecourrier.ch/2025/12/18/ubs-embarquee-dans-lhubris-trumpiste/>

³⁹ <https://unearthed.greenpeace.org/2023/10/17/ubs-santander-green-bonds-deforesters-slave-labour-brazil/>

failures allowed **very large sums suspected of stemming from corrupt activities** to escape state oversight, describing the bank's misconduct as "serious." The investigation was further hindered by UBS's incomplete provision of requested documents, making it impossible to identify individual responsibility within the bank.⁴⁰

- Joseph Kabila - DRC (2022):** In July 2022, the NGOs **Public Eye**, the **Platform to Protect Whistleblowers in Africa (PPLAAF)**, and the **UNIS association** filed a criminal complaint with the **Swiss Office of the Attorney General** against **UBS**, following revelations from the **Congo Hold-up investigation**. The complaint alleges that **UBS may have played a role in laundering Congolese public funds** embezzled by the entourage of **Joseph Kabila, former President of the Democratic Republic of the Congo (DRC)**. At least **\$138 million USD** would have been siphoned from the Congolese state treasury between **2013 and 2018**. The scheme relied heavily on **BGFIBank DRC**, a bank allegedly controlled by the Kabila clan, which facilitated irregular operations such as backdated transactions, money laundering, and unrepaid loans from the Central Bank of Congo. These diverted funds are estimated to be equivalent to **250,000 average annual salaries** in the DRC.⁴¹ The criminal complaint focuses specifically on the role of **Philippe de Moerloose**, a Belgian businessman close to Joseph Kabila, and on UBS branches in **Zurich and Geneva**, where he allegedly received **\$19 million USD** of suspicious origin. NGOs accuse UBS of possible money laundering and of failing to exercise the due diligence required under Swiss AML law.⁴¹
- Mukhtar Ablyazov and Bulat Utemuratov - Kazakhstan (2000-now)** - UBS has been actively involved in Kazakhstan's oil and energy sector, notably acting as a financial advisor for **Sinopec's acquisition in the Kashagan oil field** and participating in major Kazakh energy projects, including transactions worth **over \$615 million USD**.⁴² Through these advisory and underwriting roles, **UBS has provided financial services to state-owned and private companies in the country**. A **long-running U.K. civil court case** involves Kazakhstan's state-owned BTA Bank, which alleges that its former chairman, **Mukhtar Ablyazov**, embezzled more than **\$6 billion USD** and laundered it through an international network of shell companies.⁴³ The case has expanded to include **Bulat Utemuratov**, one of **Kazakhstan's wealthiest businessmen and former head of the presidential office under ex-president Nursultan Nazarbayev**, along with Ilyas Khrapunov (Ablyazov's son-in-law) and 11 other individuals and companies. BTA claims

⁴⁰<https://www.rts.ch/info/economie/2024/article/ubs-a-aide-l-ex-president-du-yemen-a-dissimuler-des-millions-de-francs-28526851.html>, <https://www.swissinfo.ch/eng/banking-fintech/ubs-fined-chf50000-on-suspicion-of-money-laundering-negligence/79128615>

⁴¹ <https://www.swissinfo.ch/eng/business/ubs-accused-of-role-in-embezzling-congolese-millions/47737996>, <https://www.publiceye.ch/en/media-corner/press-releases/detail/dubious-transactions-involving-kabilas-clan-and-ubs-a-criminal-complaint-filed-in-switzerland>

⁴²[https://www.publiceye.ch/fileadmin/doc/migration/BankenundMenschenrechte/UBS_Involvement_of_UBS_in_the_global_mining_and_oil_gas_sectors.pdf#:~:text=1.8.2%20Financial%20involvement%20of%20UBS.%20The%20following.in%20the%20Kazakhstan%20for%20US\\$%20615%20million](https://www.publiceye.ch/fileadmin/doc/migration/BankenundMenschenrechte/UBS_Involvement_of_UBS_in_the_global_mining_and_oil_gas_sectors.pdf#:~:text=1.8.2%20Financial%20involvement%20of%20UBS.%20The%20following.in%20the%20Kazakhstan%20for%20US$%20615%20million), <https://www.nytimes.com/2003/03/12/business/china-buys-another-piece-of-big-caspian-sea-oil-field.html>

⁴³<https://www.marketscreener.com/quote/stock/UBS-GROUP-AG-19156942/news/UBS-U-K-Court-Freezes-Up-to-5-Billion-Tied-to-Alleged-Kazakhstan-Bank-Theft-31907953/>

Utemuratov assisted in hiding Ablyazov's allegedly stolen assets across multiple jurisdictions. These assets include bank accounts at **UBS** and **Credit Suisse**.⁴³ Utemuratov has deep ties to Switzerland and UBS. In the **1990s**, he served as **Kazakhstan's ambassador to Switzerland**, during which time he established the Kazakh embassy in Geneva and cultivated relationships with Swiss firms, including **UBS** and **Credit Suisse**.⁴⁴ In subsequent years, **both UBS and Credit Suisse underwrote bonds issued by state-owned Kazakh companies**.⁴⁵ Utemuratov has been described as Kazakhstan's "gray cardinal" and former president Nazarbayev's "personal financial manager," **highlighting his influence over the country's wealth and financial dealings**.⁴⁴ ⁴⁵ Finally, Kazakhstan has consistently sought Swiss financial expertise to develop **Astana (now Nur-Sultan) as a regional financial center**, underscoring the strategic role of UBS and other Swiss banks in facilitating the country's integration into global capital markets.⁴⁶

Structural risk management policies:

- Singapore (2025):** In **July 2025**, the **Monetary Authority of Singapore (MAS)** imposed significant fines on **UBS** and **Credit Suisse** for **serious breaches of anti-money laundering and counter-terrorism financing (AML/CFT) regulations**, in connection with **Singapore's largest-ever money-laundering case** involving more than **\$3 billion** in illicit assets.⁴⁷ Credit Suisse (Singapore branch) received the **highest individual fine** among all institutions: **\$5.8 million USD (CHF 3.6 million)**. MAS identified **multiple and prolonged AML/CFT failures**, spanning a long period **from November 2017 to October 2023**. MAS also noted that some of the breaches related to **offshore accounts used to facilitate U.S. tax evasion**, which were already the subject of a **non-prosecution agreement between Credit Suisse and the U.S. Department of Justice in May 2025**. Although Credit Suisse was acquired by UBS in March 2023, MAS treated these violations as attributable to Credit Suisse's legacy operations. UBS (Singapore branch) was fined **\$3 million USD (CHF 1.9 million)** for **AML/CFT control weaknesses uncovered during supervisory examinations** conducted between **early 2023 and early 2025**. MAS found that UBS failed to have **adequate procedures in place to assess the risk of money laundering at certain clients and of failing to conduct timely reviews of transactions identified as suspicious by internal supervisors**.

While UBS's fine was lower than Credit Suisse's, MAS nonetheless concluded that the deficiencies were serious enough to warrant enforcement action, particularly given Singapore's exposure to complex cross-border money-laundering risks. MAS described this penalty package as the **second-largest AML/CFT enforcement action in its history**. Both UBS and Credit Suisse acknowledged MAS's findings, stated that they cooperated with the investigation, and committed to strengthening AML/CFT controls. However, MAS's decision underscores **recurring compliance**

⁴⁴<https://www.bloomberg.com/news/articles/2013-11-13/kazakh-billionaire-says-he-s-got-nothing-to-hide>

⁴⁵<https://www.occrp.org/en/project/the-pegasus-project/trust-no-one-top-kazakh-oligarchs-and-dozens-of-government-officials-may-have-been-spied-on-with-pegasus>

⁴⁶https://www.letemps.ch/suisse/entre-berne-astana-salut-finance?srsId=AfmBOorJeF1cvLpJAKCDOJE_-gulVkaz-LeVHTnc8T8uTOJoWhYSHIqE

⁴⁷ <https://www.swissinfo.ch/eng/various/ubs-credit-suisse-julius-b%C3%A4r-and-lgt-fined-in-singapore/89632924>

shortcomings at both banks, which had already faced sanctions in earlier international money-laundering cases.⁴⁸

⁴⁸<https://www.theonlinecitizen.com/2025/07/04/mas-fines-9-financial-institutions-s27-45-million-over-s3-billion-money%E2%80%9191laundering-case/>

IV. Conclusion

Overall, this submission highlights a **converging risk profile** characterised by:

- Significant **exposure to fossil fuel expansion and reputational risk projects**, as evidenced by **recent financing and investment data** from UBS and legacy Credit Suisse **foreign subsidiaries**;
- Financial relationships with commodity trading companies with opaque and, repeatedly, unlawful practices;
- Established **connections to politically exposed persons** operating within **fragile or weak legal systems**; and
- **Recent repeated enforcement actions and supervisory findings** related to anti-money-laundering failures.

Combined, these factors create a **risk profile that could trigger a renewed crisis of confidence, rapid liquidity outflows, and potential domino effects**. This situation is incompatible with Switzerland's post-Credit Suisse objectives of financial stability, prudent risk management, and credible supervisory oversight. Such a risk profile implies the reinforcement of the **"Too Big to Fail" framework** by requiring **enhanced capitalisation of foreign subsidiaries**.

UBS's recurring involvement alongside corruption-prone extractive industries and politically exposed oligarchs demonstrates a **persistent disconnect between its public commitments and its actual risk practices**. Given FINMA's explicit recognition that weak risk management and cultural failures contributed to Credit Suisse's downfall, UBS's continued exposure to similar patterns represents a systemic threat to the reputation and resilience of Switzerland's financial centre.

We therefore **support the Federal Council's recent proposal to reinforce the "Too Big to Fail" framework** stating that **"The foreign holdings of the parent company of systemically important banks must be fully deducted from Common Equity Tier 1 (CET1) capital"**.

However, for these reforms to **deliver their full stabilising effect**, they must be accompanied by other measures, such as **expanded, binding supervisory powers for FINMA. The supervising authority must be able to act earlier, more decisively, and with clearer legal backing** when systemic, compliance, or cross-border risks emerge. Only by coupling the Federal Council's capital-strengthening measures with a more empowered supervisor can Switzerland credibly guarantee financial stability and uphold its regulatory responsibilities.

Finally, in the light of the systemic risks highlighted here, stricter prudential oversight, enhanced transparency obligations, rigorous sectoral-exclusion policies, and binding human-rights and environmental due-diligence requirements are **essential** to prevent UBS's activities from continuing to undermine Switzerland's commitments to environmental protection and human rights.

Comment on the alternative proposal by members of parliament⁴⁹: given the tangible nature of the risk, the proposed mitigation measures reflect a chronic underestimation on the part of members of the parliamentary majority parties and the disproportionate influence of Switzerland's leading bank on a significant proportion of politicians, thereby increasing the need for stronger safeguards.

⁴⁹

<https://www.rts.ch/info/suisse/2025/article/un-compromis-sur-les-exigences-en-matiere-de-fonds-propres-pour-ubs-propose-29088967.html>

V. Annexes

Annex 1: Methodology Investing on Climate Chaos

Methodology of the finance research: The finance research *Investing in Climate Chaos 2024* reveals which investors (including asset owners and managers) hold / manage bonds and shares issued by companies on the **Global Coal Exit List (GCEL) 2023** and **Global Oil & Gas Exit List (GOGEL) 2023**. The findings of the finance research have been released on <https://investinginclimatechaos.org/> on 9 July 2024. GCEL and GOGEL are public databases that Urgewald updates each year. More information can be found at <https://www.coalexit.org/> and <https://gogel.org/>.

Methodological notes

- Sources: The financial research was conducted by Profundo.
- Aggregation: Data is aggregated on parent company level (as shown on GCEL and GOGEL) and investor parent level. Data for investor parents may include multiple asset management subsidiaries of the investor.
- Timeframe: The data was retrieved in May 2024, but filings can be older than that and might have changed since. This might especially be the case if an investor introduced a fossil fuel exclusion policy in the meantime. Some filings may be out of date if they have not been updated in the commercial databases – all filing dates from before June 2022 were removed for this reason.
- Bondholding coverage: Bondholding coverage is estimated to be between 20% and 30%.
- Green bonds: Bonds which are categorized as "green bonds" were excluded from the analysis.
- Other notes: Selected companies were removed from the scope of this research due to their transition plans. The mapping of some companies differs from that on the GCEL / GOGEL if significant mergers and acquisitions took place since the publication of GCEL / GOGEL. Investment figures might include third-party assets managed by investors on behalf of clients. We acknowledge that shares and bonds of some Russian companies cannot be traded anymore on all markets and were written off some investors' portfolios for that reason.

A detailed methodology is available at <https://investinginclimatechaos.org/methodology>.

Disclaimer

The information in this report comes from reliable sources, but we cannot guarantee the accuracy, timeliness, completeness, or correctness of any of the information. Information is subject to change without notice. This report is meant for educational and informational purposes only and not as a source of any specific investment recommendation. Nothing herein shall constitute or be construed as a recommendation, endorsement, or sponsorship of any company or fund. Urgewald is not responsible for any investment decision made by

you. You should determine on your own whether you agree with the content of this document and any information or data provided.

For questions please contact financeresearch@urgewald.org

Annex 2⁵⁰: Methodology Banking on Climate Chaos

Annex 3: Further informations on the case studies

- **Gunvor group (Ecuador, 2012-2020 (alleged))**: Castor Petroleum/Gunvor S.A., along with smaller traders Taurus Petroleum and Core Petroleum, were implicated in the kickback scheme with Ecuadorian businessman Enrique Cadena Marin. A former Gunvor employee testified that senior executives were aware of the bribery scheme. Documents leaked through the **Panama Papers** further corroborate these allegations, including emails exchanged between oil traders and companies controlled by Cadena discussing commissions and payments linked to oil trading in the Ecuadorian Amazon. Based on Ecuadorian oil export data and average payment figures referenced in these leaked documents, Stand.earth Research Group estimates that oil traders may have paid approximately **\$580 million USD in bribes between 2013 and 2019** to obtain preferential access to oil contracts and favorable pricing terms.⁵¹

Investigations by Public Eye provide detailed insight into how this alleged scheme operated. Two intermediaries, the **Peré brothers**, functioned as **key conduits for bribery**, distributing illicit payments to officials who controlled access to Ecuadorian oil contracts. Their offshore companies - **Energy Intelligence & Consulting Corp.** and **Oil Intelligence Corp.**, both registered in the **British Virgin Islands** - signed multiple “services agreements” with Gunvor Singapore. Between **January 2013 and January 2020**, these entities received **\$91.8 million USD** from Gunvor, supposedly for facilitating oil contracts, while in reality channeling part of these funds to bribe Ecuadorian officials. **Notably, Energy Intelligence & Consulting Corp. held an account at UBS in Zurich.** Between **January 2013 and August 2014**, Gunvor Singapore transferred nearly **\$11 million USD to this UBS account in twenty-three transactions.** Portions of these funds were **subsequently routed through offshore structures to senior Petroecuador officials**, including payments totaling **\$562,000 USD** to one high-ranking official and additional transfers to his wife.⁵²

- **PetroAmazonas/Petroecuador (state-oil companies, 2019)**:

The bond holdings highlighted above illustrate a key gap in bank sustainability policies: while trade finance restrictions have been introduced, investment exposure through sovereign and quasi-sovereign bonds remains largely unaddressed. Sovereign bonds are a **primary means by which national oil companies raise capital to expand production**, and such bonds are often bundled into emerging

⁵⁰https://www.bankingonclimatechaos.org/wp-content/uploads/2025/06/Methodology_FAQ_Banking_on_Climate_Chaos_2025.pdf

⁵¹ Amazon Watch & partners. (2021). Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance. <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

⁵²<https://www.publiceye.ch/en/topics/commodities/a-predator-called-gunvor-in-the-amazon/ecuador-how-gunvor-initiated-a-decade-of-corruption>

market exchange-traded funds (ETFs), allowing banks and their clients to gain exposure indirectly. As a result, banks may continue financing Amazon oil extraction through investment channels even as they restrict direct trade finance. If banks are serious about applying their ESR frameworks in the Amazon, they will need to confront this **structural loophole** and clarify whether - and under what conditions - investment in sovereign bonds linked to national oil companies can be considered compatible with sustainable finance commitments. UBS is most likely violating its own risk management policy with its investment and finance decisions.⁵³

Further information on state-owned companies:

- **Ecopetrol (Columbia, 2019):** In 2019, the **former CEO of Ecopetrol**, Colombia's state-run oil company, was arraigned on mismanagement and fraud charges. CEO **Javier Gutiérrez** and other executives are suspected of corruption at Reficar, Ecopetrol's oil refinery, that caused **\$2 billion USD** in losses. Gutiérrez is suspected of allowing U.S. construction company CB&I to overcharge in exchange for kickbacks. However, investment in Ecopetrol remains high, with JPMorgan Chase holding **\$168 million USD** in bonds.⁵⁴ Ecopetrol S.A. is the block operator in eight oil blocks in the Colombian Amazon, including three blocks that overlap with intact forest landscapes (blocks 133, 290, and 335). Block 133 also has several Indigenous reserves.
- **Petrobras** operates several blocks in the Solimões oil basin in Brazil that overlap with intact forest landscapes and primary forest. They also have two blocks in the Amazonas oil basin that overlap with intact forest landscapes. In October 2025, UBS participated in the underwriting of a **\$2 billion USD** Petrobras bond issuance - advancing **\$333 million USD** itself, shortly before Petrobras obtained approval to drill at nearly 3,000 metres depth in the highly sensitive Amazonian equatorial margin. This ultra-deep-water project threatens indigenous territories and regional coastlines, setting a precedent for large-scale expansion along the Amazon estuary, with Chevron, ExxonMobil and CNPC having since secured exploration rights⁵⁵.
- **PetroAmazonas/Petroecuador** is expanding oil production in Yasuní National Park, an IUCN Category II Protected Area and part of the largest Ramsar site in Ecuador. They also operate the Vinita, Eden-Yuturi, ApaikaNenke, ITT, block 58 & 75, Yuralpa, Palo Azul and Lumbaqui blocks - and all almost entirely overlap with intact forest landscapes and have significant overlap with protected forests, Indigenous reserves, and uncontacted peoples. The company also operates the Limoncocha/Indillana block, including oil fields and boreholes overlapping with the Reserva Biológica Limoncocha, a Ramsar site since 1998.
- **PetroPerú** operates Block 116, which overlaps almost entirely with intact forest landscape and significantly with protected forest in the Marañón basin in Peru. The majority of the block is also within Indigenous territories.
- **PetroChina** trades in Amazon oil from Ecuador. It was recently awarded a 2.16 million barrel tender by Petroecuador for Oriente crude from the Amazon. Its parent

⁵³<https://www.heidi.news/monde/ubs-ignore-ses-propres-engagements-environnementaux-et-finance-des-forages-au-large-de-l-amazonie>

⁵⁴ Amazon Watch & partners. (2021). Banking on Amazon destruction: European banks and the climate, nature and human rights impacts of forest-risk finance. <https://amazonwatch.org/assets/files/2021-banking-on-amazon-destruction.pdf>

⁵⁵<https://www.heidi.news/monde/ubs-ignore-ses-propres-engagements-environnementaux-et-finance-des-forages-au-large-de-l-amazonie>

company, Chinese National Petroleum Company (CNPC), is majority shareholder in Andes Petroleum and PetroOriental, which are block operators in Ecuador for three blocks (Block 62, Block 79 and Block 83) that overlap with intact forest landscapes, primary forests and/or Indigenous territories. Block 83 also overlaps with Yasuní National Park. CNPC is also a drilling contractor for PetroAmazonas on Block 43, which is within intact forest landscapes and Indigenous territory in Yasuní National Park. UBS holds **\$45 million USD** in bonds in PetroChina.

Further information on the Mozambique case:

- TotalEnergies (2013-2016)** – Credit Suisse arranged over **\$2 billion USD** in loans to Mozambican state companies **between 2013 and 2016**, part of the infamous “**tuna bonds**” or hidden debt scandal. The **loans**, intended for maritime projects including a tuna fishing fleet, shipyards, and coastal surveillance, were largely misused, with **former Mozambican finance minister Manuel Chang**, a **PEP**, receiving approximately **\$7 million USD** in bribes⁵⁶. Credit Suisse faced over **\$547 million USD** in coordinated US and UK penalties for fraud and bribery-linked misconduct, and several bankers pleaded guilty to criminal charges related to kickbacks and money laundering⁵⁷. This scandal triggered an **economic crisis in Mozambique** when revealed in 2016: the IMF and international donors suspended budget support, the national currency collapsed, inflation surged, and public spending on social services and security was sharply constrained⁵⁸. This abrupt erosion of state capacity and public trust weakened governance in already fragile regions, particularly in the North. As mentioned in the first section, from 2017 onward, Cabo Delgado experienced a rapid escalation of insurgent violence, driven by socioeconomic exclusion, weak state presence and grievances surrounding the emerging LNG sector. The state’s limited ability to provide security and public services contributed to the militarisation of the region, widespread human rights abuses and large-scale displacement, substantially increasing operational, legal and reputational risks for gas projects. After UBS acquired Credit Suisse in 2023, **Switzerland’s Office of the Attorney General** charged a former compliance officer with money laundering and **held both Credit Suisse and UBS criminally liable** for **organisational failures** that **allegedly enabled suspicious transfers connected to the scandal under Swiss law**⁵⁹. UBS also reached a settlement with Mozambique in 2023 to resolve legacy disputes. The case highlights both the central role of PEPs in enabling corruption and the **failure of bank governance and compliance controls in facilitating illicit transfers**, and how it can translate into macroeconomic collapse, state fragility and, ultimately, heightened conflict and project-level risk in extractive regions. As mentioned in our first section, UBS foreign subsidiaries’ financial exposure to companies active in this region represents an additional significant reputational risk.

Further information on Politically Exposed People:

⁵⁶ <https://www.occrp.org/en/news/ex-mozambique-finance-minister-sentenced-in-2b-tuna-bonds-fraud-scheme>

⁵⁷ <https://www.justice.gov/usao-edny/pr/credit-suisse-resolves-fraudulent-mozambique-loan-case-547-million-coordinated-global>

⁵⁸ <https://www.occrp.org/en/news/mozambique-charges-18-in-tuna-bonds-scandal>

⁵⁹ https://www.bundesanwalt.ch/en/newnsb/4gw8CbcWrf9y9WTv8r_Up

- **Former Yemeni President Ali Abdallah Saleh - Yemen (2024):** In 2004, Saleh opened an account at UBS under the name **Wild Horse Investment Inc.**, and at least 25 individuals linked to him - including his wives, children, and grandchildren - also held accounts at the bank. A key transaction occurred in 2009, when more than **\$10 million USD** was **transferred from the Sultan of Oman to Saleh**. The funds were deposited at UBS in Zurich by Saleh's son and subsequently redistributed across several UBS accounts held by family members. This transaction triggered **internal compliance alerts**. However, UBS employees **chose not to report the case to Switzerland's AML authority (MROS)**, instead recording an internal justification that wealthy Arab leaders commonly provide such "gifts" to poorer counterparts - an explanation the FDF later described as **unconvincing and inadequate**. By 2011, amid the Arab Spring and growing political instability in Yemen, UBS's internal reviews generated **5,438 compliance alerts** related to Saleh. The bank then closed most of the family's accounts but still failed to notify Swiss authorities. According to the FDF, UBS should not have terminated the relationship without reporting it, as doing so prevented authorities from potentially freezing and confiscating assets suspected of being linked to corruption.⁶⁰
- **Joseph Kabila - DRC (2022):** In this case, two key transactions are highlighted. In 2012, de Moerloose received **\$7 million USD** into a **UBS Zurich account held by an offshore company**. The funds were formally linked to the purchase of agricultural equipment from a company controlled by the Kabila clan, but investigators trace their origin back to **bribes allegedly paid by Chinese companies** to Congolese officials in connection with mining contracts. In 2013, de Moerloose received an additional **\$12 million USD** via UBS Geneva for the sale of a building in Kinshasa, purchased by a shell company linked to Kabila's family. These funds reportedly originated from a **non-regulatory loan system involving the Central Bank of Congo**, potentially constituting a **misappropriation of public funds**. Public Eye and its partners urged Swiss prosecutors to open a criminal investigation. The Swiss Office of the Attorney General confirmed receipt of the complaint and stated it would assess whether sufficient suspicion existed to launch proceedings. Similar legal actions have already been initiated abroad: in **France**, prosecutors opened a preliminary investigation into aggravated laundering of misappropriated public funds, and in **Belgium**, authorities searched Philippe de Moerloose's residence as part of an investigation into suspected corruption of foreign public officials.⁶¹
- **On Politically Exposed Persons (PEPs) in the Petrobras scandal:** One of the Brazilian prosecutors in the Petrobras scandal, who represents several Brazilian groups, points out that banks have the right to accept PEPs as clients. "*The question*

⁶⁰<https://www.rts.ch/info/economie/2024/article/ubs-a-aide-l-ex-president-du-yemen-a-dissimuler-des-millions-de-francs-28526851.html>, <https://www.swissinfo.ch/eng/banking-fintech/ubs-fined-chf50000-on-suspicion-of-money-laundering-negligence/79128615>

⁶¹ <https://www.swissinfo.ch/eng/business/ubs-accused-of-role-in-embezzling-congolese-millions/47737996>,

<https://www.publiceye.ch/en/media-corner/press-releases/detail/dubious-transactions-involving-kabilas-clan-and-ubs-a-criminal-complaint-filed-in-switzerland>

is when they should start worrying about large sums arriving in sporadic payments,” he explains, “especially when these amounts are not consistent with the normal income of these PEPs,” whether they are elected officials or civil servants. A **Geneva lawyer** considers the system simply hypocritical: *“As long as nothing appears in the press, banks tend not to report their clients even though they are often aware of a problem”*. *“The authorities, for their part, seem satisfied with last-minute reporting, as if that were better than nothing.”* Another colleague regrets the lack of firmness of the **Public Prosecutor’s Office (MPC)** with the banks. In his view, **five or six institutions should be targeted by judicial proceedings in this case**. *“The authorities do not enforce the anti-money laundering provisions that exist in law”* he emphasizes, *“so that, to date, no bank or banker has been formally charged.”*⁶²

⁶² <https://www.letemps.ch/economie/finance/laffaire-petrobras-revele-manquements-banques-suisse>