

SYZ Group delivers strategic overhaul in transformative year

- Banque SYZ delivers strong private banking results with a net profit of CHF 7.1 million
- Group AuM was CHF 27.4 billion at end-2019
- Group posts consolidated net loss of CHF -25 million predominantly linked to outflows of SYZ Asset Management's Oyster Fund range which has been sold
- Group Equity Tier 1 Capital ratio increases to 23.1%

Geneva, 19 May 2020 – Banque SYZ delivered strong results in 2019 as the Group implemented a series of transformative steps, consolidating activities, enhancing strategic focus and managing costs to position itself for the years ahead.

The Group's overall strength increased further as the Equity Tier 1 Capital ratio rose to 23.1%, compared with 21.3% in 2018, far in excess of the Swiss regulatory minimum. The liquidity coverage ratio stood at 236%, further enhancing SYZ's independence and financial strength.

"At this turning point in the SYZ Group's history, it is clear that the future will continue to offer challenges and opportunities, and so we have adapted to stay focused on putting clients' needs and ambitions first," said **Eric Syz, CEO of SYZ Group**. "Our business model is not and has never been, about growth at any price. We continue to offer clients a choice of services and fee models and believe in being as transparent as possible while addressing any potential conflicts of interest."

The SYZ Group recently reported the private bank's annual results separately for the first time this year, in an effort to provide clients with greater transparency about this business. The private bank successfully navigated the complexities of the late-cycle bull market, as the discretionary and advisory portfolio management teams provided clients with top-quartile performance in USD, CHF and EUR portfolios. The Group also created a mutually beneficial partnership for SYZ Asset Management's Luxembourg management company and SYZ Capital registered solid returns in its first full year.

Group operating profit declined as SYZ Asset Management's OYSTER fund range suffered multiple headwinds, including deteriorating market sentiment, which led to further outflows. Faced with a perfect storm for long-only active strategies, the Group decided to forge a more global distribution partnership by selling its Luxembourg business and the CHF 2 billion OYSTER SICAV vehicle to iM Global Partner, thereby offering its private banking clients access to a broader range of excellent fund managers. Given the changing nature of the asset management industry which is becoming more challenging for all but the very largest of the world's fund providers, whether they are on the passive or active side, this was the most sustainable option for clients, employees and the Group as a whole. The Group is working to re-define the service offering of SYZ Asset Management's Swiss and European subsidiaries, which largely supported the Oyster Fund distribution platform. The Group's CHF10b Zurich-based institutional business has been segregated into its own FINMA regulated subsidiary.

The SYZ Group managed CHF 27.4 billion for clients at 31 December 2019 (compared to CHF 28.8 billion in 2018) and recorded a net loss of CHF 25 million, predominantly linked to outflows of SYZ Asset Management's Oyster Fund range, as well some one time write offs.

Banque SYZ reported a net profit of CHF 7.1 million for 2019, thanks to strong performance and growth of its private banking business. Banque SYZ also continued to centralise custody services from Switzerland and concentrated on core markets in order to offer clients the best possible service. Implementing this strategy, the bank made several significant hires in Switzerland.

Strategic transformations

Last year, the Group appointed three independent CEOs, each with operational responsibility for a business line. This allowed Eric Syz, co-founder and Group CEO, to concentrate on client relationships and overall strategy.

Yvan Gaillard, previously Group Chief Operating Officer, took over as CEO of Banque SYZ in February 2019. Mr Gaillard continues to enhance the robust, institutional investment process for private clients that enabled the bank to deliver strong 2019 results, with strong outperformance that continues into 2020.

Will Nott joined the firm at the start of the year as CEO of SYZ Asset Management. Under his leadership, SAM professionalized its relations with UNPRI and improved its rating. The fund range was reorganized and rationalized, and multiple partnerships and acquisitions were evaluated. Will and his team were critical in finding the right solution for the sale of SAM Luxembourg and the Oyster fund range given the profit pressure which the business faced.

SYZ Capital, with Marc Syz at the helm, has brought innovation to private market investments, which have historically been the preserve of institutional investors. SYZ Capital offers private clients the opportunity to invest alongside the Syz family and Group across a range of strategies that are uncorrelated to more traditional capital markets. In 2020, SYZ Capital broadened its alternatives offering to develop the Group's expertise in both illiquid and liquid alternatives including hedge fund solutions that were previously available under Banque SYZ and SYZ Asset Management. The business now manages over CHF 1 billion on behalf of clients.

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About SYZ Group

Founded in 1996 in Geneva, SYZ is a Swiss banking group experiencing strong growth, focusing exclusively on asset management via four complementary business lines: high-level private banking, institutional asset management, independent managers and private markets. SYZ offers private and institutional investors an investment style based on active management and risk management aimed at absolute performance. The Group has substantial equity and enjoys its status as an independent company due to its family shareholding structure.

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