



Financière Syz SA —

Annual Report

2020



“Preserve and grow your wealth for the future with a private bank that understands what matters to you. Invest for the long-term, for your family with ours.”

We're here to help you to protect, grow, enjoy, transmit, and give purpose to your wealth. We founded Syz to offer an alternative to the traditions of Swiss Private Banking. Instead of secrecy and product pushing we're focused on asking the right questions, listening to what you tell us, delivering good performance, and providing great service. Put your wealth to work for the days, decades and generations ahead with Syz, for the future...



CO

Letter from the board of directors

Last year emphasized just how many daily activities we took for granted as so many habits were impacted by the Covid-19 pandemic. Yet the world's economies and markets have proven remarkably resilient, with the help of huge support from governments and central banks.

After such disruptions, it is a testament to the skill and dedication of all our staff that we ended 2020 financially stronger than we began the year. While the Group reported a loss of CHF 8.2 million, reflecting the final wind-down costs of the Oyster fund distribution business, it was significantly lower than expected thanks to the solid operating results of our three business lines. In particular, we were able to report a net profit of CHF 4.2 million in 2020 for the private bank. Additionally, our Tier 1 capital ratio rose from 23.1% to 27.8%, more than twice the legal requirement for an institution of our size. This solidity gives us the opportunity to continue investing in the long-term wellbeing of our clients, and our business. And so, even more importantly, we continued to deliver outperformance for clients' portfolios as we worked with them to overcome a most challenging year.

The year also tested our investment philosophy, now a quarter century old. Once again it proved robust and yielded reliable and consistent results.

Along with much of the working world, we learned to adapt to new communications tools, not only to maintain but increase engagement between colleagues as well as getting even closer to our clients. In the process, the bank conducted its first client experience survey in 2020. This helped us to learn more about how our clients are adjusting their businesses as they look ahead, and how we can best adapt our services to work more efficiently with them. The survey also underlined a continuing appetite for alternative assets, virtual investment updates in the absence of face-to-face meetings and demand for our wealth planning expertise. We plan to run another survey next year as we try to keep learning about our clients' evolving needs.

We used our e-banking platform proactively to the benefit of Reforest Action Network. With this pioneering, non-profit organization we planted over five thousand trees last year, one for each statement that was no longer printed and posted.

2020 did not alter our ambition to be a leader among Swiss private banks and investment specialists, always questioning the status quo in our approach to managing assets, and building portfolios for those who entrust us with their investments.

Part of this determination over the past two years has been a successful, if sometimes painful, restructuring of our businesses. The sale of the Oyster fund distribution business, which impacted revenues in 2020, is behind us. We now have three profitable business lines, including a discretionary investment offering which again provided performance well ahead of our peers, a leading Swiss institutional asset management unit, and a solid offering in alternative investments. Syz Capital, which offers investors the opportunity to invest alongside the Syz family in hard-to-access alternative investments including private markets, is now starting its third year of activities. It is already ahead of schedule in delivering impressive yields for clients and returns on the Group's investments. Finally, our ambition of building a business founded on providing investment diversification through excellence, innovation and independence holds firm. We continue to drive growth organically, as well as maintaining our disciplined search for acquisitions when the cultural fit and price make sense.



Philippe Reiser
Chairman, Board of Directors



Jean-Blaise Conne
Vice-Chairman

Management Report

In a crisis it is tempting to see everything in starkly positive or negative terms. 2020 punished investors who were slow to react to the markets' movements. As we position for the recovery that will follow the pandemic, supported by the massive levels of fiscal and monetary spending, our underlying longer-term, low-growth, low-yield outlook for the world remains unaltered. Despite the depth of 2020's turmoil and the volatility of the first weeks of 2021, our investment outlook for the 'Japanification' of the developed world, remains in place.

The huge Covid shock that first hit world economies starting in January through March 2020 triggered an historic collapse in gross domestic product. International growth trends through the pandemic were unusually synchronized. Still, since the nadir of market downturns in March, we have seen an extraordinary response from governments and central banks determined to step in and cushion the worst impacts on economic activity. This fiscal support and monetary liquidity put in place the conditions for a recovery that began mid-year, helped by more open economies and social distancing. Markets then began to price-in expectations for announcements around successful vaccine developments and their distribution, anticipating the day when the pandemic would be behind us. We now are in a phase of gradual and cyclical recovery.

The joint responses from governments and central banks to the pandemic are offering a short-term economic jolt. The experience of 2020 conditioned markets to expect more stimulus, and the US elections raised hopes of some improvement in global trade flows, as well as perhaps lower geopolitical tensions. Governments and central banks worldwide do not want to be too hasty in removing economic support. In 2021, we are seeing the first signs of inflation after many years, although it is likely to prove only a mini cycle within a continuing and much longer-term picture of low-growth, low-inflation, and low-yield 'Japanification.' We do not believe therefore, that the underlying macroeconomic fundamentals have changed compared with pre-pandemic trends.

From an investment perspective then, this is a year in which we need to maintain an active approach to seizing possibly short-lived opportunities, without taking an eye from the broader environment.

Thanks to our belief in paying a small premium for downside protection, throughout 2020 and into this year, we have been able to mitigate the significant risks of volatile markets which can undermine portfolios' performance.

As we can point to tactical opportunities to capitalise on higher growth and inflation in the first part of 2021, we acknowledge that duration risk and structural growth equity positions will be temporarily challenged as markets turn to cyclical sectors. Beneficiaries of the short-term business recovery are already clear in sectors including materials, industrials, and commodities. We have seen improvements in information technologies, telecommunications, and financial sectors, to the detriment of more defensive sectors such as health care.

2020 was a year that again underlined the value of an active approach to investing. One of our roles is to help clients to achieve their long-term goals through sound decisions. Above all, we want to help avoid making emotional decisions which, especially during a crisis, could lead to poor outcomes. The greatest threat to investment performance last year was in divesting too slowly into cash and then failing to reinvest into financial markets fast enough, just a few weeks later.

Thanks to our investment process and indicators, we were able to react quickly to the rising tensions surrounding the early stages of the pandemic in January and February 2020, cutting our exposure dramatically in order to reduce equity and high beta fixed income risk exposure. Our market indicators then dictated an equally rapid reinvestment in late March and early April, as soon as we saw new buy signals and the massive interventions of central banks.

By the time we reached the second half of 2020 and new lockdowns, a combination of fiscal stimulus and changed work patterns created opportunities in everything related to work-from-home and locked-down living. Then, toward the end of the year we took advantage of the equity market rallies to take profits on names that had performed well, and to reinvest in value sectors. We are particularly mindful to avoid the pitfalls of divesting too slowly and then missing the opportunity for reinvesting.

Gold played a role in contributing to cushioning some of the market's downturns, and just like other assets, we had to manage our allocation tactically along with long-duration US treasuries throughout the year. From a geographic point of view, we actively increased our investments in China to create a direct exposure to the country, which became one of the best performing regions.

In most cases, we were pleased to positively surprise clients by beating their expectations with better-than-expected overall performance. The key is that clients have the appropriate asset allocation for their individual levels of risk and liquidity. This enabled us, again, to deliver performance ahead of our peers for the accounts we manage.

Syz Private Bank

In doing this, the most important thing for our clients is that we stay focused on offering the levels of service that they expect, whether through our advice or discretionary accounts, as we adjust portfolios, or how we all manage remote working.

In 2020, secure video streaming technologies moved out of our homes and private lives and into our professional relationships. These applications allowed us to remain in close contact with our clients, including through online events to offer expertise and address concerns. In the circumstances, it has been more challenging of course to engage with prospects but has offered new opportunities. Indeed, communication technologies gave us the chance to interact more frequently with clients, reacting more quickly than if we had relied only on physical meetings. The process of on-boarding clients in 2020 of course became more dependent on technology. These processes will keep evolving in sophistication as we work through the pandemic.

Last year, we continued to concentrate on strengthening our Swiss presence with our booking and custodian offering. We developed a Syz "ex-custody" offering, which allows clients to leave their assets deposited with other banks, while benefiting from our discretionary

portfolio management or advisory and trading services. This offer streamlines the onboarding process and provides consolidated reporting for clients' portfolios, simplifying their experience of working with several advisors.

We also continued to adapt our global footprint so that our locations better suit our clients' changing needs. Specifically, we closed our Miami office, completed a management buy-out in the Bahamas and opened a representative office in Istanbul. Our footprint will continue to evolve over the coming years as we look to strengthen our presence in our existing offices in Switzerland and seek ways to better serve clients in Latin America and those resident in Africa.

With the sale of the Oyster brand, we took the opportunity to incorporate some of the Group's asset management expertise into the private bank. This further strengthened our range of experience with additions to the existing teams of professionals who were able to deliver first-quartile returns to our clients. Since the sale of Oyster, which never made up more than a small minority of the mutual funds found in our managed portfolios, the bank has been able to move to a truly open architecture model.

We also continued to reinforce our advisory platform and deepen our investment talent pool, and we look forward to welcoming a new Head of Advisory in 2021.

In 2018 we launched a new pensions offering, which last year attracted more attention from both individuals and families interested in managing and optimizing their savings through our active investment approach.

In addition, we work closely with Syz Capital to offer private clients, who have traditionally been excluded from accessing these alternative investments. This responds to huge interest in assets that are decorrelated from more traditional investments, especially in today's low-growth, low-yield economies.

We also extended our wealth planning offering by launching a Family & Investment Office (FIO). Our wealth planning capability is

structured to work with clients worldwide through a select group of partners with specific expertise in areas such as pension planning, wealth transfer, mobility, and philanthropy planning. In 2020, the launch of our FIO brings an integrated, cross-functional and multi-disciplinary approach to wealth planning, whereby the team can call on all the bank's areas of activities to find solutions that best serve clients' present and future projects.

For our independent manager clients, the team continued to focus on offering a full range of custody and investment services. We developed new relationships with independent managers in Switzerland. Additionally, we helped some of the independent managers we work with to build their managed portfolios by giving them direct access to our investment experts and our trading platform, as well as extending their loan book strategy. This enabled them to maintain their clients' portfolio positions and cement our three-way working relationships during a period of fast moving and volatile asset values.

We continue to build and develop relationships with independent managers within Switzerland and abroad. As the regulatory landscape for our clients evolves, and the demands on their businesses have increased in recent years, it has become more difficult for some managers to operate viably. While we have been often able to help them to find solutions for their businesses, we also believe that the environment is stabilizing, as regulators have recognized the value of offering investors choice from a broad range of banks, wealth managers and independent advisors.

The private bank has ambitious targets to attract new clients in the next few years, both through organic growth as well as appropriate acquisitions of like-minded wealth managers.

Syz Capital

Launched in 2018 to offer qualified investors access to private investment opportunities, Syz Capital continues the Group's traditions of democratizing access to alternative investments. The business was built to bring innovation to private market investments, which have historically been the preserve of institutional investors. In

2020, Syz Capital brought its private equity and hedge fund offering under the same umbrella, where it became the Group's center of excellence for alternatives, representing over CHF 1.5 billion of managed assets.

Starting with private markets, our activity is growing by size and scope in direct majority investments, taking shares in leading family-owned companies, uncorrelated strategies, special situations and hedge funds. We are happy to report that the business is growing faster than anticipated when we started in 2018.

Looking back at 2020, private market transactions dried up for the most Covid-exposed industries, while other sectors took advantage of the environment to accelerate their growth. The distressed opportunities that many foresaw have not yet materialized, as generous government loans and grants kept many fragile firms from facing reality and insolvency.

Some investments thrived through the pandemic: for example, our ownership of the largest shipping chandler in Singapore, the world's second largest port, had a strong year as many ships were diverted from China. Our indirect private equity investments, including our portfolio of secondaries, continued to perform soundly, as has our litigation funding portfolio. Other investments, positioned in more challenged industries such as European hospitality, were cushioned by continued revenue, thanks to our fixed-fee contracts. As a result, even here, our risk approach helped us avoid significant revenue losses, despite the downturn in tourism.

In terms of our liquid alternatives offering, the team has managed to provide investors high single-digit to double-digit returns through the year. With low yield and high equity valuations, we see increased interest in reallocating part of investors' portfolios to liquid and semi-liquid alternative strategies. We are working hard to add other niche investment strategies and thematic opportunities.

Our business model allows us to focus on maximizing risk-adjusted returns, rather than assets under management. Our investment process and valuation discipline were successfully tested and helped our portfolios throughout 2020.

Many clients invest alongside us because they are reassured by our approach to risk management. We look forward to continuing to give our clients access to opportunities that they could not capture on their own, either because of size or complexity. As a testament to the team's performance, for the second year running Syz Capital was awarded "Best Alternative Fund Manager" at the 8th edition of the Wealth Briefing Swiss Awards.

Syz Asset Management

In 2020, Syz Asset Management sold the Oyster brand, which represented less than 20% of its business, and kept its institutional fixed income business totaling more than CHF 10 billion of the total assets under management. The members of our fixed income team bring an unrivalled track record. They have worked together since 1997 for Swiss institutional clients, adding new members in 2015 and again in 2020.

Turning to investment performance, in March and April 2020 we saw spreads widening along with uncertainty and early-on we decided to reduce some positions in air transportation, food catering, hotels and airports. We decided to take this step as quickly as possible, and simultaneously tried to remain objective through the process by applying independent credit analysis to portfolios, and then implementing our investment decisions using these criteria.

Later in the year, by the time the second Covid-19 wave arrived, markets had become more comfortable with the pandemic outlook and were more willing to accept higher risks in this low-yield environment. We therefore saw little spread widening, in comparison with the first lockdowns. Just one of our portfolios was exposed to high yield credit, and even there, lower-quality paper only accounted for a maximum of one-fifth of the portfolio, which has since recovered. As a result, at the end of the year, every portfolio had outperformed its benchmark.

As banks began in recent years to pass on the costs of holding cash, including for smaller sums, our money market clients have

increasingly sought our expertise to mitigate short-duration costs in Swiss francs, euros and US dollars.

We are invited to tender on most institutional fixed income mandates in Switzerland, being one of the key players in this space, and are looking at ways to expand this relatively specialized market.

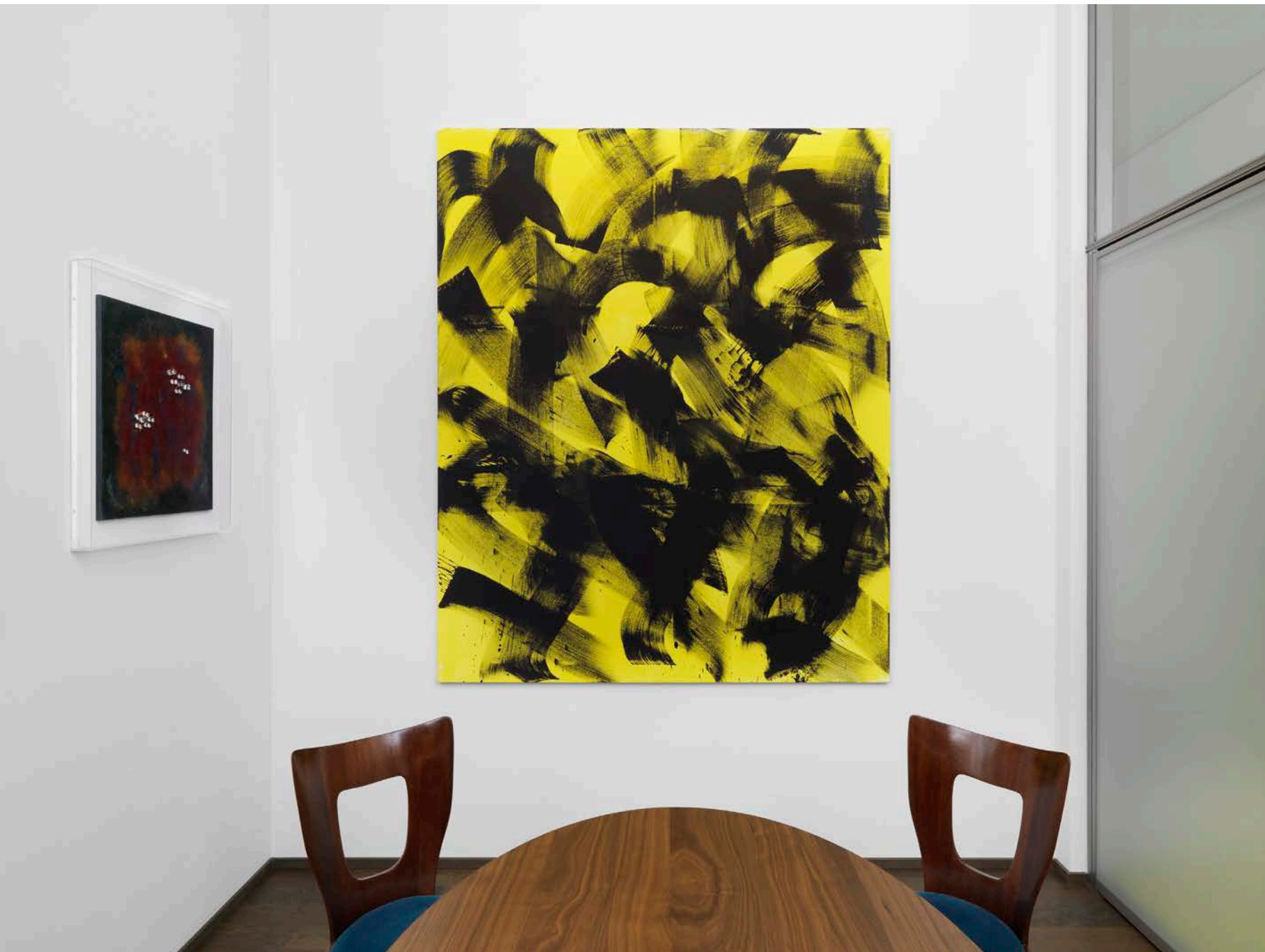
Finally, we continued to see demand for our Swiss-domiciled Green Bond offering, the first of its kind. In addition to applying an integrated ESG (environmental, societal and governance) investment process to all our portfolios, green bonds offer clients the opportunity to proactively support a sustainable, carbon-neutral economy. Our approach earned Syz Asset Management a position among the top ten ESG asset managers in Switzerland by the Hirschel & Kramer Responsible Investment Brand Index (RIBI TM) 2020.



Eric Syz
Group CEO

FROM THE SYZ COLLECTION:

David Hominal, Untitled, 2015_Oil on canvas, 220 × 180 cm



Annual Report 2020

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Consolidated balance sheet as at 31 December

	2020	2019
	CHF	CHF
ASSETS		
Liquid assets	791 392 873	561 564 900
Amounts due from banks	148 422 898	179 536 767
Amounts due from customers	724 030 022	796 914 544
Mortgage loans	45 279 800	17 004 900
Trading portfolio assets	33 750 427	108 913 519
Positive replacement values of derivative financial instruments	23 363 851	34 323 757
Financial investments	156 576 648	216 833 020
Accrued income and prepaid expenses	53 424 676	74 104 705
Non-consolidated participations	1 232 878	1 216 372
Tangible fixed assets	27 861 987	34 660 658
Intangible assets	13 965 308	16 905 954
Other assets	1 727 418	7 905 215
Total assets	2 021 028 786	2 049 884 311
LIABILITIES		
Amounts due to banks	19 727 976	73 142 377
Amounts due in respect of customer deposits	1 621 606 370	1 542 803 095
Trading portfolio liabilities	467 048	134 534
Negative replacement values of derivative financial instruments	26 565 652	33 957 958
Accrued expenses and deferred income	30 142 929	62 162 462
Other liabilities	59 962 199	63 585 792
Provisions	10 267 286	13 379 370
Reserves for general banking risks	500 000	500 000
Capital	24 564 000	24 564 000
Capital reserve	11 044 156	11 044 156
Retained earnings reserve	279 689 585	376 523 174
Currency translation reserve	(641 839)	(2 545 497)
Own shares	(56 555 110)	(126 079 098)
Minority interests in equity	1 898 900	1 500 000
Consolidated (loss)	(8 210 366)	(24 788 012)
<i>Of which: minority interests in consolidated profit</i>	145 826	338 900
Total liabilities	2 021 028 786	2 049 884 311

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

	2020	2019
	CHF	CHF
OFF-BALANCE SHEET TRANSACTIONS		
Contingent liabilities	46 841 818	50 612 878
Irrevocable commitments	2 996 000	3 526 000
Obligations to pay up shares and make further contributions	84 561 899	62 176 027

Consolidated income statement for the periods ended at 31 December

	2020 CHF	2019 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	7 192 456	13 567 379
Interests and dividend income from financial investments	4 154 156	7 138 936
Interest expenses	314 298	(66 375)
Gross result from interest operations	11 660 910	20 639 940
Changes in value adjustments for default risks and losses from interest operations	(6 303 965)	-
Subtotal net result from interest operations	5 356 945	20 639 940
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading and investment activities	108 271 517	143 475 919
Commission income from lending activities	494 934	339 380
Commission income from other services	1 265 020	2 278 243
Commission expenses	(22 892 605)	(35 700 554)
Subtotal result from commission business and services	87 138 866	110 392 988
Result from trading activities and the fair value option	11 945 571	16 220 849
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	4 396	(1 356 154)
Other ordinary income	880 679	1 579 094
Other ordinary expenses	(469 735)	(109 131)
Subtotal other result from ordinary activities	415 340	113 809
OPERATING EXPENSES		
Personnel expenses	(72 127 649)	(96 212 208)
General and administrative expenses	(41 661 821)	(58 689 914)
Subtotal operating expenses	(113 789 470)	(154 902 122)

CONSOLIDATED INCOME STATEMENT FOR THE PERIODS ENDED AT 31 DECEMBER

	2020	2019
	CHF	CHF
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(11 842 621)	(17 276 685)
Changes to provisions and other value adjustments, and losses	1 387 485	(1 319 871)
Operating result	(19 387 884)	(26 131 092)
Extraordinary income	12 499 189	1 825 785
Extraordinary expenses	(19 865)	(3 833 346)
Changes in reserves for general banking risks	-	5 000 000
Taxes	(1 301 806)	(1 649 359)
Consolidated loss	(8 210 366)	(24 788 012)
<i>of which minority interest in results</i>	145 826	338 900
Consolidated net (loss) after deduction of minority interest	(8 356 192)	(25 126 912)

Consolidated cash flow statement

	2020		2019	
	CASH INFLOW CHF	CASH OUTFLOW CHF	CASH INFLOW CHF	CASH OUTFLOW CHF
Consolidated loss	-	8 210 366	-	24 788 012
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	11 842 621	-	17 276 685	-
Provisions and other value adjustments	-	3 112 084	-	3 680 129
Change in value adjustments for default risks and losses	6 303 965	-	-	-
Accrued income and prepaid expenses	20 680 029	-	-	-
Accrued expenses and deferred income	-	32 019 533	-	-
Other items	2 554 204	-	1 237 579	-
Cash flow from operating activities (internal financing)	41 380 819	43 341 983	18 514 264	28 468 141
Recognised in reserves	-	71 367 777	-	-
Change in own equity securities	69 523 988	-	-	295 875
Currency translation reserves	1 903 659	-	520 312	-
Variation of minority interests in equity	398 900	-	-	1 500 000
Cash flow from shareholder's equity transactions	71 826 547	71 367 777	520 312	1 795 875
Non Consolidated Participation	-	16 506	-	-
Other tangible fixed assets	-	2 103 885	18 087 678	-
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets	-	2 120 391	18 087 678	-

CONSOLIDATED CASH FLOW STATEMENT

	2020		2019	
	CASH INFLOW CHF	CASH OUTFLOW CHF	CASH INFLOW CHF	CASH OUTFLOW CHF
Cash flow from banking operations				
Amounts due from customers	10 488 628	-	-	5 105 845
Mortgage loans	-	27 074 900	-	8 414 900
Financial investments	34 533 616		53 868 745	
Medium and long-term business (>1 year)	45 022 244	27 074 900	53 868 745	13 520 745
Amounts due to banks	-	53 414 401	49 192 017	-
Amounts due in respect of customer deposits	78 803 273	-	-	467 234 136
Trading portfolio liabilities	332 514	-	134 534	-
Negative replacement values of derivative financial instruments	-	7 392 306	-	-
Amounts due from banks	31 113 869	-	-	63 104 527
Amounts due from customers	55 414 711	-	-	57 602 085
Mortgage loans	-	1 200 000	-	5 590 000
Trading portfolio assets	75 163 092	-	-	4 434 431
Positive replacement values of derivative financial instruments	10 959 906	-	-	-
Financial investments	25 722 756	-	46 701 001	-
Short term business	277 510 121	62 006 707	96 027 552	597 965 179
LIQUIDITY				
Liquid assets	-	229 827 973	454 731 389	-
Total	435 739 731	435 739 731	641 749 940	641 749 940

Consolidated statement of changes in equity

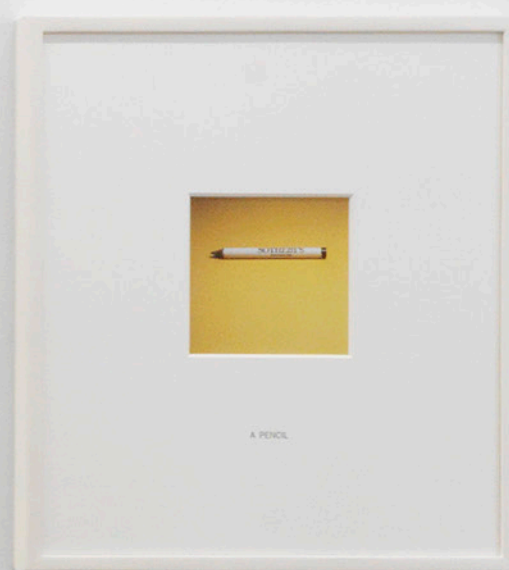
	CAPITAL CHF	CAPITAL RESERVE CHF	RETAINED EARNINGS RESERVE CHF	RESERVES FOR GENERAL BANKING RISKS CHF	CURRENCY TRANSLATION RESERVE CHF	OWN SHARES CHF	MINORITY INTERESTS CHF	RESULT OF THE PERIOD CHF	TOTAL CHF
Equity at start of current period	24 564 000	11 044 156	376 523 174	500 000	(2 545 497)	(126 079 098)	1 500 000	(24 788 012)	260 718 723
Net change in retained earnings brought forward	-	-	(25 126 912)	-	-	-	338 900	24 788 012	-
Other allocations to (transfer from) the other reserves	-	-	(2 343 055)	-	-	-	-	-	(2 343 055)
Disposal of own shares	-	-	(69 024 722)	-	-	69 523 988	-	-	499 266
Currency translation differences	-	-	-	-	1 903 659	-	-	-	1 903 659
Transactions with minority interests	-	-	(338 900)	-	-	-	60 000	-	(278 900)
Loss of the period	-	-	-	-	-	-	-	(8 210 366)	(8 210 366)
Equity at end of current period	24 564 000	11 044 156	279 689 585	500 000	(641 838)	(56 555 110)	1 898 900	(8 210 365)	252 289 328

FROM THE SYZ COLLECTION:

Louise Lawler

Hey!, 2012_ Photograph and mount with text, 51.4 × 40 cm

Pencil, 1991_ Photograph and mount with text, 41 × 35.5 cm



Louise Lawler

(1947 in Bronxville, New York, lives and works in Brooklyn, New York)

Since the late 1970s, the American artist Louise Lawler has used photography in an approach close to the art of appropriation, based on the reworking of pieces by other artists. However, instead of taking other works directly for her own use, Lawler is primarily interested in the dialogue between the compositions and their context. Lawler's photographs thus render visible the different systems within the art world, including museum exhibitions, the behind-the-scenes of storerooms, and collector's homes. The distinguishing characteristic of all the photographs in this series is the inclusion of text, which Lawler has had printed on the mount.

In *Statue Before Painting, Perseus with the Head of Medusa, Canova*, part of a statue by the Italian sculptor Antonio Canova has been photographed in a room in the Metropolitan Museum of New York.

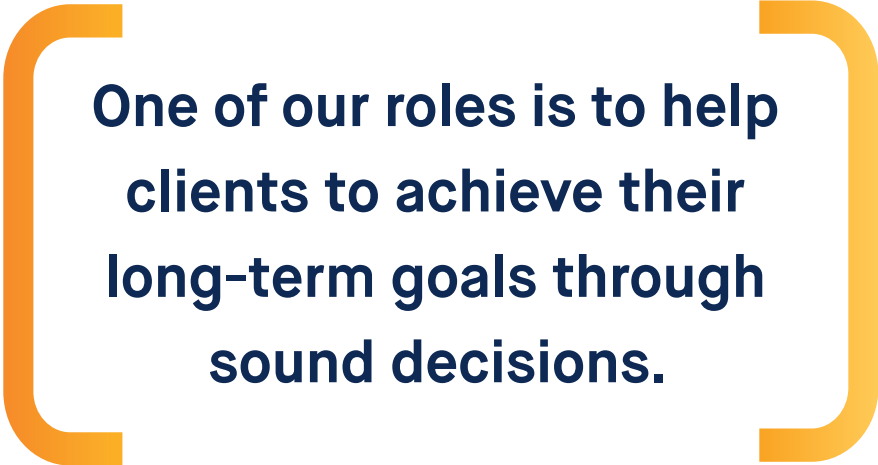
In *Hey!*, one of Claes Oldenburg's sculptures can be seen during the mounting of an exhibition at the Museum Ludwig in Cologne.

In *She Wanted to Know More About This Statue*, in contrast, an antique sculpture has simply been placed on a pedestal with wheels, in what one imagines to be a storage space.

The pencil depicted in *A Pencil* is a direct reference to the art market and to Sotheby's, the famous auction house.

Skin from Angola, bought in Portugal brings together a zebra rug and a painting by Lucio Fontana.

Not Cindy, whose title is a tribute to Cindy Sherman, another major artist of the art of appropriation, shows the back view of a seated woman, working in a gallery and facing a painting by Ed Ruscha.



**One of our roles is to help
clients to achieve their
long-term goals through
sound decisions.**

Notes to the consolidated 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 2020, expressed in terms of full-time employments, amounted to 246.05 employees, compared to 338.50 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, FINMA accounting ordinance, as well as the Accounting rules for banks, securities dealers, financial groups and conglomerates according to FINMA circular 2020/1.

The consolidated financial statements are prepared in accordance with the true and fair view principle. Comparative figures, where necessary, are adjusted to conform to any changes in presentation in the current year.

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.

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.

The disclosed balance sheet items are valued individually unless stated otherwise.

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.

Interest (including accrued interest) and related commissions due and unpaid for more than 90 days are not included in interest income.

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.

Derivative financial instruments are classified as trading operations, unless they have been contracted for hedging purpose.

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.

The realized result from trading operations and the unrealized result from valuations relating to trading operations are recorded under "result from trading activities and the fair value option".

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 valuation result from trading activities is to be recognised in the income statement in the item Result from trading activities and the fair value option. The valuation result of hedging instruments is to be reported in the compensation account unless a change in book value has been recorded in the hedged item. If a change in book value has been recorded in the hedged item, the change in book value of the hedging transaction is to be reported via the same income statement item.

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.

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 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 cost minus any value adjustments due to business reasons (i.e. economically necessary corrections).

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.

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. 5 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. 5 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 is 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 the Group entities located in Switzerland 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 expenses" 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 expenses".

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 expenses".

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 expenses".

OFF-BALANCE-SHEET TRANSACTIONS

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

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.

All items stated in the balance sheet and income statement (including off-balance sheet transactions) resulting from business relationships between Group companies are eliminated from the consolidated accounts.

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 daily rate of 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:

	2020	2019
CLOSING RATE		
USD	0.8839	0.9684
EUR	1.0816	1.0870
GBP	1.2083	1.2828



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 the meeting of 25 June 2020, 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 26 November 2020 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 Group 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 RISKS

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.

LEGAL AND REPUTATIONAL RISKS

The Management and the Due Diligence Committee check the respect for the regulatory prescriptions in force as well as the duties of due diligence applicable to the financial intermediaries. They follow current legislative developments with regulatory authorities or other supervisory bodies. The Due Diligence Committee is responsible for compliance to the statutory and prudential prescriptions and, in particular, those relating to the prevention of money laundering, together with the relevant internal directives. The Due Diligence Committee reviews all the newly opened accounts and the client profiles. It agrees or declines to enter into a business relationship, and produces the reports and minutes required for internal control purposes.

Marketing and Communication department is responsible for effective image management of the Group. It monitors articles published about the Group and will contact the media as soon as the Group's reputation might be at stake. Measures aimed at limiting risk to the Group's image and reputation include notably analyzing and pinpointing any areas of vulnerability, internal analysis and escalation procedures as well as rules of conduct applicable to staff. Marketing and Communication department works closely together with the Risks, Compliance and Legal Departments.

METHODS USED FOR IDENTIFYING DEFAULT RISKS AND DETERMINING THE NEED FOR VALUE ADJUSTMENTS

Mortgage based loans

In the context of large customer relationships, the Group grants mortgage credits secured by residential properties in Switzerland. The Group applies loan to values in line with market practice. The Group mandates an independent expert to carry out a full assessment

of the property on the premises on behalf of the Group. The value retained is the market value of the property calculated by the expert in his report submitted on behalf of the Group. Principle of lowest value: In the case of a discrepancy between the purchase price of the asset and the market value confirmed by the expert, the Group retains the lowest value.

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.

OUTSOURCING

The Group outsourced the provision and maintenance of its IT system.

The Group used an external service provider to whom it has entrusted operation of its IT system.

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 2020.

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			
	SECURED BY MORTGAGE CHF	OTHER COLLATERAL CHF	UNSECURED CHF	TOTAL CHF
LOANS (BEFORE NETTING WITH VALUE ADJUSTMENTS)				
Amounts due from customers	-	651 367 360	79 656 775	731 024 135
Mortgage loans	45 279 800	-	-	45 279 800
Total loans current year (before netting with value adjustments)	45 279 800	651 367 360	79 656 775	776 303 935
Total loans previous year (before netting with value adjustments)	26 488 168	706 184 864	81 998 377	814 671 409
Total loans current year (after netting with value adjustments)	45 279 800	651 367 360	72 662 662	769 309 822
Total loans previous year (after netting with value adjustments)	26 488 168	706 184 864	81 246 412	813 919 444
OFF-BALANCE-SHEET				
Contingent liabilities	-	44 990 558	1 851 260	46 841 818
Irrevocable commitments	-	-	2 996 000	2 996 000
Obligations to pay up shares and make further contributions	-	84 561 899	-	84 561 899
Total off-balance-sheet current year	-	129 552 457	4 847 260	134 399 717
Total off-balance sheet previous year	-	108 052 814	23 794 451	131 847 265
	GROSS DEBT AMOUNT CHF	ESTIMATED LIQUIDATION VALUE OF COLLATERAL CHF	NET DEBT AMOUNT CHF	INDIVIDUAL VALUE ADJUSTMENTS CHF
IMPAIRED LOANS				
Current year	6 994 113	-	6 994 113	6 994 113
Previous year	751 965	-	751 965	751 965

Impaired loans represent 0.9% of the total loans granted to customers as of 31 December 2020 (0.1% as of 31 December 2019).

The increase of impaired loans comes from a few number of customers with overdrafts as of 31 December 2020, following losses caused by the high volatility in the financial markets in the context of the COVID-19 crisis.

3. TRADING PORTFOLIOS

	31.12.2020	31.12.2019
	CHF	CHF
ASSETS		
Trading portfolio assets		
Debt securities, money market securities / transactions	22 004 873	70 746 432
<i>of which, listed</i>	22 004 873	69 982 587
Equity securities	11 745 554	38 167 087
Other trading portfolio assets	-	-
Total trading portfolio assets	33 750 427	108 913 519
Total assets	33 750 427	108 913 519
<i>of which, determined using a valuation model</i>	-	-
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	21 699 570	60 076 134
LIABILITIES		
Trading portfolio liabilities		
Equity securities	467 048	134 534
Total trading portfolio liabilities	467 048	134 534
Total liabilities	467 048	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	NEGATIVE REPLACEMENT VALUES	CONTRACT VOLUMES	POSITIVE REPLACEMENT VALUES	NEGATIVE REPLACEMENT VALUES	CONTRACT VOLUMES
	CHF	CHF	CHF	CHF	CHF	CHF
FOREIGN EXCHANGE/PRECIOUS METAL						
Forward contracts	7 131 534	12 831 910	857 130 902	-	-	-
Combined interest rate currency swaps	13 953 070	11 472 466	1 586 121 528	-	-	-
Options (OTC)	2 184 828	2 166 857	75 514 908	-	-	-
Total foreign exchange/precious metal	23 269 432	26 471 233	2 518 767 338	-	-	-
EQUITY SECURITIES/INDICES						
Options (OTC)	94 419	94 419	7 684 716	-	-	-
Total equity securities/indices	94 419	94 419	7 684 716	-	-	-
Total before netting agreements	23 363 851	26 565 652	2 526 452 054	-	-	-
<i>of which, determined using a valuation model</i>	23 363 851	26 565 652	2 526 452 054	-	-	-
Total Previous year	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 after netting agreements	23 363 851	26 565 652	2 526 452 054	-	-	-
Total Previous year	34 323 757	33 957 958	5 163 589 183	-	-	-

	BREAKDOWN BY COUNTERPARTY		
	CENTRAL CLEARING HOUSES	BANKS AND SECURITIES DEALERS	OTHER CUSTOMERS
	CHF	CHF	CHF
Positive replacement values after netting agreements	-	18 436 658	4 927 193

5. FINANCIAL INVESTMENTS

	BOOK VALUE		FAIR VALUE	
	2020 CHF	2019 CHF	2020 CHF	2019 CHF
Debt securities	147 040 794	212 349 885	148 501 945	214 422 323
of which, intended to be held to maturity	147 040 794	212 349 885	148 501 945	214 422 323
of which, not intended to be held to maturity (available for sale)	–	–	–	–
Equity securities	9 535 854	4 483 135	9 623 683	4 562 054
of which, qualified participations	–	–	–	–
Total	156 576 648	216 833 020	158 125 628	218 984 377
of which, securities eligible for repo transactions in accordance with liquidity requirements	13 263 491	21 156 297	13 500 592	21 096 800

BREAKDOWN OF COUNTERPARTIES BY S&P 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	113 593 699	24 976 412	8 470 683	–	–	–

6. NON CONSOLIDATED PARTICIPATIONS

	ACQUISITION COST CHF	BOOK VALUE PREVIOUS YEAR CHF	ADDITIONS CHF	DISPOSALS CHF	BOOK VALUE CURRENT YEAR CHF	MARKET VALUE CHF
Other participations-without market value	1 182 023	1 216 372	27 886	(11 380)	1 232 878	–
Total non-consolidated participations	1 182 023	1 216 372	27 886	(11 380)	1 232 878	–

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	-	-	-	-	-
Syz Europe SA, Luxembourg	Holding company	EUR	500	100	100	100	-
Alternative Asset Advisors SA, Nassau	Investment management	CHF	74	100	100	100	-
Syz Asset Management SA (Luxembourg) SA	Investment management	CHF	-	-	-	-	-
Syz Asset Management (Holding) SA, Genève	Holding company	CHF	-	-	-	-	-
Syz Asset Management (Europe) Ltd, Londres	Investment management	GBP	1	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	70	70	70	-
Syz Private Markets Investment Partners, Luxembourg	Provides services to its underlying Cells	EUR	12	100	100	-	100
Syz Asset Management AG, Zürich	Investment Management	CHF	4 000	100	100	-	100
Syz Private Holdings, Geneva	Holding company	CHF	100	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 February 2020, the Bank created a new company Syz Asset Management AG with a capital of CHF 4 million.

On February 20th, 2020 Syz Asset Management (Europe) Limited has increased its capital by GBP 5,000,000, from GBP 5,000,000 to GBP 10,000,000. On October 5th 2020 Syz Asset Management (Europe) Limited's capital has been reduced by GBP 9,999,999 from GBP 10,000,000 to GBP 1.

On May 12th, 2020 Financière Syz SA sold 100% of its participation in Syz Asset Management (Luxembourg) SA and realized a net gain of CHF 10'880'527.

On October 31st, 2020, Financière Syz SA absorbed Syz Asset Management Holding, which absorbed itself Syz Asset Management (Suisse) SA as of October 31st 2020. Consequently Syz Asset Management (Europe) Ltd is directly hold by Financière Syz SA.

On December 21st, 2020, the Group created a new company Syz Private Holding with a capital of CHF 100 000.

FROM THE SYZ COLLECTION:

John Baldessari, Object (with Flaw), 1988_Colour lithograph, 257.8 × 142.2 cm



John Baldessari

(1931 in National City, California, lives and works in Santa Monica)

The Californian artist John Baldessari is one of the most important figures in American conceptual art, particularly through his Text Paintings of the 1960s, printed with instructional sentences on art. In the 1970s and 1980s, Baldessari began to produce more and more works involving the appropriation of photographs. He covers the people's faces with coloured dots, making them anonymous and altering the significance of the image. These works have gradually become increasingly complex. By connecting several images, and moving away from the rectangular format, Baldessari creates compositions made up of several parts, thus establishing genuine narrative structures

8. TANGIBLE FIXED ASSETS

2020								
	COST VALUE CHF	ACCUMULATED DEPRECIATION CHF	BOOK VALUE PREVIOUS YEAR CHF	RECLASSI- FICATIONS CHF	ADDITIONS (INCLUDING EXCHANGE CHF	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES) CHF	DEPRECIATION CHF	BOOK VALUE CURRENT YEAR END CHF
Building for use of the Bank	-	-	-	-	-	-	-	-
Proprietary or separately acquired software	31 408 633	(12 818 959)	18 589 674	-	1 803 098	-	(6 282 498)	14 110 274
Other tangible fixed assets	23 490 164	(7 419 180)	16 070 984	-	2 439 312	(2 138 525)	(2 620 058)	13 751 713
Total tangible fixed assets	54 898 797	(20 238 139)	34 660 658	-	4 242 410	(2 138 525)	(8 902 556)	27 861 987

They are no off balance leasing commitment as at 31.12.2020.

9. INTANGIBLE ASSETS

2020								
	COST VALUE CHF	ACCUMULATED DEPRECIATION CHF	BOOK VALUE PREVIOUS YEAR CHF	RECLAS- SIFICATIONS CHF	ADDITIONS (INCLUDING EXCHANGE DIFFERENCES) CHF	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES) CHF	DEPRECIATION CHF	BOOK VALUE CURRENT YEAR END CHF
Goodwill	33 777 803	(16 872 430)	16 905 373	-	-	-	(2 940 065)	13 965 308
Other intangible assets	1 253 515	(1 253 515)	-	-	-	-	-	-
Total intangible assets	35 031 318	(18 125 945)	16 905 373	-	-	-	(2 940 065)	13 965 308

10. OTHER ASSETS AND OTHER LIABILITIES

	2020 CHF	2019 CHF
OTHER ASSETS		
Indirect taxes	1 063 616	2 716 116
Other assets	663 802	5 189 099
Total other assets	1 727 418	7 905 215
OTHER LIABILITIES		
Indirect taxes	2 629 648	3 827 894
Clearing expenses	135 945	27 326
Own shares pension schemes	56 555 179	56 998 896
Other liabilities	641 427	2 731 676
Total other liabilities	59 962 199	63 585 792

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

	2020		2019	
	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF
Trading portfolio assets	21 699 570	8 287 201	69 725 922	59 237 531
Total pledged / assigned assets	21 699 570	8 287 201	69 725 922	59 237 531
Assets under reservation of ownership	-	-	-	-

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

	2020 CHF	2019 CHF
LIABILITIES RELATING TO OWN PENSION SCHEMES		
Amounts due in respect of customers deposits	6 125 582	4 075 092
Total	6 125 582	4 075 092

13. EMPLOYER CONTRIBUTION RESERVES

	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	
	CHF	CHF	CHF	CHF	2020 CHF	2019 CHF
Fondation de prévoyance de Banque Syz SA et sociétés affiliées	4 000 000	–	4 000 000	4 000 000	–	–

	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	
ECONOMIC BENEFIT / ECONOMIC OBLIGATION AND THE PENSION BENEFIT EXPENSES	CHF	2020 CHF	2019 CHF	CHF	CHF	2020 CHF	2019 CHF
Fondation de prévoyance de Banque Syz SA et sociétés affiliées	13 250 000	–	–	–	6 981 974	6 981 974	5 431 393

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 108.8% as at 31 December 2019. The pension institution's governing body estimates, that the coverage ratio as at 31 December 2020 will be 110.2%. 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.

FROM THE SYZ COLLECTION:

Rosemarie Trockel, Ostblock 2, 2009_ Glazed ceramic, 73 × 72 × 21 cm



Rosemarie Trockel

(1952 in Schwerte, lives and works in Cologne)

What is striking about the work of the German artist Rosemarie Trockel is above all its great diversity, whether in terms of the medium (drawings, paintings, collages, videos, installations, artist's books, ceramics, etc.), or as regards its thematic or formal qualities. In the Cologne of the 1980s, within the contemporary male-dominated artistic context, Rosemarie Trockel gained recognition for her feminist art that questions the various types of power relations, whether social, political or economic. Her most emblematic body of work from this period was a series of paintings in wool - a material with female connotations – created using a computerised knitting machine. Rosemarie Trockel likes to play with these kinds of stereotypes, as when she makes minimalist sculptures onto which she attaches cooker hobs. Rosemarie Trockel's work draws on a wide range of aesthetics, such as Dada, Surrealism, Pop Art and Minimal Art, but it also operates conceptually through an interplay of references and displacements.

The title of this piece, Ostblock 2 (Eastern Bloc 2) appears to be an allusion to German history – similarly, one of her knitted series was called Made in Western Germany – yet it is also an example of the way in which Trockel blurs artistic codes by playing with different mediums. Through its format and colour - a white monochrome - this work comes close to painting, but the ceramic material of which it is composed refutes this evaluation, bringing it nearer to sculpture.

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

2020

	PREVIOUS YEAR END CHF	USE IN CONFORMITY WITH DESIGNATED PURPOSE CHF	RECLASSI- FICATIONS 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	13 379 370	(585 875)	-	(152 344)	-	4 870 329	(7 244 194)	10 267 286
Total provisions	13 379 370	(585 875)	-	(152 344)	-	4 870 329	(7 244 194)	10 267 286
Reserves for general banking risks	500 000	-	-	-	-	-	-	500 000
Value adjustments for default and country risks	751 965	-	-	(61 817)	-	6 303 965	-	6 994 113
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	751 965	-	-	(61 817)	-	6 303 965	-	6 994 113
<i>of which, value adjustments for latent risks</i>	-	-	-	-	-	-	-	-

17. BANK'S CAPITAL

	2020			2019		
	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 Registered shares 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 issued and fully paid	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
Total bank's 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	
	2020 CHF	2019 CHF	2020 CHF	2019 CHF	2020 CHF	2019 CHF	2020 CHF	2019 CHF
Members of the board of directors	275 362	225 640	2 753 620	2 256 400	-	-	-	-
Members of executive bodies	3 743 054	3 560 800	16 658 540	14 872 000	1 516	993	258 190	179 137
Employees	-	-	-	-	-	6 783	-	1 223 653
Total	4 018 416	3 786 440	19 412 160	17 128 400	1 516	7 776	258 190	1 402 790

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	
	2020 CHF	2019 CHF
At beginning of year	7 776	6 947
Granted	-	3 195
Exercised	(5 762)	-
Cancelled	(498)	(2 366)
Lapsed	-	-
At end of year	1 516	7 776

	2020		2019	
	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS	WEIGHTED AVERAGE STRIKE PRICE CHF	NUMBER OF OPTIONS
EXPIRY DATE				
30.06.2021	170.31	1 516	180.40	7 776
Total	-	1 516	-	7 776

19. RELATED PARTIES

	AMOUNTS DUE FROM		AMOUNTS DUE TO	
	2020 CHF	2019 CHF	2020 CHF	2019 CHF
Holders of qualified participation	67 933 961	69 206 854	7 200 441	1 961 972
Transactions with members of governing bodies	1 196 954	3 600 302	59 130	106 570
Other related parties	-	-	6 337 546	4 356 535

There are no significant off-balance-sheet transaction with the 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

	2020		2019	
	NOMINAL CHF	PART IN % CHF	NOMINAL CHF	PART IN % CHF
WITH VOTING RIGHTS				
Eric Syz	-	-	7 436 000	32,96
Suzanne Syz-Mueller	-	-	7 436 000	32,96
Argos Holding SA (Syz Family)	18 658 540	86,37	-	-
Stiftung für Mitarbeiter-Beiteiligungsmodelle der Financière Syz SA	3 084 650	7,12	2 957 000	13,10
Selmont A/S (Casper Kirk Johansen)	2 753 620	6,35	2 256 400	10,00

21. OWN SHARES AND COMPOSITION OF EQUITY CAPITAL

	SHARES "A"		SHARES "B"	
	AVERAGE TRANSACTION PRICE	NUMBER OF SHARES	AVERAGE TRANSACTION PRICE	NUMBER OF SHARE
OWN SHARES				
At beginning of year	–	4 000		537 160
<i>of which held by the patronal foundation</i>	–	–		295 700
Additions	–	–		33 015
Disposals	–	(4 000)		(20 250)
Distribution	–	–		(241 460)
At end of year	–	–		308 465
<i>of which held by the patronal foundation</i>	–	–		308 465

For the equity-based compensation schemes, 4 000 shares "B" were reserved as of 31 December 2018 (2017: 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 MATURITY CHF	TOTAL CHF
ASSETS/FINANCIAL INSTRUMENTS								
Liquid assets	791 392 873	-	-	-	-	-	-	791 392 873
Amounts due from banks	60 017 309	11 589	61 875 800	26 518 200	-	-	-	148 422 898
Amounts due from customers	61 455 050	222 565 201	249 208 077	128 230 816	62 570 878	-	-	724 030 022
Mortgages loans		-	-	9 790 000	28 139 800	7 350 000	-	45 279 800
Trading portfolio assets	33 750 427	-	-	-	-	-	-	33 750 427
Positive replacement values of derivative financial instruments	23 363 851	-	-	-	-	-	-	23 363 851
Financial investments	9 790 445	-	37 131 445	26 532 856	83 121 902	-	-	156 576 648
Total current year	979 769 955	222 576 790	348 215 322	191 071 872	173 832 580	7 350 000	-	1 922 816 519
Total previous year	986 136 734	233 901 966	337 083 250	158 839 532	194 279 924	4 850 000	-	1 915 091 406
DEBT CAPITAL/FINANCIAL INSTRUMENTS								
Amounts due to banks	19 711 606	-	16 370	-	-	-	-	19 727 976
Amounts due in respect of customer deposits	1 621 606 370	-	-	-	-	-	-	1 621 606 370
Trading portfolio liabilities	467 048	-	-	-	-	-	-	467 048
Negative replacement values of derivative financial instruments	26 565 652	-	-	-	-	-	-	26 565 652
Total current year	1 668 350 676	-	16 370	-	-	-	-	1 668 367 046
Total previous year	1 650 036 681	-	1 283	-	-	-	-	1 650 037 964

24. ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

	2020		2019	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
ASSETS				
Liquid assets	791 389 262	3 611	561 534 047	30 853
Amounts due from banks	115 463 666	32 959 232	126 661 233	52 875 534
Amounts due from customers	160 886 122	563 143 900	181 559 350	615 355 194
Mortgage loans	45 279 800	-	17 004 900	-
Trading portfolio assets	279	33 750 148	753 347	108 160 172
Positive replacement values of derivative financial instruments	5 460 430	17 903 421	6 741 514	27 582 243
Financial investments	100 075	156 476 573	4 347 325	212 485 695
Accrued income and prepaid expenses	49 773 272	3 651 404	60 603 421	13 501 284
Non-consolidated participations	1 232 568	310	1 216 262	110
Tangible fixed assets	27 861 987	-	34 336 555	324 103
Intangible assets	13 965 308	-	16 905 373	581
Other assets	1 716 214	11 204	7 120 358	784 857
Total assets	1 213 128 983	807 899 803	1 018 783 685	1 031 100 626

24. ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

	2020		2019	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
LIABILITIES				
Amounts due to banks	5 034 018	14 693 958	64 886 456	8 255 920
Amounts due in respect of customer deposits	245 832 483	1 375 773 887	231 442 084	1 311 361 013
Trading portfolio liabilities	-	467 048	-	134 534
Negative replacement values of derivative financial instruments	10 455 240	16 110 412	7 689 284	26 268 674
Accrued expenses and deferred income	28 886 881	1 256 048	54 289 993	7 872 469
Other liabilities	59 889 820	72 379	60 732 064	2 853 728
Provisions	10 267 286	-	13 379 370	-
Reserves for general banking risks	500 000	-	500 000	-
Capital	24 564 000	-	24 564 000	-
Capital reserve	11 044 156	-	11 044 156	-
Retained earnings reserve	279 689 585	-	376 523 174	-
Currency translation reserve	-	(641 839)	-	(2 545 497)
Own shares	(56 555 110)	-	(126 079 098)	-
Minority interests in equity	1 898 900	-	1 500 000	-
Consolidated profit	(8 210 366)	-	(24 788 012)	-
<i>Of which, minority interest in consolidated profit /(loss)</i>	145 826	-	-	-
Total liabilities	613 296 894	1 407 731 892	695 683 470	1 354 200 841

25. ASSETS BY COUNTRY OR GROUP OF COUNTRIES

	2020		2019	
	CHF	%	CHF	%
ASSETS				
Switzerland	1 213 128 982	60,03	1 018 783 685	49,70
Europe	295 802 705	14,64	402 074 406	19,61
Caribbean	262 007 562	12,96	322 433 021	15,73
North America	106 906 683	5,29	158 653 201	7,74
Latin America	33 724 341	1,67	32 614 813	1,59
Asia	58 569 217	2,90	47 980 037	2,34
Africa	49 376 868	2,44	51 726 781	2,52
Oceania	1 512 428	0,07	15 618 367	0,76
Total assets	2 021 028 786	100,00	2 049 884 311	100,00

26. ASSETS BY CREDIT RATING OF COUNTRY GROUPS

RATING CLASS	2020		2019	
	CHF	%	CHF	%
AAA	689 801 525	85,38	853 783 083	82,80
AA+ to AA-	127 806	0,02	-	0,00
A+ to A-	9 440 839	1,17	8 960 223	0,87
BBB+ to BBB-	17 756 442	2,20	18 284 838	1,77
BB+ to BB-	6 203 615	0,77	8 070 881	0,78
B+ to B-	10 433 421	1,29	12 093 318	1,17
CCC+ to D	9 204 946	1,14	21 391 151	2,07
Without rating	64 931 210	8,04	108 517 132	10,54
Total	807 899 804	100,00	1 031 100 626	100,00

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

27. ASSETS AND LIABILITIES BROKEN DOWN BY CURRENCIES

	2020			
ASSETS	CHF	USD	EUR	OTHER
Liquid assets	789 873 383	295 844	1 063 091	160 555
Amounts due from banks	10 859 507	100 489 003	6 867 033	30 207 355
Amounts due from customers	172 712 589	336 377 193	165 989 767	48 950 473
Mortgage loans	45 279 800	-	-	-
Trading portfolio assets	694	5 684 679	28 065 054	-
Positive replacement values of derivative financial instruments	7 019 619	10 937 806	3 022 995	2 383 431
Financial investments	100 075	148 172 908	8 303 665	-
Accrued income and prepaid expenses	48 686 848	3 778 311	959 517	-
Non-consolidated participations	1 202 023	-	3 555	27 300
Tangible fixed assets	27 861 987	-	-	-
Intangible assets	13 965 308	-	-	-
Other assets	1 167 133	560 285	-	-
Total assets shown in the balance sheet	1 118 728 966	606 296 029	214 274 677	81 729 114
Delivery entitlements from spot exchange, forward forex and forex options transactions	404 780 796	1 176 016 542	681 336 089	361 671 337
Total assets	1 523 509 762	1 782 312 571	895 610 766	443 400 451

27. ASSETS AND LIABILITIES BROKEN DOWN BY CURRENCIES

	2020			
LIABILITIES	CHF	USD	EUR	OTHER
Amounts due to banks	3 255 258	12 927 854	3 544 864	-
Amounts due in respect of customer deposits	172 114 299	822 317 683	421 018 266	206 156 122
Trading portfolio liabilities	-	73 527	393 521	-
Negative replacement values of derivative financial instruments	11 407 313	4 720 464	6 665 681	3 772 194
Accrued expenses and deferred income	29 916 453	125 594	92 778	8 104
Other liabilities	59 410 997	435 169	86 533	29 500
Provisions	7 910 643	1 379 557	977 086	-
Reserves for general banking risks	500 000	-	-	-
Capital	24 564 000	-	-	-
Capital reserve	11 044 156	-	-	-
Retained earnings reserve	279 689 585	-	-	-
Currency translation reserve	(641 839)	-	-	-
Own shares	(56 555 110)	-	-	-
Minority interests in equity	1 898 900	-	-	-
Consolidated profit	(8 210 366)	-	-	-
<i>Of which, minority interest in consolidated profit /(loss)</i>	145 826	-	-	-
Total liabilities	536 304 289	841 979 848	432 778 729	209 965 920
Delivery obligations from spot exchange, forward forex and forex options transactions	1 001 793 695	931 751 758	465 339 080	228 140 003
Total liabilities	1 538 097 984	1 773 731 606	898 117 809	438 105 923
Net position per currency	(14 588 222)	8 580 965	(2 507 044)	5 294 528

INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

28. CONTINGENT ASSETS AND LIABILITIES

	2020 CHF	2019 CHF
Guarantees to secure credits and similar	46 841 818	50 612 878
Total contingent liabilities	46 841 818	50 612 878

29. CREDIT COMMITMENTS

The Group has no credit commitments.

30. FIDUCIARY TRANSACTIONS

	2020 CHF	2019 CHF
Fiduciary investments with third-party companies	395 562 215	957 720 867
Total Fiduciary Transactions	395 562 215	957 720 867

31. MANAGED ASSETS

BREAKDOWN OF MANAGED ASSETS	2020 CHF	2019 CHF
TYPE OF MANAGED ASSETS		
Assets in collective investment schemes managed by the Group	9 743 691 220	6 813 410 099
Assets under discretionary asset management agreements	7 462 133 239	9 302 937 828
Other managed assets	8 886 883 878	11 274 751 953
Total managed assets (including double-counting)	26 092 708 337	27 391 099 880
<i>of which, double-counted items</i>	2 369 914 348	2 008 045 783

DEVELOPMENT OF MANAGED ASSETS (INCLUDING DOUBLE COUNTING)	2020 CHF	2019 CHF
Total managed assets at beginning	27 391 099 880	28 750 032 520
+/- Net new money inflow or net new money outflow	(332 932 508)	(2 669 224 493)
+/- Price gains/ losses, interest, dividends and currency gains/ losses	682 925 539	1 310 291 853
+/- Other effects	(1 648 384 574)	-
Total managed assets at end	26 092 708 337	27 391 099 880

The managed assets disclosed include all client assets deposited at the Group with an investment character as well as client assets managed by the Group. It does not include assets kept by the Group but managed by a third party (custody-only).

Other assets qualify as custody-only if the services rendered by the Group are limited to those of custody and cash management. The Group had no such assets as at 31 December 2020 and 2019.

Assets under discretionary asset management agreements comprise clients' deposits for which the Bank makes the investment decisions. Other managed assets include those for which the client makes the investment decisions.

Net new money is calculated monthly by totaling the incoming and outgoing client transfers of cash and securities. It does not include currency fluctuations, security price variations as well as internal transfers between the accounts and interest credited to the client deposits. The interest and dividends resulting from the customer's assets as well as the interests, the commissions and fees debited from the client assets are not included either in the net new money calculation.

Other effects reflect transferred managed assets resulting from the reorganisation of the Group which led to the sale of certain asset management activities to third parties.

INFORMATION ON INCOME STATEMENT

32. RESULT FROM TRADING ACTIVITIES

BREAKDOWN BY BUSINESS AREA	2020 CHF	2019 CHF
Direct private banking activities	11 900 408	17 535 130
Proprietary trading	45 163	(1 314 281)
Total result from trading operations	11 945 571	16 220 849
BREAKDOWN BY UNDERLYING RISK AND BASED ON THE USE OF THE FAIRE VALUE OPTION		
Equity securities	(755 107)	(230 703)
Foreign currencies	12 530 383	16 257 867
Commodities / precious metals	170 295	193 685
Total	11 945 571	16 220 849

33. REFINANCING INCOME AND INCOME FROM NEGATIVE INTEREST

	2020 CHF	2019 CHF
Negative interest on credit operations (reduction in interests and discount income)	3 938 533	5 164 285
Negative interest on customer deposit (reduction in interests expenses)	(669 233)	(1 115 311)

34. PERSONNEL EXPENSES

	2020 CHF	2019 CHF
Attendance fees/ retainers paid to governing bodies and salaries	56 192 631	78 446 628
Social insurance benefits	12 311 537	12 801 961
Other personnel expenses	3 623 481	4 963 619
Total	72 127 649	96 212 208

35. OTHER OPERATING EXPENSES

	2020 CHF	2019 CHF
Office space expenses	7 358 359	8 314 358
Expenses for information and communication technology	5 939 903	9 178 653
Travel and public relations	926 865	2 401 622
Fees of audit firm	880 437	1 049 215
<i>of which, for financial and regulatory audits</i>	<i>871 752</i>	<i>919 215</i>
<i>of which, for other services</i>	<i>8 685</i>	<i>130 000</i>
Professional fees	5 169 679	9 888 014
Outsourcing	11 024 675	11 791 104
Other operating expenses	10 361 903	16 066 948
Total	41 661 821	58 689 914

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

	2020 CHF	2019 CHF
EXTRAORDINARY INCOME		
Net gain realized on the sale of the building	–	814 085
Liquidation-surplus on the French subsidiary dissolution	–	145 192
Various tax adjustments related to previous years	–	866 508
Net gain realized on the sale of Syz Asset Management (Luxembourg) SA	10 880 527	–
Release of a free provision	440 000	–
Release of other provision	1 144 601	–
Other income	34 061	–
Total extraordinary income	12 499 189	1 825 785
EXTRAORDINARY EXPENSES		
Earn-out following the sale of Banca Albertini SpA.	–	3 833 346
Other expenses	19 865	–
Total extraordinary expenses	19 865	3 833 346

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

INCOME AND EXPENSE FROM ORDINARY BANKING OPERATIONS	2020		2019	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	6 828 985	363 471	12 207 397	1 359 982
Interest and dividend income from financial investments	4 154 156	-	7 138 936	-
Interest expenses	725 375	(411 077)	924 635	(991 010)
Gross result from interest operations	11 708 516	(47 606)	20 270 968	368 972
Changes in value adjustments for default risks and losses from interest operations	(6 303 965)	-	-	-
Subtotal net result from interest operations	5 404 551	(47 606)	20 270 968	368 972
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	98 200 354	10 071 163	115 215 582	28 260 337
Commission income from lending activities	487 810	7 124	330 578	8 802
Commission income from other services	949 595	315 424	2 047 214	231 029
Commission expenses	(17 347 231)	(5 545 374)	(15 075 760)	(20 624 794)
Subtotal result from commission business and services	82 290 529	4 848 337	102 517 614	7 875 374
Result from trading activities and the fair value option	12 070 147	(124 576)	16 220 849	-
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	4 396	-	(1 356 154)	-
Other ordinary income	880 679	-	-	-
Other ordinary expenses	(469 735)	-	1 469 963	-
Subtotal other result from ordinary activities	415 340	-	113 809	-


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

	2020		2019	
	DOMESTIC CHF	FOREIGN CHF	DOMESTIC CHF	FOREIGN CHF
OPERATING EXPENSES				
Personnel expenses	(68 133 044)	(3 994 605)	(86 333 300)	(9 878 908)
General and administrative expenses	(36 145 014)	(5 516 807)	(51 685 849)	(7 004 065)
Subtotal operating expenses	(104 278 058)	(9 511 412)	(138 019 149)	(16 882 973)
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(12 119 920)	277 299	(17 107 680)	(169 005)
Changes to provisions and other value adjustments, and losses	1 387 485	–	(389 382)	(930 489)
Operating result	(14 829 926)	(4 557 958)	(16 392 971)	(9 738 121)

38. PRESENTATION OF CURRENT TAXES, DEFERRED TAXES AND DISCLOSURE OF TAX RATE

	2020 CHF	2019 CHF
Current tax expenses	1 301 806	1 649 359
Total	1 301 806	1 649 359

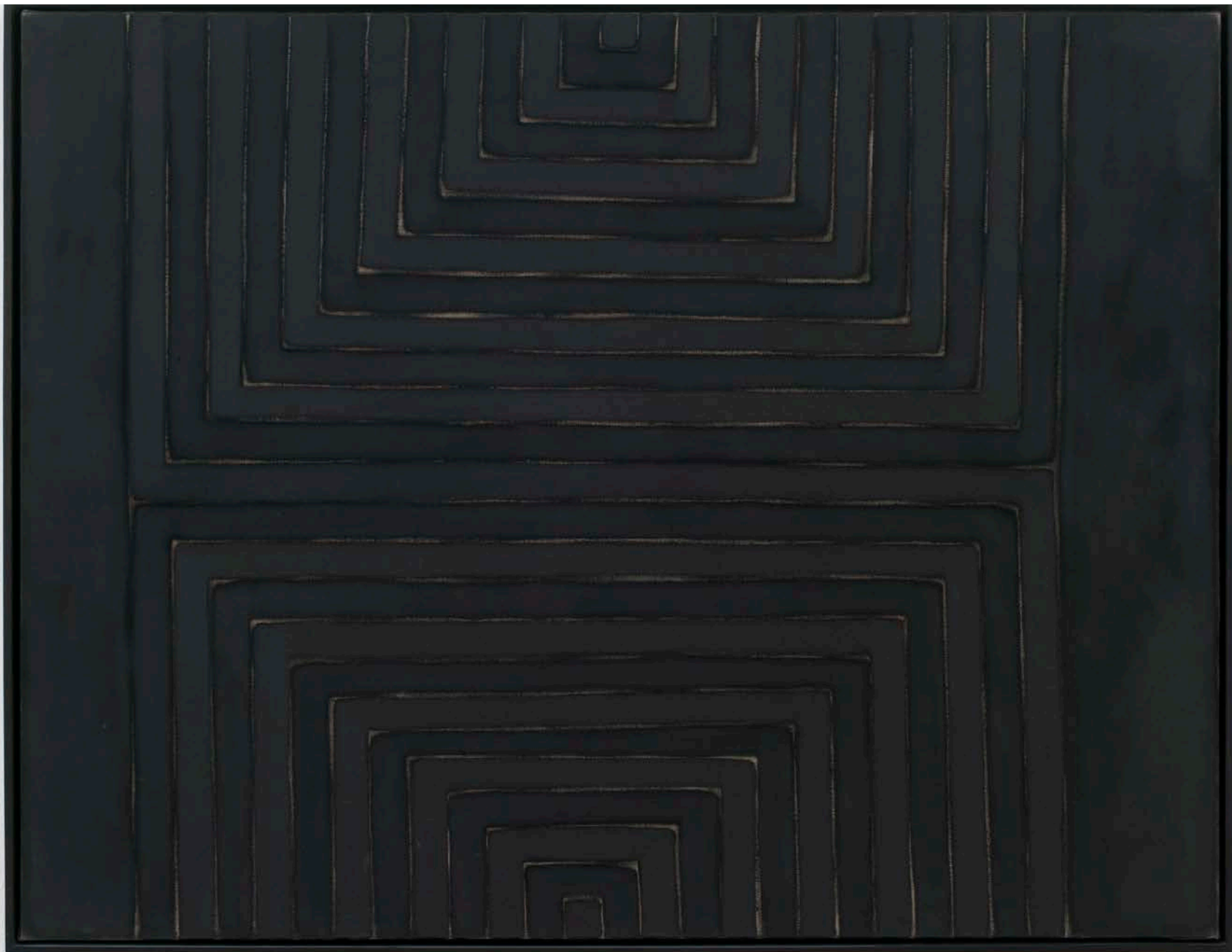
The calculation of an average tax rate based on a negative operating result is not relevant from 2020 and 2019.



**The Group remains convinced
that performance in a Japanified
world requires access to
alternative wealth management
instruments.**

FROM THE SYZ COLLECTION:

Sturtevant, Stella Morro Castle (First Study), 1990_ Black enamel on canvas, 110 × 46 cm



Sturtevant, Stella Morro Castle

(1942 in Lakewood, Ohio – † 2014 in Paris)

From the early 1960s, Sturtevant focused on the reproduction of pieces by other artists of her time, especially those of important Pop art figures such as Jasper Johns, Robert Rauschenberg and Andy Warhol. Warhol, in fact, was immediately interested in Sturtevant's innovative approach. He placed at her disposal the screen prints from his famous Flowers series so that she could copy them and thus create her own versions. In the 1980s, Sturtevant appropriated artworks by the emerging generation of artists, such as Keith Haring and Felix Gonzalez-Torres, long before they became famous. Sturtevant's work prefigures the emergence of the art of appropriation - an artistic movement that developed in the late 1970s, centred around artists like Richard Prince and Sherrie Levine, based precisely on the reworking of pre-existing compositions - but she also stands clearly apart from them. Moreover, Sturtevant rejected the appropriationist label. In her view, her art was based above all on the notion of repetition. By explicitly repeating the works of artists she admired, Sturtevant revived their message and at the same time went against the modern principle of originality, thus questioning the very essence of the artwork. In 2011, Sturtevant won the Golden Lion of the Venice Biennale for her entire oeuvre.

Stella Morro Castle (First Study) comes from a series made by Sturtevant inspired by the Black Paintings, a set of works by the famous American painter Frank Stella.



Information on Regulatory Capital, Leverage Ratio and Liquidity Ratio (LCR)

AS AT 31 DECEMBER

	2020	2019
AVAILABLE CAPITAL (AMOUNTS IN KCHF)		
Common Equity Tier 1 (CET1)	238 324	243 813
Fully loaded ECL accounting model	-	-
Tier 1	238 324	243 813
Fully loaded ECL accounting model Tier 1	-	-
Total capital	238 324	243 813
Fully loaded ECL accounting model total capital	-	-
RISK-WEIGHTED ASSETS (AMOUNTS)		
Total risk-weighted assets (RWA)	856 846	1 057 681
Minimum capital requirement	68 548	84 614
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA		
Common Equity Tier 1 ratio (%)	27.8	23.1
Fully loaded ECL accounting model Common Equity Tier 1 (%)	-	-
Tier 1 ratio (%)	27.8	23.1
Fully loaded ECL accounting model Tier 1 ratio (%)	-	-
Total capital ratio (%)	27.8	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	2.5
Countercyclical buffer requirement (%)	-	-
Bank G-SIB and/or D-SIB additional requirements (%)	-	-
Total of bank CET1 specific buffer requirements (%)	2.5	2.5
CET1 available after meeting the bank's minimum capital requirements (%)	19.8	15.1

INFORMATION ON REGULATORY CAPITAL, LEVERAGE RATIO AND LIQUIDITY RATIO (LCR)

	2020	2019
TARGET EQUITY RATIOS ACCORDING TO APPENDIX 8 OF THE OFR (IN % OF RWAS)		
Equity buffer according to Appendix 8 OFR (%)	3.2	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	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	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	11.2
BASEL III LEVERAGE RATIO*		
Total Basel III leverage ratio exposure measure	1 425 493	2 432 791
Basel III leverage ratio (%)	16.7	10.1
Fully loaded ECL accounting model Basel III leverage ratio (%)	-	-
LIQUIDITY COVERAGE RATIO		
Total HQLA	839 839	635 408
Total net cash outflow	399 348	268 558
LCR ratio (%)	210.3	236.6
NET STABLE FUNDING RATIO (2)		
Total available stable funding	1 356 825	1 344 616
Total required stable funding	615 927	728 161
NSFR ratio	220.2	185

* Sight deposits with central banks are excluded from the leverage ratio as at 31.12.2020 as per FINMA communication 02/2020 dated 31st March 2020. Without this regulatory easing, the leverage ratio would have stood at 10.8% as at 31.12.2020.

	2020-Q4 CHF	2020-Q3 CHF	2020-Q2 CHF	2020-Q1 CHF
LIQUIDITY COVERAGE RATIO				
Total stock of high quality liquid assets	880 951 038	840 259 664	882 196 774	706 516 546
Total net cash outflows	459 235 240	396 853 542	470 888 719	384 463 316
Liquidity coverage ratio (in %)	191.8	211.7	187.3	183.8

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

Information on Credit Risks, Operational Risks and Interest Rate Risks

AS AT 31 DECEMBER

	2020 CHF	2019 CHF	2020 CHF
OVERVIEW OF RISK WEIGHTED ASSETS	RWA	RWA	Minimum capital requirements
Credit risk - standardised approach	555 667 499	610 281 343	44 453 400
Market risk - standardised approach	25 118 514	106 393 629	2 009 481
Operational risk - basic indicator approach	276 059 642	341 005 930	22 084 771
Total	856 845 655	1 057 680 901	68 547 652

TABLE CR1: CREDIT RISK: CREDIT QUALITY OF ASSETS (IN 1 000 CHF)

	2020			
	GROSS CARRYING VALUES OF			
CREDIT RISK: CREDIT QUALITY OF ASSETS	DEFAULTED EXPOSURES CHF	NON-DEFAULTED EXPOSURES CHF	ALLOWANCES/ IMPAIRMENTS CHF	NET VALUES CHF
Loans (excluding debt securities)	–	924 826	6 994	917 832
Debt securities	–	147 215	–	147 215
Off-balance sheet exposures	–	134 893	–	134 893
Total current year	–	1 206 934	6 994	1 199 940

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

	EXPOSURES UNSECURED:	EXPOSURES SECURED:	BY COLLATERAL	BY FINANCIAL GUARANTEES	BY CREDIT DERIVATIVES
	CARRYING AMOUNT CHF	CARRYING AMOUNT CHF			
Loans	543 068	528 973	–	–	–
Off Balance sheet	47 545	87 348	–	–	–
Total of 31.12.2020	590 613	616 321	–	–	–
<i>of which defaulted</i>	–	–	–	–	–

Report of the statutory auditor to the General Meeting of Financière Syz SA, Zug

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 66), for the year ended 31 December 2020.

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 2020 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 Ltd



Christophe Kratzer
Audit Expert
Auditor in charge



Mathieu Conus
Audit Expert

Geneva, 23 April 2021

PricewaterhouseCoopers Ltd
Avenue Giuseppe Motta 50
CH-1202 Genève
pwc.ch





Governance

BOARD OF DIRECTORS

Financière Syz SA

PHILIPPE REISER, CHAIRMAN, SINCE JUNE 2019

JEAN-BLAISE CONNE, VICE-CHAIRMAN, SINCE JUNE 2019

CASPER KIRK JOHANSEN, MEMBER, JUNE 2015 - JUNE 2020

SYLVAIN MATTHEY, MEMBER, SINCE JUNE 2020

PHILIPPE MILLIET, MEMBER, SINCE JUNE 2019

MARLENE NØRGAARD CAROLUS, MEMBER, SINCE JUNE 2020

SUZANNE SYZ, MEMBER, SINCE JUNE 2019

GIOVANNI VERGANI, MEMBER, SINCE JUNE 2019

Biographies —

PHILIPPE REISER, CHAIRMAN

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

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.

SYLVAIN MATTHEY, MEMBER

Sylvain Matthey was Group General Counsel (Legal and Compliance) of the Syz Group from 2017 to 2020. Before joining Syz, he worked for over 3 decades in the banking sector within legal and compliance, first for Pictet & Cie and later for Lombard Odier et Cie SA, where he was Head of the Legal and Compliance departments.

MARLENE NØRGAARD CAROLUS, MEMBER

Marlene Nørgaard Carolus is an innovative wealth management leader with a strong digital pedigree. Listed as one of the top 100 most influential women in Denmark, she has been appointed to multiple boards of financial companies since 2004, including the executive board of Danske Bank International. Currently, she is CEO of Danish fintech company, Mybanker, and serves as a non-executive member on the boards of various businesses and non-profit organisations, including ART 2030. She graduated from Copenhagen Business School with an EMBA degree and earned board certificates from CBS and Harvard University.

CASPER KIRK JOHANSEN, MEMBER

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

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 Unicile, 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.

GIOVANNI VERGANI, MEMBER

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.

SUZANNE SYZ, MEMBER

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.

MANAGEMENT COMMITTEE

Financière Syz SA

ERIC SYZ, GROUP CEO

YVAN GAILLARD, CEO, BANK SYZ LTD

ALFONSO DEVECCHI MAS, AD-INTERIM CHIEF FINANCIAL OFFICER, SINCE DECEMBER 2020

CARMEN HERBSTTRITT, CHIEF FINANCIAL OFFICER, UNTIL NOVEMBER 2020

WILLIAM NOTT, CEO SYZ ASSET MANAGEMENT, UNTIL SEPTEMBER 2020

MARC SYZ, CEO SYZ CAPITAL

INTERNAL AUDIT

LIONEL NOETZLIN, Head of Internal Audit

EXTERNAL AUDITORS

PRICEWATERHOUSECOOPERS SA, pwc.ch

Biographies —

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, BANK SYZ LTD

Yvan Gaillard is the CEO of Bank Syz. He 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.

ALFONSO DEVECCHI MAS, AD-INTERIM CHIEF FINANCIAL OFFICER

Alfonso Devecchi joined Syz Group in 2020 as interim Chief Financial Officer. He started his career in banking audit and then consulting for KPMG, before holding a number of CFO positions in both the banking and industry. Amongst others, he led a start up in telecommunications to profitability as CFO and shareholder. He holds a Bachelor's degree from the Université de Fribourg and MBA from the California Coast University.

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 and worked at Credit Suisse First Boston in the Structured Products division. He holds an Executive MBA from INSEAD.

CARMEN HERBSTTRITT, CHIEF FINANCIAL OFFICER

Carmen Herbsttritt 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.



Syz Group unveils new, future-focused brand identity

As part of the celebrations for our 25th year of business, in February 2021 the Syz Group unveiled a new brand identity. Founded to challenge wealth management's status quo and offer innovative approaches to creating value for our clients – our new identity was created to symbolize this enduring pioneering spirit.

Designed as a dynamic, vibrant, hand-drawn signature, the new Syz logo is a strong reminder of the personal touch that still steers our family-led business.

“For the future...”, our brand tagline, captures the business' sustainable and innovative approach, offering our clients tailored advice for the long-term.

By combining a commercial leadership strategy with an emphasis on our clients' future plans and wellbeing we have strongly connected our business' identity with our core purpose.

Syz has continually evolved since 1996, starting by offering private clients access to alternative investment opportunities from which they were previously excluded – this was a revolutionary approach to helping clients thrive. Since then, the Group has continued to innovate to protect and grow clients' wealth with innovations such as investing in hidden gems with private equity investments.

Despite the challenges of the global pandemic, our recent client survey has shown how technology has helped us to not only maintain but often significantly increase client engagement despite travel coming to a halt. The brand relaunch, designed to reflect who we are and how our clients already perceive us, is part of our ongoing investment in better connecting with those who entrust their wealth to us. The redesign mirrors the entrepreneurial focus on building wealth from one generation of clients to the next. And it illustrates the spirit that has driven our business and offering from the very start.

Timely in these challenging times – the rebrand is a symbol of the Syz Group's commitment to continually evolve, deliver new opportunities, create more value for our clients, and build on our proven track-record. Drawing on insights from stakeholders from across the business, we want everyone involved with Syz – clients, prospect and our own people - to be able to identify with and be an ambassador of our brand.



VISUAL IDENTITY

When the time came to refresh the Syz identity, we wanted to create something that truly reflected and complimented the experience of meeting our people and visiting our offices. That meant creating an identity that was approachable and accessible, but bright, exciting

and inspirational too. Fresh and contemporary, our visual identity sets us apart from our competitors and brings our brand positioning to life with visuals that are modern and future focused.



At the heart of our visual identity is a vibrant signature – the Syz logo.

Inspired by the long history of great entrepreneurial businesses using a signature style logo as a mark of commitment – this personal touch underlines and guarantees our commitment to all that we do and offers our name as our bond.

THE SYZ GROUP'S COMPLIMENTARY BUSINESSES INCLUDE



A breath of fresh air for private clients



Banking and investments for independent managers



Democratising access to alternative investments



The independent choice for institutional clients

CAMPAIGN STRAPLINE

'For the future' is our campaign strapline. It embodies our brand positioning but presents itself as entirely client focused. We believe that 'For the future' combines our commercial strategy of developing the future of private banking, with our clients emphasis on their own

future plans and wellbeing. We use 'For the future' in our external marketing, advertising, and whenever we want to connect with clients and prospects.

For the future...

We built our business on listening to clients, the quest for good performance and delivering great service – revolutionary thinking then and now.

Welcome to the future of —

Sustainable

investing

We are —

Listening

& delivering

SYZ LENS – IMAGERY AND FOCUS BRACKETS

Our images are all about looking to the future. Diverse, just like our client base, each one features someone fixed on the horizon, looking forward. To add impact we've created a simple, practical, memorable, graphic device to make the images we use uniquely

ours. The brackets overlay an image highlighting the subject of focus – giving the impression that we're looking through the Syz lens.





Our Presence

Financière Syz SA

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