Financial Year 2015 Results: Assets under management increase by +37.0% to CHF 39.2 billion

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Consolidated ordinary revenues totalled CHF 185.5 million, slightly down in a challenging market environment for Swiss banks

Expenses related to the acquisition of Royal Bank of Canada (Suisse) SA fully recognised in the financial year 2015

A year of investment for the benefit of future profitability

CHF 295.1 million in book equity will finance expansion

Strong growth in assets under management

During the financial year 2015, the SYZ Group's assets under management rose by +37.0% to CHF 39.2 billion, compared with CHF 28.6 billion at end 2014. This increase is explained by the CHF 11.2 billion acquired from Royal Bank of Canada (Suisse). The CHF 547 million in net inflows recognised during the period (excluding the acquisition) was largely offset by the negative impact of the strengthening Swiss franc and declining markets. Taking into account the assets from Royal Bank of Canada (Suisse) SA, the Wealth Management division grew its assets by +65.9%, bringing SYZ to rank among the Top 20 Swiss private banks.

Revenues impacted by market performance and the strong franc

The Group's consolidated ordinary revenues fell by 8.1% in 2015 to CHF 185.5 million. As the acquisition of Royal Bank of Canada (Suisse) took effect at the end of August 2015, the increase in assets under management had only a limited impact on revenues for the financial year. In addition, the SNB's decision to abandon the Swiss franc floor as well as its monetary policy of negative interest rates adversely affected the accounts. Moreover, the decrease in risk appetite among investors due to global equity markets' volatility resulted in a reduction in transaction volumes. The underwhelming performance of markets led to lower performance fees in 2015, particularly for Wealth Management.

2015 financial results: a year of investment for the future

Non-recurring expenses associated with the outsourcing of activities and the acquisition of Royal Bank of Canada (Suisse) SA resulted in a 22.9% increase in operating expenses in 2015. These integration costs, including the compensation provided for under the redundancy programme, represented a total of CHF 31.2 million and were recognised in full in 2015. This one-time impact was heightened by an increase in staff numbers as a result of the acquisition. In light of these extraordinary circumstances, SYZ Group reported a net loss of CHF 38.5 million for the financial year 2015.

“We chose to focus these major investments in a single year rather than amortise them over several years. This will allow us to start benefiting from their positive effects on profitability in 2016. This acquisition will enable Banque SYZ to access new markets in Latin America, Africa and Middle East, where strong entrepreneurship, one of our founding values, is expanding. It also represents a major step forward in terms of the Group’s growth strategy”, stated Eric Syz, CEO of the Group.

Significant capital and reserves

Although the acquisition of Royal Bank of Canada (Suisse) SA was financed by internal resources, the Group still enjoys ample capital. Totalling CHF 295.1 million at end-2015, this capital gives the Group an excellent financial base, reflected in a Common Equity Tier 1 (CET 1) ratio of 14.9%, which will easily finance expansion.

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