

FINANCIÈRE SYZ SA

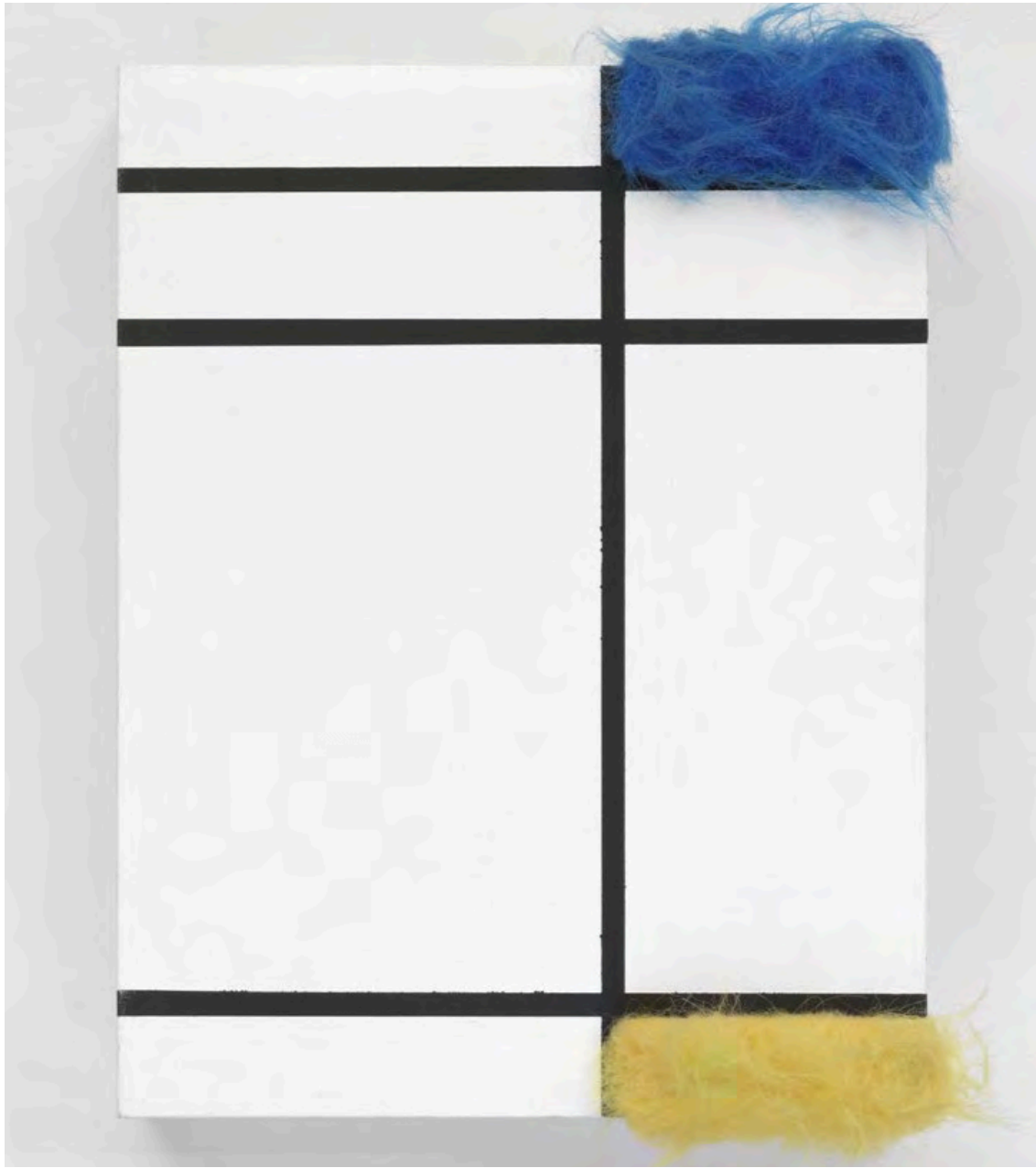
ANNUAL REPORT 2019



SYZ

ANNUAL REPORT | 2019

FINANCIÈRE SYZ SA



FROM THE SYZ COLLECTION :
SYLVIE FLEURY_COMPOSITION AVEC BLEU, JAUNE ET BLANC, 1992_ ACRYLIC AND SYNTHETIC FUR ON WOOD,
43 X 33 CM

Throughout 2019, the SYZ Group's three Chief Executive Officers worked to strengthen their businesses based on our clients' current and future needs.

LETTER FROM THE BOARD OF DIRECTORS

Last year, investors focused on every economic hiccup and sign of geopolitical tension for clues that the global economy's record bull run was coming to an end. This year, the coronavirus pandemic has dragged us into a downturn more dramatic than anyone anticipated.

Throughout 2019, the SYZ Group's three Chief Executive Officers worked to strengthen their businesses based on our clients' current and future needs. That means maintaining our commitments to those same values of excellence, innovation and independence that have formed our core principles since our founding 24 years ago. One of these principles is that we continue to offer our clients a transparent choice in their fee models. We also remain convinced that, whatever stage of the business cycle, all clients can benefit from diversified and risk-adjusted portfolios, thanks to the careful management of active, high-conviction, long-only or alternative strategies with downside protection.

The SYZ Group saw all regions performing well with some outstanding investment performances. We worked hard to manage costs and streamline our businesses while investing for the well-being of our clients and employees. That brought our Common Equity Tier 1 Capital ratio to 23.1%, once again putting us far in excess of Switzerland's regulatory requirements.

As you may be aware, in the light of these strategic changes, Yvan Gaillard, CEO of Banque SYZ decided this year to report on our private banking activities separately in order to provide our clients earlier in the year with greater transparency about the path and ambitions of this business. Our advisors successfully navigated the complexities of 2019's markets and US dollar, Swiss franc and euro portfolios all finished the year with meaningful gains and top-quartile performance, as measured against our industry. The year, and the challenges of 2020 to date, also reinforced our longstanding conviction that active strategies play a key role in portfolio construction and management when coupled with strong downside protection. We continue

to broaden our offer in liquid and illiquid alternatives that are uncorrelated to more traditional markets to help our clients diversify their asset allocations.

Once the shock of the coronavirus crisis has passed, we believe that central banks and governments will have created the monetary and fiscal conditions for a solid recovery. We are living through a unique period of turmoil, but one that does not alter the underlying global dynamics. As shown by the unprecedented levels of government fiscal spending, we do not believe that the end of the bull market has brought with it the end of the era of persistently low-to-negative interest rates. With underlying economic growth and inflation remaining subdued, business cycles, we believe, will continue to be milder as nominal interest rates remain lower in the long term.

2019 showed the value of active management in volatile markets. This year has only reinforced that conviction. We have worked to create a range of tools to diversify client portfolios to include, as appropriate, hedge funds and real assets, including private equity, that offer uncorrelated returns compared with more liquid, and often more turbulent, asset classes. As we face up to the sometimes tough decisions of building an investment business that is fit for the challenges of the months, years and decades ahead, we look forward to working and investing alongside our clients and partners.



Philippe Reiser
Chairman, Board of Directors
SYZ GROUP



Eric Syz
Chief Executive Officer
SYZ GROUP

MANAGEMENT REPORT

With the hindsight of 2020's demands, it is worth remembering that 2019 presented its own market challenges and was a year of transition for all of our businesses. The private bank successfully navigated the complexities of the late-cycle bull market, our asset management business agreed to sell its Luxembourg management company and SYZ Capital registered tremendous returns in its first full year of operations.

We recorded sound performance across our operations, providing most clients with investment performances that matched or outperformed our benchmarks. We delivered this performance while working to minimize decision-making stresses as we want to help clients to avoid making emotional decisions that could lead to poor outcomes. As we have been reminded during this recent coronavirus crisis, anxiety is unavoidable, but drama is always optional.

Last year we put in place three independent CEOs, each with operational responsibility to deliver on their strategic business plans, allowing Eric Syz to concentrate more intensively on client relationships and our Group strategy.

Yvan Gaillard, previously Chief Operating Officer, took over as CEO of Banque SYZ in February 2019. We have in place a robust, systematic, institutional-style investment process for private clients that enabled us to deliver strong results throughout 2019, and continues to outperform our peers in 2020. In the current crisis, one of our roles is to help clients to achieve their long-term goals and to make sound decisions. We are making full use of all the tools available to manage a balance between performance and risk, because we believe in the value of being invested throughout the economic cycle.

In January 2019, Will Nott stepped into the role of CEO of SYZ Asset Management. Under his leadership, the business improved its environmental, social and governance ratings through extensive training and certification, our fund range went through a complete overhaul and our teams proved their professionalism time and again in markets that were truly the perfect storm for active management strategies.

For many years, our wealth management business has benefited from the expertise and experience gained in managing institutional clients' portfolios. A year ago, we had considered investing in our asset management business to build it further. However, the market headwinds meant that we decided to exit our wholesale fund distribution activities as a stand-alone business, rather than continue a loss-making business in an environment that is becoming more challenging for all but the very largest of the world's fund providers whether they are on the passive or active side.

This decision, we believe, makes the most sense for our clients. Our commitment has always been, first and foremost, to build a business founded on transparent investment professionalism. The decision to sell our Luxembourg business and the OYSTER SICAV vehicle to iM Global Partner was based on the conviction that this is the best sustainable option for our clients as well as staff and the Group as a whole. The professionalism, determination and expertise displayed by our teams as we make the transition to the new structure has been outstanding.

Finally, we are proud of the early successes of SYZ Capital in its first full year of operations. SYZ Capital, with Marc Syz as CEO, has brought innovation to private market investments, allowing our clients to co-invest with the Syz family of entrepreneurs in a space which has traditionally been the preserve of institutional investors. It offers the value of illiquid alternatives to clients through a range of strategies that are uncorrelated to more traditional markets. Understandably, these innovations are generating huge demand. In 2020, SYZ Capital broadened its alternatives offering to create a leading proposition and centre of innovation for both liquid and illiquid strategies. The expansion sees SYZ Capital incorporate liquid alternatives and hedge fund solutions previously available from SYZ Asset Management and SYZ Private Banking.

Our business model is not and has never been, about growth at any price. We continue to offer our clients a choice of fee models and believe in our founding commitments; to be as transparent as possible while minimizing any potential conflicts of interest.

The SYZ Group is at a turning point in its history. We remain convinced that, just as the future will continue to offer challenges and opportunities, we will adapt our business to maintain our focus of putting clients' needs and ambitions first.

SYZ PRIVATE BANK

2019 started with uncertainties about trade and recession fears that continued throughout the year as manufacturing activity stagnated. Central banks performed U-turns in monetary policy and consumer spending held up, supporting economic growth. Despite the often persistently negative market sentiment, the underlying business cycle was sound and translated into solid corporate earnings. Our rigorous approach to stock selection paid off and for our discretionary clients, we gradually locked-in those healthy returns, using options and convertible bonds. While this caution necessarily came at a small cost, it also offered our clients valuable peace of mind and meant we were able to deliver top-quartile returns versus our peers as well as offer clients a much smoother investment experience over the year.

In the interest of transparency, Mr Gaillard decided to present segregated figures for our private bank including our external asset management clients, starting this year, and we continue to offer our clients a choice of transparent fee models to minimize any potential conflicts of interest.

Last year, we were reminded once again of the value of making full use of active management. This year has only further reinforced that conviction. We have worked to create the tools to diversify client portfolios into alternatives, including private equity, that are truly uncorrelated to capital markets. We look forward to working alongside our clients and partners as we continue to develop our services and provide the investment excellence they need and expect, throughout our business, in the months and years ahead.

The number of external asset managers in Switzerland declined by almost one quarter last year as regulators' requirements on risk, compliance and capital increased, squeezing some

managers' margins. This made business much more difficult for smaller, sub-scale enterprises. We expect that this consolidation will continue as firms that do not enjoy a critical mass in the industry merge with others.

In this environment, we attracted net new money and our assets under management increased as our external asset management clients entrusted us with a larger share of the market. Investors continue to search for trusted partners and specialist expertise. This is providing us with opportunities to grow our business further as we develop our teams in Zurich and Geneva. Our business continues to focus on adding value for clients as we offer a service across a spectrum of investments, from economic strategy through execution and reporting.

SYZ ASSET MANAGEMENT

SYZ Asset Management (SAM) reached a turning point in 2019. Our Euro fixed income, subordinated debt, corporate credit strategies and, under the successful new leadership of Adrien Pichoud, our multi-asset funds, all returned solid performances for clients. In addition, there were inflows into the Japanese Opportunities strategy which was net positive for the year, thanks to the strong investment performance from the team led by Joël Le Saux. The institutional fixed income business, managed from Zurich and led by Daniel Hannemann, also continued to perform well, thanks to its scale and consistent investment returns.

Nevertheless, the year provided a perfect storm of factors in terms of industry dynamics. Investors' nervousness in the face of the business cycle saw flows out of active strategies into passive approaches and as a result, SAM suffered from net outflows. This was true in particular from our core active European equities strategy, which had made up a significant proportion of SAM's revenues historically.

As you are aware, we decided early in the year to seek a strategic solution to achieve economies of scale for our wholesale third party mutual fund (OYSTER) business. SAM's distribution

network, developed successfully through the skills of its sales team, lacked a broad enough product offering and scale to compete with the largest distributors in Europe. That made the business dependent on a few managers outperforming year after year. There is always some cyclical performance, and much of the market for wholesale mutual funds is with retail buyers, who as a group tend to focus on historic returns. That made our business, which in prior years had experienced poor performance in a few flagship funds, vulnerable to headwinds. Late in the year, we took the decision to initiate a strategic partnership with iM Global Partner with the sale of the OYSTER SICAV's Luxembourg-domiciled management company and its assets to them. SYZ Private Bank will remain a key client of the OYSTER fund range and will work closely with iM Global Partner in the future.

We took this difficult decision with the firm conviction that this is the best solution for our clients, as SYZ Private Bank has always operated an open architecture platform, only selecting funds that pass a rigorous evaluation in the best interests of our clients. The decision is also the best solution for as many of SAM's employees as possible, and the Group. While the private bank has been independent of our asset management's expertise and services for a number of years, we transferred our Chief Economist Adrien Pichoud, as well as SAM's Swiss institutional business to the Bank and the SAM Alternative Investments team, led by Cedric Vuignier, to SYZ Capital.

From the Group perspective, we concluded that it made sense to create value for clients by re-centering on private banking, institutional asset management and liquid and illiquid alternative management, rather than drain capital into a business which remains subject to enormous competitive pressures of scale and shrinking margins. While this was a difficult decision, we should not forget that SAM was a strong unit for our Group over many years, helping to advance our bottom line and investment expertise while contributing to the development and growth of our other businesses. We are grateful for the support and engagement of all SAM colleagues in executing this strategy and wish everybody involved every success in their future whether within or outside of the Group.

SYZ CAPITAL

The SYZ Group was founded on a number of principles, including the conviction that our clients should have access to alternative wealth management solutions to provide their portfolios with returns uncorrelated to the wider markets. Applying this thinking, in 2018 we added a third, private market, pillar to our business which is of direct interest and benefit to our private clients. 2019 marked SYZ Capital's first full operational year.

Our objective is to curate an investment experience in segments of private markets that are often overlooked by most traditional investors because the opportunities are too small for the largest players, too complex or offer inadequate duration. This offers clients direct investments in vehicles that are structured to diversify portfolios and are proving their added value in the current pandemic.

As a result, SYZ Capital has become the Group's center of excellence for alternatives, offering qualified clients the opportunity to invest alongside the Syz family in alternative sources of liquid and illiquid returns such as direct private equity, thematic, multi-manager funds and hedge funds. These range from specialized litigation financing opportunities, which offer a stable risk-reward profile and are uncorrelated to financial markets, to special situations in secondary private equity taking advantage of current and upcoming distressed situations.

In the longer term, the growing team of SYZ Capital is building a niche expertise, in line with our historic DNA, and giving our investors the opportunity to access vehicles that would otherwise remain out of reach.

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THE SYZ COLLECTION DISPLAYED
2020, IN THE ATRIUM OF THE SYZ HEADQUARTERS, GENEVA

GOVERNANCE

BOARD OF DIRECTORS

PHILIPPE REISER, *Chairman, since 2019*
JEAN-BLAISE CONNE, *Vice-Chairman, since 2019*
CASPER KIRK JOHANSEN, *Member, since 2015*

PHILIPPE MILLIET, *Member, since 2019*
SUZANNE SYZ, *Member, since 2019*
GIOVANNI VERGANI, *Member, since 2019*

BIOGRAPHY

PHILIPPE REISER, *Chairman, since 2019*

Philippe Reiser is Managing Partner and founder of Compagnie Privée de Gestion Primatrust SA, an independent asset management company and family office based in Geneva. He has over 20 years of experience in international private banking at Swiss Bank Corporation (prior to its merger with UBS) and at Darier, Hentsch & Cie (which has merged with Lombard Odier & Cie).

JEAN-BLAISE CONNE, *Vice-Chairman, since 2019*

Jean-Blaise Conne, a Swiss national, is an independent director. He is a Board member and an Audit Committee member of Swiss banks and insurance companies. He spent 40 years with PwC in Switzerland, assuming client and management roles, until his retirement in 2015. He is a Swiss Audit Expert and was a FINMA licensed auditor for banks, securities dealers and investment funds. He was the lead auditor for several private banks, cantonal banks and funds registered in Switzerland.

CASPER KIRK JOHANSEN, *Member, since 2015*

Casper Kirk Johansen, a Danish national, is an entrepreneur. He serves as professional board member in a number of businesses. He has worked with private equity investments with small and mid-sized companies in Denmark since 2001. He previously worked for the LEGO Company.

PHILIPPE MILLIET, *Member, since 2019*

A Swiss national, Philippe Milliet is a member of the Bobst Group Executive Committee and head of the Sheet-Fed Business Unit. He is also a member of the Swiss Post Board of Directors, as well as the French-speaking board of Swissmem. Most notably, he has worked at McKinsey, primarily in pharmaceuticals and insurance, served as the CEO of Unicable, in the banking information technology sector, and been the head of the Health Division at Galenica, in charge of Distribution, OTC and Retail. A pharmacist by training, he received an MBA from the University of Lausanne.

BIOGRAPHY

SUZANNE SYZ, *Member, since 2019*

A Swiss entrepreneur in fine jewellery design, Suzanne Syz founded her eponymous boutique in 2002 in Geneva that received recognition for its humour, talent and for offering each season enjoyable and atypical pieces, by some of the most gifted craftsmen who are not afraid of her technical challenges or ideas. Prior to that, she worked in Zurich, Paris and New York in the fashion industry. Ever since her encounters with the art world's legendary stars like Andy Warhol, Jean-Michel Basquiat while living in New-York in the 1980s, her lifelong passion for contemporary art has guided her and her husband, Eric Syz, co-founder of SYZ Group, to build an inspiring private art collection of young talent emerging contemporary artists. Her passion for contemporary has led her to collaborate every year since 2016 with international artists such as John Armleder, Alex Israel, Sylvie Fleury and Kerstin Brätsch for her jewellery displays at leading art fairs around the world. She has two sons with her husband Eric Syz, who work within the SYZ Group, Marc Syz, managing partner of SYZ Capital, and Nicolas Syz, Head of SYZ Private Banking.

GIOVANNI VERGANI, *Member, since 2019*

A Swiss national, Giovanni Vergani founded ADDWISE in 2014 a consultancy firm that supports banking institutions, asset managers and life insurers in the activities of Private Banking and Wealth Management. Prior to that, Giovanni Vergani was Managing Director at Credit Suisse working in the Private Banking division for over 18 years. He witnessed various phases which radically shaped the industry, developing a strong insight into relevant dynamics of Wealth management. Giovanni Vergani holds a PhD from the Swiss Federal Institute of Technology in Zürich.

MANAGEMENT COMMITTEE

ERIC SYZ, *Group CEO*

YVAN GAILLARD, *CEO SYZ Private Banking*

CARMEN HERBSTTRITT, *Chief Financial Officer*

WILLIAM NOTT, *CEO SYZ Asset Management*

MARC SYZ, *CEO SYZ Capital*

BIOGRAPHY

ERIC SYZ, *GROUP CEO*

Eric Syz started off his financial career in London before moving to Wall Street in 1981. He worked for Lombard Odier in Geneva for ten years, where he focused on institutional asset management, mergers and acquisitions, the design and promotion of group products and the analysis of hedge funds. In 1996, he founded Groupe SYZ with Alfredo Piacentini and Paolo Luban. The latter both left the company in 2014, leaving Eric Syz's family in control of almost all of the company's shares.

YVAN GAILLARD, *CEO SYZ Private Banking*

Yvan Gaillard is the CEO of Banque SYZ. Gaillard joined SYZ Group in 2016 as Chief Operating Officer and subsequently became Deputy CEO, taking on his current role in 2019. He previously held a range of managerial positions at Banque Pictet & Cie for 18 years.

CARMEN HERBSTTRITT, *Chief Financial Officer*

Carmen Herbstritt joined the SYZ Group as Group Chief Financial Officer in 2019. She built her career in the banking sector in Germany and Switzerland working successively for Dresdner Bank, then Credit Suisse (Securities) Europe and Credit Suisse, and finally Deutsche Bank Frankfurt and Deutsche Bank (Suisse) where she was the CFO. As part of her responsibilities, she has been a member of several supervisory boards throughout her career and a member of the Executive Board of Deutsche Bank (Suisse) as a Managing Director.

WILLIAM NOTT, *CEO SYZ Asset Management*

William Nott is the CEO and Chairman of SYZ Asset Management. He joined the Group in 2019 after a 34 year career at M&G, the £350-billion active fund manager, where he spent more than his last decade as CEO & Chairman of the Retail business. He was also an M&G Limited Board Member and Executive Committee Member for 17 years. Additionally he has been on the board of EFAMA (The European Fund and Asset Management Association) since 2013 and acted as the President from June 2017 till June 2019.

BIOGRAPHY

MARC SYZ, CEO SYZ Capital

Marc is the co-founder and CEO of SYZ Capital. With over 14 years of investment experience, he leads the firm's direct investments and is a member of the executive and Investment committees. Prior to that, he was the Managing Director of ACE & Company, a global co-investment group. He led the Asian, Hong Kong based expansion for the group and managed several investment portfolios focusing on Europe and Asia. Marc used to be the Head of Capital Markets & Equity Sales at Union Bancaire Privée in Geneva,. He started his career as a derivatives trader and worked at Credit Suisse First Boston in the Structured Products division.

Marc has a broad expertise in capital markets, asset management and alternative investments across geographies and holds an Executive MBA from INSEAD.

INTERNAL AUDIT

LIONEL NOETZLIN, *Head of Internal Audit*

EXTERNAL AUDITORS

PRICEWATERHOUSECOOPERS SA, pwc.ch

BALANCE SHEET AS AT 31 DECEMBER

	2019	2018
	CHF	CHF
ASSETS		
Liquid assets	561 564 900	1 016 296 289
Amounts due from banks	179 536 767	116 432 240
Amounts due from customers	796 914 544	734 206 614
Mortgage loans	17 004 900	3 000 000
Trading portfolio assets	108 913 519	104 479 088
Positive replacement values of derivative financial instruments	34 323 757	59 454 188
Financial investments	216 833 020	317 402 766
Accrued income and prepaid expenses	74 104 705	63 314 093
Non-consolidated participations	1 216 372	1 182 023
Tangible fixed assets	34 660 658	61 933 837
Intangible assets	16 905 954	24 997 038
Other assets	7 905 215	3 018 973
Total assets	2 049 884 311	2 505 717 149
LIABILITIES		
Amounts due to banks	73 142 377	23 950 359
Amounts due in respect of customer deposits	1 542 803 095	2 010 037 233
Trading portfolio liabilities	134 534	–
Negative replacement values of derivative financial instruments	33 957 958	61 793 914
Accrued expenses and deferred income	62 162 462	41 765 693
Other liabilities	63 585 792	60 569 525
Provisions	13 379 370	18 818 127
Reserves for general banking risks	500 000	5 500 000
Capital	24 564 000	24 564 000
Capital reserve	11 044 156	11 044 156
Retained earnings reserve	376 523 174	373 989 594
Currency translation reserve	(2 545 497)	(3 065 809)
Own shares	(126 079 098)	(125 783 223)

BALANCE SHEET AS AT 31 DECEMBER

	2019	2018
	CHF	CHF
LIABILITIES		
Minority interests in equity	1 500 000	–
Consolidated profit	(24 788 012)	2 533 580
<i>Of which: minority interests in consolidated profit</i>	338 900	–
Total liabilities	2 049 884 311	2 505 717 149

	2019	2018
	CHF	CHF
OFF-BALANCE SHEET TRANSACTIONS		
Contingent liabilities	50 612 878	55 780 177
Irrevocable commitments	3 526 000	3 788 000
Obligations to pay up shares and make further contributions	62 176 027	33 637 075

INCOME STATEMENT AS AT 31 DECEMBER

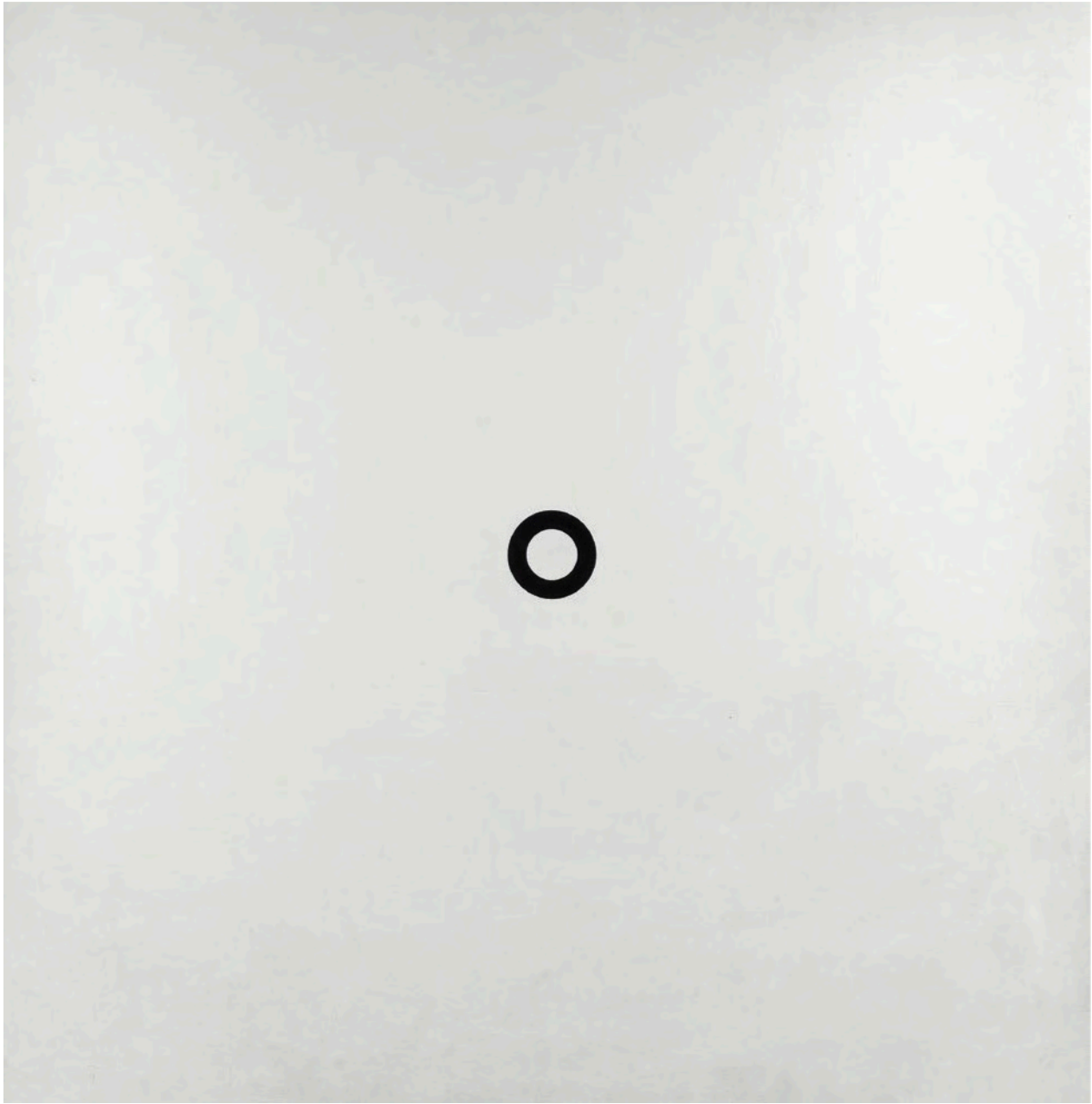
INCOME AND EXPENSE FROM ORDINARY BANKING OPERATIONS	2019 CHF	2018 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	13 567 379	13 077 470
Interest and dividend income from trading portfolios	–	253 059
Interests and dividend income from financial investments	7 138 936	5 966 042
Interest expenses	(66 375)	(246 306)
Gross result from interest operations	20 639 940	19 050 265
Changes in value adjustments for default risks and losses from interest operations	–	(9 173)
Subtotal net result from interest operations	20 639 940	19 041 092
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading and investment activities	143 475 919	176 103 447
Commission income from lending activities	339 380	589 544
Commission income from other services	2 278 243	4 922 401
Commission expenses	(35 700 554)	(40 464 353)
Subtotal result from commission business and services	110 392 988	141 151 039
Result from trading activities and the fair value option	16 220 849	23 609 208
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	(1 356 154)	–
Income from non-consolidated participations	–	110 115
Other ordinary income	1 579 094	648 981
Other ordinary expenses	(109 131)	(417 950)
Subtotal other result from ordinary activities	113 809	341 146
OPERATING EXPENSES		
Personnel expenses	(96 212 208)	(102 576 519)
General and administrative expenses	(58 689 914)	(61 846 385)
Subtotal operating expenses	(154 902 122)	(164 422 904)

INCOME STATEMENT AS AT 31 DECEMBER

	2019 CHF	2018 CHF
OPERATING EXPENSES		
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(17 276 685)	(25 128 600)
Changes to provisions and other value adjustments, and losses	(1 319 871)	(2 612 784)
Operating result	(26 131 092)	(8 021 803)
Extraordinary income	1 825 785	12 467 010
Extraordinary expenses	(3 833 346)	(6 839)
Changes in reserves for general banking risks	5 000 000	–
Taxes	(1 649 359)	(1 904 788)
Group's (loss)/profit	(24 788 012)	2 533 580
<i>of which minority interest in results</i>	338 900	–
Consolidated net (loss)/profit	(25 126 912)	2 533 580
<i>after deduction of minority interest</i>	–	–

CASH FLOW STATEMENT

	2019		2018	
	CASH INFLOW CHF	CASH OUTFLOW CHF	CASH INFLOW CHF	CASH OUTFLOW CHF
Result of the period	–	24 788 012	2 533 580	–
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	17 276 685	–	25 128 600	–
Provisions and other value adjustments	–	3 680 129	2 621 957	–
Other items	1 237 579	–	3 425 405	–
Previous year's dividend	–	–	–	–
Cash flow from operating activities	18 514 264	28 468 141	33 709 542	–
Change in minority interests	–	1 500 000	–	10 352 137
Sale of treasury shares	–	295 875	–	–
Cash flow from shareholders' equity transactions	–	1 795 875	–	10 352 137
Other tangible fixed assets	18 087 678	–	–	14 146 982
Intangible assets	–	–	9 541 100	–
Cash flow from transactions in respect of participations, tangibles fixed assets and intangible assets	18 087 678	–	9 541 100	14 146 982
Cash flow from banking operations				
Amounts due from customers	–	5 105 845	–	21 971 802
Trading portfolio assets	–	8 414 900	–	–
Financial investments	53 868 745	–	–	46 981 267
Medium and long-term business (>1 year)	53 868 745	13 520 745	–	68 953 069
Amounts due to banks	49 192 017	–	–	330 567 020
Amounts due from banks	–	63 104 527	613 406 566	–
Amounts due from customers	–	57 602 085	133 502 101	–
Mortgage loans	–	5 590 000	2 000 000	–
Amounts due in respect of customer deposits	–	467 234 136	–	288 477 264
Trading portfolio liabilities	134 534	–	–	3 458 780
Trading portfolio assets	–	4 434 431	65 324 879	–
Financial investments	46 701 001	–	49 598 483	–
Short term business	96 027 552	597 965 179	863 832 029	622 503 064
Liquidity				
Liquid assets	454 731 389	–	–	186 440 231
Effect of exchange rate changes on liquidity	520 312	–	–	4 687 188
Total	641 749 940	641 749 940	907 082 671	907 082 671



FROM THE SYZ COLLECTION :
OLVIER MOSSET_UNTITLED, 1967_ACRYLIC ON CANVAS, 200 X 200 CM

2019 showed the value of active management in volatile markets. This year has only reinforced that conviction.

STATEMENT OF CHANGES IN EQUITY

	CAPITAL CHF	CAPITAL RESERVE CHF	RETAINED EARNINGS RESERVE CHF	RESERVES FOR GENERAL BANKING RISKS CHF	CURRENCY TRANSLA- TION RESERVE CHF	OWN SHARES CHF	MINORITY INTERESTS CHF	RESULT OF THE PERIOD CHF	TOTAL CHF
Equity at start of current period	24 564 000	11 044 156	373 989 594	5 500 000	(3 065 809)	(125 783 223)	-	2 533 580	288 782 298
APPROPRIATION OF RESULT 2018									
Net change in retained earnings brought forward	-	-	2 533 580	-	-	-	-	(2 533 580)	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-
Employee participa- tion schemes / recog- nition in reserves	-	-	-	-	-	(295 875)	-	-	(295 875)
Capital increase / decrease	-	-	-	-	-	-	-	-	-
Other contributions / other capital paid in	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Disposal of own shares	-	-	-	-	-	-	-	-	-
Effect of subsequent valuation of own shares	-	-	-	-	-	-	-	-	-
Profit (loss) on dispos- al of own shares	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	520 312	-	-	-	520 312
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	(5 000 000)	-	-	-	-	(5 000 000)
Changes in minority interests	-	-	-	-	-	-	1 500 000	-	1 500 000
Profit of the period	-	-	-	-	-	-	-	(24 788 012)	(24 788 012)
Equity at end of current period	24 564 000	11 044 156	376 523 174	500 000	(2 545 497)	(126 079 098)	1 500 000	(24 788 012)	260 718 723

NOTES TO THE FINANCIAL STATEMENTS

BUSINESS NAME, LEGAL FORM AND DOMICILE

Financière SYZ SA is a Swiss company founded on 7 November 1996, domiciled in Zug. Financière SYZ SA is the holding company for a group of subsidiaries specialised in asset management for a private and corporate clientele. In addition to its wealth management activities, the Group also manages several investment funds and provides investment advices.

The Group's headcount as at 31 December 2019, expressed in terms of full-time employments, amounted to 338.50 employees, compared to 388.8 employees at the end of the prior year.

ACCOUNTING AND VALUATION PRINCIPLES

GENERAL PRINCIPLES

The accounting and valuation principles are based on the Code of Obligations, the Banking Act and its related Ordinance as well as the Accounting rules for banks, securities dealers, financial groups and conglomerates according to FINMA circular 15/1.

Comparative figures, where necessary, are adjusted to comply with any change in presentation of the 2019 accounts.

GENERAL VALUATION PRINCIPLES

The financial statements are prepared on the assumption of an ongoing concern. The accounting is therefore based on going-concern values.

Items are entered on the balance sheet as assets if, based on past events, they may be disposed of, a cash inflow is probable and their value can be reliably estimated. If a reliable estimate is not possible, then it is a contingent asset, which is commented on in the notes.

Items are entered on the balance sheet as liabilities if they have arisen due to past events, a cash outflow is probable and their value can be reliably estimated. If a reliable estimate is not possible, then it is a contingent liability, which is commented on in the notes.

The disclosed balance sheet items are valued individually. The transitional provision, which requires the individual valuation of equity participations, tangible fixed assets and intangible assets as of 1 January 2020, is not applied.

In principle, neither assets and liabilities nor expenses and income are offset. Accounts receivable and accounts payable are offset in the following cases:

- Accounts receivable and accounts payable are offset if they concern the same type of transaction with the same counterparty in the same currency and they have an identical or earlier due date and do not lead to any counterparty risk.
- Deduction of value adjustments from the corresponding asset item.
- Offsetting of positive and negative changes in book value with no income effect in the current period in the compensation account.
- Positive and negative replacement values of derivative financial instruments with the same counterparty are offset, if there are recognised and legally enforceable netting agreements in place, when applicable.

LIQUID ASSETS

Liquid assets are recognised at their nominal value.

AMOUNTS DUE FROM BANKS AND AMOUNTS DUE FROM CUSTOMERS

Amounts due from banks and amounts due from customers are recognised at their nominal value less any necessary value adjustments.

Amounts due in respect of precious metal account deposits are valued at fair value if the precious metal concerned is traded on a price-efficient, liquid market.

Doubtful receivables, i.e. obligations entered into with clients for which the debtor is unlikely to meet its future obligations, are valued individually and depreciated by means of individual value adjustments. The depreciation of doubtful receivables is determined by the difference between the book value of the receivable and the anticipated recoverable amount.

The anticipated recoverable amount is the liquidation value (estimated net realisable value minus the costs of retention and liquidation). In doing so, the entire liability of the client or the economic entity has to be checked for any counterparty risk.

The individual valuation adjustments are deducted from the corresponding asset item in the balance sheet.

AMOUNTS DUE TO BANKS AND AMOUNTS DUE IN RESPECT OF CUSTOMER DEPOSITS

These items are to be recognised at their nominal value.

Amounts due in respect of precious metal account deposits must be valued at fair value if the precious metal concerned is traded on a price-efficient, liquid market.

TRADING PORTFOLIO ASSETS AND TRADING PORTFOLIO LIABILITIES

The trading portfolio assets and liabilities relating to trading operations are valued and recognised at fair value in principle. Fair value is the price based on a price-efficient and liquid market or the price calculated using a valuation model.

If a fair value cannot be determined, the valuation and recognition is based on the lower of cost or market principle.

The price gain or loss resulting from the valuation, and interest and dividend income from trading operations, are recorded via the item “Result from trading operations and use of the fair value option”. The refinancing costs for trading operations are not recorded in the “Interest and discount income”.

POSITIVE AND NEGATIVE REPLACEMENT VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used for trading and for hedging purposes.

Trading purposes

The valuation of derivative financial instruments for trading purposes is done according to the fair value and the positive or negative replacement value is recorded in the corresponding

item. The fair value is based on market prices, dealers’ price quotations, discounted cash flow and option pricing models.

Hedging purposes

The Group also uses derivative financial instruments to hedge against currency risks and risks of fluctuation of performance related commissions. Hedging operations are valued like the hedged underlying transaction. The result from hedging operations is recorded in the same item as the corresponding result from the hedged underlying transaction. The valuation result from hedging instruments is recorded under “Result from trading operations and use of the fair value option”.

Hedges and the goals and strategies of hedging operations are documented at the conclusion of a derivative hedging transaction. The effectiveness of the hedge is regularly reviewed. In all case, hedging transactions are treated like trading operations.

Netting

The Group offsets positive and negative replacement values with the same counterparty within the terms of the recognised and legally enforceable netting agreements.

FINANCIAL INVESTMENTS

Financial investments include debt instruments, equity securities and physical stocks of precious metals.

Held-to-maturity debt instruments

The valuation is based on the acquisition cost principle with the agio/disagio (premium/discount) accrued/deferred over the residual term to maturity (accrual method). Value adjustments for default risk are recorded immediately under “Changes in value adjustments for default risk and losses from interest operations”.

Not held-to-maturity debt instruments

The valuation is based on the lower of cost or market principle. The value adjustments arising from a subsequent valuation are recorded for each balance via the item “Other ordinary

expenses” or “Other ordinary income”. Value adjustments for default risk are made immediately via the items “Changes in value adjustments for default risk” and “Losses from interest operations”.

Equity securities, physical stocks of precious metals as well as properties and goods acquired in relation to loan transactions and destined for sale

The valuation is based on the lower of cost or market principle. Own physical stocks of precious metals that serve as collateral for liabilities from precious metals trading accounts are valued, as they are in such accounts, at fair value. The value adjustments arising from a subsequent valuation are recorded for each balance via the item “Other ordinary expenses” or “Other ordinary income”.

If the fair value of financial investments valued using the lower of cost or market principle increases again after declining below the historical cost, the value may be appreciated up to a maximum of the historical cost. The balance of the value adjustments is recorded via the item “Other ordinary expenses” or “Other ordinary income”.

NON-CONSOLIDATED PARTICIPATIONS

Non-consolidated participations include equity securities of companies that are held for long-term investment purposes, which did not satisfy the consolidation criteria.

Non-consolidated participations are valued at historical costs minus any value adjustments due to business reasons.

Each non-consolidated participation is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets. If any such indicators exist, the recoverable amount is calculated. The recoverable amount is calculated for each individual asset. The recoverable amount is the higher amount of the net selling price and the value in use. An asset is impaired if its carrying amount exceeds its recoverable amount. If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is charged via the item “Value adjustments on participations and

amortisation of tangible fixed assets and intangible assets”.

Realised gains from the sale of non-consolidated participations are recorded via the item “Extraordinary income” and realised losses are recorded via the item “Extraordinary expense”.

TANGIBLE FIXED ASSETS

Investments in tangible fixed assets are capitalised as an asset if they are used for more than one accounting period and exceed the minimal value for recognition.

Tangible fixed assets are recognised at acquisition cost minus the scheduled accumulated amortisation over the estimated operating life.

Tangible fixed assets are amortised at a consistent rate (straight-line amortisation) over a prudent estimated operating life via the item “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”. The estimated operating lives of specific categories of tangible fixed assets are as follows:

- | | |
|--------------------------------|---------------|
| • Building for use of the Bank | max. 40 years |
| • Other fixed assets | max. 10 years |
| • Software and IT equipment | max. 05 years |

Each tangible fixed asset is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets impaired. If any such indicators exist, the recoverable amount is calculated. The recoverable amount is calculated for each individual asset. An asset is impaired if its carrying amount exceeds its recoverable amount.

If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is charged via the item “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”.

If the impairment test shows that the operating life of an intangible asset has changed, the residual carrying amount should be depreciated systematically over the newly estimated useful life.

Realised gains from the sale of tangible fixed assets are recorded via the item “Extraordinary income” and realised losses are recorded via the item “Extraordinary expense”.

INTANGIBLE ASSETS

Acquired intangible assets are recognised in the balance sheet if they yield measurable benefits for the Group over several years. As a general rule, intangible assets generated internally are not recognised in the balance sheet. Intangible assets are recognised and valued according to the historical cost principle.

Intangible assets are amortised at a consistent rate (straight-line amortisation) over a prudent estimated operating life via the item “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”. The estimated operating lives of specific categories of intangible assets are as follows:

- Goodwill max. 10 years
- Other intangible assets max. 05 years

Each intangible asset is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets impaired. If any such indicators exist, the recoverable amount is calculated. The recoverable amount is calculated for each individual asset. An asset is impaired if its carrying amount exceeds its recoverable amount.

If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is charged via the item “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”.

If, as a result of the impairment review, the operating life of an intangible asset changes, the residual carrying amount should be depreciated systematically over the newly estimated operating life.

Realised gains from the sale of intangible assets are recorded via the item “Extraordinary income” and realised losses are recorded via the item “Extraordinary expense”.

PROVISIONS

Legal and factual obligations are valued regularly. If an outflow of resources is likely and can be reliably estimated, a corresponding provision must be created.

Existing provisions are reassessed at each balance sheet date. Based on this reassessment, the provisions are increased, left unchanged or released.

Provisions are released via the income statement if they are no longer needed on business grounds and cannot be used for other similar purposes at the same time. Otherwise, it is considered as hidden reserves.

RESERVES FOR GENERAL BANKING RISKS

Reserves for general banking risks are prudently created reserves to hedge against the risks in the course of business of the Group.

The creation and release of reserves is recognised via the item “Changes in reserves for general banking risks” in the income statement.

The reserves for general banking risks are subject to tax.

TAXES

Current taxes

Current income taxes are recurring, usually annual, taxes on profits and capital. Transaction-related taxes are not included in current taxes.

Liabilities from current income and capital tax are disclosed via the item “Accrued liabilities and deferred income”.

Expense due to income and capital tax is disclosed in the income statement via the item “Taxes”.

Deferred taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Tax losses brought forward are not recognised in the Balance sheet.

OWN EQUITY SECURITIES

Purchases of own shares are recorded at the acquisition date at the cost of acquisition and deducted from equity via the item "Own shares". No subsequent valuation is performed.

The gain realised from the sale of own shares is recorded via the item "Capital reserve". The item "Own shares" is reduced by the amount of the acquisition cost that corresponds to the shares sold.

PENSION BENEFIT OBLIGATIONS

The employees of Banque SYZ SA and SYZ Asset Management (Suisse) SA are insured through Banque SYZ SA's pension fund. In addition, there is an executive staff insurance scheme. The organisation, management and financing of the pension funds comply with the legal requirements, the deeds of foundation and the current pension fund regulations. Employees of certain Group companies are covered by defined contribution pension plans adapted to local circumstances in each of the countries in which the Group is operating.

The Group bears the costs of the occupational benefit plan for employees and survivors as per the legal requirements. The employer contribution arising from the pension funds are included in "Personnel expense" on an accrual basis.

The Group assesses whether there is an economic benefit or economic obligation arising from a pension fund as of the balance sheet date. The assessment is based on the contracts and financial statements of the pension funds (established under Swiss GAAP FER 26 in Switzerland) and other calculations that present a true and fair view of the financial situation as well as the actual over - or underfunding for each pension fund. The Group refers to a pension fund expert to assess whether a benefit or an obligation exists for each pension fund.

The employer contribution reserves without a waiver of use are recorded in "Other assets". If an economic obligation is identified for an individual pension fund, it is recorded in "Provisions". The

difference with the corresponding value of the prior period are recorded in the income statement in "Personnel expense".

EQUITY-BASED COMPENSATION SCHEMES

Share plan

Under this plan, the Board of directors determine each year the level of award, if any, of Financière SYZ SA shares to the employees of the Group. The first and the second half of granted shares can only be exercised after 3 years and 5 years respectively. Employees having shares may on a voluntary basis sell these shares to Financière SYZ SA or to any other entity of the Group at a selling price based on a formula defined in the plan. At the end of their working contract, it is mandatory that employees sell their shares to Financière SYZ SA either at fair value or at cost depending on the situation. Financière SYZ SA owns a pre-emption right allowing it to purchase at any time in all or in part shares from a beneficiary.

As this is compensation using real equity instruments, there is no subsequent valuation. Any differences are recorded via the item "Personnel expense".

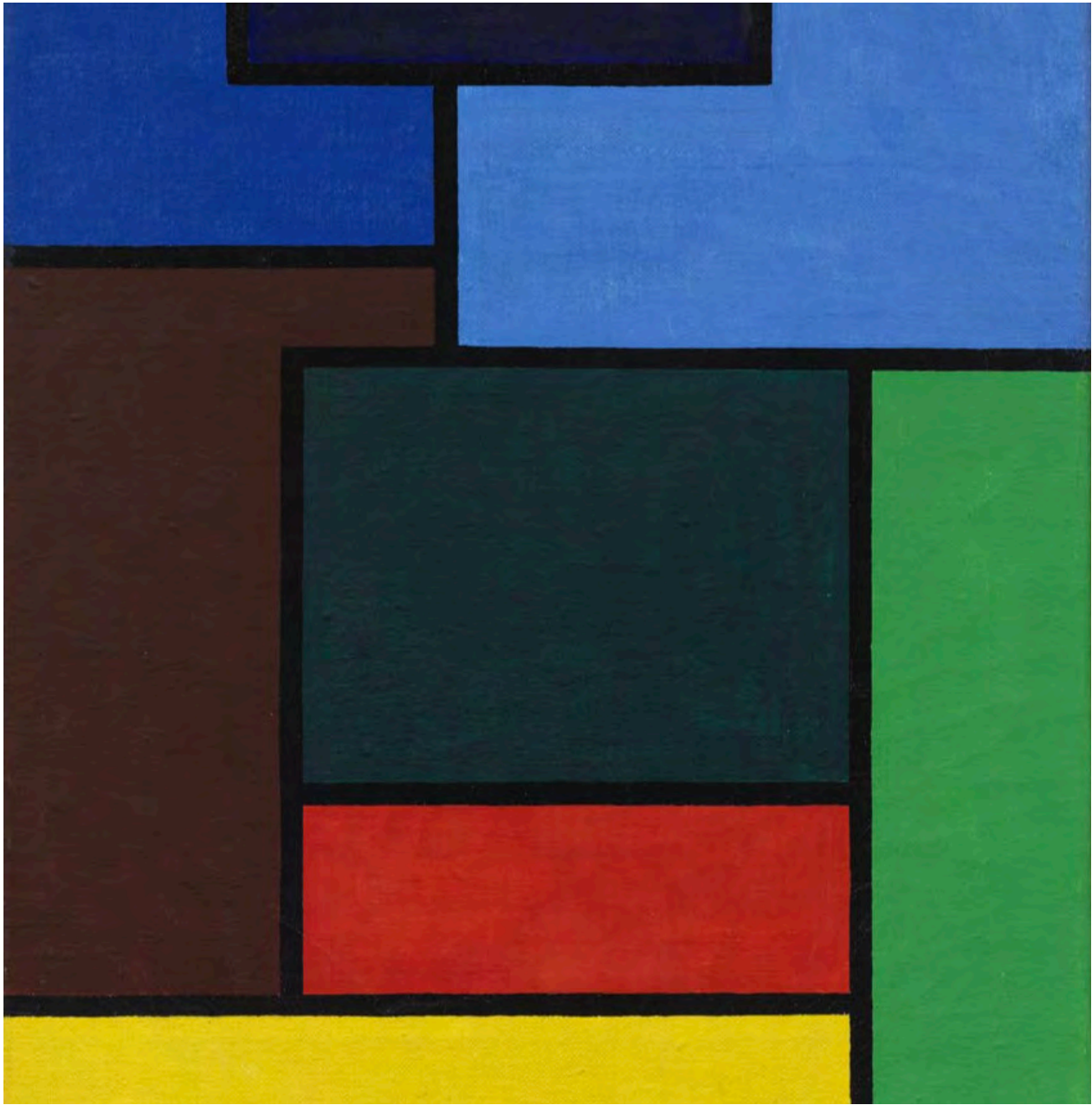
Share options plan

Share options are granted to managers and employees. When the options are exercised, if the Group doesn't own a sufficient number of treasury shares, the proceeds received net of any transaction costs are credited to share capital (par value) and the surplus, if any, to the capital reserves. The costs related to the various options plans existing in the Group are accounted for as an expense in each of the relevant entities.

The liability is recorded in the item "Accrued expenses and deferred Income" and revalued as of each balance sheet date. The resulting change of the fair value is adjusted in the income statement via the item "Personnel expense".

OFF-BALANCE-SHEET TRANSACTIONS

Off-balance-sheet disclosures are at nominal value. Provisions are created in the liabilities in the balance sheet for foreseeable risks.



FROM THE SYZ COLLECTION:
HEIMO ZOBERNIG_UNTITLED, 1985_OIL ON CANVAS, 50 X 40 CM

CHANGE OF THE ACCOUNTING AND VALUATION PRINCIPLES

There have been no changes in the accounting and valuation principles since the prior year.

RECORDING OF BUSINESS TRANSACTIONS

All business transactions concluded up to the balance sheet date are recorded as of their trade date (trade date accounting) and valued according to the above-mentioned principles.

CONSOLIDATION

The consolidated financial statements include the accounts of Financière SYZ SA and its subsidiary companies over which it has direct or indirect control. Equity is consolidated using the purchase method. Control normally exists when the investment held gives more than 50% of the voting rights of a company together with a significant influence on all operating and administrative decisions. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests may result in goodwill, being the difference between any consideration paid and the relevant value of net assets acquired of the subsidiary. Dividends attributable to preference shareholders of subsidiaries are recorded on an accrual basis as minority interests in net profit.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recorded at the respective daily exchange rate. Assets and liabilities are translated as of the balance sheet date using the average rate on the balance sheet date. Participations, tangible fixed assets and intangible assets are valued using the historical exchange rates. The price gain or loss resulting from the currency translation is recorded via the item "Result from trading operations and use of the fair value option".

Assets and liabilities of self-sustaining foreign entities are translated using the year-end exchange rates. Income and expenses are translated at average exchange rates for the year. Exchange differences arising from the translation of the foreign entities' financial statements are taken to the "Currency translation reserve". On disposal of the foreign entity, such currency translation differences are recognised in the income statement as part of the gain or loss on sale.

For the foreign currency translation, the following exchange rates were used:

	2019	2018
CLOSING RATE		
USD	0.9684	0.9855
EUR	1.0870	1.1269
HKD	0.1243	0.1259
GBP	1.2828	1.2553

RISK MANAGEMENT

RISK ASSESSMENT

Quarterly, the Board of Directors analysed the main risks the Group is exposed to: essentially these concern financial risks, market risks, credit risks, operational risks and reputational risks.

Regarding financial risks, the Board reviewed adequacy of capital with balance-sheet exposition and the level of liquidity. Regarding market risks, the Board reviewed compliance with various limits imposed on the trading units and the interest rate risk inherent in the maturity structure of the balance sheet. The Board also reviewed the effectiveness of hedging to protect the Group against foreign exchange risk on future revenues and fluctuation of performance related commissions. Regarding counterparty risks, the Board reviewed the selection process of banking counterparties and the use of banking counterparty limits. Regarding client credit risks, the Board reviewed the quality and frequency of the monitoring process over the Lombard loan portfolio. Regarding operational risks, the Board familiarised itself with key risks indicators and with the measures that have been taken to reduce the IT Security risks. The Board reviewed the indicators which are used to detect possible problems with personnel and reputational risks. It also examined the results obtained from the internal control system and studied the existing level of insurance cover and anticipated extension.

During its meeting of 20 september and 11 April 2019, the Board has approved the Group-wide Risk Governance Framework and its appendices which define the global risk appetite and trading portfolio limits. In its meeting of 28 November 2019 it reviewed the Group's Global Risk Assessment and defined its risk appetite for each identified risk.

Following this overall evaluation the Board of Directors approved the risk policy.

RISK POLICY IN GENERAL

Risk management is based on the Group-wide Risk Governance Framework whose adequacy is regularly monitored by the Risk Control function. At least once every year these regulations are

submitted to the Board of Directors' approval that may, at any time, require its modification. Its objective is to determine the Group's responsibilities and strategy with regard to risks incurred from its activities carried out for the account of the Group and for clients. It also sets measures taken by the Group to manage these risks and describes the tools available for their monitoring. Detailed limits have been established for the different risks, whose respect is monitored on a permanent basis.

The Group is mainly exposed to default risks and risks relating to asset management (reputational and legal risks). In addition, it is exposed to operational risks.

DEFAULT RISKS

The default or credit risk represents the damage that the Group supports in the case of the default of a counterparty. The credit policy comprises all commitments, which might lead to losses in the case counterparties are unable to reimburse their liabilities. The Group is limiting credit risks through diversification, through being demanding regarding the quality of debtors and through keeping margins on collateral. The quality of debtors is assessed, based on standardised solvency criteria or according to the quality of the securities used as collateral. The scheme of competencies with regard to credit granting is focused on risks and is characterised by a short decision network.

A committee examines the loan applications and authorises operations according to the delegations and the defined policy. Credits are essentially granted in form of secured loans covered by securities. Credit facilities are mainly granted in form of advances or overdraft facilities. Credit limits are reviewed on a regular basis and are approved by the credit committee or the Executive Management Committee.

MARKET RISKS

The market risks result from potential changes in the value of a financial instrument portfolio induced by fluctuations in interest rates, foreign exchange rates, and market prices or volatility. The Board of Directors approves market risk limits.

Market risk management requires the identification, measurement and control of open positions. The valuation of a trading portfolio and the monitoring of granted limits are carried out on a daily basis. The main risks to which the Group is exposed are:

Currency risk

The currency risk results from changes in the value of portfolios due to fluctuations in the currency market. The Group's policy is to hedge, if necessary, the currency positions by means of different derivative financial instruments, within the defined limits.

Interest rate risk

Interest rate risks relating to balance sheet and off-balance sheet operations are steered and monitored by the Group's Risk Officer. The variation factors of these risks are mainly the size and maturities of clients' credits as well as the size and duration of financial investments. They are considered to be low because liabilities without maturities are not remunerated, clients' credits generally do not exceed one year, penalties equal to the interest gap are charged to client in case of early repayment of their credits. In principle, risks relating to clients' credits exceeding one year are hedged with interest rate swaps.

Various limits (formal fixed by the Board of Directors and operational fixed by the Risk Management Committee) define the risk tolerance. These limits apply to the estimated impact on equity of a 100bp linear variation of the interest rate curve.

The Risk Officer carries out stress tests. If the need arises, he may also call on external specialists.

Other market risks

To limit other market risks, which are essentially risks on positions in equity securities, the Group has established a limit system. Positions from trading operations are valued on a daily basis. The responsibilities for trading operations and for risk control are allocated to different persons.

Use of derivative financial instruments

Derivative financial instruments used by the Group comprise options and futures on equity, stock exchange indexes and currencies, swaps, warrants as well as forward contracts. These instruments are essentially used to cover existing positions. The risk on the instruments is valued in accordance with the circulars of the FINMA on a daily basis.

LIQUIDITY RISKS

Liquidity risks are controlled in accordance with the respective legal regulations and according to limits fixed by the Board of Directors and applicable to different balance-sheet components' ratios. The negotiability of positions for own account is monitored on a regular basis.

OPERATIONAL RISKS

Operational risks are due to the inadequacy of, or failure in procedures, controls, systems, people or result from external events. They can generate financial losses or trigger a discontinuity of the Group's entities operations or affect their operating conditions.

The operational risk is assessed and monitored with Key Risk Indicators for which thresholds have been defined which depict the Group's risk tolerance. Those indicators are monitored by the Risk Management Committee and corrective measures are taken when necessary.

Operational losses are systematically logged and analysed in order to find out whether modifications in processes and controls are necessary.

The Group has implemented an internal control system where controls are both centralized and decentralized. Key processes and controls are documented. Performance of decentralized controls is supervised by the Internal Control Department.

The Group applies the basic indicator approach (BIA) for the calculation of required capital.

COMPLIANCE

The Group Compliance Officer monitors that the Group complies with the legal requirements in place as well as its obligations with regards to the exercise of due diligence applying to financial intermediaries. The Group Compliance Officer keeps up to date with legal developments coming from the supervisory bodies, the government, the parliament and other organisms. He supervises as well over the updating of the Group's internal directives to take into account new legislative and regulatory requirements.

METHODS USED FOR IDENTIFYING DEFAULT RISKS AND DETERMINING THE NEED FOR VALUE ADJUSTMENTS***Securities-based loans***

The commitments and values of collateral for securities-based loans are monitored daily. If the collateral value of the securities falls below the amount of the credit line, the amount of the loan is reduced or additional securities are requested. If the coverage gap grows or in extraordinary market conditions, the securities are utilized and the credit position is closed out.

Unsecured loans

Unsecured loans are usually securities-based loans where the securities do not qualify as collateral, unsecured account overdrafts as well as liquidity deposits.

Process for determining the value adjustments and provisions

Any new value adjustments and provisions needed are identified by the process described above. Further, the known risk exposures already identified as at risk are reassessed at each balance sheet date and the value adjustments are adjusted, if necessary. Committees assess and approve all of the value adjustments created for the risk exposures. Then, approval is given by the executive management and the board of directors.

COLLATERAL

Primarily, transferable financial instruments (like loans, shares and collective investment schemes) that are liquid and actively traded are used for Lombard loans and other securities-based loans, as well as certain alternative investments.

The Group applies haircuts to the market value of pledged

securities in order to cover the market risk and to calculate the value of the collateral.

BUSINESS POLICY REGARDING THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used for trading and for hedging purposes.

Derivative financial instruments are traded exclusively by specially trained traders. Standardised and OTC instruments are traded on own account and on behalf of clients.

Derivative financial instruments are used by the Group for risk management purposes, mainly to hedge against foreign currency risks and fluctuation of performance related commissions.

MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after the balance sheet date that could have a material impact on the financial position of the Group as of 31 December 2019.

The COVID-19 outbreak has developed rapidly in 2020. At this stage the impact on the Group's business and results is limited. In this context, the Group's top two priorities are to protect the health of the employees and to continue to deliver the kind of investment performance and executional excellence that clients have come to know and expect. Despite the turmoil, the Group's investment teams are committed to protecting the clients' assets, thanks to a disciplined and defensive investment process focused first and foremost on preserving the investments. The Group is able to remain fully operational with 100% of the staff working from home for an extended period should be necessary. The Group remains deeply committed to providing the clients with the same level of trust, accessibility and reliability that they should expect from SYZ and can deliver this wherever people are working. The Group's crisis plans have been developed over many years and have been sharpened and refined over the past three months to address this specific and unprecedented challenge. The investments the Group has made to make this possible are long standing and have been driven by the belief that working with best-in-class IT tools is the right thing to do for the Group's employees, clients and communities. These investments are now proving to be invaluable.

INFORMATION ON THE BALANCE SHEET


1. SECURITIES FINANCING TRANSACTIONS (ASSETS AND LIABILITIES)

The Group has not undertaken any securities financing transactions.

2. COLLATERAL FOR LOANS AND OFF-BALANCE-SHEET TRANSACTIONS, AS WELL AS IMPAIRED LOANS

	TYPE OF COLLATERAL			TOTAL CHF
	SECURED BY MORTGAGE CHF	OTHER COLLATERAL CHF	UNSECURED CHF	
LOANS (BEFORE NETTING WITH VALUE ADJUSTMENTS)				
Amounts due from customers	13 061 386	702 606 746	81 998 377	797 666 509
Mortgage loans	13 426 782	3 578 118	–	17 004 900
Total loans current year (before netting with value adjustments)	26 488 168	706 184 864	81 998 377	814 671 409
Total loans previous year (before netting with value adjustments)	3 000 000	660 252 025	74 721 946	737 973 971
Total loans current year (after netting with value adjustments)	26 488 168	706 184 864	81 246 412	813 919 444
Total loans previous year (after netting with value adjustments)	3 000 000	659 484 668	74 721 846	737 206 614
OFF-BALANCE-SHEET				
Contingent liabilities	–	31 749 410	18 863 468	50 612 878
Irrevocable commitments	–	–	3 526 000	3 526 000
Obligations to pay up shares and make further contributions	–	62 069 744	106 283	62 176 027
Total off-balance-sheet current year	–	108 052 815	23 794 451	131 847 265
Total off-balance sheet previous year	–	63 468 277	29 736 975	93 205 252

	GROSS DEBT AMOUNT CHF	ESTIMATED LIQUIDATION VALUE OF COLLATERAL CHF	NET DEBT AMOUNT CHF	INDIVIDUAL VALUE ADJUSTMENTS CHF
IMPAIRED LOANS				
Current year	751 965	–	751 965	751 965
Previous year	767 357	–	767 357	767 357

A large, black and white inflatable sculpture of a stylized cat character, resembling Felix the Cat, stands in the center of a modern, multi-level atrium. The cat has large white eyes with black pupils and a wide, smiling mouth. It is positioned on a white rectangular platform. In the foreground, another white platform holds a mannequin wearing a yellow and blue outfit with a gold mesh overlay, sitting on a small stool. To the right, a person in a black hoodie is sitting on a wooden bench, leaning against a white platform. The atrium has a bright yellow floor, white walls, and glass railings on the upper levels. In the background, there are various art installations, including a blue horse sculpture and a red and blue archway.

THE SYZ COLLECTION DISPLAYED
2019, IN THE ATRIUM OF THE SYZ HEADQUARTERS, GENEVA

3. TRADING PORTFOLIOS AND OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE (ASSETS AND LIABILITIES)

ASSETS	2019	2018
	CHF	CHF
TRADING PORTFOLIO ASSETS		
Debt securities, money market securities / transactions	70 746 432	83 462 057
<i>of which, listed</i>	69 982 587	83 453 725
Equity securities	38 167 087	21 016 778
Precious metals and commodities	–	–
Other trading portfolio assets	108 913 519	104 478 835
Total trading portfolio assets	–	253
Total assets	108 913 519	104 479 088
<i>of which, determined using a valuation model</i>	108 913 519	104 479 088
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	60 076 134	53 776 233
 LIABILITIES		
TRADING PORTFOLIO LIABILITIES		
Equity securities	134 534	–
Total liabilities	134 534	–
<i>of which, determined using a valuation model</i>	–	–

4. DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	POSITIVE REPLACEMENT VALUES CHF	NEGATIVE REPLACEMENT VALUES CHF	CONTRACT VOLUMES CHF	POSITIVE REPLACEMENT VALUES CHF	NEGATIVE REPLACEMENT VALUES CHF	CONTRACT VOLUMES CHF
INTEREST RATE INSTRUMENTS						
Swaps	-	-	-	-	-	-
Total interest rate instruments	-	-	-	-	-	-
FOREIGN EXCHANGE/PRECIOUS METAL						
Forward contracts	6 546 018	12 815 373	1 626 387 175	-	-	-
Combined interest rate currency swaps	13 216 561	4 974 640	1 512 772 902	-	-	-
Options (OTC)	14 432 312	16 039 079	2 016 287 000	-	-	-
Total foreign exchange/precious metal	34 194 891	33 829 092	5 155 447 077	-	-	-
EQUITY SECURITIES/INDICES						
Futures	-	-	-	-	-	-
Options / Warrants (OTC)	128 866	128 866	8 142 106	-	-	-
Total equity securities/indices	128 866	128 866	8 142 106	-	-	-
Total before netting agreements	34 323 757	33 957 958	5 163 589 183	-	-	-
<i>of which, determined using a valuation model</i>	34 323 757	33 957 958	5 163 589 183	-	-	-
Total Previous year	59 454 188	61 793 914	6 788 394 248	-	-	-
Total after netting agreements	34 323 757	33 957 958	5 163 589 183	-	-	-
<i>of which, determined using a valuation model</i>	34 323 757	33 957 958	5 163 589 183	-	-	-
Total Previous year	59 454 188	61 793 914	6 788 394 248	-	-	-

4. DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

	BREAKDOWN BY COUNTERPARTY		
	CENTRAL CLEARING HOUSES CHF	BANKS AND SECURITIES DEALERS CHF	OTHER CUSTOMERS CHF
Positive replacement values after netting agreements	–	22 542 687	11 781 070

5. FINANCIAL INVESTMENTS

	BOOK VALUE		FAIR VALUE	
	2019 CHF	2018 CHF	2019 CHF	2018 CHF
Debt securities	212 349 885	293 432 137	214 422 323	292 310 449
<i>of which, intended to be held to maturity</i>	212 349 885	293 432 137	214 422 323	292 310 449
<i>of which, not intended to be held to maturity (available for sale)</i>	–	–	–	–
Equity securities	4 483 135	23 970 629	4 562 054	24 050 943
<i>of which, qualified participations (at least 10% of capital or votes)</i>	–	–	–	–
Precious metals	–	–	–	–
Total	216 833 020	317 402 766	218 984 377	316 361 392
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	21 156 297	21 156 297	21 096 800	21 096 800

BREAKDOWN OF COUNTERPARTIES BY RATING

	AAA TO AA- CHF	A+ TO A- CHF	BBB+ TO BBB- CHF	BB+ TO B- CHF	BELOW B- CHF	NONE RATED CHF
Book values of debt securities	153 328 370	59 021 515	–	–	–	–

Financière SYZ SA relies on the rating classes of Standard & Poor's

6. NON-CONSOLIDATED PARTICIPATIONS

	ACQUISITION COST CHF	BOOK VALUE PREVIOUS YEAR CHF	ADDITIONS CHF	DISPOSALS CHF	BOOK VALUE CURRENT YEAR CHF	MARKET VALUE CHF
Without market value	1 182 023	1 182 023	–	–	1 216 372	1 216 372
Total non-consolidated participations	1 182 023	1 182 023	–	–	1 216 372	1 216 372

7. COMPANIES IN WHICH THE GROUP HOLDS A PERMANENT DIRECT OR INDIRECT SIGNIFICANT PARTICIPATION

COMPANY NAME AND DOMICILE	BUSINESS ACTIVITY		CAPITAL (IN 1,000S)	SHARE OF CAPITAL (IN %)	(1) SHARE OF VOTES (IN %)	HELD DIRECT	HELD INDIRECT
Banque SYZ SA, Genève	Banking	CHF	31 500	95,2	99,5	95,2	–
SYZ Bank (Bahamas) Ltd, Nassau	Banking	CHF	7 000	100	100	100	–
SYZ Asset Management (Suisse) SA, Genève	Investment management	CHF	10 000	100	100	–	100
SYZ Europe SA, Luxembourg	Holding company	EUR	500	100	100	–	100
Alternative Asset Advisors SA, Nassau	Investment management	USD	50	100	100	–	100
SYZ Asset Management SA (Luxembourg) SA	Investment management	CHF	900	100	100	100	–
SYZ Asset Management (Holding) SA, Genève	Holding Company	CHF	10 954	100	100	100	–
SYZ Asset Management (Europe) Ltd, Londres	Investment management	GBP	5 000	100	100	–	100
SYZ Multi Cell Investment ICC, Jersey	Provides services to its underlying Cells	GBP	25	100	100	100	–
Stiftung für Mitarbeiter-Beteiligungsmodelle der Financière SYZ SA	Foundation	CHF	50	–	–	–	–
SYZ Capital SA, Zug	Investment management	CHF	200	100	100	100	–
SYZ Private Markets Investment Partners, Luxembourg	Provides services to its underlying Cells	EUR	12	100	100	–	100

All participations are consolidated using the equity method.

(1) The percentage of voting interest describes the entire voting rights held by companies within the Group consolidation.

- In August 2019, Financière SYZ SA liquidated SYZ Asset Management (Asia) Limited, Hong Kong, which it wholly owned. The dividends liquidation amounted to CHF 1,280,171.
- In September 2019, Financière SYZ SA dissolved SYZ (France) SA without liquidation for the benefit of SYZ Asset Management (Luxembourg) SA, which it owned 100%. The result of the dissolution amounted to CHF 145,192.
- In April 2019, Financière SYZ SA sold 90% of its participation SYZ Swiss Advisors AG, Zurich for a price of CHF 1'422'008.

8. TANGIBLE FIXED ASSETS

	2019								
	COST VALUE CHF	ACCUMULATED DEPRECIATION CHF	BOOK VALUE PREVIOUS YEAR CHF	RECLAS- SIFICA- TIONS CHF	ADDITIONS (INCLUDING EXCHANGE DIFFERENCES) CHF	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES) CHF	DEPRECIATION CHF	REVERSAL CHF	BOOK VALUE CURRENT YEAR END CHF
Bank buildings	24 812 580	(1 180 256)	23 632 323	–	–	(27 886 500)	(195 912)	4 450 089	–
Proprietary or separately acquired software	66 001 273	(50 706 162)	15 295 211	–	8 995 086	–	(5 700 623)	–	18 589 674
Other tangible fixed assets	85 592 137	(62 585 735)	23 006 403	–	216 475	(7 893 626)	(3 289 066)	4 030 798	16 070 984
Total tangible fixed assets	176 405 990	(114 472 153)	61 933 837	–	9 211 561	(35 780 126)	(9 185 601)	8 480 887	34 660 658

9. INTANGIBLE ASSETS

	2019								
	COST VALUE CHF	ACCUMULATED DEPRECIATION CHF	BOOK VALUE PREVIOUS YEAR CHF	RECLAS- SIFICA- TIONS CHF	ADDITIONS (INCLUDING EXCHANGE DIFFERENCES) CHF	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES) CHF	DEPRECIATION CHF	REVERSAL CHF	BOOK VALUE CURRENT YEAR END CHF
Goodwill	78 824 607	(53 827 569)	24 997 038	–	–	–	(8 091 084)	–	16 905 954
Total intangible assets	78 824 607	(53 827 569)	24 997 038	–	–	–	(8 091 084)	–	16 905 954

10. OTHER ASSETS AND OTHER LIABILITIES

	2019 CHF	2018 CHF
OTHER ASSETS		
Indirect taxes	944 310	186 186
Stamp duty & other indirect taxes	17 766	74 000
VAT receivable	1 754 040	1 911 461
Other assets	5 189 0989	847 326
Total other assets	7 905 215	3 018 973
OTHER LIABILITIES		
Indirect taxes	1 717 494	997 092
VAT payable	2 110 400)	1 050 222
Own shares pension schemes	56 998 896	56 656 671
Other liabilities	2 759 002	1 865 540
Total other liabilities	63 585 792	60 569 525

11. ASSETS PLEDGED OR ASSIGNED TO SECURE OWN COMMITMENTS AND ASSETS UNDER RESERVATION OF OWNERSHIP

	2019		2018	
	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF
Pledged / assigned assets	69 725 922	–	83 212 504	–
Total pledged / assigned assets	69 725 922	–	83 212 504	–
Assets under reservation of ownership	–	–	–	–

12. LIABILITIES RELATING TO OWN PENSION SCHEMES, AND NUMBER AND NATURE OF EQUITY HELD BY OWN PENSION SCHEMES

	2019 CHF	2018 CHF
LIABILITIES RELATING TO OWN PENSION SCHEMES		
Amounts due in respect of customers deposits	4 075 092	18 250 120
Total	4 075 092	18 250 120

The pension funds do not hold any shares of the Bank.

13. ECONOMIC SITUATION OF OWN PENSION SCHEMES

	NOMINAL VALUE AT CURRENT YEAR END	WAIVER OF USE AT CUR-RENT YEAR END	NET AMOUNT AT CURRENT YEAR END	NET AMOUNT AT PREVIOUS YEAR END	INFLUENCE OF EMPLOYER CONTRIBUTION RESERVES ON PERSONNEL EXPENSES	
					2019 CHF	2018 CHF
EMPLOYER CONTRIBUTION RESERVES	CHF	CHF	CHF	CHF		
Fondation de prévoyance de Banque SYZ SA et sociétés affiliées	4 000 000	–	4 000 000	4 000 000	–	–



THE SYZ COLLECTION DISPLAYED
2018, IN THE ATRIUM OF THE SYZ HEADQUARTERS, GENEVA

ECONOMIC BENEFIT/ OBLIGATION AND THE PENSION EXPENSES	OVERFUNDING/ UNDER-FUNDING AT END OF CURRENT YEAR	ECONOMIC INTEREST OF THE BANK / FINANCIAL GROUP		CHANGE IN ECONOMIC INTEREST VERSUS PREVIOUS YEAR	CONTRIBUTIONS PAID FOR THE CURRENT PERIOD	PENSION EXPENSES IN PERSONNEL EXPENSES	
	CHF	2019 CHF	2018 CHF	CHF	CHF	2019 CHF	2018 CHF
Fondation de prévoyance de Banque SYZ SA et sociétés affiliées	11 500 000	–	–	–	9 248 458	5 431 393	12 493 111

The employees are affiliated to a pension fund which covers the economical consequences of retirement, death and disability by providing benefits which are, at minimum, in line with the legally established minimum amounts.

Retirement age is 65 for men and 64 for women. However, by accepting a reduction to their benefits, employees can retire earlier, starting at 58 for men and for women. Banque SYZ SA's obligations are limited to the employer's contributions as defined by the regulations of the pension institutions.

The latest financial statements of Banque SYZ's pension institution (established under Swiss GAAP FER 26) show coverage ratio of 103.3% as at 31 December 2018. The pension institution's governing body estimates, that the coverage ratio as at 31 December 2019 will be 107.5%. The overfunding is used exclusively for the benefit of the insured members, thus there is no economic benefit to the Bank to be recorded in the balance sheet and in the income statement.

14. ISSUED STRUCTURED PRODUCTS

The Group has not issued any structured products.

15. BONDS OUTSTANDING AND MANDATORY CONVERTIBLE BONDS

The Group has not issued any debenture bonds.

16. VALUE ADJUSTMENTS AND PROVISIONS, RESERVES FOR GENERAL BANKING RISKS

2019

	PREVIOUS YEAR END CHF	USE IN CONFORMITY WITH DESIGNATED PURPOSE CHF	RECLAS- SIFICATIONS CHF	CURRENCY DIFFERENCES CHF	PAST DUE INTEREST, RECOVERIES CHF	NEW CREATIONS CHARGED TO INCOME CHF	RELEASES TO INCOME CHF	BALANCE AT CURRENT YEAR END CHF
Provisions for other business risks	18 818 127	(5 363 556)	–	(75 201)	–	–	–	13 379 370
Total provisions	18 818 127	(5 363 556)	–	(75 201)	–	–	–	13 379 370
Reserves for general banking risks	5 500 000	–	–	–	–	–	(5 000 000)	500 000
Value adjustments for default and country risks	767 357	–	–	–	–	751 965	(767 357)	751 965
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	767 357	–	–	–	–	751 965	(767 357)	751 965
<i>of which, value adjustments for latent risks</i>	–	–	–	–	–	–	–	–

17. CAPITAL

	2019			2018		
	TOTAL NOMINAL VALUE CHF	NUMBER OF SHARES CHF	CAPITAL ELIGIBLE TO DIVIDEND CHF	TOTAL NOMINAL VALUE CHF	NUMBER OF SHARES CHF	CAPITAL ELIGIBLE TO DIVIDEND CHF
SHARE CAPITAL						
Registered "A" shares of CHF 1 each with preferred voting rights, issued and fully paid	2 308 000	2 308 000	2 308 000	2 308 000	2 308 000	2 308 000
Registered "B" shares of CHF 10 each, issued and fully paid	20 256 000	2 025 600	20 256 000	20 256 000	2 025 600	20 256 000
PARTICIPATION CAPITAL						
Participation certificates of CHF 1 each, issued and fully paid	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
Total capital	24 564 000	–	24 564 000	24 564 000	–	24 564 000

Voting right is determined according to the number of shares owned by each shareholder irrespective of the par value. Each "A" registered share of CHF 1 and each "B" registered share of CHF 10 give one voting right.

18. EQUITY SECURITIES OR OPTIONS ON EQUITY SECURITIES HELD BY ALL EXECUTIVES AND DIRECTORS AND BY EMPLOYEES, AND DISCLOSURES ON ANY EMPLOYEE PARTICIPATION SCHEMES

	NUMBER OF EQUITY SECURITIES		VALUE OF EQUITY SECURITIES		NUMBER OF OPTIONS		VALUE OF OPTIONS	
	2019 CHF	2018 CHF	2019 CHF	2018 CHF	2019 CHF	2018 CHF	2019 CHF	2018 CHF
Members of the board of directors	225 640	–	2 256 400	–	–	–	–	–
Members of executive bodies	3 560 800	–	14 872 000	–	993	313	179 137	60 018
Employees	–	–	–	–	6 783	–	1 223 653	–
Total	3 786 440	–	17 128 400	–	7 776	313	1 402 790	60 018

18. EQUITY SECURITIES OR OPTIONS ON EQUITY SECURITIES HELD BY ALL EXECUTIVES AND DIRECTORS AND BY EMPLOYEES, AND DISCLOSURES ON ANY EMPLOYEE PARTICIPATION SCHEMES

The Group has adopted a share based compensation plan to attract, retain and motivate managers and employees. Under this plan, the Board of directors determine each year the level of award, if any, of Financière SYZ share options to the employees and managers of all subsidiaries of the Group. All share options are granted on 1 January and the exercise price is based on the consolidated shareholders' equity, as shown in the audited consolidated financial statements at the end of the previous financial year. Share options granted can be exercised only after 3 years for its first half, and 5 years for its second. Employees and managers having shares following the exercise of their options may on a voluntary basis or mandatory at the end of employment, sell these shares to Financière SYZ. The selling price is based on the consolidated shareholders' equity, as shown in the audited consolidated financial statements at the end of the previous financial year.

In this respect, the shareholders approved a conditional capital of 406 000 "B" shares with a nominal value of CHF 10 for issuance in the form of employee shares, in case Financière SYZ doesn't own a sufficient number of treasury shares.

At the end of each year, the costs estimated in relation with the share based compensation plan are recorded under the heading "Accrued expenses and deferred income". Resulting expenses are debited to personnel expenses.

The Group also adopted a share plan to motivate employees to take an active role in the Group's development. Under this plan, the Board of directors determine each year the level of award, if any, of Financière SYZ shares to the employees of the Group. The first and the second half of granted shares can only be exercised after 3 years and 5 years respectively. Employees having shares may on a voluntary basis sell these shares to Financière SYZ or to any other entity of the Group at a selling price based on a formula defined in the plan. At the end of their working contract, it is mandatory that employees sell their shares to Financière SYZ either at fair value or at cost depending on the situation. Financière SYZ owns a pre-emption right allowing it to purchase at any time in all or in part shares from a beneficiary.

	NUMBER OF OPTIONS		2019		2018	
	2019 CHF	2018 CHF	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS CHF	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS CHF
At beginning of year	6 947	9 572				
Granted	3 195	313				
Exercised	–	–				
Cancelled	(2 366)	(2 938)				
Lapsed	–	–				
At end of year	7 776	6 947				

	2019		2018	
	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS CHF	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS CHF
EXPIRY DATE				
30.06.2020	180.40	7 776	191.75	6 947
Total	–	7 776	–	6 947

19. RELATED PARTIES

	AMOUNTS DUE FROM		AMOUNTS DUE TO	
	2019 CHF	2018 CHF	2019 CHF	2018 CHF
Holders of qualified participations	69 206 854	48 026 700	1 961 972	10 784 159
Transactions with members of governing bodies	3 600 302	2 649 438	106 570	4 233 552

There are no significant off-balance-sheet transactions with related parties. Balance sheet transactions were granted to under market conditions.

20. HOLDERS OF SIGNIFICANT PARTICIPATIONS AND GROUPS OF HOLDERS OF PARTICIPATIONS WITH POOLED VOTING RIGHTS

	2019		2018	
	NOMINAL CHF	PART IN %	NOMINAL CHF	PART IN %
WITH VOTING RIGHTS				
Family E. Syz	–	–	14 872 000	65.91
Eric Syz	7 436 000	32.96	–	–
Suzanne Syz-Mueller	7 436 000	32.96	–	–
Stiftung für Mitarbeiter-Beiteiligungsmodelle der Financière SYZ SA	2 957 000	13.10	2 919 720	12.94
Selmont A/S (Casper Kirk Johansen)	2 256 400	10.00	2 256 400	10.00

21. OWN SHARES AND COMPOSITION OF EQUITY CAPITAL

OWN SHARES	SHARES "A"		SHARES "B"	
	AVERAGE TRANSACTION PRICE CHF	NUMBER OF SHARES CHF	AVERAGE TRANSACTION PRICE CHF	NUMBER OF SHARES CHF
At beginning of year		4 000		533 432
<i>of which held by the patronal foundation</i>		–		295 700
Additions		–		–
Disposals		–		–
At end of year		4 000		533 432
<i>of which held by the patronal foundation</i>		–		295 700

For the equity-based compensation schemes, 4 000 shares "B" were reserved as of 31 December 2019 (2018: 4 000 shares). With the exception of the reserved shares as per equity-based compensation schemes, there are no repurchase or disposal obligations or other contingent liabilities in relation to the sold and acquired own shares.

The result of the sale of own shares was booked to the capital reserve. The shares disposed of were regular own shares not held for trading purposes.

With the exception of the patronal foundation, subsidiaries, joint ventures, affiliated companies and the foundations related to the

group do not hold any equity instruments of Financière SYZ SA or of its subsidiaries.

The composition of the equity as well as the rights and restrictions in relation to the shares are described in appendix 17. Equity-based compensation schemes are described in appendix 18.

As per the Swiss Company Law, the non distributable reserves amounts to the half of the capital of Financière SYZ SA.

22. EQUITY PARTICIPATIONS HELD BY THE GOVERNING BODY AND COMPENSATION REPORT

Equity securities of the Group are not listed.

23. MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS

	AT SIGHT CHF	CANCELLABLE CHF	WITHIN 3 MONTHS CHF	WITHIN 3 TO 12 MONTHS CHF	WITHIN 12 MONTHS TO 5 YEARS CHF	AFTER 5 YEARS CHF	NO MATU- RITY CHF	TOTAL CHF
ASSETS/ FINANCIAL INSTRUMENTS								
Liquid assets	561 564 900	-	-	-	-	-	-	561 564 900
Amounts due from banks	163 423 799	-	16 112 968	-	-	-	-	179 536 767
Amounts due from customers	113 563 434	233 901 966	274 791 569	101 598 068	73 059 506	-	-	796 914 544
Mortgages loans	-	-	-	8 590 000	3 564 900	4 850 000	-	17 004 900
Trading portfolio assets	108 913 519	-	-	-	-	-	-	108 913 519
Positive replacement values of derivative financial instruments	34 323 758	-	-	-	-	-	-	34 323 758
Financial investments	4 347 325	-	46 178 713	48 651 464	117 655 518	-	-	216 833 020
Total current year	986 136 734	233 901 966	337 083 250	158 839 532	194 279 924	4 850 000	-	1 915 091 406
Total previous year	1 454 458 849	251 881 806	199 433 960	206 018 646	234 331 898	5 146 026	-	2 351 271 185
DEBT CAPITAL/ FINANCIAL INSTRUMENTS								
Amounts due to banks	73 141 094	-	1 283	-	-	-	-	73 142 377
Amounts due in respect of customer deposits	1 542 803 095	-	-	-	-	-	-	1 542 803 095
Trading portfolio liabilities	134 534	-	-	-	-	-	-	134 534
Negative replacement values of derivative financial instruments	33 957 958	-	-	-	-	-	-	33 957 958
Total current year	1 650 036 681	-	1 283	-	-	-	-	1 650 037 964
Total previous year	2 095 781 506	-	-	-	-	-	-	2 095 781 506

24. ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

	2019		2018	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
ASSETS				
Liquid assets	561 534 047	30 853	1 011 575 832	4 720 457
Amounts due from banks	126 661 233	52 875 534	43 363 215	73 069 025
Amounts due from customers	181 559 350	615 355 194	142 071 957	592 134 657
Mortgage loans	17 004 900	–	3 000 000	–
Trading portfolio assets	753 347	108 160 172	4 438	104 474 650
Positive replacement values of derivative financial instruments	6 741 514	27 582 243	8 889 774	50 564 414
Financial investments	4 347 325	212 485 695	22 431 652	294 971 114
Accrued income and prepaid expenses	60 603 421	13 501 284	45 126 810	18 187 283
Non-consolidated participations	1 216 262	110	–	1 182 023
Tangible fixed assets	34 336 555	324 103	61 492 504	441 333
Intangible assets	16 905 373	581	24 997 038	–
Other assets	7 120 358	784 857	1 900 953	1 118 020
Total assets	1 018 783 685	1 031 100 626	1 364 854 173	1 140 862 976

	2019		2018	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
LIABILITIES				
Amounts due to banks	64 886 4567	8 255 920	8 427 095	15 523 264
Amounts due in respect of customer deposits	231 442 084	1 311 361 013	341 933 787	1 668 103 446
Trading portfolio liabilities	–	134 534	–	–
Negative replacement values of derivative financial instruments	7 689 284	26 268 674	11 330 070	50 463 844
Accrued expenses and deferred income	54 289 993	7 872 469	29 677 919	12 087 774
Other liabilities	60 732 064	2 853 728	59 125 234	1 444 291
Provisions	13 379 370	–	18 818 127	–
Reserves for general banking risks	500 000	–	5 500 000	–
Capital	24 564 000	–	24 564 000	–
Capital reserve	11 044 156	–	11 044 156	–
Retained earnings reserve	376 523 174	–	373 989 594	–
Currency translation reserve	–	(2 545 497)	–	(3 065 809)
Own shares	(126 079 098)	–	(125 783 223)	–
Minority interests in equity	1 500 000	–	–	–
Consolidated profit	(24 788 012)	–	2 533 580	–
<i>Of which, minority interest in consolidated profit /(loss)</i>	–	–	–	–
Total liabilities	695 683 470	1 354 200 841	761 160 339	1 744 556 810

25. ASSETS BY COUNTRY OR GROUP OF COUNTRIES

	2019		2018	
	CHF	%	CHF	%
ASSETS				
Switzerland	1 018 783 685	49.70	1 364 854 172	54.47
Europe	402 074 406	19.61	441 659 827	17.63
Caribbean	322 433 021	15.73	322 555 204	12.87
North America	158 653 201	7.74	231 923 724	9.26
Latin America	32 614 813	1.59	31 806 220	1.27
Asia	47 980 037	2.34	42 356 871	1.69
Africa	51 726 781	2.52	56 689 447	2.26
Oceania	15 618 367	0.76	13 871 684	0.55
Total assets	2 049 884 311	100.00	2 505 717 149	100.00

26. ASSETS BY CREDIT RATING OF COUNTRY GROUPS (RISK DOMICILE VIEW)

NET FOREIGN EXPOSURE	2019		2018	
	CHF	%	CHF	%
RATING CLASS				
AAA	853 783 083	82.80	772 889 907	85.98
AA+ to AA-	–	0.00	90 937	0.01
A+ to A-	8 960 223	0.87	3 624 122	0.40
BBB+ to BBB-	18 284 838	1.77	21 100 173	2.35
BB+ to BB-	8 070 881	0.78	1 251 363	0.14
B+ to B-	12 093 318	1.17	8 712 719	0.97
CCC+ to D	21 391 151	2.07	1 058 263	0.12
Without rating	108 517 132	16.52	90 121 604	10.03
Total	1 031 100 626	100.00	898 849 088	100.00

The Group use the ratings of the Swiss Export Risk Insurance SERV.

27. ASSETS AND LIABILITIES BROKEN DOWN BY CURRENCIES

ASSETS	2019			
	CHF	USD	EUR	OTHER
Liquid assets	559 940 867	233 782	1 197 594	192 656
Amounts due from banks	23 798 798	78 862 097	27 870 679	49 005 193
Amounts due from customers	186 757 138	370 827 997	178 559 398	60 770 011
Mortgage Loans	17 004 900	–	–	–
Trading portfolio assets	39 204	33 515 886	75 115 077	243 352
Positive replacement values of derivative financial instruments	5 260 046	15 659 237	2 442 969	10 961 505
Financial investments	4 347 325	212 485 695	–	–
Accrued income and prepaid expenses	59 634 259	4 913 015	6 613 959	2 943 472
Non-consolidated participations	1 201 886	–	14 484	–
Tangible fixed assets	34 336 556	–	17 933	306 170
Intangible assets	16 905 373	–	581	–
Other assets	5 383 950	574 994	1 270 193	676 078
Total assets shown in the balance sheet	914 610 301	717 072 704	293 102 868	125 098 438
Delivery entitlements from spot exchange, forward forex and forex options transactions	903 311 632	1 816 264 170	1 175 427 662	1 071 884 809
Total assets	1 817 921 933	2 533 336 874	1 468 530 530	1 196 983 248

27. ASSETS AND LIABILITIES BROKEN DOWN BY CURRENCIES

LIABILITIES	2019			
	CHF	USD	EUR	OTHER
Amounts due to banks	32 307 618	28 800 652	3 763 096	8 271 011
Amounts due in respect of customer deposits	206 332 601	647 432 198	464 907 192	224 131 107
Trading portfolio liabilities	–	134 533	–	–
Negative replacement values of derivative financial instruments	4 782 378	12 930 732	7 333 492	8 911 355
Accrued expenses and deferred income	55 456 847	(259 945)	3 428 967	3 536 593
Other liabilities	59 777 883	1 064 781	2 457 794	285 333
Provisions	10 697 309	1 685 304	996 757	–
Reserves for general banking risks	500 000	–	–	–
Capital	24 564 000	–	–	–
Statutory retained earnings reserve	11 044 156	–	–	–
Retained earnings reserve	375 195 213	(48 644)	(261 311)	1 637 916
Currency translation reserve	–	(41 220)	(1 453 115)	(1 051 162)
Own shares	(126 079 098)	–	–	–
Minority interests in equity	1 500 000	–	–	–
Consolidated profit	(24 788 012)	–	–	–
<i>of which, minority interests in consolidated profit/loss</i>	338 900	–	–	–
Total liabilities shown in the balance sheet	631 290 893	691 698 391	481 172 873	245 722 154
Delivery obligations from spot exchange, forward forex and forex options transactions	1 198 082 158	1 834 670 186	987 106 056	944 773 674
Total liabilities	1 829 373 050	2 526 368 577	1 468 278 928	1 190 495 828
Net position per currency	(11 451 117)	6 968 297	251 601	6 487 420

INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

28. CONTINGENT ASSETS AND LIABILITIES

	2019 CHF	2018 CHF
Guarantees to secure credits and similar	50 612 878	53 444 677
Total contingent liabilities	48 482 398	53 444 677

29. CREDIT COMMITMENTS

The Group has no credit commitments.

30. FIDUCIARY TRANSACTIONS

	2019 CHF	2018 CHF
Fiduciary investments with third-party companies	957 720 867	781 624 719
Total	957 720 867	781 624 719

31. MANAGED ASSETS

BREAKDOWN OF MANAGED ASSETS	2019 CHF	2018 CHF
TYPE OF MANAGED ASSETS		
Assets in collective investment schemes managed by the Group	6 813 410 099	8 191 129 383
Assets under discretionary asset management agreements	9 302 937 828	9 421 895 913
Other managed assets	11 274 751 953	11 137 007 224
Total managed assets (including double-counting)	27 391 099 880	28 750 032 520
<i>of which, double-counted items</i>	2 008 045 783	2 774 832 816

DEVELOPMENT OF MANAGED ASSETS (INCLUDING DOUBLE COUNTING)	2019 CHF	2018 CHF
Total managed assets at beginning	28 750 032 520	37 189 641 781
+/- Net new money inflow or net new money outflow	(2 669 224 493)	(3 233 490 939)
+/- Price gains/ losses, interest, dividends and currency gains/ losses	1 310 291 853	(2 202 577 572)
+/- Other effects	–	(3 003 540 750)
Total managed assets at end	27 391 099 880	28 750 032 520

Other assets qualify as custody-only if the services rendered by the Bank are limited to those of custody and cash management. The Group had no such assets as at 31 December 2019 and 2018.

Net new money inflow and outflow do not take into account interest, commissions and expenses.

INFORMATION ON INCOME STATEMENT

32. RESULT FROM TRADING ACTIVITIES

BREAKDOWN BY BUSINESS AREA	2019 CHF	2018 CHF
Direct private banking activities	17 535 130	21 768 191
Proprietary trading	(1 314 281)	1 841 017
Total result from trading operations	16 220 849	23 609 208

33. REFINANCING INCOME AND INCOME FROM NEGATIVE INTEREST

	2019 CHF	2018 CHF
Negative interest on credit operations (reduction in interests and discount income)	5 164 285	4 764 314

34. PERSONNEL EXPENSES

	2019 CHF	2018 CHF
Attendance fees/ retainers paid to governing bodies and salaries	78 446 628	80 952 828
<i>of which, expenses related to shares/options compensation</i>	–	–
Social insurance benefits	12 801 961	15 853 688
Other personnel expenses	4 963 619	5 770 003
Total	96 212 208	102 576 519

35. OTHER OPERATING EXPENSES

	2019 CHF	2018 CHF
Office space expenses	8 314 358	9 718 949
Expenses for information and communication technology	9 178 653	7 090 983
Travel and public relations	2 401 622	3 090 492
Fees of audit firm	1 049 215	1 041 086
<i>of which, for financial and regulatory audits</i>	919 215	855 886
<i>of which, for other services</i>	130 000	185 200
Professional fees	9 888 014	8 939 972
Outsourcing	11 791 104	11 919 194
Other operating expenses	16 066 948	20 045 709
Total	58 689 914	61 846 385

36. COMMENTS ON EXTRAORDINARY INCOME AND EXPENSES AND RESERVES FOR GENERAL BANKING RISKS

Extraordinary charges in 2019 mainly results from a loss of CHF 3 833 346 on an earn-out following the sale of Banca Albertini SpA. Extraordinary income of CHF 1 825 785 mainly result from the building sale, the French subsidiary dissolution and various tax adjustments related to previous years.

37. OPERATING RESULT BROKEN DOWN ACCORDING TO DOMESTIC AND FOREIGN ORIGIN

INCOME AND EXPENSE FROM ORDINARY BANKING OPERATIONS	2019		2018	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	12 207 397	1 359 982	12 732 116	345 354
Interest and dividend income from trading portfolios	–	–	185 915	67 144
Interest and dividend income from financial investments	7 138 936	–	5 966 042	–
Interest expenses	924 635	(991 010)	803 699	(1 050 005)
Gross result from interest operations	20 270 968	368 972	19 687 772	(637 507)
Changes in value adjustments for default risks and losses from interest operations	–	–	(9 173)	–
Subtotal net result from interest operations	20 270 968	368 972	19 678 599	(637 507)
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	115 215 582	28 260 337	95 689 487	80 413 960
Commission income from lending activities	330 578	8 802	580 333	9 211
Commission income from other services	2 047 214	231 029	2 753 963	2 168 438
Commission expenses	(15 075 760)	(20 624 794)	(21 533 957)	(18 930 396)
Subtotal result from commission business and services	102 517 614	7 875 374	77 489 826	63 661 213
Result from trading activities and the fair value option	16 220 849	–	23 707 193	(97 985)
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	(1 356 154)	–	–	–
Income from non-consolidated participations	–	–	16 604	93 511
Other ordinary income	–	–	535 485	113 496
Other ordinary expenses	1 469 963	–	(352 148)	(65 802)
Subtotal other result from ordinary activities	113 809	–	199 941	141 205

37. OPERATING RESULT BROKEN DOWN ACCORDING TO DOMESTIC AND FOREIGN ORIGIN

	2019		2018	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
OPERATING EXPENSES				
Personnel expenses	(86 333 300)	(9 878 908)	(85 879 271)	(16 697 248)
General and administrative expenses	(51 685 849)	(7 004 065)	(52 412 187)	(9 434 198)
Subtotal operating expenses	(138 019 149)	(16 882 973)	(138 291 458)	(26 131 446)
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(17 107 680)	(169 005)	(23 221 738)	(1 906 862)
Changes to provisions and other value adjustments, and losses	(389 382)	(930 489)	(2 304 633)	(308 151)
Operating result	(16 392 971)	(9 738 121)	(42 742 270)	34 720 467

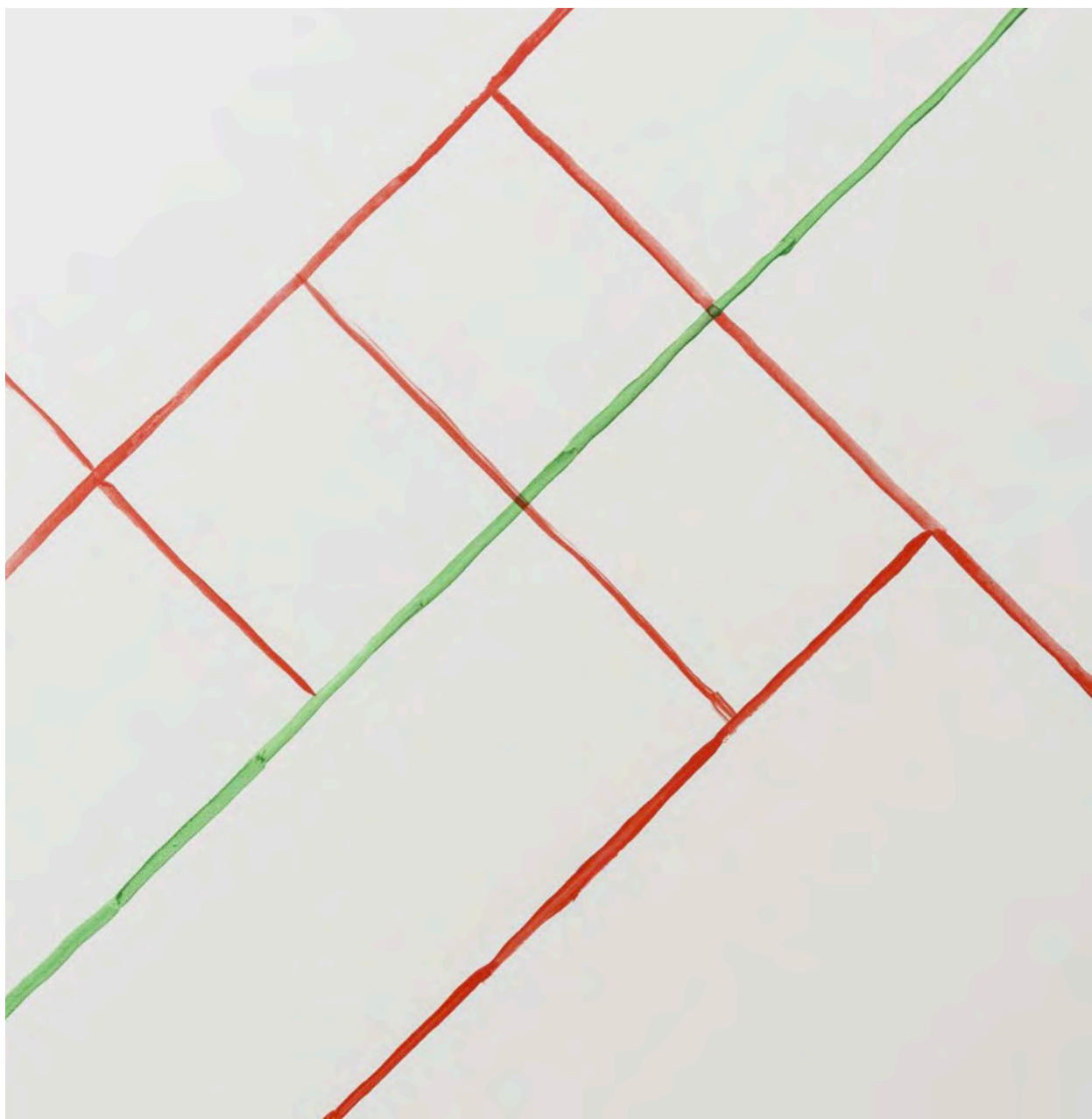
38. CURRENT AND DEFERRED TAXES

	2019 CHF	2018 CHF
Decrease of deferred tax provision	–	–
Current tax expenses	1 649 359	1 904 788
Total	1 649 359	1 904 788

The calculation of an average tax rate based on a negative operating result is not relevant for 2019 and 2018.

INFORMATION ON REGULATORY CAPITAL, LEVERAGE RATIO AND LIQUIDITY RATIO (LCR) AS AT 31 DECEMBER

	2019 CHF	2018 CHF
ELIGIBLE CAPITAL		
Common Equity Tier 1 capital (CET1)	243 813 349	254 931 008
Additional Tier 1 capital (AT1)	–	–
Tier 2 capital (T2)	–	–
Total	243 813 349	254 931 008
MINIMUM CAPITAL REQUIREMENTS		
Credit risk	46 048 405	45 778 478
Risk without counterparty	2 774 102	4 954 707
Market risk	8 511 490	14 633 713
Operational risk	27 280 474	30 577 218
Total	84 614 471	95 944 116
RISK-WEIGHTED ASSETS	1 057 680 901	1 199 301 451
Common Equity Tier 1 ratio	23.1%	21.3%
	2019 CHF	2018 CHF
CAPITAL RATIOS		
Common Equity Tier 1 (as a percentage of risk weighted assets)	23.1%	21.3%
Tier 1 (as a percentage of risk weighted assets)	23.1%	21.3%
Total regulatory capital (as a percentage of risk weighted assets)	23.1%	21.3%
Common Equity Tier 1 available to meet buffers after deducting AT1 and T2 requirements which are fulfilled with CET1 (as a percentage of risk weighted assets)	23.1%	21.3%
Common Equity Tier 1 according to FINMA circ. 11/2 plus countercyclical buffer (in % of risk weighted positions)	7.4%	2.9%
Available Common Equity Tier 1 (CET1) (in % of risk weighted positions)	23.1%	21.3%
Tier 1 minimum ratio according to FINMA circ. 11/2 plus countercyclical buffer (in % of risk weighted positions)	9.0%	9.0%



FROM THE SYZ COLLECTION:
MICHAEL KREBBER_CARTOUCHE PAINTING NO 8, 2017_ACRYLIC ON CANVAS, 120 X 100 CM

The SYZ Group is at a turning point in its history. We remain convinced that, just as the future will continue to offer challenges and opportunities, we will adapt our business to maintain our focus of putting clients' needs and ambitions first.

INFORMATION ON REGULATORY CAPITAL, LEVERAGE RATIO AND LIQUIDITY RATIO (LCR) AS AT 31 DECEMBER

	2019 CHF	2018 CHF
Available Tier 1 (in % of risk weighted positions)	23.1%	21.3%
Target for the regulatory capital according to FINMA circ. 11/2 plus countercyclical buffer (in % of risk weighted positions)	11.2%	11.2%
Available regulatory capital (in % of risk weighted positions)	23.1%	21.3%
LEVERAGE RATIO		
Tier 1 capital	243 813 349	254 931 008
Total exposures	2 432 790 802	2 724 783 706
Leverage ratio	10.0%	9.4%

	2019-Q4 CHF	2019-Q3 CHF	2019-Q2 CHF	2019-Q1 CHF
LIQUIDITY COVERAGE RATIO				
Total stock of high quality liquid assets	704 031 646	866 803 737	1 007 829 281	1 003 200 333
Total net cash outflows	380 697 840	426 914 958	495 135 803	385 473 333
Liquidity coverage ratio (in %)	184.9%	203.0%	203.5%	260.3%

Data related to prior years can be found in the last annual reports available upon request from the Bank's head office.

INFORMATION ON CREDIT RISKS, OPERATIONAL RISKS AND INTEREST RATE RISKS AS AT 31 DECEMBER

	2019 CHF	2018 CHF	2019 CHF
OVERVIEW OF RISK WEIGHTED ASSETS	RWA	RWA	Minimum capital requirements
Credit risk - standardised approach	610 281 343	634 164 812	48 822 507
Market risk - standardised approach	106 393 629	182 921 417	8 511 490
Operational risk - basic indicator approach	341 005 930	382 215 222	27 280 474
Amounts below the thresholds for deduction	–	–	–
Total	1 057 680 901	1 199 301 451	84 614 471

TABLE CR1: CREDIT RISK: CREDIT QUALITY OF ASSETS [QC / FIXED] (IN 1 000 CHF)

	REPORTING PERIOD			
	GROSS CARRYING VALUES OF			
	DEFAULTED EXPOSURES CHF	NON-DEFAULTED EXPOSURES CHF	ALLOWANCES/ IMPAIRMENTS CHF	NET VALUES CHF
Loans (excluding debt securities)	–	1 059 367	752	1 058 615
Debt securities	–	212 361	–	212 361
Off-balance sheet exposures	–	130 549	–	130 549
Total current year	–	1 402 277	752	1 401 525

TABLE CR3: CREDIT RISK: CREDIT RISK MITIGATION TECHNIQUES – OVERVIEW (IN 1 000 CHF)

	EXPOSURES UNSECURED:	EXPOSURES SECURED:	BY COLLATERAL CHF	BY FINANCIAL GUARANTEES CHF	BY CREDIT DERIVATIVES CHF
	CARRYING AMOUNT CHF	CARRYING AMOUNT CHF			
Loans	503 838	555 529	555 529	–	–
Debt securities	212 361	–	–	–	–
Total of 31.12.2019	716 199	555 529	555 529	–	–
<i>of which defaulted</i>	–	–	–	–	–

ANNUAL PUBLICATION TABLE (IN 1 000 CHF)

	2019
AVAILABLE CAPITAL (AMOUNTS IN CHF)	
Common Equity Tier 1 (CET1)	243 813
Fully loaded ECL accounting model	–
Tier 1	243 813
Fully loaded ECL accounting model Tier 1	–
Total capital	243 813
Fully loaded ECL accounting model total capital	–
RISK-WEIGHTED ASSETS (AMOUNTS)	
Total risk-weighted assets (RWA)	1 057 681
Minimum capital requirement	84 614
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA	
Common Equity Tier 1 ratio (%)	23.1
Fully loaded ECL accounting model Common Equity Tier 1 (%)	–
Tier 1 ratio (%)	23.1
Fully loaded ECL accounting model Tier 1 ratio (%)	–
Total capital ratio (%)	23.1
Fully loaded ECL accounting model total capital ratio (%)	–
ADDITIONAL CET1 BUFFER REQUIREMENTS AS A PERCENTAGE OF RWA	
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5
Countercyclical buffer requirement (%)	–
Bank G-SIB and/or D-SIB additional requirements (%)	–
Total of bank CET1 specific buffer requirements (%)	2.5
CET1 available after meeting the bank's minimum capital requirements (%)	15.1

ANNUAL PUBLICATION TABLE (IN 1 000 CHF)

	2019
TARGET EQUITY RATIOS ACCORDING TO APPENDIX 8 OF THE OFR (IN % OF RWAs)	
Equity buffer according to Appendix 8 OFR (%)	3.2
Countercyclical equity buffer (Art. 44 and 44a OFR) (%)	–
Target ratio in CET1 (in %) according to Appendix 8 of the OFR, plus the countercyclical buffers according to Art. 44 and 44a OFR	7.4
Target ratio in Q1 (in %) according to Appendix 8 of the OFR, plus the countercyclical buffers according to Art. 44 and 44a OFR	9.0
Overall target ratio of equity (in %) according to Appendix 8 of the OFR, plus the countercyclical buffers according to Art. 44 and 44a OFR	11.2
BASEL III LEVERAGE RATIO	
Total Basel III leverage ratio exposure measure	2 432 791
Basel III leverage ratio (%)	10.0
Fully loaded ECL accounting model Basel III leverage ratio (%)	–
LIQUIDITY COVERAGE RATIO	
Total HQLA	635 408
Total net cash outflow	268 558
LCR ratio (%)	236.6
NET STABLE FUNDING RATIO (2)	
Total available stable funding	1 345 746
Total required stable funding	728 161
NSFR ratio	184.8

REPORT OF THE STATUTORY AUDITOR

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Financière SYZ SA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 15 to 60), for the year ended 31 December 2019.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with accounting rules for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements for the year ended 31 December 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting rules for banks and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.


In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA,
Geneva, 22 April 2020



Beresford Caloia
Audit expert
Auditor in charge



Guillaume Fahrni
Audit expert
Auditor in charge

ADDRESSES

FINANCIÈRE SYZ SA

Baarerstrasse 112
CH – 6302 Zoug
Tél. +41 (0)41 767 25 93
Fax +41 (0)41 767 25 94
communication@syzgroup.com
www.syzgroup.com

OTHER OFFICES OF THE SYZ GROUP

The SYZ Group is present in Geneva, Zurich, Lugano, Locarno, Paris, Luxembourg, Munich, Milan, London, Edinburgh, Nassau, Miami and Johannesburg.

Impressum

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