



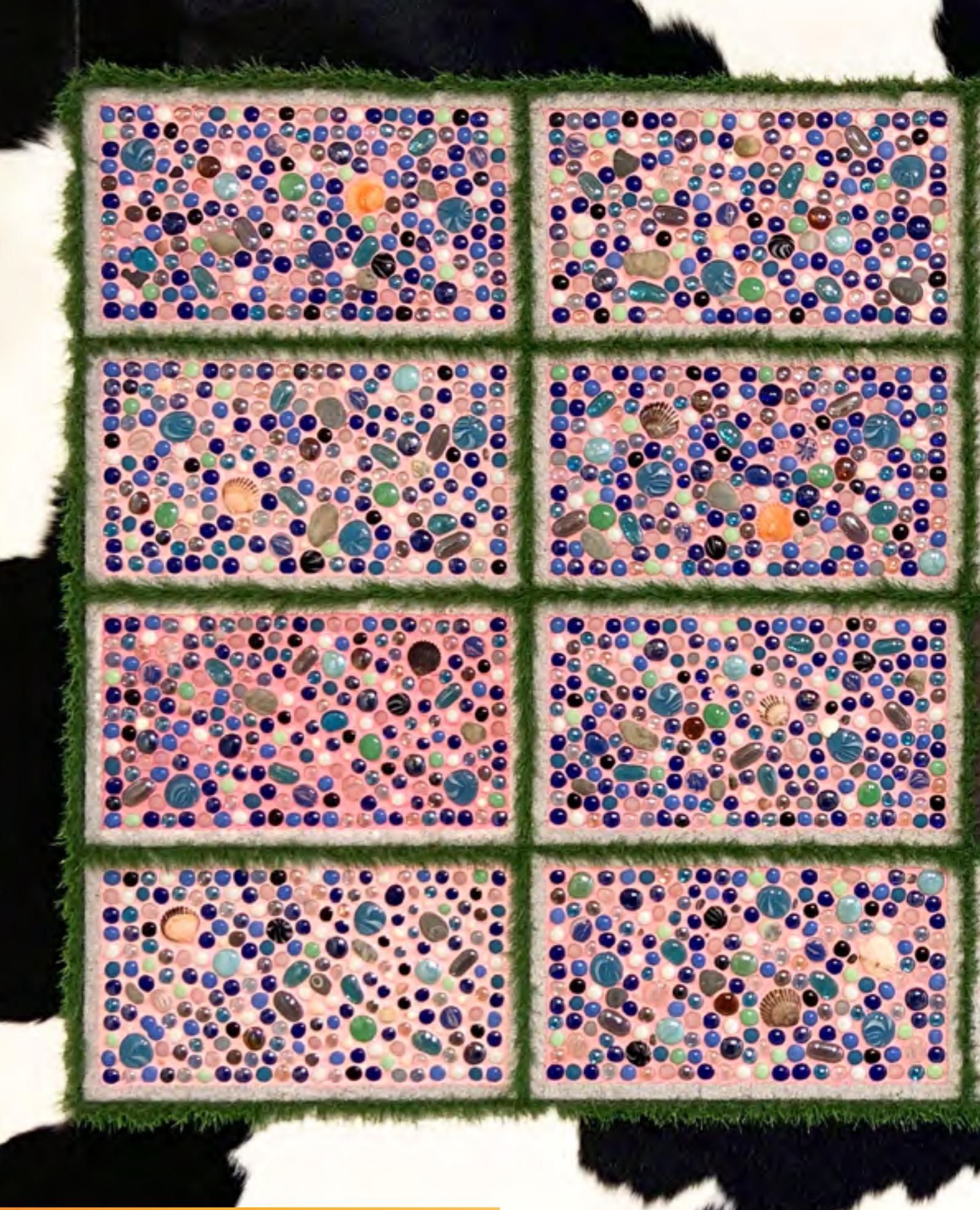
Bank Syz Ltd —

Annual Report

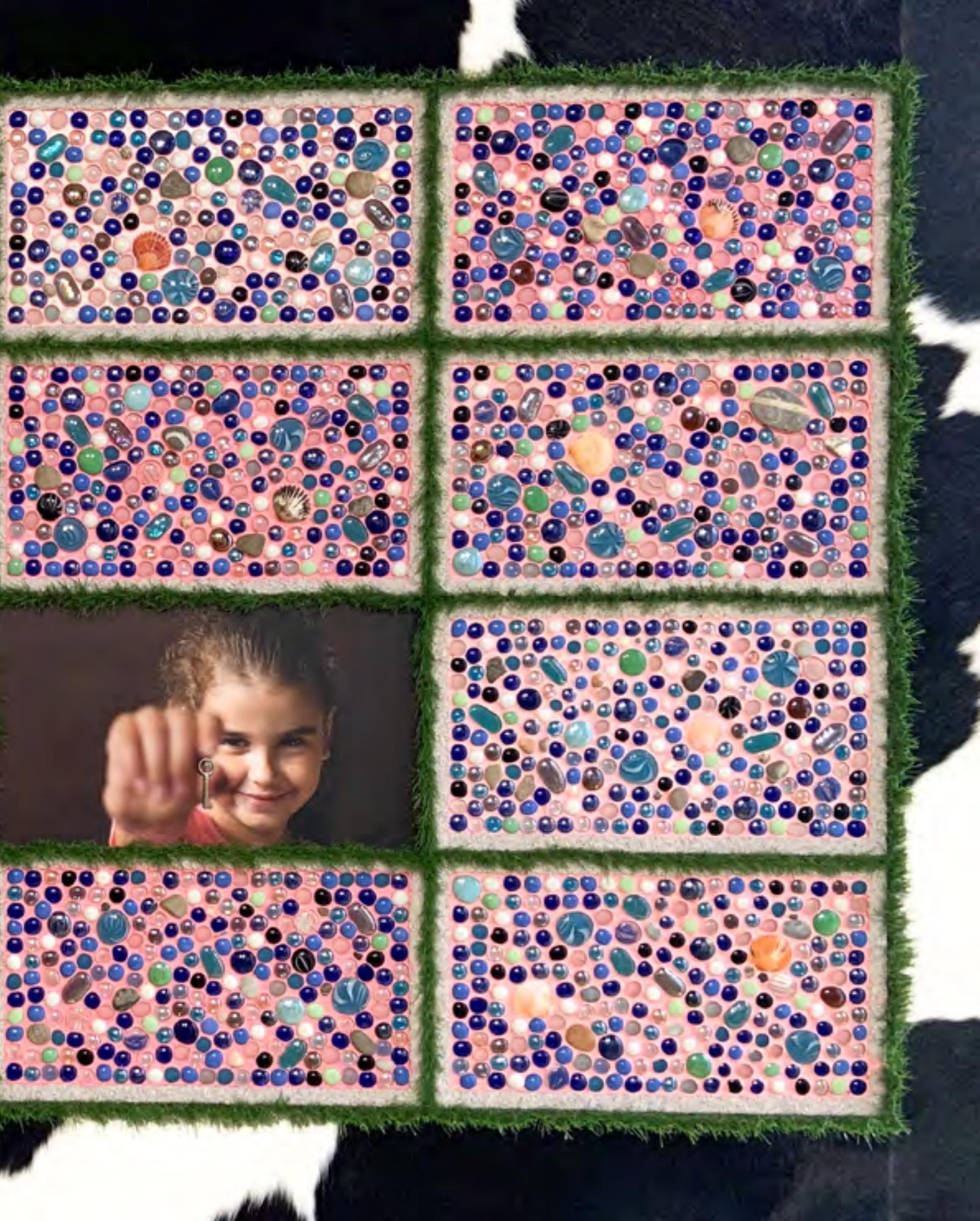
2023



2023
in review



Sarah Benslimane – *Dreamstime* (2022) mixed media 236×150 cm



Accelerating growth



Reflecting on the macroeconomic landscape of 2023, it was a year marked by significant volatility and a series of pivotal events. The regional bank crisis in the USA underscored vulnerabilities within the financial system, concurrently with the dramatic merger of Credit Suisse and UBS, which underscored the pressures within the global banking sector. This period was also characterised by a high-interest rate environment as central banks globally tightened monetary policies to combat inflationary pressures, affecting borrowing, spending, and investment.

Amidst these economic challenges, the tech sector witnessed a remarkable boom in artificial intelligence, notably with the emergence of the “Magnificent 7” tech companies, further reshaping industries and consumer behaviour. Moreover, the year was fraught with global geopolitical events, wars, and tensions that further complicated the economic outlook, challenging global trade, energy supplies, and international relations. These elements combined to define a year of significant economic complexity and uncertainty, influencing strategic decision-making across sectors.

Bank Syz recorded a solid set of results in 2023, despite the headwinds described above. This reflects the strength, talent, and resilience our teams have cultivated, and is a direct outcome of our effective and well-executed strategy, which places a high priority on delivering outstanding service to our clients. The Bank posted a net profit of CHF13.7 million, up 51% compared to 2022, despite assets under management decreasing slightly to CHF12.6 bn, largely due to market and currency effects. Our Common Equity Tier 1 (CET1) ratio, a measure of financial strength, rose to 31.5%, up from 26.6% in 2022.

In 2023, our bank achieved a multitude of strategic milestones, marking a year of growth and innovation. We expanded our capabilities significantly, welcoming new Relationship Managers and Investment Advisors across various regions to enhance our client service and coverage. A pivotal move in our strategic expansion was the appointment of a Head of Middle East, a testament to our commitment to developing our footprint in this key region. The Syz Independent Manager’s team forged an innovative partnership with Wize by TeamWork, further strengthening our External Asset Manager (EAM) offering.

In a nod to our longstanding commitment to excellence and growth, we celebrated the 20th anniversary of our presence in Zurich with an exciting announcement: the relocation in 2024 to new, state-of-the-art offices in the city’s heart. This move mirrors our Geneva setup, welcoming clients into art gallery-style offices as well as providing ample space for our expanding team. Our dedication to blending art with finance was further showcased by the tokenisation of a piece from the Syz Art Collection, “Dreamstime” by Sarah Benslimane. We distributed the unique tokens amongst our employees, making us co-owners of this artwork, while the physical piece itself now graces the reception area of our Geneva offices, symbolising our innovative approach to integrating art and finance.

The year 2024 is poised to unfold with its unique set of surprises, underscored by an unprecedented number of national elections worldwide, with those in the USA drawing particular attention. The speculation around interest rates is set to persist as central banks weigh the options of maintaining stability or opting for cuts. Our dedication to working alongside our clients, utilising our collective expertise, drive, and resilience, remains resolute. Our promise to deliver customised solutions and strategic advice stands firm, ensuring we are ideally positioned to leverage market dynamics to our clients’ advantage.

A handwritten signature in black ink, appearing to read 'P. Milliet'.

Philippe Milliet
Chairman, Board of Directors

A handwritten signature in black ink, appearing to read 'Y. Gaillard'.

Yvan Gaillard
CEO, Bank Syz Ltd



John Armleder – *Antennaria dioica* (2008) mixed media on canvas 200×300 cm

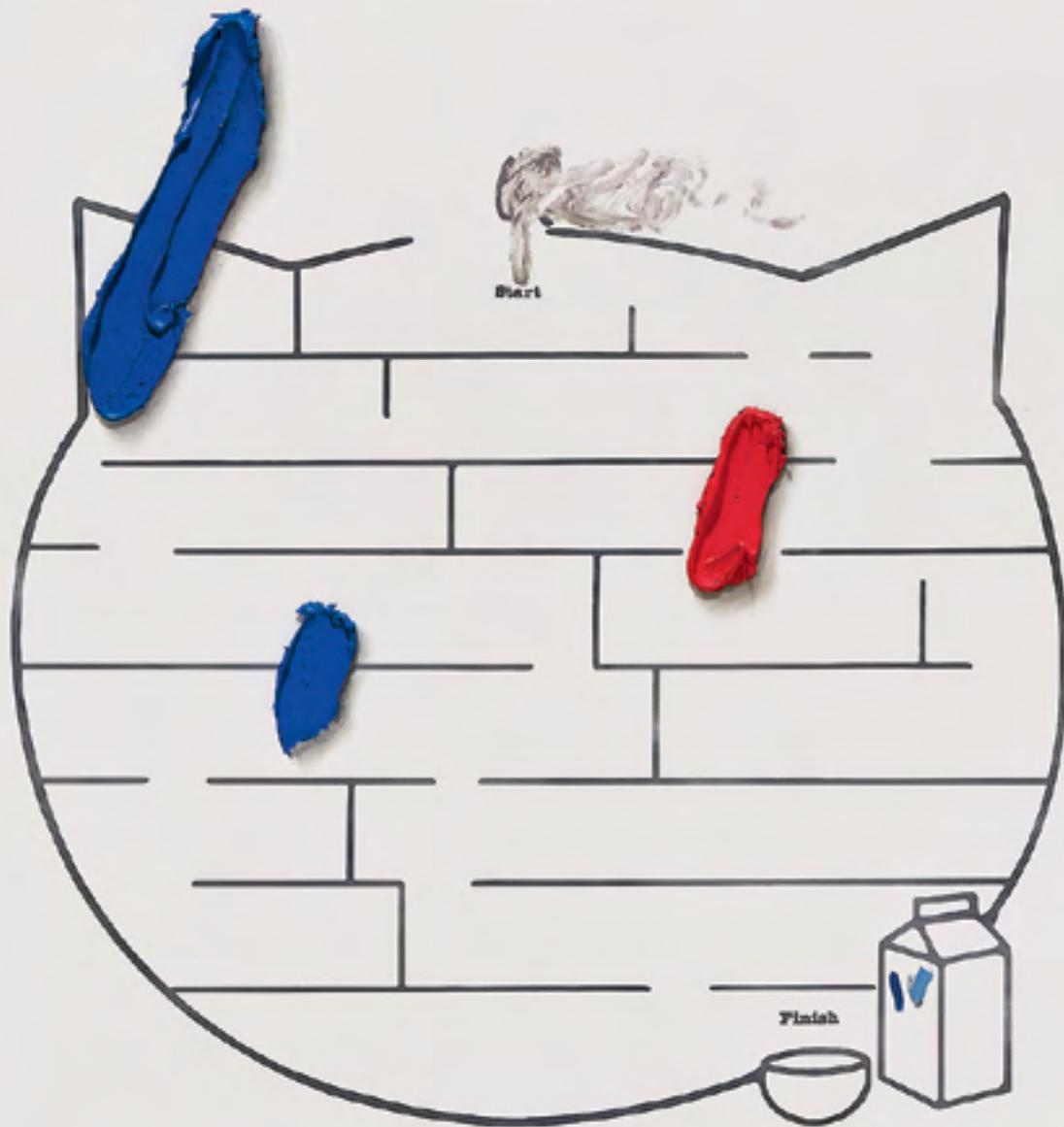
Annual Report 2023

Table of contents

Balance sheet	11
Income statement	12
Statement of changes in equity	13
Proposed appropriation of available earnings	14
Notes to the consolidated financial statements	
A. Business name, legal form and domicile	17
B. Accounting and valuation principles	17
C. Risk management	22
D. Information on the balance sheet	26
E. Information on off-balance sheet	35
F. Information on the income statement	36
Information on regulatory capital, leverage ratio and liquidity ratio	40
Report of the statutory auditor	42
Governance	46
Our Presence	51

4.

Help the cat find the milk.



See Answer Page

Balance sheet

at 31 December

	2023	2022
	CHF	CHF
Assets		
Liquid assets	377 931 559	413 771 878
Amounts due from banks	143 779 936	55 174 297
Amounts due from customers	595 502 665	734 849 875
Mortgage loans	115 345 300	95 538 050
Trading portfolio assets	11 219 359	14 844 137
Positive replacement values of derivative financial instruments	14 580 524	25 106 784
Financial investments	75 954 574	250 132 834
Accrued income and prepaid expenses	14 454 003	12 302 063
Participations	34	1 499
Tangible fixed assets	17 933 062	19 379 002
Intangible assets	10 027 074	14 813 110
Other assets	1 023 997	713 964
Total assets	1 377 752 087	1 636 627 493
<i>of which: Total subordinated assets</i>	<i>937 351</i>	<i>1 002 272</i>

Liabilities		
Amounts due to banks	136 267 600	57 628 231
Amounts due in respect of customer deposits	961 504 192	1 305 436 660
Negative replacement values of derivative financial instruments	17 076 244	23 325 703
Accrued expenses and deferred income	25 555 032	22 964 319
Other liabilities	3 019 999	3 487 515
Provisions	10 537 327	2 747 458
Reserves for general banking risks	4 870 000	-
Bank's capital	33 850 000	33 650 000
Statutory capital reserve	59 770 818	59 770 818
Statutory retained earnings reserve	2 669 000	2 669 000
Profit carried forward	108 947 789	115 913 207
Profit	13 684 086	9 034 582
Total liabilities	1 377 752 087	1 636 627 493
<i>of which: Total subordinated liabilities</i>	<i>-</i>	<i>-</i>

Off-balance sheet transactions		
Contingent liabilities	51 425 856	55 271 762
Irrevocable commitments	3 383 792	2 982 000
Obligations to pay up shares and make further contributions	47 267 759	65 251 821

Income statement

at 31 December

	2023 CHF	2022 CHF
Result from interest operations		
Interest and discount income	28 760 362	12 726 108
Interests and dividend income from financial investments	1 175 245	4 763 434
Interest expenses	(942 911)	228 946
Gross result from interest operations	28 992 696	17 718 488
Changes in value adjustments for default risks and losses from interest operations	(3 450 505)	(36 586)
Subtotal net result from interest operations	25 542 191	17 681 902
Result from commission business and services		
Commission income from securities trading and investment activities	77 344 297	87 273 552
Commission income from lending activities	393 739	458 694
Commission income from other services	1 840 614	1 919 501
Commission expenses	(12 305 024)	(13 725 202)
Subtotal result from commission business and services	67 273 626	75 926 545
Result from trading activities and the fair value option	17 339 117	15 632 091
Other result from ordinary activities		
Other ordinary income	1 105 811	1 176 263
Other ordinary expenses	(801 200)	(866 503)
Subtotal other result from ordinary activities	304 611	309 760
Operating expenses		
Personnel expenses	(59 829 294)	(56 805 944)
General and administrative expenses	(30 127 335)	(32 513 716)
Subtotal operating expenses	(89 956 629)	(89 319 660)
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(9 462 758)	(9 873 173)
Changes to provisions and other value adjustments and losses	9 351 153	(1 008 404)
Operating result	20 391 311	9 349 061
Extraordinary income	-	430 000
Extraordinary expenses	-	(36 800)
Changes in reserves for general banking risks	(4 870 000)	-
Taxes	(1 837 225)	(707 679)
Profit	13 684 086	9 034 582

Statement of changes in equity

	BANK'S CAPITAL CHF	CAPITAL RESERVE CHF	RETAINED EARNINGS RESERVE CHF	RESERVES FOR GENERAL BANKING RISKS CHF	VOLUNTARY RETAINED EARNINGS RESERVES AND PROFIT CARRIED FORWARD CHF	RESULT OF THE PERIOD CHF	TOTAL CHF
Equity at start of current period	33 650 000	59 770 818	2 669 000	-	115 913 207	9 034 582	221 037 607
Net change in retained earnings brought forward					9 034 582	(9 034 582)	-
Capital increase	200 000						200 000
Reserves for general banking risks				4 870 000			4 870 000
Dividend					(16 000 000)		(16 000 000)
Profit 2023						13 684 086	13 684 086
Equity at end of current period	33 850 000	59 770 818	2 669 000	4 870 000	108 947 789	13 684 086	223 791 693

Proposed appropriation of available earnings

	CHF
Profit	13 684 086
Profit carried forward	108 947 789
Distributable profit	122 631 875
Total at the disposal of the General Meeting	122 631 875
Allocation to statutory retained earnings reserve	-
Dividend payment	18 000 000
New amount carried forward	104 631 875





Heimo Zobernig – *Untitled* (1985) gouache on paper 21 × 29.7 cm

Notes to the financial statements

Business name, legal form and domicile

Bank Syz Ltd, Geneva is specialised in wealth management for a private and corporate, Swiss and foreign clientele and also grant secured loans.

The Bank's headcount at 31 December 2023, expressed in terms of full-time employments, amounted to 233.10 employees, compared to 222.75 employees at the end of the prior year.

Accounting and valuation principles

General principles

The accounting and valuation principles are based on FINMA Accounting Ordinance, the Code of Obligations, the Banking Act and its related Ordinance as well as the Accounting rules for banks, securities dealers, financial groups and conglomerates according to FINMA circular 2020/1.

The statutory single-entity financial statements present the economic situation of the Bank such that a third party can form a reliable opinion. The financial statements are allowed to include hidden reserves.

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 to be 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 counter-party 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

Loans 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 activities and 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, dealer price quotations, discounted cash flow and option pricing models.

The realised result from trading operations and the unrealised result from valuations relating to trading operations are recorded under "Result from trading activities and the fair value option".

Hedging purposes

The Bank may also use 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 as well as the goals and strategies of hedging operations are documented by the Bank at the conclusion of a derivative hedging transaction. The effectiveness of the hedge is regularly reviewed. In all cases, 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 risks 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 risks and losses from interest operations".

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

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

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

Participations

Participations owned by the Bank include equity securities of companies that are held for long-term investment purposes, irrespective of any voting rights.

Participations are valued at historical cost minus any value adjustments due to business reasons (i.e. economically necessary corrections).

Each participation is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets.

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 depreciation and amortisation of tangible fixed assets and intangible assets".

Realised gains from the sale of participations are recorded via the item "Extraordinary income" and realised losses are recorded via the item "Extraordinary expenses".

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 depreciation 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. 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 depreciation 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 expenses".

Intangible assets

Acquired intangible assets are recognised in the balance sheet if they yield measurable benefits for the Bank 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 depreciation and amortisation of tangible fixed assets and intangible assets". The estimated operating lives of specific categories of intangible assets are as follows:

- Goodwill: 7 to 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 depreciation 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 expenses".

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.

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 expenses and deferred income".

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

Reserves for general banking risks

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

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.

Pension benefit obligations

The employees are insured through Syz's pension fund. In addition, there is an executive staff insurance scheme. The organisation, management and financing of the pension fund comply with the legal requirements, the deeds of the foundation and the current pension fund regulations.

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

The Bank assesses whether there is an economic benefit or economic obligation arising from the pension fund as of the balance sheet date. The assessment is based on the contracts and financial statements of the pension fund (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. The Bank refers to a pension fund expert to assess whether a benefit or an obligation exists.

The employer contribution reserves without a waiver of use are recorded in "Other assets". If an economic obligation is identified, it is recorded in "Provisions". The difference with the corresponding value of the prior period is recorded in the income statement in "Personnel expenses".

Equity-based compensation schemes

Share plan

Under this plan, the Board of Directors determines each year the level of award, if any, of Bank Syz Ltd shares to the employees of the Group.

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. The costs related to the various options plans are accounted for as an expense. The liability is recorded in "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 of 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.

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 activities and the fair value option".

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

Closing rate	2023	2022
USD	0.8416	0.9252
EUR	0.9297	0.9874
GBP	1.0730	1.1129

Risk management

Risk assessment

Quarterly, the Board of Directors analyses the main risks the Bank is exposed to: essentially these concern financial, market, credit, operational 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 Bank 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 26 April 2023, the Board approved the Group-wide Risk Governance Framework and its appendices, which define the global risk appetite and trading portfolio limits. In its meeting of 25 January 2023 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 a 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 Bank 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 Bank is mainly exposed to default risks and risks relating to asset management (reputation and legal risks). In addition, it is exposed to operational risks.

Default risks

The default or credit risk represents the damage that the Bank 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 Bank is limiting credit risks through diversification, by being demanding the quality of debtors and through maintaining 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 approval process 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.

In accordance with Art. 25 para. 1 let. c ReIV-FINMA the Bank has determined an approach to apply value adjustments/provisions for non-impaired loans.

In the past years, the Bank has seen no material or significant increase in its provisions for impaired loans. Therefore, a calculation based on the historical values of the provisions made for impaired loans would probably not capture in full the latent default risks for non-impaired.

Instead the Bank will use the credit stress tests on non-impaired loans in order to set a reference maximum value of latent default risk.

Based on the credit stress test results, the Bank identified a reference amount for the value adjustment/provision on non-impaired loans.

The Bank will review this reference amount on a yearly basis using/updating the credit stress tests.

On 31 December 2023, the need for value adjustment for default risks of non-impaired loans is fully covered.

Market risks

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 Bank is exposed are:

Currency risk

The currency risk results from changes in the value of portfolios due to fluctuations in the currency market. The Bank'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 Risk department. The variation factors of these risks are mainly the size and maturity 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 clients in case of early repayment of their credits. In principle, risks relating to clients' credits exceeding one year are hedged with interest rate swaps.

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

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

Other market risks

To limit other market risks, which are essentially risks on positions in equity securities, the Bank 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 Bank 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 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 our own positions are 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 Bank'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 Bank has implemented an internal control system where controls are both centralised and decentralised. Key processes and controls are documented. Performance of decentralised controls is supervised by the Internal Control Department.

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

Compliance risks

The Compliance department monitors that the Bank 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 Compliance department keeps up to date with legal developments coming from the supervisory bodies, the government, the parliament and other organisms. It also supervises the updating of 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.

The Marketing and Communication department is responsible for effective reputation management of the Bank. It monitors articles published about the Bank and will contact the media as soon as the Bank's reputation might be at risk. Measures aimed at limiting risk to the Bank's reputation include notably analysing and pinpointing any areas of vulnerability, internal analysis and escalation procedures as well as rules of conduct applicable to staff. The 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 Bank grants mortgage credits secured by properties in Switzerland. The Bank applies loan to values in line with market practice. The Bank mandates an independent expert to carry out a full assessment of the property on the premises. The value retained is the market value of the property calculated by the expert in his report submitted on behalf of the Bank. 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 Bank 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 utilised and the credit position is closed out.

Unsecured loans

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

Process for determining the value adjustments and provisions.

Any new value adjustments and provisions needed are identified by the process described above. Furthermore, the known risk exposures already identified as at risk are reassessed at each balance sheet date and the value adjustments are made, if necessary. Committees assess and approve all of the value adjustments made for the risk exposures. Finally, approval is given by the Executive Management Committee 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 Bank 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 our own account and on behalf of clients.

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

Outsourcing

The Bank uses 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 Bank as of 31 December 2023.

Information on the balance sheet

1. Securities financing transactions (assets and liabilities)

The Bank has not undertaken any securities financing transactions.

2. Collateral for loans and off-balance sheet transactions, as well as impaired loans

	Type of collateral			TOTAL CHF
	SECURED BY MORTGAGE CHF	OTHER COLLATERAL CHF	UNSECURED CHF	
Loans (before netting with value adjustments)				
Amounts due from customers	2 535 000	517 673 741	84 254 439	604 463 180
Mortgage loans	115 345 300	-	-	115 345 300
<i>of which residential property</i>	109 009 800	-	-	109 009 800
<i>of which other</i>	6 335 500	-	-	6 335 500
Total loans current year (before netting with value adjustments)	117 880 300	517 673 741	84 254 439	719 808 480
Total loans previous year (before netting with value adjustments)	95 538 050	652 837 692	87 863 571	836 239 313
Total loans current year (after netting with value adjustments)	117 880 300	517 673 741	75 293 924	710 847 965
Total loans previous year (after netting with value adjustments)	95 538 050	652 837 692	82 012 184	830 387 926
Off-balance sheet				
Contingent liabilities	-	49 501 038	1 924 818	51 425 856
Irrevocable commitments*	-	-	3 383 792	3 383 792
Obligations to pay up shares and make further contributions	-	47 267 759	-	47 267 759
Total off-balance-sheet current year	-	96 768 797	5 308 610	102 077 407
Total off-balance-sheet previous year	-	119 454 037	4 051 546	123 505 583

*The amount deposited in cash with SNB for Esisuisse amounts to CHF 1 691 896.

	GROSS DEBT AMOUNT CHF	ESTIMATED LIQUIDATION VALUE OF COLLATERAL CHF	NET DEBT AMOUNT CHF	INDIVIDUAL VALUE ADJUSTMENTS CHF
Impaired loans				
Current year	8 817 515	-	8 817 515	8 817 515
Previous year	5 615 387	-	5 615 387	5 615 387

Impaired loans represent 1.2% of the total loans granted to customers as of 31 December 2023 (0.7 % as of 31 December 2022).

3. Trading portfolios

	2023	2022
Assets	CHF	CHF
Trading portfolio assets		
Debt securities, money market securities / transactions	10 848 506	14 238 421
<i>of which, listed</i>	10 848 506	14 238 421
Equity securities	370 853	605 716
Total trading portfolio assets	11 219 359	14 844 137
Total assets	11 219 359	14 844 137
<i>of which, determined using a valuation model</i>	-	-
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	4 579 740	9 692 917

4. Derivative financial instruments (assets and liabilities)

	Trading instruments			Hedging instruments		
	POSITIVE REPLACEMENT VALUES CHF	NEGATIVE REPLACEMENT VALUES CHF	CONTRACT VOLUMES CHF	POSITIVE REPLACEMENT VALUES CHF	NEGATIVE REPLACEMENT VALUES CHF	CONTRACT VOLUMES CHF
Foreign exchange / precious metal						
Forward contracts	1 091 968	2 076 718	146 215 932	-	-	-
Combined interest rate currency swaps	13 242 642	14 753 612	1 063 853 627	-	-	-
Options (OTC)	245 914	245 914	66 161 641	-	-	-
Total foreign exchange / precious metal	14 580 524	17 076 244	1 276 231 200	-	-	-
Equity securities / indices						
Total equity securities / indices	-	-	-	-	-	-
Total before netting agreements	14 580 524	17 076 244	1 276 231 200	-	-	-
<i>of which, determined using a valuation model</i>	14 580 524	17 076 244	1 276 231 200	-	-	-
Total previous year	25 106 784	23 325 703	1 578 762 357	-	-	-
<i>of which, determined using a valuation model</i>	25 106 784	23 325 703	1 578 762 357	-	-	-
Total after netting agreements	14 580 524	17 076 244	1 276 231 200	-	-	-
Total previous year	25 106 784	23 325 703	1 578 762 357	-	-	-
Breakdown by counterparty						
	CENTRAL CLEARING HOUSES CHF	BANKS AND SECURITIES FIRMS CHF	OTHER CUSTOMERS CHF			
Positive replacement values after netting agreements	-	10 058 882	4 521 642			

5. Financial investments

	Book value		Fair value	
	2023 CHF	2022 CHF	2023 CHF	2022 CHF
Debt securities	75 954 574	250 132 834	73 222 166	237 882 743
<i>of which, intended to be held to maturity</i>	75 954 574	250 132 834	73 222 166	237 882 743
Total	75 954 574	250 132 834	73 222 166	237 882 743
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	12 203 833	39 797 395	11 858 060	38 409 808

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	48 286 816	7 390 046	20 277 712	-	-	-

6. Participations

	ACQUISITION COST CHF	ACCUMULATED DEPRECIATION CHF	BOOK VALUE 31.12.2022 CHF	2023			BOOK VALUE 31.12.2023 CHF
				ADDITIONS CHF	DISPOSAL CHF	DEPRECIATION CHF	
Participations without market value	1 499	-	1 499	-	-	(1 465)	34

7. Companies in which the Bank holds a permanent direct or indirect significant participation

COMPANY NAME AND DOMICILE	BUSINESS ACTIVITY	CAPITAL (IN 1,000S) UYU	SHARE OF CAPITAL (IN %)	SHARE OF VOTES ¹ (IN %)	HELD DIRECT	HELD INDIRECT
Syz Wealth Management SA, Montevideo	Investment management	12	100	100	100	-

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

8. Tangible fixed assets

	2023							
	COST VALUE	ACCUMULATED DEPRECIATION	BOOK VALUE PREVIOUS YEAR	RECLASSIFI- CATIONS	ADDITIONS (INCLUDING EXCHANGE DIFFERENCES)	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES)	DEPRECIATION	BOOK VALUE CURRENT YEAR END
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Building renovation	13 168 100	(5 260 561)	7 907 539	3 762	115 174	-	(958 818)	7 067 657
Proprietary or separately acquired software	35 674 539	(26 953 120)	8 721 419	(78 344)	3 481 445	(153 131)	(3 391 123)	8 580 266
Other tangible fixed assets	10 510 506	(7 760 462)	2 750 044	74 582	339 317	-	(878 804)	2 285 139
Total tangible fixed assets	59 353 145	(39 974 144)	19 379 002	-	3 935 936	(153 131)	(5 228 745)	17 933 062

They are no off balance leasing commitment as at 31.12.2023.

9. Intangible assets

	2023						
	COST VALUE	ACCUMULATED DEPRECIATION	BOOK VALUE PREVIOUS YEAR	ADDITIONS (INCLUDING EXCHANGE DIFFERENCES)	DISPOSALS (INCLUDING EXCHANGE DIFFERENCES)	DEPRECIATION	BOOK VALUE CURRENT YEAR END
	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Goodwill	41 705 720	(26 892 610)	14 813 110	-	(740 010)	(4 046 026)	10 027 074
Total intangible assets	41 705 720	(26 892 610)	14 813 110	-	(740 010)	(4 046 026)	10 027 074

The above mentioned disposal follows the contractually update of the gross value of the goodwill calculated within the framework of the Share Purchase Agreement dated 24 June 2021 between the Bank and BHA Partners AG.

10. Other assets and other liabilities

	2023 CHF	2022 CHF
Other assets		
Indirect taxes	944 104	392 810
Clearing account	27 653	-
Other assets	52 240	321 154
Total other assets	1 023 997	713 964
Other liabilities		
Indirect taxes	1 722 997	1 767 614
Clearing expenses	117 481	119 589
Other liabilities	1 179 521	1 600 312
Total other liabilities	3 019 999	3 487 515

Other liabilities include mainly the remaining consideration to be paid related to the acquisition of BHA Partners SA for an amount of CHF 860 302 (compared to CHF 1600 312 for 2022), as per Share Purchase Agreement dated 24 June 2021.

11. Assets pledged or assigned to secure own commitments and assets under reservation of ownership

	2023		2022	
	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF	BOOK VALUES CHF	EFFECTIVE COMMITMENTS CHF
Liquid assets*	1 691 896	1 691 896	-	-
Amounts due from banks	13 991 583	8 849 267	4 416 927	4 779 871
Financial investments	10 752 731	10 571 411	14 389 446	4 663 649
Total pledged / assigned assets	26 436 210	21 112 574	18 806 373	9 443 520

*Esisuisse guarantee

12. Liabilities relating to own pension schemes, and number and nature of equity held by own pension schemes

	2023 CHF	2022 CHF
Liabilities relating to own pension schemes		
Amounts due in respect of customers deposits	1 792 843	3 904 058
Total	1 792 843	3 904 058

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

13. Employer contribution reserves

	NOMINAL VALUE AT CURRENT YEAR END	WAIVER OF USE AT CURRENT 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	2023 CHF	2022 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	
	CHF	2023 CHF	2022 CHF	CHF	CHF	2023 CHF	2022 CHF
Economic benefit / economic obligation and the pension benefit expenses							
Fondation de prévoyance de Banque Syz SA et sociétés affiliées	8 000 000	-	-	-	4 591 394	4 591 394	4 416 990

The employees are affiliated to a pension fund which covers the economic 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 both men and women. However, by accepting a reduction to their benefits, employees can retire earlier, starting at 58 for both men and 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 100.4% as of 31 December 2022. The pension institution's governing body estimates that the coverage ratio as of 31 December 2023 will be 104.2% (unaudited). 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 Bank has not issued any structured products.

15. Bonds outstanding and mandatory convertible bonds

The Bank has not issued any debenture bonds.

16. Value adjustments and provisions, reserves for general banking risks

	2023						
	PREVIOUS YEAR END CHF	USE IN CONFORMITY WITH DESIGNATED PURPOSE 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	2 747 458	-	-	-	7 789 869	-	10 537 327
Total provisions	2 747 458	-	-	-	7 789 869	-	10 537 327
Reserves for general banking risks*	-	-	-	-	4 870 000	-	4 870 000
Value adjustments for default and country risks	5 851 387	-	(341 376)	-	3 601 315	(150 811)	8 960 515
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	<i>5 615 387</i>	-	<i>(341 376)</i>	-	<i>3 601 315</i>	<i>(57 811)</i>	<i>8 817 515</i>
<i>of which, value adjustments for latent risks</i>	<i>236 000</i>	-	-	-	-	<i>(93 000)</i>	<i>143 000</i>

Provisions are mainly intended to cover a variety of risks relating to litigation, including any associated legal expenses, inherent to the Bank's activity.

*Those reserves are subject to Corporate Tax.

17. Bank's capital

	2023			2022		
	TOTAL NOMINAL VALUE CHF	NUMBER OF SHARES	CAPITAL ELIGIBLE TO DIVIDEND CHF	TOTAL NOMINAL VALUE CHF	NUMBER OF SHARES	CAPITAL ELIGIBLE TO DIVIDEND CHF
Share capital	33 850 000	3 038 500	33 850 000	33 650 000	3 036 500	33 650 000
Registered "A" shares of CHF 10 each with preferred voting rights, issued and fully paid	30 000 000	3 000 000	30 000 000	30 000 000	3 000 000	30 000 000
Registered "B" shares of CHF 100 each, issued and fully paid	3 850 000	38 500	3 850 000	3 650 000	36 500	3 650 000
Total bank's capital	33 850 000	3 038 500	33 850 000	33 650 000	3 036 500	33 650 000

Voting rights are determined according to the number of shares owned by each shareholder irrespective of the par value. Each registered share of CHF 10 gives one voting right.

18. Equity securities or options on equity securities held by all executives and directors and by employees

Under the equity-based compensation schemes, share options and share equity of Financière SYZ SA are granted to managers and employees. The schemes are described in note 18 of the annual report of Financière SYZ SA.

19. Related parties

	Amounts due from		Amounts due to	
	2023 CHF	2022 CHF	2023 CHF	2022 CHF
Holders of qualified participations	50 644 657	69 545 918	1 360 398	5 025 165
Linked companies	20	-	9 099 899	37 131 965
Transactions with members of governing bodies	2 742 408	2 255 226	1 010 588	301 052

Balance sheet transactions were granted to under market conditions.
The Bank has off balance sheet commitment of CHF 9 245 550 (CHF 4 447 857 - 31.12.2022) with Linked companies.

20. Holders of significant participations and groups of holders of participations with pooled voting rights

The following hold participations with more than 5% of voting rights :

	2023		2022	
	NOMINAL CHF	VOTING RIGHTS %	NOMINAL CHF	VOTING RIGHTS %
Direct participation				
With voting rights				
Financière Syz SA	30 000 000	98.73	30 000 000	98.80
Indirect participation				
Eric & Suzanne Syz	18 974 050	91.72	16 658 540	86.37
Stiftung für Mitarbeiter-Beiteiligungsmodelle der Financière Syz SA	3 513 410	8.11	3 084 650	7.12
Selmont A/S (Casper Kirk Johansen)	-	-	2 753 620	6.35

Selmont A/S sold his participation in Financière Syz SA to Financière Syz SA in June 2023.

21. Own shares and composition of equity capital

The Bank does not hold any own shares.

	2023 CHF	2022 CHF
Non-distributable legal reserves	16 925 000	16 825 000
Total non-distributable legal reserves	16 925 000	16 825 000

To the extent it does not exceed one-half of the share capital, the capital reserve and the statutory retained earnings reserve may be used only to cover losses or for measures designed to sustain the compagny through difficult times, to prevent unemployment or to mitigate its consequences.

There are no statutory limitations that apply to the distribution of the voluntary retained earnings reserve.

22. Equity participations held by the governing body and compensation report

Equity securities of the Bank are not listed on a stock exchange or similar institution.

23. Assets by credit rating of country groups (risk domicile view)

Net foreign exposure RATING CLASS	2023		2022	
	CHF	%	CHF	%
AAA	363 005 535	83.31	343 715 621	73.58
AA+ to AA-	–	n/a	37 216	0.01
A+ to A-	6 949 284	1.59	8 482 191	1.82
BBB+ to BBB-	19 696 901	4.52	3 880 418	0.83
BB+ to BB-	4 673 804	1.07	8 720 373	1.87
B+ to B-	1 461 797	0.34	16 628 428	3.56
CCC+ to D	10 222 439	2.35	22 823 711	4.89
Without rating	29 740 162	6.82	62 791 711	13.44
Total	435 749 922	100.00	467 079 670	100.00

The Bank uses the ratings of the Swiss Export Risk Insurance SERV.

Information on the off-balance sheet

24. Fiduciary transactions

	2023 CHF	2022 CHF
Fiduciary investments with third-party companies	739 851 271	644 150 086
Total fiduciary transactions	739 851 271	644 150 086

25. Managed assets

Breakdown of managed assets	2023 CHF	2022 CHF
TYPE OF MANAGED ASSETS		
Assets in collective investment schemes managed by the Bank	172 505 394	264 680 286
Assets under discretionary asset management agreements	4 517 281 723	4 817 514 384
Other managed assets	7 874 688 798	8 153 420 319
Total managed assets (including double counting)	12 564 475 915	13 235 614 989
<i>Of which double counted items</i>	<i>127 919 214</i>	<i>178 399 162</i>

Development of managed assets (including double counting)	2023 CHF	2022 CHF
TOTAL MANAGED ASSETS AT BEGINNING	13 235 614 989	15 438 984 559
+/- Net new money inflow or net new money outflow	(445 024 747)	(743 625 733)
+/- Price gains / losses, interest, dividends and currency gains / losses	(226 114 327)	(2 134 390 201)
+/- Other effects	-	674 646 365
Total managed assets at end	12 564 475 915	13 235 614 989

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

Other assets qualify as custody-only if the services rendered by the Bank are limited to those of custody and cash management. The Bank had no such assets as of 31 December 2023 and 2022.

Assets under discretionary asset management agreements comprise clients' deposits for which the Bank makes the investment decisions. Other managed assets include these 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 in the net new money calculation.

In 2022, other effects reflect transferred managed assets resulting from the reorganisation within the Group (BHA Partners AG), the discontinuation of certain asset management activities and the sale of portfolio of client assets to another Swiss Bank.

Information on income statement

26. Result from trading activities and the fair value option

	2023 CHF	2022 CHF
Breakdown by business area		
Private Banking (trading operations with clients)	16 365 453	13 537 350
Proprietary trading	973 664	2 094 741
Total	17 339 117	15 632 091
Breakdown by underlying risk and based on the use of the fair value option		
Equity securities	(1 543 972)	(1 210 990)
Foreign currencies	18 721 754	16 739 727
Commodities / precious metals	161 335	103 354
Total	17 339 117	15 632 091

27. Refinancing income

The Bank does not use the possibility of deducting financing from trading positions.

28. Personnel expenses

	2023 CHF	2022 CHF
Attendance fees / retainers paid to governing bodies and salaries	49 388 482	47 082 313
<i>of which expenses in relation to share-based remuneration and alternative forms of variable remuneration</i>	53 660	576 845
Social insurance benefits	8 722 383	8 458 691
Other personnel expenses	1 718 429	1 264 940
Total	59 829 294	56 805 944

29. Other operating expenses

	2023 CHF	2022 CHF
Office space expenses	5 727 690	6 013 766
Expenses for information and communications technology	3 491 584	3 302 056
Fees of audit firm	493 927	493 367
<i>of which, for financial and regulatory audits</i>	413 443	425 700
<i>of which, for other services</i>	80 484	67 667
Professional fees	2 126 047	5 016 073
Outsourcing	9 226 357	9 416 446
Other operating expenses	9 061 730	8 272 008
Total	30 127 335	32 513 716

30. Material losses, extraordinary income and expenses, material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

	2023 CHF	2022 CHF
Extraordinary income	-	-
Gain realised on the sale of specific customers assets	-	430 000
Total	-	430 000
Extraordinary expense		
Other fixed assets sale	-	(36 800)
Total	-	(36 800)

Changes in reserves for general banking risks was debited by CHF 4 870 000 for creation of reserves for general banking risks. In 2023, the Bank was able to close a longstanding legal case with a net positive outcome which resulted in the recognition of release of a net gain of CHF 17 million into the statement of income.

31. Indications and motivation for re-evaluations of participation and fixed assets up to the book value

The Bank has not reevaluated any position.

32. Presentation of current taxes, deferred taxes and disclosure of tax rate

	2023 CHF	2022 CHF
Current tax expenses	1 837 225	707 679
Total of taxes	1 837 225	707 679

Average tax rate weighted on pre-tax operating result is 9% for 2023 compare to 7.6% for 2022.



Lily van der Stokker – Nothing Really (2016) acrylic on canvas 393 × 187 cm



THING REALLY

Information on regulatory capital, leverage ratio and liquidity ratio (LCR)

as at 31 December

	2023 K CHF	2022 K CHF
Eligible capital		
Common Equity Tier 1 (CET1)	171 849	166 145
Tier 1	171 849	166 145
Total capital	171 849	166 145
Risk-weighted assets (amounts)		
Total risk-weighted assets (RWA)	545 348	625 392
Minimum capital requirement	43 628	50 031
Risk-based capital ratios as a percentage of RWA		
Common Equity Tier 1 ratio (%)	31.51	26.57
Tier 1 ratio (%)	31.51	26.57
Total capital ratio (%)	31.51	26.57
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 (%)	22.71	18.57
Targeted capital ratio in accordance with Annex 8 CAO (in % of RWA)		
Capital buffer in accordance with Annex 8 CAO (%)	3.2	3.2
Countercyclical buffer (Articles 44 and 44a CAO) (%)	0.2	0.1
CET1 target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	7.6	7.5
T1 target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	9.2	9.1
Total capital target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	11.4	11.3

	2023 K CHF	2022 K CHF
BASEL III Leverage ratio		
Total Basel III leverage ratio exposure measure	1 501 316	1 782 447
Basel III leverage ratio (%)	11.4	9.3
Liquidity Coverage Ratio		
Total HQLA	415 750	498 813
Total net cash outflow	239 656	338 011
LCR (%)	173.5	147.6
Net Stable Funding Ratio		
Total available stable funding	846 144	1 115 339
Total required stable funding	472 782	631 045
NSFR (%)	177.05	176.74

	2023-Q4 K CHF	2023-Q3 K CHF	2023-Q2 K CHF	2023-Q1 K CHF
Average liquidity coverage ratio				
Average stock of high quality liquid assets	424 866	261 151	309 236	502 235
Average net cash outflows	229 815	187 187	220 497	330 276
Average liquidity coverage ratio (in %)	184.9	139.5	140.2	152.1
	2022-Q4	2022-Q3	2022-Q2	2022-Q1
	159.2	181.3	198.9	202.2

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

Report of the statutory auditor

to the General Meeting of Bank Syz SA, Geneva

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bank Syz SA (the Company), which comprise the balance sheet as at 31 December 2023, income statement and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 11 to 37) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



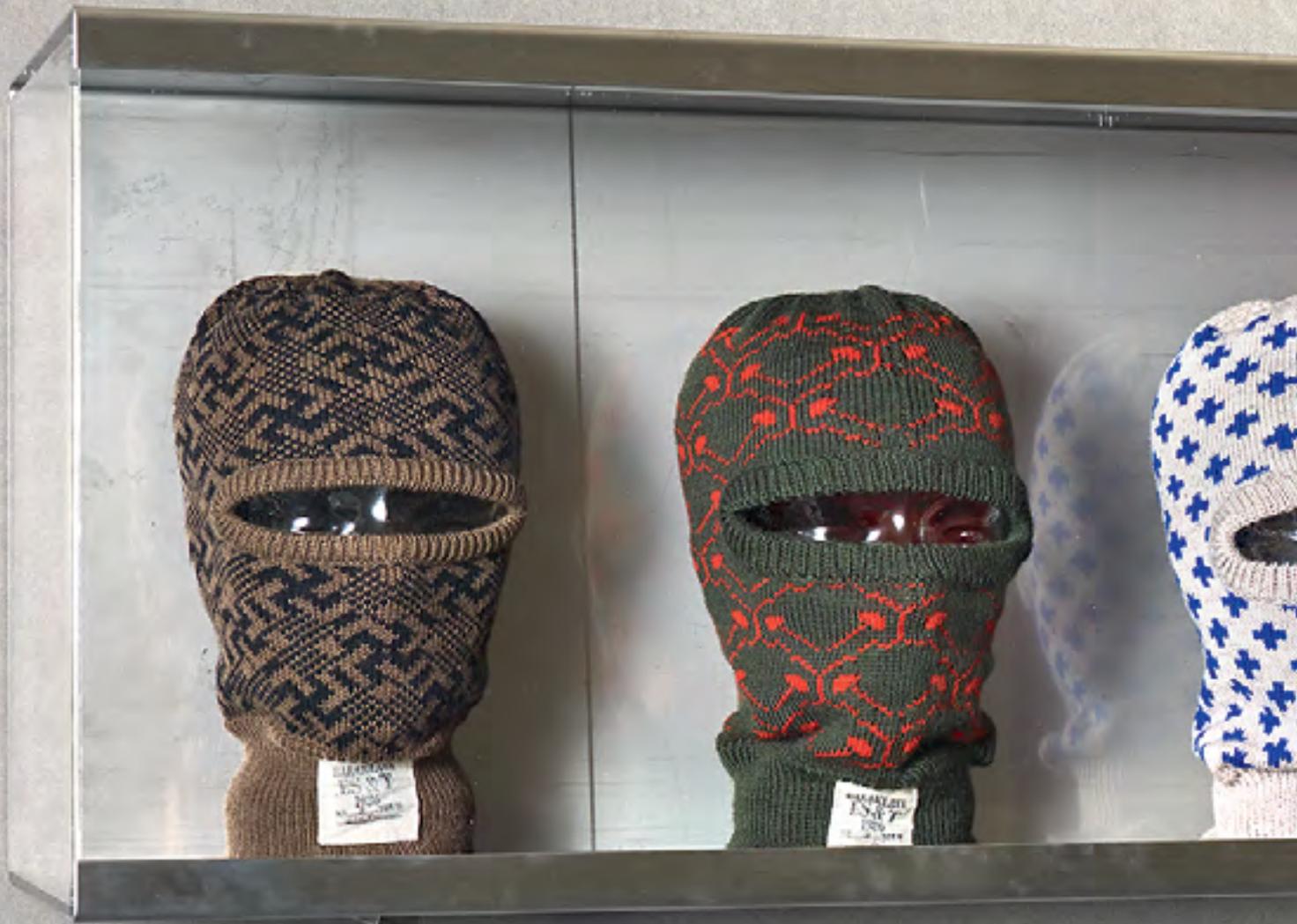
Christophe Kratzer
Licensed audit expert
Auditor in charge



Jonathan Derungs
Licensed audit expert

Geneva, 23 April 2024





Rosemarie Trockel – Balaklava (1986) wool 20×28 cm each



Governance

BANK SYZ LTD

Board of Directors

Philippe Milliet²

Chairman

Since April 2022

Jean-Blaise Conne^{1,2}

Vice-chairman

Since April 2019

Eric Syz

Member

Since April 2019

Suzanne Syz

Member

Since April 2019

Giovanni Vergani^{1,2}

Member

Since June 2019

Marlene Nørgaard Carolus³

Member

Since April 2020

Michael Ploog^{1,2}

Member

Since June 2023

1. Audit, risk and regulatory committee

2. Independent board member

3. Independent board member (since June 2023)

BIOGRAPHIES



Philippe Milliet

Chairman

Philippe Milliet is the current Chairman and has been a board member since 2019. He brings a diverse background to his role. Before his current positions, he held various leadership roles including CEO of Unicable, Head of Health Division at Galenica, and Head of the Sheet-Feed Business Unit at Bobst Group, after starting his career at McKinsey & Company. He is also a board member of Cendres + Métaux Holding SA, Banque Cantonale du Jura and Perrin Holding SA. He is trained as a pharmacist and holds an MBA from the University of Lausanne.



Jean-Blaise Conne

Vice-chairman

Jean-Blaise Conne plays a critical role on the boards and audit committees of multiple Swiss banks and insurance companies. He brings a wealth of experience from his 40-year tenure at PwC Switzerland, including roles in client management and as a FINMA licensed auditor. He was the lead auditor for several Swiss private banks, cantonal banks and funds.



Eric Syz
Member

Eric Syz founded Group Syz with Alfredo Piacentini and Paolo Luban in 1996. He began his finance career in London, later advancing to Wall Street, and eventually spent a decade with Lombard Odier in Geneva. His professional journey underscores significant achievements in asset management and financial services, making him one of the most iconic personalities of the Swiss financial industry.



Suzanne Syz
Member

Suzanne Syz, a pioneer in fine jewelry design, established her boutique in Geneva in 2002, drawing from her rich background in fashion across Zurich, Paris, and New York. Her journey includes significant encounters with contemporary art legends, influencing her collaborations with artists for jewelry displays since 2016.



Giovanni Vergani
Member

Giovanni Vergani founded ADDWISE, a consultancy specialising in Private Banking and Wealth Management, in 2014, following an 18-year career at Credit Suisse in the Private Banking division, holding several positions at MD level related to European and South American markets. He holds a PhD from the Swiss Federal Institute of Technology in Zurich (ETH).



Marlene Nørgaard Carolus
Member

Marlene Nørgaard Carolus is an innovative multi-family officer with a strong digital pedigree. As a prominent figure in Denmark's financial sector, she has been influential across various boards since 2004. Her career history includes significant leadership roles, notably at Danske Bank International. She holds an EMBA from Copenhagen Business School, supplemented by certificates from CBS, Harvard University, and Singularity University in California.



Michael Ploog
Member

Michael Ploog provides board and advisory services. He is a member of the board and the audit and risk committee of Swissquote Group Holding Ltd and Swissquote Bank Ltd where he previously held the position of CFO/CIO from 1999 to 2021. His earlier career includes positions in audit and corporate finance at PwC and Deloitte in Switzerland and the UK. He holds a Bachelor of Management Sciences from HEC Lausanne and is a Swiss certified public accountant.

Executive Committee

Yvan Gaillard
Chief Executive officer

Alexandre de Montbas
Group Chief Financial Officer

Catherine Motamedi
Group General Counsel

Philippe Turrian
Head of Client Solutions,
Marketing and Communications

Nicolas Syz
Head of Private Banking

BIOGRAPHIES



Yvan Gaillard
CEO, Bank Syz Ltd

Yvan Gaillard has led Bank Syz since 2019, initially joining the Syz Group in 2016. His prior experience includes 18 years at Pictet Group where he ended his tenure as COO of Pictet Wealth Management. He holds a Master of Science in Information Technology from the Swiss Federal Institute of Technology (EPFL).



Alexandre de Montbas
Group Chief Financial Officer

Alexandre de Montbas joined the Syz Group as CFO in 2021, bringing experience from PwC, the French Ministry of Foreign Affairs, the United Nations, and Pictet Wealth Management, where he was a member of the Executive Committee. He holds an MBA from INSEAD.



Catherine Motamedi
Group General Counsel

Catherine Motamedi joined Syz Group in 2020 as General Counsel. She transitioned from nearly 20 years in private practice to the Edmond de Rothschild Group in 2011, where she held several leadership and transversal roles including the supervision of the Legal and Tax Departments and building-up the Bank's Wealth Solution offering. Catherine is a Swiss qualified lawyer with a law degree from the University of Geneva.



Philippe Turrian

Head of Client Solutions, Marketing and Communications

Philippe Turrian joined Syz Group in 2022. Prior to joining Syz, he spent 12 years at Pictet Group where he held several leadership roles including Head of Marketing & Communication, Head of Wealth Solutions and Global COO for Pictet Wealth Management. He holds an MBA from INSEAD and is a CFA charterholder.



Nicolas Syz

Head of Private Banking

Nicolas Syz has been the Head of Private Banking at Syz Group since January 2019, overseeing all front office operations. He became Head of Business Development at Syz Group in February 2017, focusing on business support and product development. His previous roles include Equity Strategist at UBS and various positions at Firmenich, including Global Account Manager. Nicolas Syz earned a Master of Science in Management from HEC Lausanne, and a Master's degree in finance and Strategy from Sciences Po Paris.

Head of agencies

ZURICH

Dominik Staffelbach,
Head of Private Banking Switzerland

LOCARNO

Simone Crivelli, Head of Locarno Agency

LUGANO

Martino Manzoni, Head of Lugano Agency

Head of international locations

MONTEVIDEO

Rodolfo Rodriguez,
Managing Director of Syz Wealth Management SA

ISTANBUL

Pinar Akpınar Yüksel, Representative Officer Türkiye

JOHANNESBURG

Viviana Van Agtmaal,
Head of Johannesburg Representative Office

Internal Audit

Lionel Noetzlin,

Head of Internal Audit (until 30.11.2023)

Veronica Santangelo

Head of Internal Audit (since 1.12.2023)

External Auditors

PriceWaterhouseCoopers SA

pwc.ch



Sylvie Fleury – *First spaceship on Venus (2015)* fiberglass, glitter paint 120 × 120 × 340 cm

Our Presence

Our Offices

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Find the right expertise

Tell us about yourself and we'll get back to you with a team that understands your challenges, speaks your language, and is fluent in your region.

Impressum

Concept, design and text: Bank Syz Ltd

Art Pieces from the Syz Collection

Photos credits: Philippe Servent, Annik Wetter

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It is also available in PDF and digital format for download from our website,
syzgroup.com

