



€40,000,000 Syz Fiduciary Certificates

Issued on a fiduciary basis by

J.P. Morgan Bank Luxembourg S.A.

(incorporated as a public limited liability company (société anonyme / Aktiengesellschaft) incorporated under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B-10.958)

*For the purposes of subscribing for 40,000 Participation Securities in
Banque Syz & Co SA*

and

*40,000 Non-voting Preferred Securities in Syz & Co Finance Limited,
a wholly-owned subsidiary of Banque Syz & Co SA*

Issue price: 100%

The Syz Fiduciary Certificates are issued on a fiduciary basis by J.P. Morgan Bank Luxembourg S.A., a bank licensed in Luxembourg and incorporated as a public limited liability company (société anonyme / Aktiengesellschaft) under the laws of the Grand Duchy of Luxembourg (the "Fiduciary"). The Syz Fiduciary Certificates are divided into certificates (the "Certificates" and each a "Certificate") in registered form in the nominal amount of €1,000 each. All references in this Listing Prospectus to the Certificates being issued by the Fiduciary shall be understood to mean that the Certificates are being issued by the Fiduciary on a fiduciary basis.

With the proceeds of the issue of the Certificates, the Fiduciary will, in its own name, on a fiduciary basis, but at the sole risk and for the exclusive benefit of the holders of the Certificates (the "Certificateholders" and each a "Certificateholder"), acquire 40,000 non-voting fully paid registered participation certificates (Bons de participation / Partizipationsscheine) of class A with a nominal value of CHF25 each (the "Participation Securities" and each a "Participation Security") issued by Banque Syz & Co SA (the "Bank") and 40,000 no-par value non-voting preference shares in the paid-up amount of €0.01 each (the "Preferred Securities" and each a "Preferred Security") issued by Syz & Co Finance Limited ("Syz Finance"), a wholly-owned subsidiary of the Bank.

Each Certificate evidences the existence of a fiduciary contract governed by the Luxembourg law dated 27 July 2003 relating to trust and fiduciary contracts (the "Trust and Fiduciary Contracts Law 2003") between the holder thereof and the Fiduciary. The Fiduciary is only obliged to make payment to the Certificateholders when, as, if, and to the extent that, it receives payment under the Participation Securities and the Preferred Securities. The Certificates do not constitute direct debt obligations of the Fiduciary. By subscribing to, or acquiring, the Certificates, the Certificateholders shall be deemed to have acknowledged and agreed that the Fiduciary's payment obligations under the Certificates are conditional upon the due performance by the Bank and Syz Finance of their obligations under the Participation Securities and the Preferred Securities respectively.

Subject as provided above, non-principal distributions ("Non-Principal Distributions") will be paid on 29 June in each year, commencing on 29 June 2007. See "Terms and Conditions of the Certificates - Non-Principal Distributions".

The Certificates shall be redeemed, in whole but not in part, by the Fiduciary at any time following the purchase by the Bank, Financière Syz & Co SA ("Financière Syz") or a person or entity designated by the Bank (a "Permitted Transferee") of all of the Participation Securities and the redemption by Syz Finance of the Preferred Securities. Upon the occurrence of such purchase of the Participation Securities and the redemption of the Preferred Securities triggered thereby, each Certificateholder will receive a pro rata share of the amounts received by the Fiduciary in respect of the purchase of the Participation Securities and the redemption of the Preferred Securities.

The Certificates are expected to be assigned on issue a rating of Baa2 by Moody's Investors Services, Inc.

See "Investment Considerations" for a discussion of certain factors that should be considered by prospective investors.

Application has been made to admit the Certificates to the official list of the Luxembourg Stock Exchange and application has been made to admit the Certificates to trading on the Luxembourg Stock Exchange's EuroMTF Market (the "EuroMTF Market"). This Listing Prospectus may only be used for the purposes for which it has been published. The Certificates will not be publicly offered in the Grand Duchy of Luxembourg. The Listing Prospectus will constitute listing particulars for the purposes of the listing rules of the Luxembourg Stock Exchange.

The Certificates are represented by a global certificate in registered form, which was registered in the name of a nominee for, and deposited on 7 November 2006 (the "Issue Date") with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg").

Subject as set out below, each of the Bank and Syz Finance, having made all reasonable enquiries, confirms that this Listing Prospectus contains or incorporates all information which is material in the context of the Certificates and (in the case of the Bank) all information with respect to the Bank, its affiliates and subsidiaries taken as a whole (the “**Group**”), that the information contained or incorporated in this Listing Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Listing Prospectus are honestly held and that there are no other facts the omission of which would make this Listing Prospectus or any of such information or the expression of any such opinions or intentions misleading. Subject as set out below, each of the Bank and Syz Finance accepts responsibility accordingly. The Fiduciary accepts responsibility for the information contained in the first paragraph of the section entitled “The Fiduciary and the Fiduciary Contract” but has not separately verified, and accordingly does not accept responsibility for any other information contained in this Listing Prospectus.

This Listing Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Lead Manager to subscribe for or purchase any of the Certificates. The distribution of this Listing Prospectus and the offering of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Prospectus comes are required by the Issuer, and the Lead Manager to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Certificates and distribution of this Listing Prospectus, see “Subscription and Sale”.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by Syz Finance, the Bank, the Fiduciary or the Lead Manager (as defined under “Subscription and Sale”). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Fiduciary, Syz Finance, or the Bank since the date hereof. This document does not constitute an offer of, or an invitation by, or on behalf of, the Fiduciary, Syz Finance, the Bank or the Lead Manager to subscribe for, or purchase, any of the Certificates. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Lead Manager has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager as to the accuracy or completeness of the information contained in this Listing Prospectus or any other information provided by the Fiduciary, Syz Finance, or the Bank in connection with the Certificates, the Participation Securities or the Preferred Securities or their distribution.

The Lead Manager and the Fiduciary make no representation, warranty or undertaking, express or implied and accept no responsibility or liability in respect of the legality, validity or enforcement of the Participation Securities or the Preferred Securities, the performance and observance by the Bank and Syz Finance of their obligations in respect of the Participation Securities and the Preferred Securities, respectively or the recoverability of any monies due or to become due thereunder.

This Listing Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Fiduciary, Syz Finance, the Bank or the Lead Manager that any recipient of this Listing Prospectus should purchase any of the Certificates. Each investor contemplating purchasing Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Fiduciary, Syz Finance and the Bank.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Certificates may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Certificates and on distribution of this document, see “Subscription and Sale”.

All references in this document to “**CHF**” and “**Swiss francs**” are to the lawful currency of Switzerland, all references to “**U.S. Dollars**”, “**U.S.\$**”, “**USD**” and “**\$**” are to the lawful currency of the United States of America and all references to “**£**” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland and all references to “**Euro**”, “**EUR**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

Certain monetary amounts in this Listing Prospectus have been subject to rounding adjustments, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

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DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Bank or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Listing Prospectus to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Listing Prospectus.

The audited statutory financial statements of the Bank (including the notes thereto and the auditors' reports) as at, and for the years ended 31 December 2004 and 2005, prepared in accordance with generally accepted accounting principles for banks in Switzerland ("Swiss GAAP") are incorporated herein by reference. The unaudited financial information of the Bank as at and for the nine-month period ended 30 September 2006 is also incorporated herein by reference.

Documents incorporated by reference into this Listing Prospectus will, for so long as any Certificates are outstanding, be available free of charge at the specified office of the Paying Agents and at the registered offices of the Bank.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Certificates.

INVESTMENT CONSIDERATIONS

Prospective investors should carefully consider the following information in conjunction with the other information contained in this Listing Prospectus.

No Payment Obligations of the Fiduciary

The Certificates do not constitute direct debt obligations of the Fiduciary. The Fiduciary's payment obligations in respect of each Certificate are conditional upon the due performance by the Bank of its obligations under the Participation Securities and by Syz Finance of its obligations under the Preferred Securities, respectively and in any event upon the declaration of Dividends or Distributions for the relevant Payment Date and the receipt by the Fiduciary of the corresponding payments.

In the event that the Bank and/or Syz Finance fail in whole or in part to make payments when such payments are due and payable under the Participation Securities or the Preferred Securities respectively, the Fiduciary will not be obliged to make good any shortfall from its own funds and will not be obliged to make any payments to the Certificateholders. The Fiduciary assumes no responsibility with regard to the financial condition of the Bank or Syz Finance or the legality or enforceability of the Participation Securities or the Preferred Securities. The Fiduciary's rights under the Participation Securities and the Preferred Securities are fiduciary assets of the Fiduciary and are held solely at the risk and for the account of the Certificateholders. Under the terms and conditions of the Certificates and the Fiduciary Contract, the Fiduciary has extremely restricted disclosure obligations to the Certificateholders and is liable only in very limited circumstances. The Certificateholders, by accepting any Certificates, have agreed to all the provisions of the Fiduciary Contract applicable to it and of this section "Investment Considerations".

Limited Recourse

The entitlement of the Certificateholders to receive payments in respect of the Certificates is entirely dependent upon the receipt by the Fiduciary of dividends/distributions (if any) and/or liquidation, redemption and/or other proceeds (if any) that the Fiduciary receives from its investment in the Participation Securities and the Preferred Securities. The Certificateholders do not possess directly enforceable rights, whether by way of a security interest or otherwise, in relation to the Participation Securities and the Preferred Securities themselves. Apart from the dividends/distributions (if any) and/or liquidation, redemption and/or other proceeds (if any) in respect of the Participation Securities and the Preferred Securities, none of the other assets or sources of revenue of Syz Finance or the Bank are available to satisfy payment obligations under the Certificates.

The Fiduciary is not required to request, control or demand any information or document issued by or relating to the Bank and/or Syz Finance, nor seek any remedy nor take any enforcement action in connection with the Participation Securities or the Preferred Securities unless requested to do so by the Certificateholders and duly indemnified therefor all as more fully explained in the section "Terms and Conditions of the Certificates".

Multiple Credit Risk

The Certificateholders will be assuming credit risk in relation to both Syz Finance and the Bank.

Accordingly, the Certificateholders may suffer direct and materially adverse consequences, including, but not limited to, non-payment of distributions on the Certificates, in circumstances where the financial condition of the Bank and/or Syz Finance deteriorates.

Non-principal Distributions Non-Cumulative

Dividend payments on the Participation Securities and Distribution payments on the Preferred Securities are non-cumulative. Accordingly, distributions on the Certificates are also non-cumulative and will be paid on each Payment Date solely out of dividends and distributions received by the Fiduciary from its investment in the Participation Securities and the Preferred Securities. If a Dividend is not paid on the

Participation Securities or a Distribution on the Preferred Securities in respect of any given dividend period, no corresponding distribution will be due and payable under the Certificates for the corresponding distribution period even if Dividend payments under the Participation Securities or Distribution payments under the Preferred Securities respectively are resumed at a later date.

Obligations of the Bank and Syz Finance and Non-principal Distributions Subject to Approval by the Shareholders of the Bank and the Board of Directors of Syz Finance, respectively

Distributions under the Certificates (including payment of additional amounts) are subject to dividends being declared and paid on the Participation Securities and/or distributions being declared and paid on the Preferred Securities. Any declaration of Dividends (including payments of additional amounts, as the case may be) on the Participation Securities is at the full discretion of the Bank's Annual General Meeting which decides upon recommendations of the Board of Directors of the Bank. As a consequence, the Bank will only incur obligations under the Participation Securities if, when and to the extent the Bank's AGM (as defined below) has approved the declaration and payment of Dividends. Any declaration of Distributions on the Preferred Securities is at the full discretion of the Board of Directors of Syz Finance. The Bank's Annual General Meeting can only approve a dividend to the extent that the Bank has distributable profits and distributable reserves, and that the declaration of the dividend does not lead to a breach of applicable capital adequacy or liquidity regulations. In addition, the Board of Directors of Syz Finance can only declare a Distribution on the Preferred Securities if the Bank's general meeting (*Assemblée générale / Generalversammlung*) has given its consent thereto and to the extent that Syz Finance has distributable profits and distributable reserves. The proceeds from the issue of the Participation Securities will be part of the nominal capital and the general reserves of the Bank, and the proceeds from the issuance of the Preferred Securities will be part of the nominal capital of Syz Finance; as such, these proceeds do not form part of the distributable reserves of the Bank or of Syz Finance, respectively.

Discretion of the Board of Directors and the Shareholders of the Bank

Provisions of the Fiduciary Assets Agreement require the Bank to undertake all reasonable endeavours to have an AGM on each Payment Date convened and to ensure that the proposal is submitted to its AGM to declare or authorise a Dividend and to consent to a Distribution by Syz Finance. The shareholders of the Bank are not bound by recommendations or proposals by its Board of Directors. Further, under Swiss law, the submission of proposals to shareholders' meetings is one of the non-transferable and inalienable duties of the Board of Directors. The members of the Board of Directors of the Bank have wide discretion in exercising such duties and, as a matter of Swiss company law, are not bound by the obligations of the Bank under the Fiduciary Assets Agreement. As a result, there can be no assurance that any action of the Bank under the Fiduciary Assets Agreement which requires Board of Directors' action or shareholder approval will in fact be undertaken or completed.

Perpetual Nature of the Certificates

The Certificates have no fixed final redemption date and Certificateholders have no right to redeem the Certificates. Although the Fiduciary shall redeem the Certificates in the prescribed circumstances as set out in Condition 4 of the Certificates, the Certificateholders should nevertheless be aware that they may be required to bear the financial risks of an investment in the Certificates for an indefinite period of time.

No Limitation on Senior or *Pari Passu* Ranking Securities

The Bank will not be prohibited from issuing or guaranteeing, or otherwise assuming liability arising from, other securities ranking *pari passu* with or senior to its obligations under the Participation Securities, provided that the Bank will not be permitted to issue or guarantee, or otherwise assume liability arising in relation to, any securities ranking senior to its obligations under the Participation Securities that qualify as core capital (*Fonds propres de base / Kernkapital*) for bank regulatory purposes under the applicable provisions of Swiss bank regulatory law. Syz Finance will only be permitted to issue or guarantee, or otherwise assume liability arising in relation to, other securities ranking *pari passu* with or junior to its obligations under the Preferred Securities.

Subordinated Nature of Claims

In the event that the Bank is liquidated, the rights of the Fiduciary as holder of Participation Securities in the Bank would rank junior to all liabilities of the Bank to its creditors (including, without limitation, depositors with, and general creditors and subordinated debt holders of, the Bank) as well as to claims of holders of securities issued by the Bank which rank senior to the Participation Securities. The Participation Securities currently rank in priority only to all other classes of shares of the Bank, and the Preferred Securities currently rank in priority only to all other classes of shares of Syz Finance. Consequently, the assets of the Bank would be available to the Fiduciary in respect of its holding of Participation Securities to satisfy the obligations of the Fiduciary under the Certificates only after all payments had been made in full in respect of such liabilities and claims and, as a result, any such assets might only be available to the Fiduciary after a long delay. In the event that Syz Finance is wound up, liquidated or dissolved, the rights of the Fiduciary as holder of Preferred Securities in Syz Finance would rank junior to all liabilities of Syz Finance to its creditors as well as to claims of holders of senior indebtedness incurred by Syz Finance. Consequently, the assets of Syz Finance would be available to the Fiduciary in respect of its holding of Preferred Securities to satisfy the obligations of the Fiduciary under the Certificates only after all payments had been made in full in respect of such liabilities and claims and, as a result, any such assets might only be available to the Fiduciary after a long delay.

Absence of Prior Public Markets

Prior to the issue of the Certificates there will have been no public market for the Certificates. Although application has been made for the Certificates to be admitted to the official list of the Luxembourg Stock Exchange and trading on the Luxembourg Stock Exchange's EuroMTF Market, there can be no assurance that an active secondary market for the Certificates will develop and, if such a market were to develop, the Lead Managers is under no obligation to maintain such a market and no assurance can be given as to whether such a market will be liquid or whether the market will continue for the life of the Certificates. The liquidity and market price of the Certificates can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Bank and of Syz Finance and other factors that generally influence the market prices of securities.

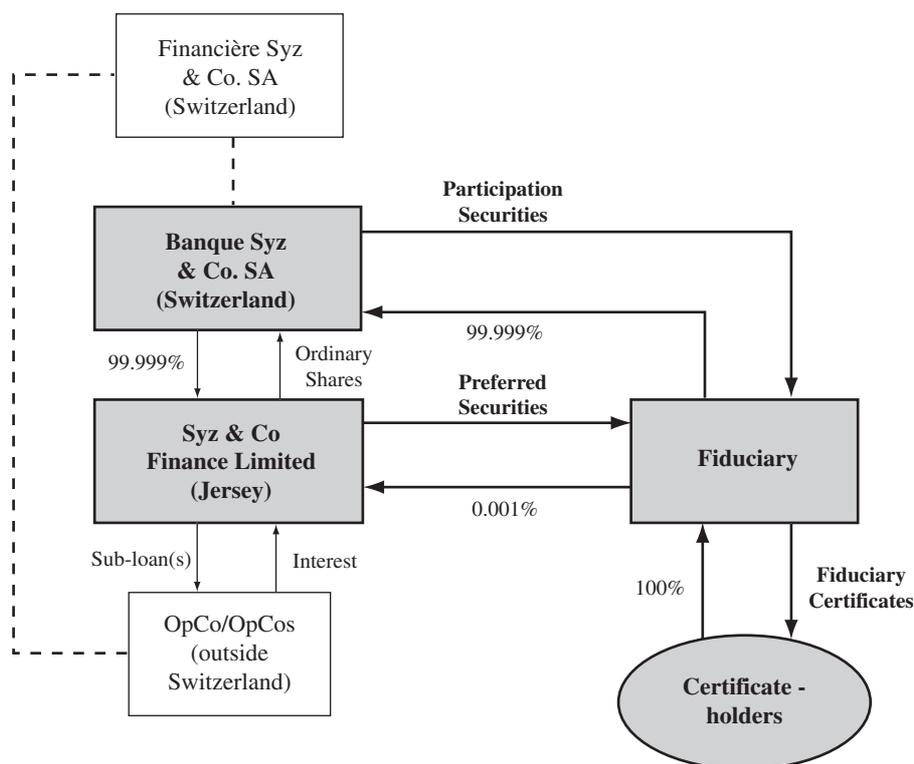
Tax Risks

The transactions described in this Listing Prospectus are complex. The tax consequences of the acquisition, ownership and disposal of Certificates, Preferred Securities and the Participation Securities, as described in this Listing Prospectus, are confirmed in a private letter tax ruling with the Swiss federal tax administration. Such tax ruling was granted in reliance on information given by the Bank and Syz Finance in such tax ruling and on the assumption that throughout the life of the Certificates the residence and place of effective management of Syz Finance will be outside Switzerland and Syz Finance will have no permanent establishment situated in Switzerland. Should the Bank or Syz Finance not comply with, or not conduct their business in accordance with, the facts and circumstances described in such tax ruling, the tax ruling may be challenged and disregarded by the Swiss federal tax administration. In addition, changes in the applicable tax laws, regulations and regulatory practices of Switzerland as in effect on the date hereof may, possibly with retroactive effect, invalidate the existing tax ruling and may have a negative tax impact on the transactions described in this Listing Prospectus.

In addition, the Bank's payment to the Fiduciary of dividends and certain other distributions (including the repayment of share premium) on the Participation Securities will be subject to a 35% Swiss withholding tax. Syz Finance's payment to the Fiduciary of distributions on the Preferred Securities should be exempt from Swiss withholding tax. However, no assurance can be given that Syz Finance will indeed be permitted to make payments of distributions exempt from withholding at all times. Further, in a liquidation event distributions exceeding the Participation Securities' nominal value would be subject to the 35% Swiss withholding tax. If a liquidation event were to occur, the Bank cannot assure prospective investors that it would make any additional payment to compensate Certificateholders for the imposition of such Swiss withholding tax. If the Bank were not to make such additional payment, Certificateholders would receive any distributions net of such Swiss withholding tax. Investors in certain jurisdictions might have the ability to

reclaim a portion of the withholding tax (resulting in an effective 15% withholding tax rate), but prospective investors should consult independent tax advisors before investing. For more information, see “Taxation—Swiss Dividend Withholding Tax”.

SUMMARY



A. Overview of the structure

The following contains a brief overview of the most significant features of the transaction structure.

All terms used in this Section A are as defined below.

On 7 November 2006 the Fiduciary issued €40,000,000 Syz Fiduciary Certificates on a fiduciary basis. Pursuant to an agreement entered into between the Bank, the Fiduciary, Syz Finance and Financière Syz (the “**Fiduciary Assets Agreement**”), the Fiduciary acquired with the proceeds of issue of the Certificates 40,000 Participation Securities issued by the Bank and 40,000 Preferred Securities issued by Syz Finance, a Jersey incorporated wholly-owned subsidiary of the Bank.

Each Certificate represents a *pro rata* interest in the Participation Securities issued by the Bank and a *pro rata* interest in the Preferred Securities issued by Syz Finance.

The terms and conditions of the Certificates provide that the Fiduciary is only obliged to make payments in respect of the Certificates when, if, and to the extent that, payments are made by the Bank under the Participation Securities or by Syz Finance under the Preferred Securities, respectively.

Subject to the limitations on distributions as further described below, the Distributions on the Preferred Securities (i) during the period from and including 7 November 2006 to but excluding 29 June 2011 shall amount to a fixed rate of 6.777% per annum of the Notional Amount per Preferred Security which will be calculated on an Actual/Actual (ICMA) basis (using the following business day convention unadjusted) and will be payable annually in arrear on each Fixed Payment Date and (ii) thereafter to a floating rate p.a. (expressed as a percentage) equal to the sum of 2.875% per annum and 12 month EURIBOR of the Notional Amount per Preferred Security which will be calculated on an Actual/360 basis (using the modified following business day convention adjusted) and will be payable annually in arrear on each Floating Payment Date. The Fiduciary will on-pay the amount of such Distributions subject to receipt as interest under the Certificates to the Certificateholders on the relevant Payment Date.

The net proceeds from the issuance of the Participation Securities and the Preferred Securities will ultimately be used for general corporate purposes of the Group. The Bank will contribute the net proceeds from the issuance of the Participation Securities as a capital contribution to Syz Finance against the issuance by Syz Finance to the Bank of Ordinary Shares. Syz Finance will grant one or more loans on a subordinated basis to one or more operating subsidiaries of the Group outside Switzerland. The periodic payments received by Syz Finance under such intra-group loans will be used by Syz Finance for the purpose of servicing any distribution payments under the Preferred Securities.

Under present Jersey law, all Distribution payments in respect of the Preferred Securities can be made without withholding or deduction for any Jersey taxes, duties, assessment or governmental charges of whatever nature.

The Bank and Syz Finance have obtained a private letter ruling from the Swiss Federal Tax Administration confirming that all distribution payments in respect of the Preferred Securities can be made without withholding or deduction for any Swiss taxes, duties, assessment or governmental charges of whatever nature.

B. Summary of the Terms of the Fiduciary Certificates

Issuer (on a fiduciary basis):	J.P. Morgan Bank Luxembourg S.A., a bank licensed in Luxembourg and incorporated as a public limited liability company (<i>société anonyme / Aktiengesellschaft</i>) under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under no. R.C.S Luxembourg B-10.958, acting on a fiduciary basis under Luxembourg law (the “ Fiduciary ”).
Ultimate Issuers:	Banque Syz & Co SA (the “ Bank ”), Syz & Co Finance Limited (“ Syz Finance ”).
Securities Issued:	€40,000,000 Syz Fiduciary Certificates (the “ Certificates ” and each a “ Certificate ”), each representing a <i>pro rata</i> interest in 40,000 non-voting, fully paid, registered participation certificates (<i>Bons de participation / Partizipationsscheine</i>) of class A, with a nominal value of CHF25 each (the “ Participation Securities ” and each a “ Participation Security ”) issued by the Bank and a <i>pro rata</i> interest in no-par value non-voting preference shares in the paid-up amount of €0.01 each (the “ Preferred Securities ” and each a “ Preferred Security ”) issued by Syz Finance.
Substitution of Preferred Securities:	In the case of a redemption of the Preferred Securities other than in connection with a repurchase of the Participation Securities or a liquidation, winding-up or dissolution of the Bank, the Bank may elect to procure that the Preferred Securities are substituted with preferred securities issued by another subsidiary of the Bank to the Fiduciary upon terms which are no less advantageous to the holders of the Preferred Securities (and hence, the Certificateholders) (see “D. Summary of the Terms of the Preferred Securities – Redemption of Preferred Securities by way of Substitution”).
Volume:	€40,000,000.
Nominal Amount:	€1,000 per Certificate.
Issue Date:	7 November 2006.

Maturity:	Perpetual.
Form:	The Certificates are evidenced by a global certificate in registered form without coupons. Definitive Certificates, coupons or talons will not be issued. The global certificate is deposited with and registered in the name of a nominee of a depositary common to Clearstream, Luxembourg and Euroclear until all obligations of the Fiduciary under the Certificates have been satisfied.
Fiduciary Obligations:	<p>The sole obligations of the Fiduciary to Certificateholders will be to account to the Certificateholders for such payments made in relation to the Participation Securities or in relation to the Preferred Securities when received by or for the account of the Fiduciary as set out in further detail below. The rights of the Fiduciary under the Participation Securities and the Preferred Securities are fiduciary assets and will be held solely for the account of the Certificateholders.</p> <p>The Certificates do not constitute direct debt obligations of the Fiduciary but instead shall evidence the existence of a fiduciary contract pursuant to which the Certificateholders shall be deemed to have acknowledged and agreed that the Fiduciary's payment obligations under the Certificates are conditional upon the due performance by the Bank of its obligations under the Participation Securities and by Syz Finance of its obligations under the Preferred Securities and upon the declaration of Dividends or Distributions for the relevant Payment Date and the receipt by the Fiduciary of the corresponding payments.</p>
On-Payment of Non-Principal Distributions:	<p>The Fiduciary will on-pay to the Certificateholders any dividend payments it receives on the Participation Securities ("Dividends") and any distribution payments it receives on the Preferred Securities ("Distributions") but only to the extent any such Dividends or Distributions, as the case may be, are received by the Fiduciary.</p> <p>Following and subject to the approval of the Dividends or Distributions by the annual general meeting of the Bank (<i>Assemblée générale ordinaire / ordentliche Generalversammlung</i>, the "AGM") and, as the case may be, the Board of Directors of Syz Finance, the approved Dividend or Distribution payments will take place annually on 29 June in each year, commencing on 29 June 2007.</p>
Redemption of Certificates in case of a purchase of the Participation Securities:	If the Bank or Financière Syz & Co. SA (" Financière Syz "), or a person designated by the Bank (a " Permitted Transferee "), elects to acquire in whole but not in part, the Participation Securities (" PS Acquisition "), the Fiduciary Certificates will be redeemed and the Fiduciary will on-pay to the Certificateholders any net proceeds it receives on the sale of the Participation Securities together with the proceeds of the redemption of the Preferred Securities resulting from the PS Acquisition (being in aggregate equal to the Nominal Amount per Certificate; see "C. Summary of the Terms of the Participation Securities – Purchase of Participation

Securities” and “D. Summary of the Terms of the Preferred Securities – Redemption of Preferred Securities”).

In the case of a liquidation of the Bank, the Preferred Securities will be redeemed, and the Fiduciary will redeem the Fiduciary Certificates and will on-pay to the Certificateholders (i) any net liquidation proceeds received in respect of the Participation Securities (see “C. Summary of the Terms of the Participation Securities – Liquidation of the Bank”) and (ii) any net redemption proceeds received by it in respect of the Preferred Securities (see “D. Summary of the Terms of the Preferred Securities – Redemption of Preferred Securities”).

Payments of Additional Amounts by the Fiduciary:

If the Fiduciary is required to withhold or deduct amounts payable under the Certificates on account of tax, the Fiduciary will not, unless it receives funds from the Bank or Syz Finance to do so, gross-up those amounts so that Certificateholders receive the full amounts payable.

No Claim on Participation Securities or Preferred Securities:

The Certificateholders will, under no circumstances, be able to claim direct legal ownership or possession of the Participation Securities or the Preferred Securities.

Enforcement Rights:

Upon a payment default of any amount by Syz Finance or the Bank, the Fiduciary may seek, at any time at its discretion and without notice, any remedy available to it under applicable law. It shall only be bound to seek any such remedy in limited circumstances as more fully set out hereafter. Any action of the Fiduciary shall always be subject to full prior indemnification to the Fiduciary. If the Fiduciary becomes obliged to take legal action, and has failed to take such legal action within a reasonable time, then the Certificateholders may be entitled, subject to certain conditions, to institute in the Fiduciary’s place those legal actions that the Fiduciary was entitled to initiate.

Listing:

Applications have been made for the Certificates to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the EuroMTF Market.

Notices:

As required by the Luxembourg Stock Exchange.

Governing Law:

Luxembourg law and in particular the law of 27 July 2003 relating to trust and fiduciary contracts.

Fiscal and Principal Paying Agent:

JPMorgan Chase Bank, N.A.

Calculation Agent

J.P. Morgan Bank Luxembourg S.A.

Paying Agent in Luxembourg:

J.P. Morgan Bank Luxembourg S.A.

Securities Codes:

ISIN: XS0267125135.

Common Code: 026712513.

C. Summary of the Terms of the Participation Securities

Securities issued:	40,000 non-voting, fully paid, registered participation certificates (<i>Bons de participation / Partizipationsscheine</i>) of class A with a nominal value of CHF25 each (the “ Participation Securities ” and each a “ Participation Security ”).
Issuer:	The Bank.
Subscription Price:	€999.99 per Participation Security, payable on the Issue Date.
Nominal Value:	CHF25, fully paid-up on the Issue Date, accounted for as paid-in nominal share capital under Swiss law.
Share Premium:	The difference between Subscription Price and Nominal Value, accounted for as general reserve.
Maturity:	Perpetual.
Ranking:	Senior to common equity.
Transfer Restrictions:	<p>According to the articles of association of the Bank the transfer of the Participation Securities is restricted.</p> <p>In the Fiduciary Assets Agreement the Fiduciary has agreed not to transfer the Participation Securities to any person other than to the Bank, Financière Syz or a Permitted Transferee.</p>
Dividends:	<p>Subject to approval by resolution at the annual general meeting of the Bank (the “AGM”), the preferential dividend payments to be made to the holders of the Participation Securities (each a “Dividend”) (i) during the period from and including 7 November 2006 to but excluding 29 June 2011 shall amount to a fixed rate of 6.777% per annum calculated on an Actual/Actual (ICMA) basis (using the following business day convention unadjusted) and (ii) thereafter to a floating rate per annum (expressed as a percentage) equal to the sum of 2.875% per annum and 12 month EURIBOR calculated on an Actual/360 basis (using the modified following business day convention adjusted), in each case calculated on the basis of €999.99 per Participation Security (in each case, the “Dividend Rate”) and will be payable, at the choice of the holder, in either Swiss francs or Euros at the CHF:EUR exchange rate prevailing on the day such Dividend is declared in arrear on 29 June (subject to adjustment in accordance with the applicable business day convention) in each year commencing on 29 June 2007 with respect to the financial year of the Bank ended immediately prior thereto. Subject to the following paragraph, the Dividend payable on 29 June 2007 with respect to the financial year of the Bank ended 31 December 2006 shall amount to €43.45 (net of non-refundable deductions or retentions of taxes or duties) per Participation Security.</p> <p>Where payments on the Participation Securities become subject to non-refundable deductions or non-refundable retentions of taxes or duties, the AGM can, at its full</p>

discretion, approve a Dividend at a correspondingly higher Dividend Rate. Any declaration of the Dividend on the Participation Securities is at the full discretion of the AGM which decides upon recommendation of the Board of Directors of the Bank.

Each payment of a Dividend shall be made in compliance with the Bank's articles of association, the provisions of the relevant articles of the Swiss Code of Obligations (*Code des obligations / Obligationenrecht*), the Swiss Banking Act (*Loi fédérale sur les banques / Bankengesetz*) and any other relevant regulations to which the Bank is subject.

No Dividend shall be declared if (i) the Bank has no or not sufficient distributable profits and distributable reserves to make such payment, or (ii) the Bank is or immediately after the payment of a Dividend would be in breach of applicable capital adequacy regulations.

The Dividends are non-cumulative.

The Bank will not be required and Financière Syz as shareholder of the Bank will not be authorised to resolve on the declaration and payment of an amount of Dividend as contemplated above if and to the extent that the Board of Directors of Syz Finance has, in respect of the relevant Payment Date, declared and paid a preferred distribution on the Preferred Securities of Syz Finance covering the Dividend contemplated above (the "**Covered Dividend Amount**"). In particular, no Dividend shall be owed under the Participation Securities if the Covered Dividend Amount is greater than or equal to the amount of Dividends contemplated above and, in such case, the AGM shall be at liberty to declare a dividend in favour of the Bank's other shareholders without first declaring a Dividend under the Participation Securities. The Bank will undertake all reasonable endeavours to ensure that a proposal is submitted to its AGM to declare or authorise a Dividend subject to the Bank complying with the limitations set out above.

Loss Absorption:

Future losses of the Bank (if any) will be absorbed on a going-concern basis first by the distributable reserves, then by the general legal reserves and then by the nominal share capital and participation capital, all in accordance with the provisions of the Swiss Code of Obligations (*Code des obligations / Obligationenrecht*) and the Swiss Banking Act (*Loi fédérale sur les banques / Bankengesetz*).

Purchase of Participation Securities:

On 29 June 2011 (the "**First Optional Purchase Date**") and on every Payment Date thereafter, subject to the prior approval of the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommision*), the Bank, Financière Syz or a Permitted Transferee may, under the Fiduciary Assets Agreement, acquire the Participation Securities, in whole but not in part, at a net purchase price (i.e. after non-refundable deductions or non-refundable retentions of taxes or duties, if any) of

€999.99 per Participation Security (the “**Net Purchase Price**”).

Any acquisition by the Bank, Financière Syz or a Permitted Transferee of the Participation Securities and the subsequent actions set out above shall comply with the provisions of the relevant articles of the Swiss Code of Obligations (*Code des obligations / Obligationenrecht*), in particular the rules governing the acquisition of own shares, as well as any other applicable laws and regulations.

Liquidation of the Bank:

In the case of a liquidation of the Bank, the holders of the Participation Securities will be entitled to receive a net preferred portion of the liquidation proceeds (i.e. after non-refundable deductions or non-refundable retentions of taxes or duties, if any) up to a maximum amount of the contribution originally made (i.e. a maximum amount of €999.99) per Participation Security out of available net assets (i.e. assets left after payment of all debts, including senior and subordinated claims) in priority to any payment to common shareholders, payable at the choice of the holder in Swiss francs or in Euro at the CHF:€ exchange rate prevailing on the day on which the liquidation proceeds are distributed. Any excess will then be paid out to common shareholders.

D. Summary of the Terms of the Preferred Securities

Securities Issued:

No-par value non-voting preference shares in the paid-up amount of €0.01 (the “**Paid-up Amount**”) and a notional amount of €1,000 (the “**Notional Amount**”) each (the “**Preferred Securities**”) and each a “**Preferred Security**”).

The Preferred Securities carry a preferential entitlement to participate in the distribution of profits of Syz Finance in priority to holders of the voting ordinary shares having no par value (the “**Ordinary Shares**”), which will be issued to the Bank.

Issuer:

Syz & Co Finance Limited (“**Syz Finance**”).

Maturity:

Perpetual.

Distribution Payments:

Subject to a declaration by the Board of Directors of Syz Finance and the consent of the general meeting (*Assemblée générale / Generalversammlung*) of the Bank, the Distributions on the Preferred Securities (i) during the period from and including 7 November 2006 to but excluding 29 June 2011 shall amount to a fixed rate of 6.777% per annum of the Notional Amount per Preferred Security which will be calculated on an Actual/Actual (ICMA) basis (using the following business day convention unadjusted) and will be payable annually in arrear on each Fixed Payment Date and (ii) thereafter to a floating rate p.a. (expressed as a percentage) equal to the sum of 2.875% per annum and 12 month EURIBOR of the Notional Amount per Preferred Security which will be calculated on an Actual/360 basis

(using the modified following business day convention adjusted) and will be payable annually in arrear on each Floating Payment Date. The Distribution payable on 29 June 2007 shall amount to €43.45 (net of non-refundable deductions or retention of taxes or duties) per Preferred Security.

If Distribution payments become subject to non-refundable deductions or non-refundable retentions of taxes or duties, the Board of Directors of Syz Finance may, at its full discretion but subject to the consent of the general meeting (*Assemblée générale / Generalversammlung*) of the Bank, approve a Distribution at a correspondingly higher distribution rate, subject to the Companies (Jersey) Law 1991, as amended, and any other applicable laws and regulations.

Redemption of Preferred Securities:

Syz Finance will be required to redeem the Preferred Securities at an amount per Preferred Security equal to the Paid-up Amount (the “**Redemption Amount**”):

- if the Bank, Financière Syz or a Permitted Transferee elects to acquire all but not part of the Participation Securities in accordance with the terms and conditions of the Fiduciary Assets Agreement; and
- in the case of any liquidation, dissolution or winding-up of the Bank.

Redemption of Preferred Securities by way of Substitution:

The Preferred Securities are redeemable at the option of Syz Finance on 29 June 2011 or on any Payment Date thereafter or at any time upon occurrence of a Tax Event, by way of delivery of preferred securities issued by another subsidiary of the Bank to the holders of the Preferred Securities in an amount, a number and upon terms which are no less advantageous to the holders of the Preferred Securities.

A “**Tax Event**” shall occur if as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Bailiwick of Jersey or Switzerland or, in each case, any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), distributions payable by Syz Finance in respect of the Preferred Securities become subject to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by the Bailiwick of Jersey or Switzerland, or, in each case, any political subdivision or any taxing authority thereof or therein.

Transfer Restrictions:

The Preferred Securities may not be transferred to any person other than the Bank, Financière Syz or a Permitted Transferee.

Liquidation of Syz Finance:

In the case of any liquidation, dissolution or winding-up of Syz Finance, holders of the Preferred Securities will be entitled to receive a net liquidation distribution of €0.01 per Preferred Security (i.e. after deduction of any taxes, if any), paid out of available net assets (i.e. assets left after payment of all debts, including senior and subordinated claims).

Such entitlement will arise before any distribution of assets is made to holders of the Ordinary Shares or any other class of shares of Syz Finance ranking junior as regards participation in assets to the Preferred Securities.

THE FIDUCIARY AND THE FIDUCIARY CONTRACT

The following is a description of the Fiduciary Contract (as defined below) which (subject to alteration, completion, amendment and modification from time to time) together with the Terms and Conditions of the Certificates is attached to the Global Certificate representing the Certificates:

The Fiduciary is J.P. Morgan Bank Luxembourg S.A., a bank licensed in Luxembourg and incorporated as a public limited liability company (*société anonyme / Aktiengesellschaft*) under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”) and registered with the Luxembourg trade and companies register under no. R.C.S. Luxembourg B-10.958 (the “**Fiduciary**”), acting on a fiduciary basis under the laws of the Grand Duchy of Luxembourg.

The €40,000,000 Syz Fiduciary Certificates are divided into certificates (the “**Certificates**” and each a “**Certificate**”) in registered form in the nominal amount of €1,000 each (the “**Nominal Amount**”). The Fiduciary issues the Certificates on a fiduciary basis in its own name but on behalf and for the sole risk and for the exclusive benefit of the holders of the Certificates (the “**Certificateholders**”) on 7 November 2006 (the “**Issue Date**”). Each Certificate evidences the existence of a fiduciary contract on the terms described below (the “**Fiduciary Contract**”) between the holders of such Certificates (each a “**Certificateholder**”) and the Fiduciary.

The Fiduciary Contract is a “*contrat fiduciaire*” governed by the Luxembourg law dated 27 July 2003 relating to trust and fiduciary contracts (the “**Trust and Fiduciary Contracts Law 2003**”) of Luxembourg.

The Certificateholder, by subscribing for and accepting any Certificates, has agreed to, and is deemed to have expressly acknowledged and accepted, all the provisions of the Fiduciary Contract applicable to it and the terms and conditions of the Certificates (the “**Conditions**”) (and in particular Condition 1.7) as well as the Participation Securities Terms and the Preferred Securities Terms (each as defined below).

The sole purpose of the issue of the Certificates is to provide the funds to the Fiduciary for the purchase of 40,000 non-voting, fully paid, registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A with a nominal value of CHF25 each (the “**Participation Securities**” and each a “**Participation Security**”) issued by Banque Syz & Co SA (the “**Bank**”) and no-par value non-voting preference shares in the paid-up amount of €0.01 each (the “**Preferred Securities**” and each a “**Preferred Security**”) issued by Syz & Co Finance Limited (“**Syz Finance**”). The Certificates represent *pro rata* interests in the Participation Securities and the Preferred Securities. The net proceeds which the Fiduciary receives from the initial Certificateholders in payment for the Certificates issued to them will accordingly be used by the Fiduciary to acquire the Participation Securities and the Preferred Securities in its own name, but at the risk and for the sole benefit of the Certificateholders, on the date hereof in the following manner and upon the following terms.

The Certificates do not constitute direct debt obligations of the Fiduciary. The Fiduciary’s payment obligations in respect of each Certificate are conditional upon the due performance by the Bank and Syz Finance of their obligations under the Participation Securities and the Preferred Securities, respectively and in any event upon the declaration of Dividends or Distributions for the relevant Payment Date and the receipt by the Fiduciary of the corresponding payments. The terms of the payments under the Participation Securities and the Preferred Securities correspond in substance to the Conditions of the Certificates as described in this Listing Prospectus. In the event that the Bank and/or Syz Finance do not make payments required to be made by them pursuant to the terms of the Participation Securities and the Preferred Securities or do not make any payment to the extent no Dividend or Distributions has been declared for any Payment Date, respectively, the Fiduciary will not be obliged to make any payments to the Certificateholders or to make up for any shortfall from its own funds. In no event will the Fiduciary be liable to make any payments in respect of Certificates other than as expressly provided in the Conditions.

The Conditions form an integral part of the Fiduciary Contract. The Fiduciary Contract (including the Conditions) sets out the rights of the Certificateholders and the duties, powers and discretions of the Fiduciary. The Fiduciary undertakes to perform such duties and to exercise such powers and discretions in the best interests of the Certificateholders. Further, the Fiduciary undertakes to exercise its rights in respect

of the Participation Securities and the Preferred Securities and its corresponding duties, powers and discretions in the best interests of the Certificateholders, and to account to the Certificateholders for all payments received by it thereunder, in such manner as to give effect to the Conditions it being acknowledged and accepted that the Fiduciary has waived certain rights in respect of the Participation Securities and the Preferred Securities (including a waiver of certain dividend rights and a waiver of pre-emptive rights) and has agreed to take certain other action pursuant to, and as more fully set out in the Participation Securities Terms and the Preferred Securities Terms (each as defined in the Conditions).

The Fiduciary shall have no obligation to the Certificateholders other than that of the faithful performance and exercise of its undertakings, duties, rights and powers specifically provided in the Fiduciary Contract and, in the event of a default in relation to the Participation Securities and/or the Preferred Securities, shall be under no obligation to apply the proceeds of any rights of set-off, banker's lien or counterclaim arising out of other transactions between the Fiduciary and the Bank or Syz Finance in payment of the Certificates.

Consistent with the Trust and Fiduciary Contracts Law 2003, Certificateholders have no direct right of action against the Bank and/or Syz Finance to enforce their rights under the Certificates or to compel the Bank and/or Syz Finance to comply with their obligations under the Participation Securities and the Preferred Securities, respectively, even in the case of the Fiduciary's failure to act or the insolvency of the Fiduciary.

The Participation Securities and Preferred Securities subscribed by the Fiduciary and the respective rights arising thereunder are fiduciary assets of the Fiduciary and are held for the exclusive benefit of the Certificateholders. Pursuant to the Trust and Fiduciary Contracts Law 2003 the fiduciary assets are segregated from all other assets of the Fiduciary (including from all other fiduciary assets it may hold under fiduciary contracts with third parties) and the fiduciary assets may only be attached by persons whose rights exist as a result of the creation and existence of the fiduciary assets. In a liquidation of the Fiduciary, the fiduciary assets are not available to the general body of creditors of the Fiduciary.

Without prejudice to the right of the Fiduciary to be indemnified out of the fiduciary assets, no commission or other remuneration will be due from the Certificateholders to the Fiduciary for the performance of its services in respect of the Certificates.

The Fiduciary makes no representations or warranties and assumes no responsibility for the legality, validity or enforceability of the Participation Securities and/or the Preferred Securities, the performance and observance by the Bank and Syz Finance of their obligations in respect of the Participation Securities and the Preferred Securities, respectively, or the recoverability of any sums due or to become due from the Bank or Syz Finance under the Participation Securities or the Preferred Securities.

Neither the Fiduciary nor any of its affiliates will be precluded from making any contracts or entering into any business transaction in the ordinary course of their business with the Bank or Syz Finance or from owning in any capacity any Certificates and neither the Fiduciary nor any of its affiliates will be accountable to the Certificateholders for any profits resulting therefrom. The Fiduciary may consult on any legal matter with legal advisers selected by it and shall incur no liability for actions taken, or suffered to be taken, with respect to such matters in good faith in reliance upon the opinion of such legal advisers, unless the Fiduciary has been grossly negligent or guilty of wilful misconduct.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates which (subject to alteration, completion, amendment and modification from time to time) as an integral part of the Fiduciary Contract are attached to the Global Certificate representing the Certificates.

By subscribing for or otherwise acquiring the Certificates, the holders of the Certificates are deemed to have knowledge of all the provisions relating to the Participation Securities and the Preferred Securities (including, without limitation, the Participation Securities Terms and the Preferred Securities Terms, as such terms are defined in Condition 1.3) and the Fiduciary Contract including the terms and conditions of the Certificates and to expressly accept such provisions.

1. GENERAL

- 1.1 The €40,000,000 Syz Fiduciary Certificates are divided into certificates (the “**Certificates**” and each a “**Certificate**”) in registered form in the nominal amount of €1,000 each (the “**Nominal Amount**”). The Certificates are issued by J.P. Morgan Bank Luxembourg S.A. (the “**Fiduciary**”) on a fiduciary basis in its own name but on behalf and for the sole risk and for the exclusive benefit of the holders of the Certificates (the “**Certificateholders**” and each a “**Certificateholder**”) on 7 November 2006 (the “**Issue Date**”).

In connection with the Certificates the Fiduciary, the Fiscal Agent (each as defined in Condition 18.1), Banque Syz & Co SA (the “**Bank**”), Syz & Co Finance Limited (“**Syz Finance**”) and the other agents named therein entered into a fiscal agency agreement dated on or around the Issue Date (the “**Fiscal Agency Agreement**”). Copies of the Fiscal Agency Agreement are available during normal business hours and upon reasonable notice at the offices of the Fiscal Agent and the Paying Agents.

- 1.2 Each Certificate evidences the existence of a fiduciary contract (the “**Fiduciary Contract**”) between the Certificateholders and the Fiduciary in accordance with the Luxembourg law dated 27 July 2003 relating to trust and fiduciary contracts (the “**Trust and Fiduciary Contracts Law 2003**”). Under the Fiduciary Contract, the Fiduciary has conditional obligations (as more fully described in Conditions 2.2 and 2.3).
- 1.3 The Fiduciary will apply the proceeds from the issue of the Certificates to acquire 40,000 non-voting, fully paid, registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A, with a nominal value of CHF25 each (the “**Participation Securities**” and each a “**Participation Security**”) issued by the Bank and 40,000 no-par value non-voting preference shares in the paid-up amount of €0.01 each (the “**Preferred Securities**” and each a “**Preferred Security**”) issued by Syz Finance. The rights attaching to the Participation Securities and the Preferred Securities are contained in the articles of association of the Bank and Syz Finance, respectively, in each case as well as in the terms of an agreement entered into between the Bank, the Fiduciary, Syz Finance and Financière Syz & Co. SA (“**Financière Syz**”) in respect of the Participation Securities and the Preferred Securities dated on or around the Issue Date (the “**Fiduciary Assets Agreement**”) (together, the “**Participation Securities Terms**” and the “**Preferred Securities Terms**”, respectively). The Participation Securities Terms and the Preferred Securities Terms shall, unless the context requires otherwise, form part of these Conditions.
- 1.4 Each Certificate represents a proportionate economic and beneficial interest in both the Participation Securities and the Preferred Securities. The Certificates rank *pari passu* without any preference among themselves.
- 1.5 The Participation Securities and Preferred Securities subscribed by the Fiduciary and the respective rights arising thereunder are fiduciary assets and shall be held by the Fiduciary solely at the risk, for the exclusive benefit and for the account of the Certificateholders.

- 1.6 The Fiduciary shall keep the Participation Securities and the Preferred Securities and its respective rights arising thereunder separate from its own assets and any other fiduciary assets and reflect this separation in its books. They may be attached only by persons whose rights exist as a result of the creation and existence of the Participation Securities and the Preferred Securities. The Certificateholders will have no title to the Participation Securities or the Preferred Securities.
- 1.7 Each Certificate will be subject to these Conditions, as may be amended from time to time pursuant to Condition 14.

2. FIDUCIARY

- 2.1 The sole purpose of issuing the Certificates is to provide funds for the Fiduciary to acquire the Participation Securities and the Preferred Securities from the Bank and Syz Finance respectively.
- 2.2 The Certificates do not constitute direct debt obligations of the Fiduciary. The Fiduciary's payment obligations are conditional upon the declaration of Dividends or Distributions and the receipt by the Fiduciary of payments:
 - (a) from Syz Finance under the Preferred Securities in accordance with the Preferred Securities Terms; and/or
 - (b) from the Bank under the Participation Securities in accordance with the Participation Securities Terms (if any).
- 2.3 The Fiduciary shall not have any obligations to Certificateholders for any payment shortfall by the Bank or Syz Finance or make any payment in respect of the Certificates other than as expressly provided herein. In particular, the Fiduciary shall not be required to make any payment in respect of the Certificates unless Dividends or Distributions have been declared and corresponding payments under the Preferred Securities and/or the Participation Securities, as the case may be, have been received in accordance with their respective terms by or on behalf of the Fiduciary as contemplated herein. The Fiduciary shall not have any obligations to Certificateholders other than those expressly assumed by it pursuant to the Fiduciary Contract.
- 2.4 The Fiduciary makes no representation and assumes no responsibility or liability with regard to (i) the financial condition of the Bank or Syz Finance or the ability of either to fulfil their respective obligations under the Participation Securities and the Preferred Securities, respectively, or (ii) the legality, validity or enforceability of the Participation Securities or the Preferred Securities.
- 2.5 By purchasing the Certificates, the Certificateholders are deemed to have acknowledged and agreed to all the Participation Securities Terms and the Preferred Securities Terms and the Fiduciary Contract including the Conditions. The Fiduciary has waived certain rights in respect of the Participation Securities and the Preferred Securities (including a waiver of certain dividend rights and a waiver of pre-emptive rights) and has agreed to take certain action as contemplated by the Participation Securities Terms and the Preferred Securities Terms which may not always be in the best interest of Certificateholders, and the Certificateholders have unconditionally and irrevocably instructed the Fiduciary to that effect and are deemed to have approved such waivers and action by subscribing for or otherwise acquiring the Certificates. The Certificateholders instruct the Fiduciary to comply with such waiver and take such actions and shall be prevented from giving contrary instructions to the Fiduciary in this respect.
- 2.6 Without prejudice to the right of the Fiduciary to be indemnified out of the fiduciary assets, no commission or other remuneration will be due from the Certificateholders to the Fiduciary for the performance of its services or exercise of its rights under the Participation Securities or the Preferred Securities.

Pursuant to an appointment agreement between the Fiduciary and the Bank, the Fiduciary will receive reimbursement of costs, indemnification and a remuneration by the Bank and will have no obligation to render an account to the Certificateholders in respect thereof.

- 2.7 The Fiduciary and its affiliated enterprises may conduct business with Syz Finance and the Bank and their respective affiliated enterprises without limitation and without obligation to account to the Certificateholders, including, without limitation, the acceptance of deposits or the granting of loans or any other form of credit, without regard to the fiduciary relationship to the Certificateholders.
- 2.8 The Fiduciary may conduct business with any Certificateholder without regard to the fact that the Fiduciary is acting in a fiduciary capacity for the Certificateholders in respect of the Participation Securities or the Preferred Securities.
- 2.9 The Fiduciary and its affiliated enterprises may be in possession of information about Syz Finance or the Bank or their respective affiliated enterprises which is of significance in connection with the Certificates but which is not known to the public or the Certificateholders at the time when the Participation Securities or the Preferred Securities are issued or at a later point in time. Neither the issuance of the Certificates, the Participation Securities or the Preferred Securities nor any other legal transactions conducted between the Fiduciary, Syz Finance, the Bank and the Certificateholders in connection therewith shall obligate the Fiduciary or any of its affiliated enterprises to disclose information regarding any other business transaction with Syz Finance or the Bank to the Certificateholders or to provide the Certificateholders with information about Syz Finance or the Bank or their respective affiliated enterprises (irrespective of whether such business transaction or information is confidential). Neither the Fiduciary nor any of its affiliated enterprises shall be subject to any liability to the Certificateholders due to the fact that they will not disclose or make available any such business transaction or information.
- 2.10 The liability of the Fiduciary in respect of the Certificates and its role thereunder shall be limited to its wilful misconduct (*Dol / Absicht*) or gross negligence (*négligence grave / grobe Fahrlässigkeit*). However, under no circumstances shall the Fiduciary be liable for indirect damage or consequential damage of any kind whatsoever (including lost profits), regardless of whether such indirect damage or consequential damage was foreseeable. This limitation of liability applies to all claims, regardless of their nature or legal basis.

3. FORM AND TITLE

- 3.1 The Certificates are represented by a global certificate (the “**Global Certificate**”) in registered form without coupons. The Global Certificate will be signed by an authorised signatory of the Fiduciary and will be authenticated by or on behalf of the Certificate Registrar (as defined below). Definitive Certificates, coupons or talons will not be issued.
- 3.2 The Global Certificate will be registered in the name of a nominee for, and deposited with, a depositary common to Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”) (together the “**Clearing System**”) until all obligations of the Fiduciary under the Certificates have been satisfied.
- 3.3 The Registrar shall keep a register of Certificateholders at its registered office with respect to the Certificates (the “**Certificateholders’ Register**”) in which, subject to such reasonable regulations as it may prescribe, the Fiduciary shall provide for the registration and transfers of the Certificates as appropriate. The Fiduciary at its registered office will act as Certificate registrar (the “**Certificate Registrar**”) for the purpose of registering Certificates as herein provided.
- 3.4 Title to the Certificates shall pass only by, and be effective upon, registration in the Certificateholders’ Register.

- 3.5 The Fiduciary shall, to the extent permitted by applicable law, treat the person in whose name a Certificate is registered in the Certificateholders' Register for the purposes of receiving payments of amounts on such Certificate, and for all other purposes as the Certificateholder of such Certificate.

4. REDEMPTION AND REPAYMENT OF THE CERTIFICATES

- 4.1 Subject to the provisions of this Condition 4, neither the Certificateholders nor the Fiduciary may request the redemption or repayment of the Certificates.
- 4.2 The Fiscal Agency Agreement provides that the Fiscal Agent will notify the Certificateholders, in the manner specified in Condition 15, of matters relating to the redemption of the Certificates including the amount to be paid in any redemption of the Certificates and the date of any such redemption, in each case as such information is provided to the Fiscal Agent by the Bank.
- 4.3 The Certificates will become due for redemption (i) in the case of any liquidation, dissolution or winding-up of the Bank and (ii) on the date on which the Participation Securities are purchased by the Bank, Financière Syz or a Permitted Transferee in accordance with the provisions of the Fiduciary Assets Agreement.
- 4.4 The Fiduciary will, on the date on which the Certificates are due to be redeemed, redeem the Certificates by paying in respect of each Certificate an amount equal to the aggregate of the amount at which each Participation Security is being purchased by the relevant acquiror (€999.99 per Participation Security) and each Preferred Security (€0.01 per Preferred Security) is being redeemed, in accordance with their respective terms.
- 4.5 To the extent that monies received by or on behalf of the Fiduciary on the due date for redemption of the Certificates (or any later date) are in aggregate less than the amount at which the Participation Securities ought to be purchased by the relevant acquiror or, as the case may be, the Preferred Securities ought to be redeemed in accordance with their terms, each Certificate will be repaid, on any such date of receipt, in an amount equal to the *pro rata* amount received by or on behalf of the Fiduciary on such date. When the last redemption payment due to the Fiduciary under the Participation Securities or the Preferred Securities, as the case may be, is received by or on behalf of the Fiduciary, the payment of such sums by or on behalf of the Fiduciary on the date of any such last payment will be in full and final redemption of the Certificates.
- 4.6 Notwithstanding anything in this Condition 4, no amounts will be payable by the Fiduciary in redemption of the Certificates unless and until the same have been received by or on behalf of the Fiduciary.
- 4.7 The Fiscal Agent on behalf of the Fiduciary undertakes to inform the Luxembourg Stock Exchange (as long as the Certificates are listed in Luxembourg) promptly of any cancellation resulting from the redemption of the Certificates.
- 4.8 The Bank or any of its affiliates, including Syz Finance, may at any time purchase the Certificates in any manner and at any price.

5. NON-PRINCIPAL DISTRIBUTIONS

- 5.1 The Fiscal Agency Agreement provides that the Fiscal Agent will notify the Certificateholders and the Luxembourg Stock Exchange, in the manner specified in Condition 15, of matters relating to the payment of dividends, the amount of Non-Principal Distributions (as defined below), redemption amounts and any additional amounts under the Participation Securities Terms or the Preferred Securities Terms and the date of any such payment, in each case as such information is provided to the Fiscal Agent by the Bank.

- 5.2 On the date on which payments referred to in Condition 5.1 are payable under the Participation Securities Terms or the Preferred Securities Terms, such amounts will be payable by or on behalf of the Fiduciary, *pro rata*, to the Certificateholders.
- 5.3 The Fiduciary will, on the due date of any payments referred to in Condition 5.1 under the Participation Securities Terms and/or the Preferred Securities Terms, pay an amount equal to the sum of such payments due on such date, *pro rata*, to the Certificateholders (a “**Non-Principal Distribution**”). Each Non-Principal Distribution will be calculated by reference to the Nominal Amount per Certificate.
- 5.4 To the extent that payments referred to in Condition 5.1 are received by or on behalf of the Fiduciary on the due date for a Non-Principal Distribution under the Certificates and are less than the respective amounts due on such date under the Participation Securities Terms or the Preferred Securities Terms, the Non-Principal Distribution will be made only to the extent that amounts are received by or on behalf of the Fiduciary, *pro rata* to the Certificateholders.
- 5.5 Notwithstanding anything in this Condition 5, no amounts will be payable by the Fiduciary in respect of Non-Principal Distributions unless and until the same have been received by or on behalf of the Fiduciary.
- 5.6 Subject to the prior approval of the Bank’s Annual General Meeting (the “**AGM**”) of distributions in relation to the Participation Securities and/or Syz Finance’s Board of Directors of distributions in relation to the Preferred Securities (as the case may be) and subject to Condition 5.5, Non-Principal Distributions will be made on 29 June in each year commencing on 29 June 2007. The terms of the distribution payments in relation to the Participation Securities and the Preferred Securities are set out in the articles of association of the Bank and Syz Finance, respectively, as well as the Participation Securities Terms and the Preferred Securities Terms.

6. PAYMENTS

- 6.1 On the respective due date the Fiduciary will arrange all payments on the Certificates in accordance with these Conditions to, or to the order of, the person or persons shown as the Certificateholder or Certificateholders in the Certificateholders’ Register at the opening of business in the place of the specified office of the Fiduciary on the relevant Settlement Record Date for on-payment to the Clearing System or to their order for credit to the accounts of the relevant accountholders of the Clearing System outside the United States.

“**Settlement Record Date**” means the second calendar day before the due date for such payment.

- 6.2 The Fiduciary will be discharged by payment to, or to the order of, the Clearing System.
- 6.3 If the date for payment of any amount in respect of the Certificates is not a Business Day then the Certificateholder will not be entitled to payment until the next day which is a Business Day. The Certificateholder will not be entitled to any interest or other payment in respect of any such delay.

“**Business Day**” means any day (other than a Saturday or a Sunday) on which (i) banks are open for business in Luxembourg, Geneva and Jersey and (ii) a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) System is open.

- 6.4 All payments in respect of the Certificates are subject in all cases to any applicable fiscal or other laws and regulations.

7. ENFORCEMENT AND PRESCRIPTION

- 7.1 Consistent with the Trust and Fiduciary Contracts Law 2003, no Certificateholder has a direct right of action against the Bank or Syz Finance to enforce its rights under the Certificates or to compel the Bank and Syz Finance to comply with their respective obligations under the Participation Securities and the Preferred Securities.
- 7.2 The Fiduciary is not required to seek any remedy or take any other enforcement action in connection with the Participation Securities or the Preferred Securities unless (a) it shall have been so directed by an Extraordinary Resolution (as defined in Condition 14) of the Certificateholders or so requested in writing by the holders of at least one-half of the aggregate Nominal Amount of the Certificates then outstanding and (b) it shall have been indemnified by the relevant Certificateholders to its reasonable satisfaction.
- 7.3 In the event of any enforcement or action by the Fiduciary against the Bank and/or Syz Finance, the Fiduciary will be entitled to be fully indemnified out of the proceeds of such enforcement or action in priority to the claims of the Certificateholders.
- 7.4 Any action or inaction by the Fiduciary pursuant to this Condition 7 will be for the account of and at the cost of the Certificateholders and, notwithstanding anything that may be provided to the contrary in these Conditions, the Fiduciary will only be liable in respect of any such action or omission constituting gross negligence (*négligence grave / grobe Fahrlässigkeit*) or wilful misconduct (*Dol / Absicht*) on its part.
- 7.5 Claims against the Fiduciary in respect of the Certificates shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of Non-Principal Distributions) from the Relevant Date.

“**Relevant Date**” means the date on which the relevant payment first becomes due (save that, if the full amount of money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to such effect has been duly given to Certificateholders in accordance with Condition 15).

- 7.6 If the Fiduciary has become obliged to take legal action against the Bank under or in respect of, respectively, the Participation Securities or the Preferred Securities and has failed to take such action within a reasonable time, then as a matter of, and subject to, Luxembourg law, the relevant Certificateholders may be entitled to institute legal action (*action oblique*) against the Bank and/or Syz Finance in the Fiduciary’s place.

8. EXERCISE OF SHAREHOLDER RIGHTS

- 8.1 The Fiduciary will not exercise any rights as a holder of the Participation Securities or the Preferred Securities other than (a) when such action relates to enforcement of a right, in accordance with Condition 7, (b) when such actions are contemplated by the Fiduciary Assets Agreement or (c) otherwise, unless it has been instructed to do so by an Extraordinary Resolution (as defined below) of Certificateholders and it has been indemnified to its reasonable satisfaction.
- 8.2 The Fiduciary will be entitled to accept and rely on any notice or certificate from the Bank or Syz Finance as to any calculation or determination made pursuant to the Participation Securities Terms or the Preferred Securities Terms and shall not be liable in respect thereof or be obliged to make any verification in respect thereof.

9. TAXATION

- 9.1 All payments in respect of the Certificates shall be made by the Fiduciary without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of

any nature whatsoever imposed, levied or collected by or in or on behalf of the Grand Duchy of Luxembourg or by or on behalf of any political subdivision or authority therein or thereof having power to tax, unless such deduction or withholding is required by law.

- 9.2 If the Fiduciary, or the Fiscal Agent making payments on behalf of the Fiduciary, is required pursuant to Condition 9.1 to make a deduction or withholding when it passes on a payment received from the Bank and/or Syz Finance to Certificateholders it shall advise the Bank and/or Syz Finance, as the case may be, of the amount (the “**Luxembourg Gross-Up Amount**”) by which the Bank and/or Syz Finance, as the case may be, would have to increase any payment made to the Fiduciary to enable (after the Fiduciary so withholds or deducts) the Fiduciary to pay Certificateholders an amount equal to the payment which would have been due if the Fiduciary or the Fiscal Agent, making payments on behalf of the Fiduciary, would not so withhold or deduct and furnish the Bank and/or Syz Finance, as the case may be, with documentation evidencing the deduction or withholding obligation and the Luxembourg Gross-Up Amount, PROVIDED THAT no such Luxembourg Gross-Up Amounts are payable to the extent that the Bank and/or Syz Finance, based on the decision of the Bank’s annual general meeting and, as the case may be, the Board of Directors of Syz Finance, decide not to pay such Luxembourg Gross-Up Amount, and PROVIDED FURTHER THAT no such Luxembourg Gross-Up Amounts shall be payable with respect to any payment on a Certificate: (a) to, or to a third party on behalf of, a Certificateholder who is subject to taxation in respect of Certificates by reason of his having some connection with Luxembourg other than the mere holding of Certificates; (b) where such withholding or deduction is imposed on a payment to or to the benefit of an individual and is required to be made pursuant to either the European Council Directive 2003/48/EC on the taxation of savings (or any law implementing or complying with, or introduced in order to conform to, such directive, being in particular in Luxembourg the Luxembourg laws dated 21 June 2005) or the Luxembourg law of 23 December 2005 introducing a withholding tax on interest payment made to Luxembourg individual residents; or (c) presented for payment by or on behalf of a Certificateholder who would have been able to avoid such withholding or deduction by presenting the relevant Certificate to another paying agent in another EU Member State.
- 9.3 The Fiduciary will have no obligation to pay amounts by way of gross-up with respect to any amounts withheld or deducted pursuant to Condition 9.1 other than to pass on Luxembourg Gross-Up Amounts (less amounts which must be deducted or withheld therefrom pursuant to Condition 9.1) received by or on behalf of the Fiduciary pursuant to the Fiscal Agency Agreement to Certificateholders. Luxembourg Gross-Up Amounts received in such manner will be paid *pro rata* to the Certificateholders in respect of their Certificates.

10. PRESERVATION OF REGULATORY CAPITAL

By purchasing the Certificates, the Certificateholders are deemed to acknowledge and agree that the Fiduciary is permitted to refrain from paying them any amount in respect of distributions on the Participation Securities or the Preferred Securities or redemption or transfer of the Participation Securities or Preferred Securities received from Syz Finance or the Bank if the Fiduciary reasonably believes that such payment, redemption or transfer has been made otherwise than in accordance with the Participation Securities Terms or the Preferred Securities Terms. The Fiduciary shall not incur any liability in this respect and is entitled to make such determination based on the opinion of counsel or legal or financial adviser of recognised standing selected by the Fiduciary.

11. SET-OFF

- 11.1 The Certificateholders may not set off any claims arising under the Certificates against any claims of the Fiduciary, Syz Finance or the Bank.
- 11.2 The Fiduciary will not be obliged to exercise, for its own or the Certificateholders’ benefit, any rights of set-off, banker’s lien or to combine accounts of counter-claim that may arise out of

other transactions between the Fiduciary, Syz Finance and the Bank in payment of the Certificates.

12. RESIGNATION AND SUBSTITUTION

- 12.1 By subscribing for, or otherwise acquiring, the Certificates, the Certificateholders expressly consent to the substitution of the Fiduciary and to the release of the Fiduciary from any and all obligations in respect of the Certificates and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.
- 12.2 The Bank may, without the consent of the Certificateholders or the Fiduciary, at any time, substitute another financial institution (the “**New Fiduciary**”) for the Fiduciary and, in the event of a liquidation of the Fiduciary, is obliged to use its best efforts to substitute the Fiduciary with a New Fiduciary, provided however, in each case, that:
- (a) the Participation Securities and the Preferred Securities do not form part of the New Fiduciary’s estate available for the satisfaction of the New Fiduciary’s preferred and general creditors under applicable liquidation and insolvency laws and are not available for attachment or otherwise by or for such creditors;
 - (b) the New Fiduciary assumes all rights and obligations (if any) under the Fiduciary Contract including the Conditions, the Participation Securities (including, without limitation, the Participation Securities Terms), the Preferred Securities (including, without limitation, the Preferred Securities Terms) and the Certificates;
 - (c) the New Fiduciary has obtained all necessary regulatory and other approvals for the substitution;
 - (d) the New Fiduciary is a Qualified Institution;
 - (e) the substitution does not result in the obligation to pay additional amounts due to withholding tax; and
 - (f) the substitution does not result in any violation of law.

For the purpose hereof, “**Qualified Institution**” means an entity incorporated under the laws of Luxembourg which:

- (i) is qualified and authorised to act as a fiduciary under the Trust and Fiduciary Contracts Law 2003; and
- (ii) has itself or is part of a group which has a long-term debt rating by Standard & Poor’s Rating Services of at least “A” and/or Moody’s Investors Service, Inc of at least “A3”.

The notice to the Certificateholders shall contain particulars confirming that the appointed New Fiduciary is a Qualified Institution.

- 12.3 Upon any substitution pursuant to Condition 12.2 or Condition 12.4, the Fiduciary shall be released from all of its obligations under the Fiduciary Contract, the Participation Securities, the Preferred Securities and the Certificates and any reference in the Fiduciary Contract, the Participation Securities, the Preferred Securities or the Certificates to the Fiduciary shall be deemed to refer to the New Fiduciary.
- 12.4 The Fiduciary may resign upon giving not less than three months’ prior notice in writing to the Bank. If no New Fiduciary is appointed by the Bank in accordance with Condition 12.2 in such three month period, the Fiduciary will have the right to appoint a New Fiduciary. However no resignation will take effect unless the provisos of Condition 12.2 have been satisfied and until a New Fiduciary has been appointed.

12.5 No substitution will occur pursuant to Condition 12.2 or Condition 12.4 until 30 days' prior notice thereof has been given to the Certificateholders specifying the name, address and fax number of any such New Fiduciary and the date when such New Fiduciary will assume the rights and obligations of the Fiduciary.

12.6 Notwithstanding any other provision of the present Conditions, the Certificateholder, by subscribing for and accepting any certificate, has agreed to and is deemed to have expressly accepted that:

- (a) any corporation or entity into which the Fiduciary shall be merged or with which it shall be consolidated, or any company resulting from any such merger or consolidation, and
- (b) any corporation or entity to which the Fiduciary transfers at any time after the execution of this Agreement its fiduciary business (or a business division of which the fiduciary business forms part),

(each, a “**Successor Entity**”) shall be deemed and treated in all respects as a New Fiduciary and shall succeed to all rights and obligations of the Fiduciary under the present Conditions without executing or filing any paper or document other than notifying the substitution of the Fiduciary to the Bank, Syz Finance, the Common Depositary and the Certificateholders in accordance with Condition 15, without prejudice to any notification or publication requirements which may arise in relation to such substitution by reason of the listing of the Certificates on the Luxembourg Stock Exchange, provided in any case that:

- (i) the Successor Entity is a Qualified Institution;
- (ii) the Participation Securities and the Preferred Securities do not form part of the Successor Entity's estate available for the satisfaction of the Successor Entity's preferred and general creditors under applicable liquidation and insolvency laws and are not available for attachment or otherwise by or for such creditors;
- (iii) the Successor Entity, by operation of law or otherwise, assumes all rights and obligations (if any) under the Fiduciary Contract including the Conditions, the Participation Securities (including, without limitation, the Participation Securities Terms), the Preferred Securities (including, without limitation, the Preferred Securities Terms) and the Certificates;
- (iv) the respective corporate action described in (a) and (b) above does not result in the obligation to pay additional amounts due to withholding tax; and
- (v) the respective corporate action described in (a) and (b) above does not result in any violation of law.

12.7 The Bank may, subject to obtaining the prior approval of the Swiss Federal Banking Commission and having given not less than 30 days' notice to the Certificateholders in accordance with Condition 15, but without the consent of the Fiduciary or the Certificateholders, substitute replacement securities (the “**Replacement Securities**”) issued by a wholly-owned subsidiary of the Bank in place of the Preferred Securities held by the Fiduciary, provided that such Replacement Securities have in all material commercial respects, pricing, credit and economic terms which are equivalent to the Preferred Securities. Upon any such substitution taking effect, references in these Conditions to the Preferred Securities shall be deemed to be references to the Replacement Securities and references to Syz Finance shall be deemed to be references to the issuer of the Replacement Securities.

13. FINANCIAL INFORMATION

The Fiscal Agency Agreement provides that the Fiscal Agent will make available to the Certificateholders all copies of the latest published annual reports and other financial information of the Bank and Syz Finance as it receives.

14. MEETINGS OF CERTIFICATEHOLDERS; MODIFICATIONS

- 14.1 The Certificateholders together form a body created, *inter alia*, for the purposes of representation of the common interests of the Certificateholders in accordance with the provisions of the Luxembourg law of 10 August 1915 relating to commercial companies, as amended.

A general meeting of the Certificateholders may appoint one or several representatives of the body of Certificateholders (each a “**Representative**”) and determine their powers. Upon the appointment of the Representative(s) the Certificateholders will no longer be able to exercise individually the rights attaching to their Certificates against the Fiduciary.

- 14.2 A meeting of the Certificateholders may be convened at any time by the Representative(s) or by the Fiduciary. Upon the Bank’s request, the Representative(s) (subject to receipt of an advance on its/their expenses) or the Fiduciary will convene a meeting of Certificateholders to authorise a modification of the Fiduciary Contract including the Conditions, the Participation Securities Terms or the Preferred Securities Terms or to pass any other resolution proposed by the Bank. The Fiduciary will also convene a meeting of Certificateholders if so requested by Certificateholders representing not less than 25% of the aggregate principal amount of the Certificates. The meetings of the Certificateholders will be held at the venue specified in the convening notice.

A meeting of the Certificateholders may be convened (i) in the event of a merger involving the Fiduciary, (ii) in order to approve certain changes to the Certificateholders’ rights and (iii) generally, in order to determine any measure aimed at defending the Certificateholders’ interests or to ensure the exercise by the Certificateholders of their rights.

Every Certificateholder will have the right to attend and vote at meetings of the Certificateholders in person or by proxy, except that if the Fiduciary holds Certificates itself, the Fiduciary is not entitled to exercise the voting rights attached to these Certificates. The voting rights attaching to the Certificates are proportional to the portion of the issue they represent, each Certificate in the Nominal Amount carrying one vote.

- 14.3 A meeting of the Certificateholders may validly decide, without any quorum requirements and by a simple majority of the votes cast by the Certificateholders present or represented at the meeting, upon the appointment and removal of Representatives, the removal of special representatives nominated by the Fiduciary and the approval of any conservatory measure taken in the general interests of the Certificateholders.

Any modification to the Fiduciary Contract including the Conditions, the Participation Securities Terms or the Preferred Securities Terms shall only be made with the express agreement of the Fiduciary. The Fiduciary will not agree to any modification to the Fiduciary Contract including the Conditions, the Participation Securities Terms or the Preferred Securities Terms unless (a) it has obtained the prior consent of the Bank, such consent not to be unreasonably withheld or delayed, and (b) it is authorised to do so by a resolution of the Certificateholders in accordance with Condition 14.4. The Fiduciary shall not unreasonably withhold or delay its agreement to any modifications proposed by the Bank and duly authorised by a resolution of the Certificateholders.

- 14.4 Meetings of Certificateholders shall be held in accordance with the provisions of Luxembourg law applicable to the convening and conduct of meetings of Certificateholders. Any resolution on matters affecting the interests of Certificateholders and concerning conservatory measures

to be taken shall be approved by a simple majority of votes cast (an “**Ordinary Resolution**”), except that any modification of Conditions (i) to change the maturity of the Certificates or the date on which a Non-Principal Distribution is payable in respect of the Certificates, or (ii) to reduce the principal amount of or reduce the amount of Non-Principal Distribution on the Certificates, or (iii) to change the currency of payment of the Certificates, or (iv) to change the Participation Securities Terms and/or the Preferred Securities Terms having the same effect as the matters referred to in sub-clauses (i) to (iii) or (v) to vary the quorum provisions or the majority required to pass a resolution may only be made by a resolution approved by two-thirds of votes cast (an “**Extraordinary Resolution**”).

The quorum at any meeting to pass an Ordinary Resolution will be one or more persons holding or representing 10% of the aggregate principal amount of the Certificates for the time being outstanding or, at any adjourned meeting, one or more persons holding or representing Certificateholders whatever the principal amount of the Certificates held or represented. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50%, or at any adjourned meeting not less than 20%, of the aggregate principal amount of the Certificates for the time being outstanding. Any resolution passed at any meeting of the Certificateholders will be binding on all the Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

Each Certificateholder shall have the right, during the 15 days prior to the general meeting of the Certificateholders as a body, to consult or take copies, or cause an agent to do so on its behalf, of the text of the proposed resolutions and the reports to be presented to the meeting, at the registered office of the Fiduciary and, as the case may be, at any other place specified in the convening notice.

The Fiduciary undertakes to make the premises of its registered office available to the Certificateholders for their meetings. The holder of the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Certificateholders and, at any such meeting, as having one vote in respect of each Certificate in the Nominal Amount represented by the Global Certificate.

- 14.5 The Fiduciary may, without the consent of the Certificateholders, (a) agree to any modification of the Conditions (including, for the avoidance of doubt, the Participation Securities Terms and the Preferred Securities Terms) if the Fiduciary determines that any such modification does not adversely affect the interests of the Certificateholders and (b) authorise any modification of these Conditions (including, for the avoidance of doubt, the Participation Securities Terms and the Preferred Securities Terms) which is of formal, minor or technical nature or to correct a manifest error, subject in each case to obtaining the prior consent of the Bank, such consent not to be unreasonably withheld or delayed.
- 14.6 In exercising its powers and discretions, if any, the Fiduciary shall have regard to the best interests of the Certificateholders as a class and shall not have regard to the consequences of the exercise of its powers or discretion for individual Certificateholders except to the extent provided for in Condition 7 of these Conditions.
- 14.7 Any modification, waiver or authorisation made in accordance with the preceding Conditions shall be binding on the Certificateholders and any modification shall be notified to the Certificateholders as soon as practicable thereafter by publication in accordance with Condition 15 of these Conditions.

15. NOTICES

- 15.1 If and for so long as the Fiduciary Certificates are admitted to trading on the EuroMTF and the rules and regulations of the Luxembourg Stock Exchange so require, the Fiduciary will publish all notices to the Certificateholders under the Offering Circular, subject to Condition 15.2, in a

widely circulated Luxembourg newspaper (which is expected to be the *d'Wort* or the *Tageblatt*) or, to the extent and in the manner permitted by the above-mentioned rules and regulations, post such notices on the official website of the Luxembourg Stock Exchange. Any such notice given by publication shall be deemed to have been given on the date of publication or, if so published more than once on different dates, on the date of the first publication.

15.2 Provided that the rules of the stock exchange(s) where the Certificates are from time to time listed so permit, for as long as the Global Certificate is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the third day after the day on which the said notice was delivered to Euroclear and/or Clearstream, Luxembourg.

15.3 In addition, all notices concerning the Certificates may be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu).

16. SEVERABILITY

Should any provisions of these Conditions be held by a court of competent jurisdiction to be invalid, void, unenforceable or incomplete, in whole or in part, the other provisions of these Conditions shall remain in full force. Any invalid, void, unenforceable or incomplete provision shall be replaced by a valid provision which accomplishes as far as legally possible the economic effects of the invalid, void, unenforceable or incomplete provision.

17. FURTHER ISSUES

The Fiduciary may from time to time, without the consent of the Certificateholders, create and issue further fiduciary certificates having the same terms and conditions as the Certificates, save with respect to the date of issue, the issue price and the distribution commencement date of such fiduciary certificates, which may be consolidated and form a single series with the Certificates, provided that the proceeds received by the Fiduciary in connection with the subscription of the further fiduciary certificates are used by the Fiduciary to acquire additional Participation Securities and Preferred Securities to be held by the Fiduciary in its own name, but at the risk and for the sole benefit of the Certificateholders and the holders of the further fiduciary certificates.

18. AGENTS

18.1 JPMorgan Chase Bank, N.A. will be the fiscal agent (“**Fiscal Agent**”) and principal paying agent (the “**Principal Paying Agent**”). J.P. Morgan Bank Luxembourg S.A. will be the paying agent in Luxembourg (the “**Paying Agent in Luxembourg**” and, together with the Fiscal Agent and the Principal Paying Agent and any additional paying agent appointed in accordance with Condition 18.2, the “**Agents**” and each an “**Agent**”). The addresses of the specified offices of the Agents are:

Fiscal Agent

JPMorgan Chase Bank, N.A.
Trinity Tower
9 Thomas More Street
London E1W 1YT

Principal Paying Agent

JPMorgan Chase Bank, N.A.
Trinity Tower
9 Thomas More Street
London E1W 1YT

Paying Agent in Luxembourg

J.P. Morgan Bank Luxembourg S.A.
6 route de Trèves
L-2633 Senningerberg
Luxembourg

In no event will the specified office of any paying agent appointed by the Fiduciary be within the United States of America.

- 18.2 So long as any Certificate remains outstanding, the Bank will at all times maintain (i) a Fiscal Agent, (ii) so long as any Certificate remains listed on the Luxembourg Stock Exchange a Paying Agent located in Luxembourg, (iii) a Paying Agent in an EU Member State, if any, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 3 June 2003 on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive. The Fiduciary or the Bank may at any time, by giving not less than 30 days' notice in accordance with Condition 15, appoint, subject to the approval of the Bank or the Fiduciary (as the case may be) which shall not be unreasonably withheld, one or more additional paying agents or replace a paying agent by one or more other banks or financial institutions which assume such functions. Should the paying agent located in Luxembourg be replaced by another paying agent located in Luxembourg, the Luxembourg Stock Exchange will be notified by the Fiduciary, or the Fiscal Agent on its behalf, and such notice will be published in a Luxembourg newspaper of general circulation.
- 18.3 Each Agent acting in such capacity acts only as agent of the Fiduciary. There is no agency or fiduciary relationship between any Agent and the Certificateholders.

19. GOVERNING LAW AND JURISDICTION

- 19.1 The Certificates and the Fiduciary Contract including the Conditions will be governed by, and construed in accordance with, the laws of the Grand Duchy of Luxembourg and the Fiduciary Contract constituted by the Certificates will in particular be governed by the Trust and Fiduciary Contracts Law 2003.
- 19.2 Actions against the Fiduciary may be brought only in the district court of Luxembourg City.

USE OF PROCEEDS

The gross proceeds of the issue of the Certificates, amounting to €40,000,000, were used by the Fiduciary to purchase the Participation Securities at an issue price of €999.99 each and the Preferred Securities at an issue price of €0.01 each. From this amount fees, commissions and taxes payable by the Bank were deducted. The resulting net proceeds of approximately €38,800,000 will be used for general corporate purposes of the Group outside Switzerland (see “Summary – A. Overview of the structure”).

DESCRIPTION OF THE PARTICIPATION SECURITIES

Share Capital and Changes in Capital Structure of the Bank

Existing Share Capital

As at the date of this Listing Prospectus, the share capital of the Bank amounts to CHF30,000,000 divided into 30,000 fully paid-up registered shares with a nominal value of CHF1,000 each.

Shareholders' Resolution of 31 October 2006

The extraordinary shareholders' meeting held on 31 October 2006 resolved to increase the capital of the Bank by CHF1,000,000 to CHF31,000,000 by issuing up to 40,000 non-voting, fully paid, registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A with a nominal value of CHF25 each (the "**Participation Capital Increase**").

Completion of Capital Increases to create Participation Securities

By resolution to be passed on or about 2 November 2006, the Board of Directors resolved to complete the Participation Capital Increase and to issue 40,000 non-voting, fully paid, registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A with a nominal value of CHF25 each (the "**Participation Securities**" and each a "**Participation Security**") so that the aggregate number of Participation Securities issued is identical to the number of Certificates. The described capital increase was registered in the commercial register of the Canton of Geneva prior to the Issue Date.

The Participation Securities have been subscribed for by the Fiduciary on the basis of the Fiduciary Assets Agreement (see "Description of the Fiduciary Assets Agreement"). The shareholders' pre-emptive rights in respect of the Participation Securities have been waived by all existing shareholders of the Bank.

After the issue of the Certificates, the issued equity capital of the Bank amounts to CHF31,000,000, divided into 30,000 fully paid-up registered shares with a nominal value of CHF1,000 each, and 40,000 Participation Securities.

Participation Securities

Set out below is certain information concerning the Participation Securities and brief summaries of certain provisions of the Bank's articles of association and the Swiss Code of Obligations relating to the Participation Securities. This description, which should be read in conjunction with information included elsewhere in this Listing Prospectus, does not purport to be complete and is qualified in its entirety by reference to the remainder of this Listing Prospectus.

Special Provisions in the Articles of Association of the Bank

The main terms and conditions of the Participation Securities are contained in the Bank's articles of association. The Bank's articles of association regulate the rights and obligations of the Bank and the holders of all shares and participation securities in the Bank, including the Participation Securities. Articles 6 and 6a of the articles of association of the Bank which deal exclusively with the Participation Securities are reproduced below; however, those articles not reproduced below are of general application to all holders of shares and/or participation securities (of all classes) of the Bank, including the Participation Securities.

Articles 6, 6a and 7 of the Bank's articles of association read as follows (governing French original and unofficial English translation):

Article 6

¹ Le capital-participation de la société s'élève à un million de francs (CHF1'000'000) et est divisé en quarante mille bons de participation nominatifs de catégorie A d'une valeur nominale de vingt-cinq francs (CHF25) chacun; les bons de participation de catégorie A sont entièrement libérés.

² Les bons de participation ne confèrent ni droit de vote, ni aucun des droits qui s'y rapportent, ni le droit de proposer l'institution d'un contrôle spécial (art. 656c du Code suisse des obligations ("CO")).

³ Les dispositions légales et statutaires relatives au capital-actions, à l'action et à l'actionnaire sont applicables au capital-participation, au bon de participation et au participant, à moins que la loi ou les statuts n'en disposent autrement.

Article 6a

¹ Les bons de participation de catégorie A confèrent un droit à un dividende prioritaire à condition que l'Assemblée générale décide le versement d'un dividende correspondant et que les dispositions correspondantes du Code suisse des obligations et de la loi fédérale sur les banques et les caisses d'épargne, ainsi que toutes autres dispositions légales et réglementaires applicables à la société, soient respectées. En particulier, aucun dividende prioritaire ne peut être versé s'il n'y a pas de bénéfice ou de réserves disponibles résultant du bilan ou si le versement d'un dividende prioritaire entraîne une violation des prescriptions applicables en matière de fonds propres ou de liquidités. Si l'Assemblée générale décide de ne pas verser de dividende pour un exercice ou dans une mesure insuffisante au versement de la totalité du dividende prioritaire, le droit sur la partie du dividende non payé s'éteint et ne sera pas reporté sur l'exercice suivant.

² Dans la mesure où les conditions décrites dans l'alinéa 1 ci-dessus sont remplies, les bons de participation de catégorie A confèrent le droit à un dividende prioritaire annuel, correspondant à un taux fixe, pour la période du 7 novembre 2006 (inclus) au 29 juin 2011 (exclu), de 6.777% p.a. et dès cette dernière date, à un taux variable p.a. (exprimé en pourcent) égal à la somme (i) du Taux Interbancaire Offert en Euros (EURIBOR) sur les dépôts de 12 mois en Euros (exprimé en pourcent

Article 6

¹ The participation capital of the company amounts to one million francs (CHF1,000,000) and is divided into forty thousand registered participation certificates of class A with a nominal value of twenty-five francs (CHF25) per certificate; the participation certificates of class A are fully paid up.

² The participation certificates do not confer any voting rights or any rights related thereto, neither the right to make a motion to initiate a special audit (art. 656c of the Swiss Code of Obligations ("CO")).

³ The legal provisions and the provisions contained in the articles of association pertaining to the share capital, the shares and the shareholders shall also apply to the participation certificate capital, the participation certificates, and the holders of participation certificates, provided there are no contrary provisions under the law or in the articles of association.

Article 6a

¹ The participation certificates of class A confer a right to a preferred dividend payment, provided that the general meeting declares a corresponding dividend and further provided that the relevant provisions of the Swiss Code of Obligations and of the Federal Law on Banks and Savings Banks, as well as any other laws, regulations and legal provisions applicable to the company are complied with. In particular no preferred dividend may be declared if and to the extent no balance sheet profit or free reserves are available for distribution or a preferred dividend distribution would result in the breach of applicable capital adequacy or liquidity regulations. If the general meeting decides in any given year not to distribute dividends, or to distribute dividends in an amount not covering the full amount of preferred dividend, then the entitlement to the unpaid portion of the preferred dividend, shall lapse and shall not be carried forward to the following year.

² Subject to paragraph 1 above, the participation certificates of class A confer a right to an annual preferred dividend payment, expressed as a fixed rate, for the period from and including 7 November 2006, to but excluding 29 June 2011, of 6.777% p.a., and thereafter a floating rate p.a. (expressed as a percentage) equal to the sum of (i) the Euro Interbank Offered Rate (EURIBOR) for twelve-month deposits in euro (expressed as a percentage rate per annum) and (ii) a margin of 2.875%, in each

par année) et (ii) d'une marge de 2.875%, chacun calculé sur la base de l'apport déterminant (selon la définition de l'alinéa 8) et payable en une ou plusieurs tranches. Si le versement du dividende est soumis à une déduction ou une réduction causée par un impôt ou par tout autre droit non récupérable, l'Assemblée générale peut décider, à sa seule discrétion, le versement d'un dividende correspondant à un pourcentage supérieur.

³ Le droit à un dividende prioritaire est supprimé pour un exercice donné si et dans la mesure où Syz & Co Finance Limited, avec siège à Jersey, filiale de la société, a décidé de verser, avec l'accord de l'Assemblée générale de la société, et a payé un dividende prioritaire aux participants de catégorie A pour un montant au moins égal au dividende prioritaire calculé selon l'alinéa 2 ci-dessus.

⁴ Le dividende prioritaire est versé, au choix des participants de catégorie A, en francs suisses ou en Euros.

⁵ Le dividende prioritaire attaché aux bons de participation de catégorie A sera versé en priorité au versement de tout dividende au profit des actionnaires. Chaque participant de catégorie A peut renoncer à son droit à un dividende prioritaire, auquel cas le montant correspondant sera disponible pour être versé aux actionnaires, sans toutefois porter préjudice aux droits des participants de catégorie A n'ayant pas renoncé à leur droit à un dividende prioritaire. Tout versement de dividende aux participants de catégorie A autre que le dividende prioritaire est exclu.

⁶ En cas de liquidation de la société, les bons de participation de catégorie A confèrent un droit préférentiel par rapport aux actionnaires sur un éventuel excédent de liquidation jusqu'à concurrence du montant de l'apport déterminant, payable au choix du participant de catégorie A en francs suisses ou en Euros. L'apport déterminant se calcule selon l'alinéa 8. Cela étant, si cet excédent de liquidation préférentiel est soumis à une déduction ou une réduction causée par un impôt ou par tout autre droit non récupérable, l'Assemblée générale peut accorder, à sa seule discrétion, un excédent de liquidation préférentiel à un pourcentage supérieur correspondant. Tout excédent de liquidation après attribution aux participants sera exclusivement réparti entre les actionnaires conformément aux présents statuts et aux dispositions légales applicables.

case calculated on the basis of the relevant contribution (as defined in paragraph 8) and payable in one or several instalments. In case any payment of dividend by the Company is subject to non-refundable deductions or retentions of taxes or duties, the general meeting can approve at its full discretion a dividend at a correspondingly higher percentage rate.

³ The entitlement to the preferred dividend lapses if and to the extent that, for the relevant financial year, Syz & Co Finance Limited, incorporated in Jersey and subsidiary of the Company, has declared, with the approval of the general meeting of the Company, and paid a preferred dividend in favour of the holders of the participation certificates of Class A in issue, which at least amounts to the preferred dividend pursuant to the foregoing paragraph 2.

⁴ The preferred dividend is at the election of the holders of participation certificates of class A payable in Swiss Francs or Euro.

⁵ The preferred dividend pertaining to the participation certificates of class A shall be declared before any dividend payment to the shareholders. Each holder of participation certificates of class A may waive his right to a preferred dividend, in which event corresponding distributable funds are available for distribution to the shareholders, however, without prejudice to the rights of those holders of participation certificates of class A who did not waive their right to a preferred dividend. A dividend distribution in favour of the participation certificates of class A beyond the preferred dividend is excluded.

⁶ In the event of a liquidation of the Company, the participation certificates of class A confer a right to a preferred portion of any liquidation proceeds vis-à-vis the holders of registered shares, up to the amount of the relevant contribution, payable at the election of the holders of participation certificates of class A in Swiss Francs or Euro. The amount of the relevant contribution shall be calculated in accordance with paragraph 8. Notwithstanding the foregoing, in case any such preferred portion of any liquidation proceeds is subject to non-refundable deductions or retentions of taxes or duties, the general meeting can approve, at its full discretion, a preferred portion of any liquidation proceeds at a correspondingly higher percentage rate. Any excess amount of the liquidation proceeds shall, after allocation to the holders of participation certificates, be exclusively shared between the shareholders, in accordance with the present articles of association and any applicable legal provisions.

⁷ Conformément aux dispositions applicables du Code suisse des obligations, la société peut racheter les bons de participation de catégorie A qui lui seront proposés, à un prix équivalent à l'apport déterminant défini selon l'alinéa 8 (après la déduction ou la réduction causée par un impôt ou par tout autre droit non récupérable) sans qu'elle ne soit obligée d'étendre cette offre de rachat aux actionnaires. Le prix de rachat est payable, au choix des participants, en francs suisses ou en Euros.

⁸ Au sens de cet article 6a, l'apport déterminant des participants de catégorie A est déterminé comme suit:

- (a) Si le paiement correspondant est effectué en Euros: EUR999.99 par bon de participation de catégorie A,
 - (i) dans le cas d'un versement de dividende, le montant correspondant en francs suisses sera calculé sur la base du taux de change déterminant au jour de la décision de distribuer un dividende et sera mentionné au procès-verbal de l'assemblée générale;
 - (ii) dans le cas d'un versement d'un excédent de liquidation, le montant correspondant en francs suisses sera calculé sur la base du taux de change déterminant au jour du versement de l'excédent de liquidation;
 - (iii) dans le cas d'un rachat des bons de participation de catégorie A selon l'alinéa 7 ci-dessus, le montant correspondant en francs suisses sera calculé sur la base du taux de change déterminant au jour du paiement du prix de rachat;

et

- (b) Si le paiement correspondant est effectué en francs suisses: EUR999.99 par bon de participation de catégorie A convertis en francs suisses sur la base du taux de change déterminant:
 - (i) dans le cas d'un versement de dividende, au jour de la décision de distribuer un dividende;
 - (ii) dans le cas d'un versement d'un excédent de liquidation, au jour du versement de l'excédent de liquidation; et

⁷ In accordance with the applicable provisions of the Code of Obligations, the Company shall have the right to repurchase the participation certificates of class A that will be offered to it, at a price equal to the relevant contribution as defined in paragraph 8 (net of non-refundable deductions or retentions of taxes or duties) without the Company being obliged simultaneously to extend such repurchase offer to the shareholders. The repurchase price is payable in Swiss francs or Euro, as determined by the participants.

⁸ For the purpose of this article 6a the relevant contribution paid by the holders of participation certificates shall be:

- (a) if the relevant payment is to be made in Euro: €999.99 per participation certificate of class A,
 - (i) in the case of a dividend payment, the corresponding Swiss francs amount shall be determined on the basis of the exchange rate prevailing on the day such dividend is declared and shall be recorded in the minutes of the general meeting;
 - (ii) in the case of a payment of liquidation proceeds the corresponding Swiss francs amount shall be determined on the basis of the exchange rate prevailing on the day on which the liquidation proceeds are distributed;
 - (iii) in the case of a repurchase of the participation certificates of class A in accordance with paragraph 7 above the corresponding Swiss francs amount shall be determined on the basis of the exchange rate prevailing on the day on which the repurchase price is paid;

and

- (b) if the relevant payment is to be made in Swiss francs: €999.99 per participation certificate of Class A converted into Swiss francs at the exchange rate prevailing:
 - (i) in the case of a dividend payment on the day such dividend is declared;
 - (ii) in the case of a payment of liquidation proceeds on the day on which the liquidation proceeds are distributed; and

(iii) dans le cas d'un rachat des bons de participation de catégorie A selon l'alinéa 7, au jour du paiement du prix de rachat.

(iii) in the case of a repurchase of the participation certificates of class A in accordance with paragraph 7 above on the day on which the repurchase price is paid.

En cas d'augmentation du taux de change de l'Euro après la décision de distribuer un dividende prioritaire, le versement dû en Euros sera réduit si et dans la mesure où le montant en Euros est plus élevé que la contre-valeur en francs suisses, sauf si la banque s'est couverte contre de telles fluctuations des taux monétaires ou si l'Assemblée générale a approuvé le versement d'un tel montant supplémentaire dans sa décision de distribuer un dividende prioritaire pour l'exercice.

If the Euro exchange rate goes up after the date on which the preferred dividend has been declared, the then outstanding amount of preferred dividend payable in Euro shall be reduced if and to the extent the Euro amount would exceed the original counter value in Swiss francs, unless the Bank has hedged itself against such currency fluctuations or the general meeting had approved the payment of such additional amount when declaring the preferred dividend for the financial year.

Article 7

La société envisage d'investir l'intégralité des montants libérés (agio compris) lors de la souscription du capital-participation prévu à l'article 6, soit au maximum la somme de CHF64'000'000, pour la souscription d'actions ordinaires de sa filiale Syz & Co Finance Limited, Jersey.

Article 7

The Company intends to invest the amount paid-up for the subscription of the participation capital (including the premium on the par value) as per article 6, i.e. a maximum of CHF64,000,000, in common shares of its subsidiary Syz & Co Finance Limited, Jersey.

The declaration of preferred dividends under the Participation Securities (the “**Dividends**”) will remain at the full discretion of the Bank’s annual general meeting (*Assemblée générale ordinaire / ordentliche Generalversammlung*, the “**AGM**”) and, further, be subject to the conditions set out in Article 6a of the Bank’s articles of association (see above). The proceeds from the issue of the Participation Securities (including the subscription price paid by the Fiduciary) will be part of the nominal capital and the general reserves of the Bank, and as such, do not form part of the distributable reserves of the Bank. In addition, in order to declare a dividend proposed by the Bank’s Board of Directors, the AGM will require a confirmation from the Bank’s statutory auditors that the dividend proposal of the Board of Directors is in accordance with Swiss law and the Bank’s articles of association.

Further details regarding the calculation and payment of the Dividends under the Participation Securities are set out in the Fiduciary Assets Agreement (see “Description of the Fiduciary Assets Agreement”).

The Fiduciary Assets Agreement contemplates that Dividends will, as from the financial year of the Bank ended 31 December 2006, be payable annually in arrear and at a fixed rate. Under Swiss law, dividends are generally only declared once per financial year at the AGM on the basis of audited financial statements covering the preceding financial year.

See “*Taxation – Swiss Dividend Withholding Tax*” and “*Investment Considerations – Tax Risks*” for a description of the risk to Certificateholders of payments being made net of Withholding Taxes on the Certificates.

Dividend Payments on the Participation Securities will be subject to Swiss withholding tax (*Impôt anticipé / Verrechnungssteuer*). The above quoted Article 6a para. 2 of the Bank’s articles of association therefore provides that the AGM may declare an annual preferred dividend at a correspondingly increased percentage rate. The AGM is thereby given the full discretion to declare a dividend which is increased to take into account Swiss withholding tax as well as changes in interest rates should the relevant Dividend rate not be known on the date of the AGM.

Pursuant to Article 6a para. 5 of the Bank’s articles of association, the Bank’s AGM is prohibited from declaring a dividend in favour of its other shareholders without first declaring a Dividend under the Participation Securities. Moreover, pursuant to Article 6a para. 3 of the Bank’s articles of association, the Bank will not be required and Financière Syz as shareholder of the Bank will not be authorised to resolve on the declaration and payment of a Dividend on the Participation Securities if and to the extent that Syz Finance, with the approval of the general meeting (*Assemblée générale / Generalversammlung*) of the Bank, has for the relevant year declared and paid a preferred distribution on the Preferred Securities in an amount covering the Dividend contemplated by the Fiduciary Assets Agreement (the “**Covered Dividend Amount**”). In particular, no Dividend will therefore be owed under the Participation Securities if the Covered Dividend Amount is greater than or equal to the amount of Dividends contemplated by the Fiduciary Assets Agreement and, in such case, the Bank’s AGM shall be at liberty to declare a dividend in favour of its other shareholders without first declaring a Dividend under the Participation Securities (see “Description of the Fiduciary Assets Agreement”).

Pursuant to the Fiduciary Assets Agreement, the Fiduciary shall have no claim in respect of any dividend declared by the general meeting of the Bank which exceeds the amount of Dividend contemplated by the Fiduciary Assets Agreement for the relevant period (see “Description of the Fiduciary Assets Agreement”).

According to the Bank’s articles of association, the preferred dividend on the Participation Securities is payable, at the option of the holder of Participation Securities, in Euro or Swiss francs. Under the Fiduciary Assets Agreement the Fiduciary has irrevocably opted for payment in Euro.

Preferred Liquidation Proceeds

The articles of association of the Bank do not limit the Bank’s duration.

According to Article 6a para. 6 of the Bank's articles of association, upon liquidation of the Bank, holders of the Participation Securities will be entitled to receive a net preferred portion of the liquidation proceeds (i.e. all assets left after full discharge of all liabilities in accordance with applicable liquidation laws and regulations and after deduction of any taxes, if any) up to a maximum amount of the contribution originally made (i.e. a maximum amount of €999.99) per Participation Security out of available net assets in priority to any payment to common shareholders, payable at the choice of the holder in Swiss francs or in Euro at the CHF:€ exchange rate prevailing on the day on which the liquidation proceeds are distributed. Any excess amount of the liquidation proceeds remaining thereafter will be exclusively shared between the Bank's common shareholders in accordance with the articles of association of the Bank and any applicable legal provisions.

Under the Fiduciary Assets Agreement the Fiduciary has elected that any preferred liquidation proceeds payable under the Participation Securities shall be made in Euro.

Pursuant to Article 6a para. 6 of the Bank's articles of association, holders of the Participation Securities (including the Fiduciary) have no rights in respect of any liquidation proceeds which exceed €999.99 per Participation Security, i.e. €39,999,600 in aggregate for the 40,000 Participation Securities (see "Description of the Fiduciary Assets Agreement").

Purchase of Participation Securities

Under the Fiduciary Assets Agreement, the Fiduciary has agreed that the Bank as well as Financière Syz and any Permitted Transferee shall have a right to repurchase all, but not part, of the Participation Securities, at a repurchase price of €999.99 per Participation Security as further described below (see "Description of the Fiduciary Assets Agreement").

The repurchase of the Participation Securities by the Bank, Financière Syz or a Permitted Transferee may require the prior approval of or clearance by the Swiss Federal Banking Commission. In addition, Swiss law limits the number of shares (including Participation Securities) which the Bank or its subsidiaries may hold or repurchase. In particular, unless the repurchase occurs in connection with a capital reduction approved by a meeting of the Bank's shareholders, the Bank and its subsidiaries (but not an independent Permitted Transferee) may only repurchase its shares (including Participation Securities) if (i) the Bank has sufficient free reserves to pay the purchase price and (ii) the aggregate nominal value of all shares held by the Bank and its subsidiaries does not exceed 10% of the nominal share capital of the Bank. Furthermore, a company must create a reserve on its balance sheet in the amount of the purchase price of the acquired shares.

No Voting Rights and Related Rights

According to Article 6 para. 2 of the articles of association of the Bank, participation securities of the Bank, including the Participation Securities, do not confer any voting or related rights. The following are deemed to be related rights: the right to call a general meeting of shareholders, the right to attend at the shareholders' meeting, the right of information, the right of inspection and the right to make motions. Holders of participation securities may, however, request in writing, addressed to the general meeting of shareholders, information or inspection or the initiation of a special review. The Fiduciary shall not exercise any rights as a holder of the Participation Securities except as specifically provided for in the Conditions of the Certificates (including, by way of reference therein, the Participation Securities Terms) (see section entitled "Terms and Conditions of the Certificates").

Pursuant to Article 656d of the Swiss Code of Obligations, the calling of a general meeting of shareholders shall be notified to the holders of Participation Securities (i.e. the Fiduciary) together with the agenda items and motions. Each resolution of such general meeting shall immediately be available for inspection by the holders of Participation Securities at the Bank's registered office and branches. Holders of Participation Securities shall be informed thereof in the notice.

Amendments to the Bank’s Articles of Association (including Issuance of further Shares and Participation Securities by the Bank)

Pursuant to Article 656f of the Swiss Code of Obligations, amendments to the Bank’s articles of association or other resolutions of the Bank’s general meeting of shareholders which impair the status of the holders of Participation Securities are allowed only if the status of the shareholders who rank equal to the holders of Participation Securities is equally impaired. Preferential rights provided for by the Bank’s articles of association may only be limited or withdrawn with the consent of a special meeting of the affected holders of Participation Securities and of the general meeting of shareholders of the Bank. Under the Fiduciary Assets Agreement, the Fiduciary has agreed that, notwithstanding the above provisions, the Bank is not prohibited from issuing or guaranteeing, or otherwise assuming liability arising in relation to, other securities ranking *pari passu* with or senior to its obligations under the Participation Securities, provided that the Bank will not be permitted to issue or guarantee, or otherwise assume liability arising in relation to, any securities ranking senior to its obligations under the Participation Securities that are treated as core capital (*Fonds propres de base / Kernkapital*) for bank regulatory purposes under the applicable provisions of Swiss bank regulatory law.

Waiver of Pre-emptive Rights

The share capital of the Bank may be increased in consideration of contributions in cash by a resolution passed at a general meeting of the shareholders of the Bank by the absolute majority of the votes cast, or in consideration of contributions in kind or if the pre-emptive rights of the shareholders are excluded or, in the event of a transformation of reserves into share capital, by a majority of two-thirds of the shares represented (in person or by proxy) and the majority of the nominal value of the shares represented at the passing of the resolution.

Under Swiss law and the articles of association of the Bank, shareholders (including holders of Participation Securities) of the Bank have certain pre-emptive rights (*Droit de souscription préférentiel / Bezugsrechte, Vorwegzeichnungsrechte*) to subscribe for new issues of shares (including Participation Securities), option bonds or convertible bonds. A resolution adopted at a shareholders’ meeting with a qualified majority may, however, limit or suspend pre-emptive rights for valid reasons (*justes motifs / wichtiger Grund*).

Under the Fiduciary Assets Agreement the Fiduciary has waived any existing and future pre-emptive rights attaching to the Participation Securities (see “Description of the Fiduciary Assets Agreement”).

Transfer Restrictions

According to the articles of association of the Bank the transfer of the Participation Securities is restricted.

In addition, under the Fiduciary Assets Agreement, the Fiduciary has agreed not to transfer the Participation Securities to any person other than to the Bank, Financière Syz or a Permitted Transferee (see “Description of the Fiduciary Assets Agreement”). Under no circumstances will the Participation Securities be transferred to Certificateholders.

Notices

Notices of the Bank are given by publication in the Swiss Official Gazette of Commerce (*Feuille Officielle Suisse du Commerce / Schweizerisches Handelsamtsblatt*). In addition, notices of the Bank to shareholders (including holders of Participation Securities) are given by registered mail to the address recorded in the Bank’s shareholders’ register.

Enforcement of Claims in Euro

Any judgment rendered against the Bank by the courts of Switzerland for claims under the Participation Securities due in Euro generally would be awarded in Euro if so requested. However, for the

enforcement of such judgment in Switzerland, the claim would have to be converted into Swiss francs at the rate of exchange prevailing at the date of instituting the enforcement proceedings rather than at the date of judgment.

DESCRIPTION OF THE PREFERRED SECURITIES

Syz & Co Finance Limited (“**Syz Finance**”) issued 40,000 no-par value non-voting preference shares in the paid-up amount of €0.01 each (the “**Preferred Securities**” and each a “**Preferred Security**”) to the Fiduciary at an initial issue price of €0.01 per Preferred Security. The Preferred Securities were issued subject to the Articles of Association of Syz Finance (the “**Articles of Association**”).

The rights attaching to the Preferred Securities are, *inter alia*, as follows:

1 Definitions and Interpretation

1.1 Capitalised terms used but not defined herein shall have the meanings given to them in the Articles of Association, except where the context requires otherwise. In addition, as used in this description relating to the Preferred Securities, if not inconsistent with the subject or context, the terms set out below shall have the following meanings:

“**Bank**” means Banque Syz & Co. SA.

“**Bank Equity Securities**” means the Bank’s nominal capital represented by the common shares of the Bank and any participation certificates (*Bons de participation / Partizipationsscheine*) (including the Participation Securities) issued by the Bank.

“**Business Day**” means any day (other than a Saturday or a Sunday) (i) on which banks are open for business in London, Luxembourg, Geneva and Jersey and (ii) which is a TARGET Business Day.

“**Calculation Agent**” means J. P. Morgan Bank Luxembourg S.A.

“**Day Count Fraction**” means, in respect of the calculation of an amount of Distributions for any period of time (the “**Calculation Period**”), if the Calculation Period is equal to or shorter than the Fixed Payment Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Fixed Payment Period.

“**Distributable Funds**” means, in respect of each fiscal year of the Bank, the aggregate amount as shown in the unconsolidated financial statements of the Bank as at the end of the immediately preceding fiscal year of the Bank, of (i) the profits for that fiscal year and (ii) the accumulated net profits carried forward and (iii) any freely available reserves (other than reserves for treasury shares), less any amounts that must be contributed to legal reserves under mandatory Swiss law.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union (as amended).

“**Financière Syz**” means Financière Syz & Co. SA.

“**Fixed Payment Date**” means 29 June in each year. The first Fixed Payment Date will be 29 June 2007. The last Fixed Payment Date will be 29 June 2011. If the Fixed Payment Date falls on a date which is not a Business Day, then the payment shall be made on the next Business Day and no payment of any amount in respect of such delay shall be required to be made;

“**Fixed Payment Period**” means each period from and including 7 November 2006 to but excluding the first Fixed Payment Date and each successive period from and including a Fixed Payment Date to but excluding the following Fixed Payment Date.

“**Floating Day Count Fraction**” means, in respect of the calculation of an amount of Distributions for any period of time (the “**Calculation Period**”), the actual number of days in the Calculation Period divided by 360.

“Floating Payment Date” means 29 June in each year. If any Floating Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Payment Date shall be the immediately preceding Business Day.

“Floating Payment Period” means each period from and including 29 June 2011 to but excluding the first Floating Payment Date and each successive period from and including a Floating Payment Date to but excluding the following Floating Payment Date.

“Law” means the Companies (Jersey) Law 1991, as amended.

“Margin” means 2.875 per cent. per annum

“Notional Amount” means an amount of €1,000 per Preferred Security.

“Ordinary Shares” means the ordinary shares in the capital of Syz Finance having no par value and carrying voting rights.

“Paid-up Amount” means an amount of €0.01 per Preferred Security.

“Participation Securities” means the non-voting fully paid registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A issued by the Bank and each a **“Participation Security”**.

“Permitted Transferee” means a person designated by the Bank (to be transferee of the Participation Securities or the Preferred Securities, as the case may be).

“Redemption Amount” means an amount per Preferred Security equal to the Paid-up Amount.

“Reference Banks” means, in the case of a determination of the Reference Rate, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“Relevant Jurisdiction” means Jersey, Switzerland, Luxembourg or any other jurisdiction of residence of the obligor of the Preferred Securities (or any jurisdiction from which payments are made thereon).

“Screen Page” means (i) Reuters Page EURIBOR1YD (or such other page of Reuters or such other information service, which has been designated as the successor to Reuters Page EURIBOR1YD for the purpose of displaying such rates or, (ii) if Reuters Page EURIBOR1YD is not available or if, no such quotation appears at such time, Telerate Page 248 or such other page of Telerate or such other information service, which has been designated as the successor to Telerate Page 248 for the purpose of displaying such rates.

“TARGET” means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system.

“TARGET Business Day” means a day on which TARGET is open.

“Withholding Taxes” means any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied, deducted, withheld or collected by or on behalf of any Relevant Jurisdiction or by or on behalf of any political subdivision or authority therein or thereof having the power to tax.

- 1.2 A reference to a numbered Paragraph herein is to the corresponding numbered paragraph of this Description of the Preferred Securities.

2 Form, Denomination and Transfers

- 2.1 The Preferred Securities are denominated in Euro and shall be issued on 7 November 2006 (the “**Issue Date**”).
- 2.2 The Preferred Securities shall be issued in registered form at a price per Preferred Security equal to the Paid-up Amount.
- 2.3 Transfers of the Preferred Securities shall be effected in accordance with the provisions contained in the Articles of Association.

3 Distributions

- 3.1 Subject as provided in paragraph 4 below, Distributions will accrue as follows:
 - 3.1.1 In respect of each Fixed Payment Period, Distributions will accrue on the Notional Amount at a rate of 6.777 per cent. per annum and will, subject to the Law, be payable annually in arrear on each Fixed Payment Date. The amount of Distribution payable on the Notional Amount of the Preferred Securities on each Fixed Payment Date shall be calculated on the basis of the Day Count Fraction.
 - 3.1.2 In respect of each Floating Payment Period, Distributions will accrue on the Notional Amount at a floating rate per annum (expressed as a percentage) equal to the sum of the Margin and the Reference Rate. Distributions accrued in respect of any Floating Payment Period will, subject to the Law, be payable in arrear on each Floating Payment Date.
 - (i) “**Reference Rate**” in respect of each Floating Payment Period means, except as provided below, the offered quotation (expressed as a percentage rate per annum) for 12-month deposits in euro which appears on the Screen Page as at 11.00 a.m. (Brussels time) on the Determination Date, all as determined by the Calculation Agent.

If the Screen Page is not available or if no such offered quotation appears on the Screen Page, the Calculation Agent shall request the principal Euro-zone office of four Reference Banks selected by it to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for 12-month deposits in euro as at 11:00 a.m. (Brussels time) on the Determination Date in question. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the Relevant Rate for such Floating Payment Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards), as determined by the Calculation Agent.

If the foregoing paragraph applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Reference Rate shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point) of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such offered rates were offered at approximately 11:00 a.m. (Brussels time) on the relevant Determination Date, 12-month deposits in euro by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for 12-month deposits in euro, or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point) of the offered rates for 12-month deposits in euro, at which, at approximately 11:00 a.m. (Brussels time), on the relevant Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Reference Rate

cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be determined as at the last preceding Determination Date.

- (ii) The Calculation Agent will, on or as soon as practicable after each time at which the Reference Rate is to be determined, determine the Reference Rate and calculate the amount of Distribution (the “**Distribution Amount**”) payable on the Notional Amount of the Preferred Securities for the relevant Floating Payment Period. Each Distribution Amount shall be calculated by multiplying the product of the Reference Rate and the Floating Day Count Fraction with the Notional Amount of the Preferred Securities and rounding the resultant figure up and down to the nearest eurocent, with 0.5 of such unit being rounded upwards.
 - (iii) The Calculation Agent will notify the Reference Rate, the Distribution Amount on the Notional Amount for each Floating Payment Period, each Floating Payment Period and the relevant Floating Payment Date to Syz Finance and the holders of the Preferred Securities as soon as possible after their determination but in no event later than the first day of the relevant Floating Payment Period. Each Distribution Amount and Floating Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Payment Period. Any such amendment will be promptly notified to Syz Finance and the holders of the Preferred Securities.
 - (iv) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph 3.1.2 by the Calculation Agent shall (in the absence of manifest error) be binding on the Company and the holders of the Preferred Securities.
- 3.2 Distributions on the Preferred Securities shall cease to accrue from the expiry of the day preceding the day on which they are due for redemption.
- 3.3 Until a Preferred Security is fully paid, the holder of such Preferred Security is not entitled to receive any Distribution thereon.

4 Conditions to Distributions

- 4.1 Distributions on the Preferred Securities will only be due and payable in respect of any Payment Period out of funds legally available therefor, if the Board of Directors of Syz Finance, in its sole discretion and subject to Paragraph 4.4, has declared a Distribution on the Preferred Securities in respect of such Payment Period.
- 4.2 If Distributions are declared by the Board of Directors in respect of a Payment Period, they will be paid, on a non-cumulative basis, in arrear on the relevant Payment Date.
- 4.3 The right of the holders of the Preferred Securities to receive Distributions is non-cumulative. If the Board of Directors does not declare a Distribution on the Preferred Securities in respect of any Payment Period, the holders of the Preferred Securities will have no right to receive Distributions on the Preferred Securities in respect of such Payment Period, and Syz Finance will have no obligation to pay Distributions on the Preferred Securities in respect of such Payment Period, whether or not Distributions are declared and paid on the Preferred Securities in respect of any future Payment Period.
- 4.4 Distributions on the Preferred Securities will be deemed to accrue on a day-by-day basis whether or not declared. Distributions on the Preferred Securities will be paid by Syz Finance out of funds legally available therefor, provided, however, that the Board of Directors of Syz Finance may only declare a Distribution on the Preferred Securities during any fiscal year if:
- (i) the general meeting (*Assemblée générale / Generalversammlung*) of the Bank has prior thereto consented to such declaration;

- (ii) the aggregate of such Distribution, together with
 - (A) the amount of Distribution (including any Additional Amounts (as defined below) in respect thereof) previously paid in the then current fiscal year of the Bank on the Preferred Securities; and
 - (B) capital payments or dividends or other distributions or payments previously paid on, or payments declared or proposed to be made to holders in respect of, Bank Equity Securities in the then current fiscal year of the Bank

would not exceed the Distributable Funds for the immediately preceding fiscal year of the Bank; and

- (iii) as at the date of such declaration there is in effect no order of the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommision*, the “FBC”) or other relevant regulatory authority pursuant to the Swiss Banking Act or any other relevant regulatory provision prohibiting the Bank from making distributions to holders of Bank Equity Securities.

4.5 Save as described in this Paragraph 4, holders of the Preferred Securities will have no right to participate in the profits of Syz Finance.

5 Liquidation Distributions

- 5.1 In the event of any voluntary or involuntary liquidation, dissolution or winding-up of Syz Finance, each holder of a Preferred Security at the time outstanding will, subject to the Law, be entitled to receive, after payment or reasonable provision for payment of Syz Finance’s liabilities to its creditors (if any), an amount of €0.01 in respect of each Preferred Security as its liquidation distribution, provided that Syz Finance has sufficient funds to make such payment.
- 5.2 After payment of the amount referred to in Paragraph 5.1, the holders of the Preferred Securities will have no right or claim to any of the remaining assets of Syz Finance.
- 5.3 The entitlement pursuant to this Paragraph 5 will arise before any distribution of assets is made to holders of the Ordinary Shares or any other class of shares of Syz Finance ranking junior as regards participation in assets relating to the Preferred Securities, but such entitlement will rank equally with the entitlement of other holders of the Preferred Securities.
- 5.4 If any liquidation distribution cannot be made in full such amounts will be payable *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation.

6 Redemption

- 6.1 The Preferred Securities have no scheduled maturity date and will at no time be redeemable at the option of the holders thereof.
- 6.2 The Preferred Securities are redeemable at the option of Syz Finance as provided in Paragraphs 6.3, 7 and 8.
- 6.3 In any event, the right of Syz Finance to redeem the Preferred Securities (including a redemption by way of substitution pursuant to Paragraph 8) will be subject to (i) the Law and other applicable legislation (if any), (ii) the prior consent of the Bank and (iii) Syz Finance having obtained all necessary regulatory authorisations for such redemption (if any).

7 Redemption at the Option of Syz Finance

- 7.1 Subject as provided in Paragraph 6.3, the Preferred Securities are redeemable at the option of Syz Finance, in whole but not in part, on 29 June 2011 (the “**First Optional Redemption Date**”) or any Payment Date thereafter at the Redemption Amount, provided that:
- (i) the Bank, Financière Syz or a Permitted Transferee has exercised the right to purchase the Participation Securities;
 - (ii) Syz Finance has given at least two days’ prior notice (or such longer period as may be required by the relevant regulatory authorities) to the holders of the Preferred Securities of its intention to redeem such Preferred Securities on the date fixed by it for redemption (the “**Redemption Date**”); and
 - (iii) the following conditions are met on the relevant Redemption Date: (x) Syz Finance has sufficient funds to pay the Redemption Amount on the relevant Redemption Date; and (y) there is in effect no order of the FBC or other relevant regulatory authority pursuant to the Swiss Banking Act or any other relevant regulatory provision prohibiting the Bank from making distributions to holders of Bank Equity Securities.
- 7.2 The notice referred to in Paragraph 7.1(ii) shall be irrevocable and must specify the Redemption Date.
- 7.3 Upon the expiry of the notice referred to in Paragraph 7.1(ii) and compliance with the relevant conditions thereto, Syz Finance shall be bound to redeem the Preferred Securities accordingly.

8 Redemption by Way of Substitution

- 8.1 Notwithstanding the provisions of Paragraph 7, Syz Finance will, subject to Paragraph 6.3, have the right to redeem the Preferred Securities, in whole but not in part, by way of delivery of preferred securities issued by another subsidiary of the Bank to the holders of the Preferred Securities in an amount, a number and upon terms which are no less advantageous to the holders of the Preferred Securities:
- (i) on the First Optional Redemption Date and any Payment Date thereafter; and
 - (ii) on any Payment Date, including prior to the First Optional Redemption Date, upon the occurrence of a Tax Event.
- 8.2 A “**Tax Event**” shall occur if as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Jersey or Switzerland or, in each case, any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), distributions payable by Syz Finance in respect of the Preferred Securities become subject to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by Jersey or Switzerland, or, in each case, any political subdivision or any taxing authority thereof or therein.

9 Payments and Purchases

- 9.1 Distributions declared on the Preferred Securities will be payable by Syz Finance on the relevant Payment Date or other due date for payment as provided herein to the holders of record of the Preferred Securities as they appear on the register for the Preferred Securities on the relevant record date, which will be five days prior to the relevant date for payment.

- 9.2 If Syz Finance gives a notice of redemption in respect of the Preferred Securities pursuant to Paragraph 7 or 8, Syz Finance (or its agent on its behalf) will on the Redemption Date pay the Redemption Amount to the holders of the Preferred Securities as at the relevant record date, which will be five days prior to the relevant Redemption Date. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of holders of the Preferred Securities will be extinguished, except the right of the holders of the Preferred Securities to receive the Redemption Amount in respect of each Preferred Security, but without interest, and the relevant Preferred Securities will cease to be outstanding and will be cancelled.
- 9.3 In the event that payment of the Redemption Amount in respect of any Preferred Security is improperly withheld or refused and not paid by Syz Finance, Distributions on such Preferred Security will, subject as provided in Paragraph 4.4, continue to accrue on the Notional Amount at the current rate of Distribution from the Redemption Date to the date of actual payment of such Redemption Amount.
- 9.4 If the date for payment of any amount in respect of any Preferred Security is not a Payment Business Day then the holder of such Preferred Security shall not be entitled to payment until the next such day in the relevant place. Such holder shall not be entitled to further interest or other payment in respect of such delay. For these purposes “**Payment Business Day**” means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System settles payments in Euro.
- 9.5 Subject to the foregoing and to applicable legislation (including, without limitation, to Jersey, Luxembourg and Swiss securities and banking laws and regulations), Syz Finance, the Bank, Financière Syz or any Permitted Transferee may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement. If purchases are made by tender, the tender must be available to all holders of Preferred Securities alike. Any such Preferred Security so purchased by the Bank, Financière Syz or any Permitted Transferee may be resold or cancelled. Any such purchase if made by Syz Finance shall be made in such manner and in such terms as Syz Finance shall approve in a general meeting of shareholders.

10 Voting Rights

- 10.1 Holders of Preferred Securities will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of Syz Finance save in the limited circumstances set out in Paragraph 10.2.
- 10.2 If for any one Payment Period, Distributions (whether or not declared) and any Additional Amounts in respect of such Distributions have not been paid in full on the Preferred Securities by Syz Finance, then the holders of outstanding Preferred Securities together with the holders of any other preferred or preference shares of Syz Finance having the right to vote for the election of Directors in such event, acting as a single class without regard to series, will be entitled, by written notice to Syz Finance given by the holders of the Preferred Securities of a majority in liquidation preference of such shares or by ordinary resolution passed by the holders of the Preferred Securities of a majority in liquidation preference of such shares present in person or by proxy at a separate general meeting of such holders of the Preferred Securities convened for the purpose, (i) to appoint two additional members of the Board of Directors, provided that such additional directors, whether because of their individual residency status or otherwise, do not adversely affect Syz Finance’s regulatory or taxation position or status, and (ii) to remove any such additional Director from office and to appoint another person in place of such additional Director, provided that such other person would have initially qualified as additional Director.

Not later than 30 days after such entitlement arises, if the written notice of the holders of outstanding Preferred Securities and the holders of any other preferred or preference shares of

Syz Finance having the right to vote for the election of Directors in the circumstances described in the preceding paragraph has not been given as provided for in the preceding paragraph, the Board of Directors will convene a separate general meeting for the above purpose. If the Board of Directors fails to convene such meeting within such 30-day period, the holders of 10% in liquidation preference of the Preferred Securities and such other preferred or preference shares will be entitled to convene such meeting.

The provisions of the Articles of Association concerning the convening and conduct of general meetings of shareholders will apply with respect to any such separate general meeting. Any member of the Board of Directors so appointed shall vacate office, subject to the terms of such other preferred or preference shares, if for any one Payment Period Distributions and any Additional Amounts in respect of such Distributions in relation to which they have been appointed have been paid in full by Syz Finance.

- 10.3 Syz Finance will cause a notice of any meeting at which holders of the Preferred Securities are entitled to vote to be mailed to each holder of a Preferred Security. Each such notice will include a statement setting forth (i) the date, time and place of such meeting, (ii) a description of any resolution to be proposed for adoption at such meeting on which such holders are entitled to vote and (iii) instructions for the delivery of proxies.

11 Additional Amounts

All payments by Syz Finance on the Preferred Securities will be made without deduction or withholding by Syz Finance for or on account of Withholding Taxes, unless such deduction or withholding is required by Jersey law. In such event, Syz Finance will not be obliged to, but – subject to the Law and the prior consent of the Bank – may, pay, as additional Distributions such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received by the holders of Preferred Securities, after such deduction or withholding, will equal the amounts that would have been received if no such deduction or withholding had been required.

12 Notices

A notice may be given by Syz Finance to any holder of Preferred Securities personally or by sending it either by post to him at his registered address or to the address supplied by him to Syz Finance for the giving of notices to him or by sending it by facsimile to him at any facsimile number supplied by him to Syz Finance specifically for the purpose of serving formal notices on him.

13 Governing Law

The terms of the Preferred Securities shall be governed by, and construed in accordance with, the laws of Jersey.

DESCRIPTION OF THE FIDUCIARY ASSETS AGREEMENT

On 31 October 2006, the Bank, Financière Syz, Syz Finance and the Fiduciary entered into the Fiduciary Assets Agreement (the “**Fiduciary Assets Agreement**”). The purpose of the Fiduciary Assets Agreement is twofold. First, it deals with the subscription by the Fiduciary of the Participation Securities issued by the Bank and of the Preferred Securities issued by Syz Finance. Secondly, it records certain rights and obligations relating to the Participation Securities and the Preferred Securities, respectively, for the period from the Issue Date until the date on which the Certificates are redeemed.

A. Agreements and Undertakings in relation to the Participation Securities

1. Subscription of the Participation Securities

Subject to the terms and conditions of the Fiduciary Assets Agreement, the Bank has agreed to issue, and the Fiduciary has agreed to subscribe and pay for, 40,000 non-voting, fully paid, registered participation certificates (*Bons de participation / Partizipationsscheine*) of class A with a nominal value of CHF25 each (the “**Participation Securities**” and each a “**Participation Security**”) (subject to the issuance of the Certificates having occurred) at a subscription price of €999.99 per Participation Security, payable on the Issue Date (net of any previously paid nominal value and fees and commissions).

2. Rights and Obligations in relation to the Participation Securities after the Issue Date

(a) Calculation, Payment and Waiver of Dividend

The Fiduciary Assets Agreement contains the details regarding the calculation, payment and waiver (as the case may be) of the Dividend under the Participation Securities. The main provision is Clause 3.1 which reads as follows:

“3.1 Calculation, Payment and Waiver of Dividend

3.1.1 Subject to the limitations set out in Clause 3.1.4 and elsewhere in this Agreement, if approved by the Bank’s annual general meeting (*Assemblée générale ordinaire / ordentliche Generalversammlung*, the “**AGM**”), the Fiduciary shall be entitled to preferred dividends on the Participation Securities (each, a “**Dividend**”) on the Relevant Contribution as long as the Participation Securities are held by the Fiduciary. The relevant rate of Dividend will be calculated as provided in article 6a paragraph 2 of the Bank’s articles of association and further detailed in Clause 3.1.2 and Clause 3.1.3 below.

3.1.2 Dividend accrual for the period to but excluding 29 June 2011

In respect of each Fixed Payment Period, Dividends on the Relevant Contribution will amount to a rate of 1 per cent. per annum and will be payable annually in arrear on each Fixed Payment Date with respect to the financial year of the Bank ended immediately prior thereto.

The Dividend payable on 29 June 2007 with respect to the financial year of the Bank ended 31 December 2006 shall amount to EUR 43.45 (net of non-refundable deductions or retentions of taxes or duties) per Participation Security.

The amount of Dividend payable on the Relevant Contribution on each Fixed Payment Date shall be calculated on the basis of the Day Count Fraction.

“**Day Count Fraction**” means, in respect of the calculation of an amount of Dividends for any period of time (the “**Calculation Period**”), if the Calculation Period is equal to or shorter than the Fixed Payment Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Fixed Payment Period.

“Fixed Payment Date” means 29 June in each year. The first Fixed Payment Date will be 29 June 2007. The last Fixed Payment Date will be 29 June 2011. If the Fixed Payment Date falls on a date which is not a Business Day, then the payment shall be made on the next Business Day and no payment of any amount in respect of such delay shall be required to be made.

“Fixed Payment Period” means each period from and including 7 November 2006 to but excluding the first Fixed Payment Date and each successive period from and including a Fixed Payment Date to but excluding the following Fixed Payment Date.

“Relevant Contribution” means the relevant contribution per Participation Security as defined in article 6a paragraph 8 of the Bank’s articles of association.

3.1.3 Dividend accrual from and including 29 June 2011

- (i) As provided in article 6a paragraph 2 of the Bank’s articles of association, for each Floating Payment Period, Dividends on the Participation Securities on the Relevant Contribution will amount to a floating rate per annum (expressed as a percentage) equal to the sum of the Margin and the Reference Rate, and will be payable in arrear on each Floating Payment Date with respect to the financial year of the Bank ended immediately prior thereto.
- (ii) **“Reference Rate”** in respect of each Floating Payment Period means, except as provided below, the offered quotation (expressed as a percentage rate per annum) for 12-month deposits in euro which appears on the Screen Page as at 11:00 a.m. (Brussels time) on the Determination Date, all as determined by the Calculation Agent.

If the Screen Page is not available or if no such offered quotation appears on the Screen Page, the Calculation Agent shall request the principal Euro-zone office of four Reference Banks selected by it to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for 12-month deposits in euro as at 11:00 a.m. (Brussels time) on the Determination Date in question. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the Relevant Rate for such Floating Payment Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards), as determined by the Calculation Agent.

If the foregoing paragraph applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Reference Rate shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point) of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such offered rates were offered at approximately 11:00 a.m. (Brussels time) on the relevant Determination Date, 12-month deposits in euro by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for 12-month deposits in euro, or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point) of the offered rates for 12-month deposits in euro, at which, at approximately 11:00 a.m. (Brussels time), on the relevant Determination Date, any one or more banks informs

the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be determined as at the last preceding Determination Date.

(iii) The Calculation Agent will, on or as soon as practicable after each time at which the Reference Rate is to be determined, determine the Reference Rate and calculate the amount of Dividend (the “**Dividend Amount**”) payable on the Relevant Contribution of the Participation Securities for the relevant Floating Payment Period. Each Dividend Amount shall be calculated by multiplying the product of the Reference Rate and the Floating Day Count Fraction with the Relevant Contribution and rounding the resultant figure up and down to the nearest eurocent, with 0.5 of such unit being rounded upwards.

(iv) In this Clause 3.1.3:

“**Calculation Agent**” means J.P. Morgan Bank Luxembourg S.A. or such other person or entity appointed from time to time as calculation agent under the Fiscal Agency Agreement.

“**Determination Date**” means the second TARGET Business Day prior to the commencement of the relevant Floating Payment Period.

“**Floating Day Count Fraction**” means, in respect of the calculation of an amount of Dividends for any period of time (the “**Calculation Period**”), the actual number of days in the Calculation Period divided by 360.

“**Floating Payment Date**” means 29 June in each year. If any Floating Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Payment Date shall be the immediately preceding Business Day.

“**Floating Payment Period**” means each period from and including 29 June 2011 to but excluding the first Floating Payment Date and each successive period from and including a Floating Payment Date to but excluding the following Floating Payment Date.

“**Margin**” means 2.875 per cent. per annum.

“**Payment Date**” means each Fixed Payment Date and Floating Payment Date, as the case may be.

“**Payment Period**” means each Fixed Payment Period and each Floating Payment Period.

“**Reference Banks**” means, in the case of a determination of the Reference Rate, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“**Screen Page**” means (i) Reuters Page EURIBOR1YD (or such other page of Reuters or such other information service, which has been designated as the successor to Reuters Page EURIBOR1YD for the purpose of displaying such rates or, (ii) if Reuters Page EURIBOR1YD is not available or if, no such quotation appears at such time, Telerate Page 248 or such other page of Telerate or such other information service, which has been designated as the successor to Telerate Page 248 for the purpose of displaying such rates.

- (v) The Calculation Agent will notify the Reference Rate, the Dividend Amount on the Relevant Contribution for each Floating Payment Period, each Floating Payment Period and the relevant Floating Payment Date to the Bank and the holders of the Participation Securities as soon as possible after their determination but in no event later than the first day of the relevant Floating Payment Period. Each Dividend Amount and Floating Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Payment Period. Any such amendment will be promptly notified to the Bank and the holders of the Participation Securities.
- (vi) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Clause 3.1.3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Bank and the holders of the Participation Securities.

3.1.4 In respect of any Payment Date the Fiduciary acknowledges and irrevocably and unconditionally agrees that

- (i) the amount of Dividend contemplated by Clause 3.1.1 and further detailed in Clause 3.1.2 and Clause 3.1.3 shall be reduced to the extent that Syz Finance, with the approval of the general meeting (*Assemblée générale / Generalversammlung*) of the Bank, has declared a Distribution on the Preferred Securities of Syz Finance in respect of that Payment Date (the amount of such Distribution declared and paid in respect of that Payment Date, the “**Covered Dividend Amount**”);
- (ii) no Dividend shall be owed under the Participation Securities if the Covered Dividend Amount is equal to or greater than the amount of Dividend contemplated by Clause 3.1.1 and further detailed in Clause 3.1.2 and Clause 3.1.3; and
- (iii) the Bank’s AGM shall not be required to declare a Dividend under the Participation Securities in respect of the relevant Payment Date.

3.1.5 Upon request of the Bank the Fiduciary shall, if legally required, upon confirmation by Syz Finance that a Distribution on the Preferred Securities has been declared which covers all or part of the Dividend contemplated by Clause 3.1.1, separately confirm to the Bank and the Bank’s auditors that no Dividend (or, in the case of Clause 3.1.4(i) above, only a reduced Dividend for the amount not covered by the Covered Dividend Amount) needs to be declared.

3.1.6 Limitations

- (i) The declaration of Dividends will remain at the full discretion of the Bank’s AGM and, further, be subject to the conditions set out in articles 6 and 6a of the Bank’s articles of association and the laws, rules and regulations referred to therein. In addition, no Dividend proposed by the Bank’s board of directors may be declared by the AGM unless the Bank’s statutory auditors have confirmed that the Dividend proposal made by the Bank’s board of directors is in accordance with applicable Swiss laws and the Bank’s articles of association. In particular, the Bank’s AGM can only approve a Dividend to the extent that the Bank has distributable profits and distributable reserves, and that the declaration of the Dividend does not lead to a breach of applicable capital adequacy or liquidity regulations.

- (ii) Dividends are not cumulative meaning that, if the AGM does not declare a Dividend or only declares a reduced Dividend for any relevant financial year of the Bank, holders of Participation Securities will lose their right to Dividends for such financial year and have no right to receive payments in respect of any missed or reduced Dividend payment even if payment of Dividends is resumed at a later stage.
- (iii) The Fiduciary herewith irrevocably and unconditionally waives any right to dividends declared by the Bank's shareholders' meeting which exceed the amount of Dividend determined in accordance with Clause 3.1.1 and further detailed in Clause 3.1.2 and Clause 3.1.3.

3.1.7 Payment of Dividends in Euro

With reference to article 6a paragraph 4 of the Bank's articles of association, the Fiduciary hereby irrevocably and unconditionally elects for payment of Dividends in Euro.

3.1.8 Hedging

If the AGM declares a Dividend, the Bank shall appropriately hedge itself against changes in currency exchange rates such that the payment of the respective Dividend will not be subject to reduction pursuant to article 6a paragraph 10 of the Bank's articles of association.

3.1.9 Further Undertakings of the Bank

- (i) The Bank shall use its commercially reasonable efforts to have an AGM convened in time to enable payment of Dividends or Distributions, as the case may be, on each Payment Date.
- (ii) The Bank will undertake all reasonable endeavours to have a proposal submitted by its board of directors to the AGM to declare a Dividend or to the general meeting (*Assemblée générale / Generalversammlung*) of the Bank to authorise a Distribution by Syz Finance (as the case may be) subject to the Bank and Syz Finance being in compliance with the limitations set out in Clause 3.1.6.
- (iii) The Bank will undertake all reasonable endeavours to have a meeting of the board of directors of Syz Finance held in order to pass a resolution to declare a Distribution on the Preferred Securities of Syz Finance in circumstances where the Bank's general meeting (*Assemblée générale / Generalversammlung*) has approved a proposal to declare and pay a Distribution on the Preferred Securities.
- (iv) If in respect of any Payment Date no Dividends or only reduced Dividends are declared on the Participation Securities by the AGM in accordance with Clause 3.1.4, the Bank shall within four Business Days from the date of the relevant AGM give notice thereof to the Fiduciary in accordance with Clause 11.2.

3.1.10 Undertakings of Financière Syz

- (i) If Syz Finance will not declare and pay a Distribution on the Preferred Securities in respect of a particular Payment Date in whole or in part, Financière Syz, as long as it holds at least 10% of the share capital of the Bank, undertakes to demand, subject to and in accordance with Swiss laws

(including, but not limited to, the CO), that the board of directors of the Bank convene an AGM with a view to resolving on the payment of a Dividend (if any) in respect of the Participation Securities on such Payment Date.

- (ii) If and to the extent Syz Finance has not declared and paid a Distribution on the Preferred Securities in respect of a particular Payment Date in whole or in part, Financière Syz, as long as it holds at least 51% of the share capital of the Bank, undertakes to vote in the relevant AGM, subject to and in accordance with Swiss laws (including, but not limited to, the CO) and the terms and conditions of the Participation Securities, for the declaration of a Dividend in respect of the Participation Securities on such Payment Date, subject to and in accordance with Swiss laws (including, but not limited to, the CO) and the Participation Securities Terms.
- (iii) If and to the extent Syz Finance has declared and paid a Distribution on the Preferred Securities in respect of a particular Payment Date in whole or in part, Financière Syz, as long as it holds at least 51% of the share capital of the Bank, undertakes not to vote in the relevant AGM for the declaration of a Dividend in respect of the Participation Securities on such Payment Date, subject to and in accordance with Swiss laws (including, but not limited to, the CO) and the Participation Securities Terms.”

(b) *Purchase of Participation Securities*

Pursuant to the Fiduciary Assets Agreement, on 29 June 2011 (the “**First Optional Purchase Date**”) and on any Payment Date thereafter (each such date a “**Purchase Date**”), the Bank, Financière Syz or a Permitted Transferee shall have the right to purchase the Participation Securities, in whole but not in part, against payment in cash to the Fiscal Agent on behalf of the Fiduciary of a net purchase price (i.e. after non-refundable deductions or non-refundable retentions of taxes or duties, if any) of €999.99 per Participation Security (the “**Net Purchase Price**”), i.e. €39,999,600 in total for 40,000 Participation Securities for on-payment to the Certificateholders (such right, the “**Purchase Right**”).

Any exercise of the Purchase Right by the Bank, Financière Syz or a Permitted Transferee of the Participation Securities and the subsequent actions set out above may only be made subject to the prior approval of the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommision*).

In addition, any acquisition by the Bank, Financière Syz or a Permitted Transferee of the Participation Securities and the subsequent actions set out above shall comply with the provisions of the relevant articles of the Swiss Code of Obligations (*Code des obligations / Obligationenrecht*), in particular the rules governing the acquisition of own shares, as well as any other applicable laws and regulations.

If the Bank, Financière Syz or a Permitted Transferee wishes to exercise the Purchase Right it shall deliver a written exercise notice substantially in the form set out in the Fiduciary Assets Agreement (the “**Exercise Notice**”) to the Fiduciary and Syz Finance no more than 60 nor less than 30 calendar days prior to the relevant purchase date. The Bank, Financière Syz or the relevant Permitted Transferee (as the case may be) shall pay the aggregate Net Purchase Price in immediately available funds to the Fiscal Agent on behalf of the Fiduciary on or prior to 11:00 a.m. CET on the relevant purchase date for payment to the Certificateholders.

3. Further Undertakings in relation to the Participation Securities

The Fiduciary Assets Agreement, *inter alia*, contains the following further undertakings in respect of the Participation Securities:

Transfer Restriction: In the Fiduciary Assets Agreement the Fiduciary has undertaken that, except in the event of exercise of the Purchase Right or a permitted substitution of the Fiduciary, it will not transfer, assign, encumber or otherwise dispose in any manner of the Participation Securities to any other person, and any such disposal shall have no effect.

Issuance or Guaranteeing of other Securities: The Bank shall not be prohibited from issuing or guaranteeing, or otherwise assuming liability arising in relation to, other securities ranking *pari passu* with or senior to the Bank's obligations under the Participation Securities, provided that the Bank shall not issue or guarantee, or otherwise assume liability arising in relation to, any securities ranking senior to its obligations under the Participation Securities that are treated as core capital (*Fonds propres de base / Kernkapital*) for bank regulatory purposes under the applicable provisions of Swiss bank regulatory law. If at the time the Bank issues or guarantees, or otherwise assumes liability arising from, such other securities, an affirmative vote of a special meeting of holders of Participation Securities or a separate waiver of the holders of Participation Securities is required under any applicable law to permit the issue or guaranteeing of or other assumption of liability arising from such other securities, the Fiduciary shall vote accordingly in the meeting of holders of the Participation Securities and grant a respective waiver.

Waiver of Pre-Emptive Rights: The Fiduciary has irrevocably and unconditionally waived in advance any future pre-emptive rights (including, without limitation, subscription rights and pre-emptive rights (*Droit de souscription préférentiel / Bezugsrechte, Vorwegzeichnungsrechte*) connected to linked instruments) attached to the Participation Securities. Upon request of the Bank, the Fiduciary will issue a respective confirmation of waiver at the time of issuance of new shares or linked instruments.

B. Agreements and Undertakings in relation to the Preferred Securities

1. Subscription of the Preferred Securities

Subject to the terms and conditions of the Fiduciary Assets Agreement, Syz Finance has agreed to issue the Preferred Securities, and the Fiduciary has agreed to subscribe and pay for the Preferred Securities at a subscription price of €0.01 per Preferred Security, payable at the Issue Date (net of any previously paid-up amount, if any).

2. Rights and Obligations in relation to the Preferred Securities after the Issue Date

(a) Calculation, Payment and Waiver of Distribution

The articles of association of Syz Finance contain the details regarding the calculation and payment of the Distribution under the Preferred Securities. These details are further specified in the Fiduciary Assets Agreement. The main provisions are contained in Clause 5.1 of the Fiduciary Assets Agreement and read as follows:

“5.1 Calculation, Payment and Waiver of Distributions

5.1.1 Subject to the limitations set out in Clause 5.1.2 and elsewhere in this Agreement, if approved by the board of directors of Syz Finance and the Bank's general meeting (*Assemblée générale / Generalversammlung*), the preferred distributions on the Preferred Securities (each a “**Distribution**”) will be calculated and payable as provided in the articles of association of Syz Finance.

5.1.2 In respect of any Payment Date the Fiduciary acknowledges and irrevocably and unconditionally agrees that the amount of Distribution to be declared by the board of directors of Syz Finance as contemplated by Clause 5.1.1 shall be reduced to the extent that the Bank has declared a Dividend on the Participation Securities in respect of the financial year of the Bank ended immediately prior to such Payment Date so that the aggregate amount of Distribution and Dividend, if any, payable in respect of that Payment Date does not exceed the amount of Distribution contemplated by Clause 5.1.1. In particular, no Distribution shall be

owed under the Preferred Securities in respect of any Payment Date if the amount of Dividend received under the Participation Securities in respect of the financial year of the Bank immediately preceding such Payment Date is equal to or greater than the amount of Distributions contemplated by Clause 5.1.1. In such case, the board of directors of Syz Finance shall be at liberty to declare a distribution in favour of its other shareholders without first declaring a Distribution under the Preferred Securities.

5.1.3 Upon request of Syz Finance the Fiduciary shall, if legally required, upon confirmation by the Bank that a Dividend on the Participation Securities has been declared which covers all or part of the Distribution, separately confirm to Syz Finance and its auditors that no Distribution (or only a reduced Distribution for the uncovered amount (as the case may be)) needs to be declared.

5.1.4 Limitations

- (i) The declaration of Distributions will remain at the full discretion of the board of directors of Syz Finance and the Bank's general meeting (*Assemblée générale / Generalversammlung*) and, further, be subject to the approval of the conditions set out in Syz Finance's articles of association and the laws, rules and regulations referred to therein and any other relevant regulation to which the Group may be subject, including any applicable laws and regulations were the Bank to declare such preferred dividend.
- (ii) Distributions are non-cumulative meaning that, if the board of directors of Syz Finance does not declare a Distribution or only declares a reduced Distribution for any relevant Payment Period, holders of Preferred Securities will lose their right to Distributions for such Distribution Period and have no right to receive payments in respect of any missed or reduced Distribution payment even if payment of Distributions is resumed at a later stage.
- (iii) The Fiduciary herewith irrevocably and unconditionally waives any right to dividends declared by the Board of Directors of Syz Finance and which exceed the amount of Distributions determined in accordance with Clause 5.1.1.

5.1.5 Notice of Non-Payment

If in respect of any Payment Date no Distributions or only reduced Distributions are declared on the Preferred Securities by the Board of Directors in accordance with Clause 5.1.4, Syz Finance shall within four Business Days from the relevant Payment Date give notice thereof to the Fiduciary in accordance with Clause 11.2."

(b) *Redemption of the Preferred Securities upon purchase of the Participation Securities or liquidation of the Bank*

Pursuant to the articles of association of Syz Finance, Syz Finance has the right to redeem the Preferred Securities, in whole but not in part, on any Payment Date (each a "**Redemption Date**") against payment in cash to the Fiduciary of €0.01 per Preferred Security (the "**Redemption Amount**"):

- if the Bank, Financière Syz or a Permitted Transferee elects to acquire all but not part of the Participation Securities in accordance with the terms and conditions of the Fiduciary Assets Agreement; and

- in the case of any liquidation, dissolution or winding-up of the Bank, (such right, the “**Redemption Right**”).

In the Fiduciary Assets Agreement, Syz Finance has unconditionally and irrevocably undertaken to exercise such Redemption Right without undue delay upon receipt of the relevant Exercise Notice or any notice by the Fiduciary to the effect that any proceedings have been commenced with respect to a liquidation, dissolution or winding-up of the Bank.

If Syz Finance exercises the Redemption Right, it shall pay the aggregate Redemption Amount in free funds to the Fiduciary on or prior to 11:00 a.m., CET on the relevant Redemption Date for on-payment to the Certificateholders against delivery by the Fiduciary of the relevant share certificates relating to the Preferred Securities being redeemed.

3. Further Undertakings in relation to the Preferred Securities

The Fiduciary Assets Agreement, *inter alia*, contains the following further undertakings in respect of the Preferred Securities:

Transfer Restriction: The Fiduciary has undertaken that, except in the event of a redemption of the Preferred Securities upon exercise of the Purchase Right or the liquidation of the Bank, a redemption of the Preferred Securities by way of substitution or a permitted substitution of the Fiduciary, it will not transfer, assign, encumber or otherwise dispose in any manner of the Preferred Securities to any other person, and any such disposal shall have no effect.

Issuance or Guaranteeing of other Securities: Syz Finance shall only be permitted to issue or guarantee, or otherwise assume liability arising from, other securities ranking *pari passu* with or junior to Syz Finance’s obligations under the Preferred Securities. If at the time Syz Finance issues or guarantees, or otherwise assumes liability arising from, such other securities, an affirmative vote of a special meeting of holders of Preferred Securities or a separate waiver of the holders of Preferred Securities is legally required to permit the issue or guaranteeing of, or other assumption of liability arising from, such other securities, the Fiduciary shall vote accordingly in the meeting of holders of the Preferred Securities and grant a respective waiver.

Waiver of Pre-emptive Rights: The Fiduciary has irrevocably and unconditionally waived in advance any future pre-emptive rights (including, without limitation, subscription rights and pre-emptive rights connected to linked instruments) attached to the Preferred Securities. Upon request of Syz Finance, the Fiduciary will issue a respective confirmation of waiver at the time of issuance of new shares or linked instruments.

C. Miscellaneous Agreements and Undertakings

1. Substitution of Fiduciary:

The Fiduciary has undertaken not to resign unless a new Fiduciary has been appointed in accordance with the Fiduciary Contract and the Terms and Conditions of the Fiduciary Certificates and the new Fiduciary has confirmed to the Bank in writing that it assumes all rights and obligations of the Fiduciary under the Fiduciary Assets Agreement.

2. Residence of Syz Finance, Absence of Permanent Establishment in Switzerland

Syz Finance (a) is, and for so long as any of the Certificates is outstanding will at all times be, resident and effectively managed outside Switzerland for the purposes of all relevant Swiss tax laws and regulations and (b) for so long as any of the Certificates is outstanding, will not have a permanent establishment situated in Switzerland for the purposes of all relevant Swiss tax laws and regulations.

The Bank has undertaken to procure that, for so long as any of the Certificates is outstanding, Syz Finance will be resident and effectively managed outside Switzerland and will not have a permanent establishment in Switzerland, in each case for the purposes of all relevant Swiss tax laws and regulations.

SYZ & CO FINANCE LIMITED

General

Syz & Co Finance Limited (“**Syz Finance**”) was incorporated in Jersey on 10 July 2006 (registered number 93973) as a public company with limited liability under the Companies (Jersey) Law 1991 for an unlimited duration.

The registered office of Syz Finance is located at Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG, Channel Islands.

Syz Finance was established for the limited purposes of the issue of the Preferred Securities (as defined below) and investing the net proceeds of the issue of the Preferred Securities in participation shares in companies within the Group and in providing finance for general corporate purposes to such companies. As set out in clause 2 of its memorandum of association there are no constitutional restrictions on the activities of Syz Finance.

Syz Finance has not engaged, since its incorporation and until to the date of this Listing Prospectus, in any material activities other than those incidental to its incorporation and registration as a public company under the Companies (Jersey) Law 1991 and to the proposed issue of the Preferred Securities and the authorisation of the other documents relating to the transaction described in this Listing Prospectus and other matters which are incidental or ancillary to the foregoing.

As at the date hereof, Syz Finance has not issued any convertible or exchangeable securities.

Capitalisation

Syz Finance was established as a no-par value company and is authorised to issue (a) an unlimited number of ordinary shares having no-par value (the “**Ordinary Shares**”) and (b) an unlimited number of non-voting preference shares having no-par value (the “**Preferred Securities**”).

10,000 Ordinary Shares were issued at an issue price of €1 each to Ogier Nominees (Jersey) Limited and Reigo Nominees (Jersey) Limited (together, the “**Subscribers**”) on incorporation of Syz Finance. Such shares have been held by Banque Syz & Co SA (the “**Bank**”) since the transfer from the Subscribers and are fully paid up. The Ordinary Shares are ultimately owned by the Bank. The Bank reserves the right to transfer the Ordinary Shares to any of its affiliates or to any other person.

The 40,000 Preferred Securities will be issued and fully paid at an issue price of €0.01 on the Issue Date.

The holders of the Ordinary Shares in Syz Finance have no rights of pre-emption or preferential subscription rights in respect of the Preferred Securities.

No capital of Syz Finance is under option or is agreed conditionally or unconditionally to be put under option.

Syz Finance is a wholly-owned subsidiary of the Bank.

Rights of Shareholders and Securityholders

The holders of the Ordinary Shares are entitled to attend and vote at general meetings of Syz Finance.

The holders of the Preferred Securities are not entitled to attend general meetings of shareholders of Syz Finance and have no voting rights save in respect of any resolution the effect of which is to alter or amend the rights attaching to the Preferred Securities.

The Preferred Securities carry a preferential entitlement to participate in distributions of profits of Syz Finance in priority to the holders of the Ordinary Shares.

On a liquidation or winding-up of Syz Finance the holders of the Preferred Securities are entitled in priority to holders of the Ordinary Shares to participate in the distribution of the assets available up to the amount paid up on the Preferred Securities; any excess will then be paid to holders of Ordinary Shares of Syz Finance.

The Preferred Securities are redeemable at the option of the Directors on 29 June 2011 or on any Payment Date thereafter.

Management

The Management of Syz Finance is exercised by its Board of Directors. The Directors are:

<i>Name</i>	<i>Nationality</i>	<i>Business Address</i>	<i>Occupation</i>
Michael Lombardi	British	Whiteley Chambers Don Street St Helier Jersey JE4 9WG Channel Islands	Partner of Ogier
Peter Gatehouse	British	Whiteley Chambers Don Street St Helier Jersey JE4 9WG Channel Islands	Manager of Ogier Fiduciary Services (Jersey) Limited
Mark Lloyd-Price	British	1 Hay Hill Berkeley Square London W1J 6DH United Kingdom	Executive Director of Syz & Co Asset Management Ltd and director of various other entities in the Group
Miguel Gonzalez	Swiss	Bayside Executive Park PO Box N-1089 Nassau Bahamas	General Manager of Syz & Co Bank & Trust Ltd and director of various other entities in the Group
Johannes Berger-Sandhofer	Austrian	Neutorstraße 19 5020 Salzburg Austria	Executive Director of Syz & Berger- Sandhofer Vermögensverwaltung GmbH and director of various other entities in the Group

The business address of the Directors of Syz Finance is Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG, Channel Islands.

Directors' Interests

Michael Lombardi is a partner in the law firm Ogier, the Jersey legal adviser to Syz Finance which derives fees for the provision of such legal services to Syz Finance.

Michael Lombardi is also a partner in Ogier Group Limited Partnership, the ultimate holding entity of, and is a director of, and has a beneficial interest in, Ogier Fiduciary Services (Jersey) Limited and certain of its subsidiaries, including Ogier SPV Services Limited which is to provide administration services to Syz Finance and which derives fees for the provision of such administrative services to Syz Finance.

Peter Gatehouse is a manager of Ogier Fiduciary Services (Jersey) Limited, and a director of certain of its subsidiaries including Ogier SPV Services Limited, the secretary of Syz Finance and provider of administration services to Syz Finance. Ogier SPV Services Limited will derive fees for the provision of such administrative services to Syz Finance.

Mark Lloyd-Price is the Executive Director of Syz & Co Asset Management Ltd. and is also a member of various boards of entities within the Group.

Miguel Gonzalez is the General Manager of Syz & Co Bank & Trust Ltd. and is also a member of various boards of entities within the Group.

Johannes Berger-Sandhofer is the Executive Director of Syz & Berger-Sandhofer Vermögensverwaltung GmbH and is also a member of various boards of entities within the Group.

The Directors do not, and it is not proposed that they will, have service contracts with Syz Finance. No Director has entered into any transaction on behalf of Syz Finance which is or was unusual in its nature of conditions or is or was significant to the business of Syz Finance since its incorporation.

At the date of this Listing Prospectus there were no loans granted or guarantees provided by Syz Finance to any Director.

The Articles of Association of Syz Finance provide that:

- subject to the provisions of the Law, any Director may vote on any proposal, arrangement or contract in which he is materially interested provided he has disclosed the nature of his interest in it prior to its consideration and any vote thereon; and
- subject to the provisions of the Articles of Association, a Director shall hold office until such time as he is removed from office by resolution of Syz Finance in general meeting.

For the purposes of Syz Finance's Articles of Association, "**Law**" means the Companies (Jersey) Law 1991, as the same may be amended from time to time.

Secretary

The company secretary of Syz Finance is Ogier SPV Services Limited, whose registered office is Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG, Channel Islands.

Ogier SPV Services Limited will also act as Administrator to Syz Finance and will, under the terms of a Corporate Services Agreement provide certain corporate services to Syz Finance and the provision of related corporate administrative services.

Auditors

PricewaterhouseCoopers CI LLP, of Twenty Two Colomberie, St Helier, Jersey JE1 4XA, Channel Islands have been appointed as auditors to Syz Finance.

General Meetings of Shareholders

The Companies (Jersey) Law 1991 requires that there be at least one general meeting held in each financial year and at intervals of not less than 18 months from the date of the previous general meeting.

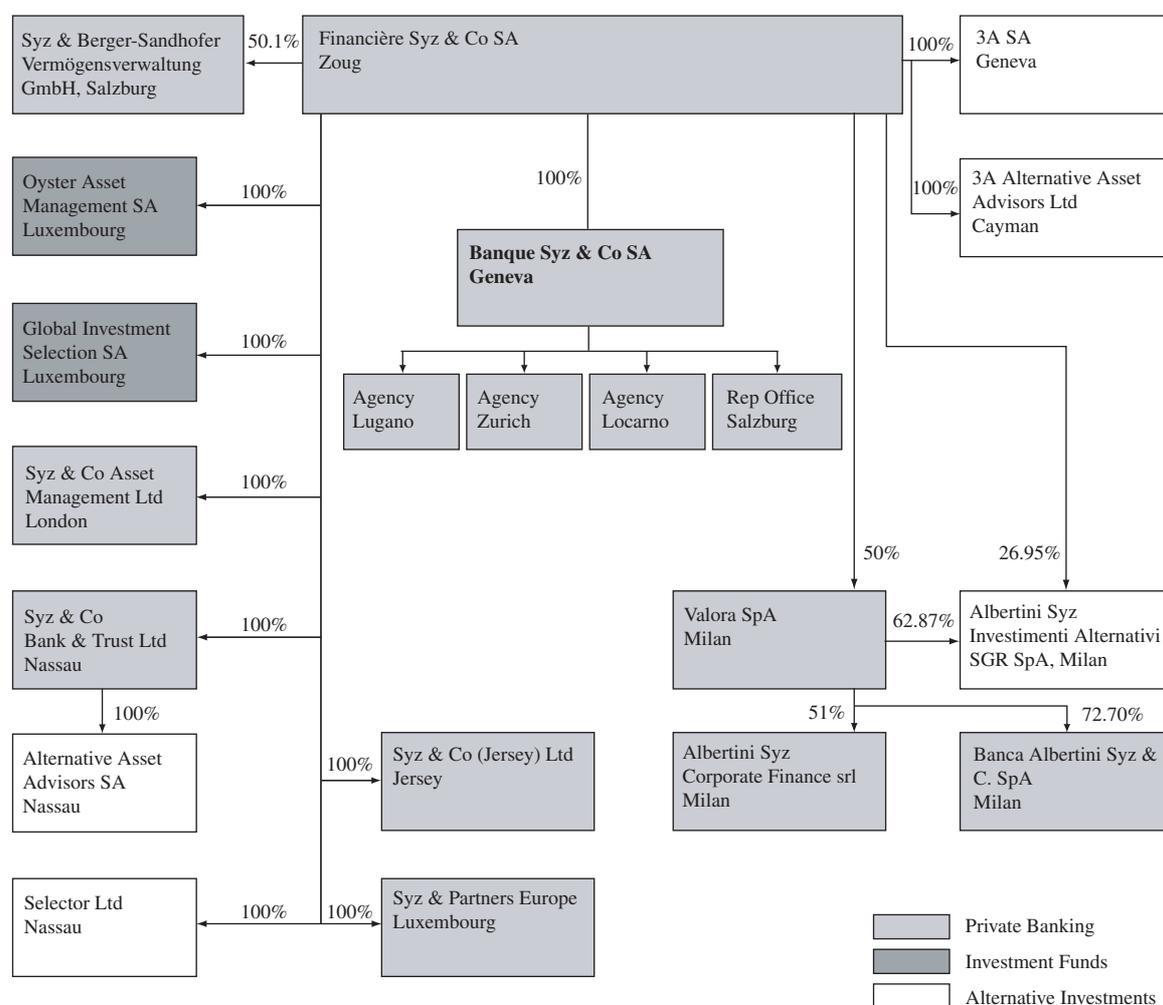
Financial Year

The financial year of Syz Finance is the period to 31 December in each year. No report and accounts have yet been published by Syz Finance. The first audited accounts of Syz Finance will be for the period from 10 July 2006 to 31 December 2006.

BUSINESS OF BANQUE SYZ & CO SA AND GROUP SYZ & CO

INTRODUCTION

Banque Syz & Co SA (the “**Bank**”) is the principal operating subsidiary of Financière Syz & Co SA (“**Financière Syz**”) the group holding company of Group Syz & Co (the “**Group**”). The Group is a Swiss private banking group focused on asset management. The following table shows the structure of the Group and the position of the Bank within it as at 31 December 2005:



The Bank is wholly owned by Financière Syz, which in turn is principally owned by its founding partners, Eric Syz and the Abegg family, Alfredo Piacentini and Paolo Luban. The following table shows the percentage ownership stakes of the founding partners and their respective voting shares in Financière Syz as at 31 December 2005:

<u>Shareholder</u>	<u>Percentage of Capital</u>	<u>Percentage of Voting Rights</u>
Syz/Abegg Family	65.64	82.02
Alfredo Piacentini	13.51	7.08
Paolo Luban	7.21	3.80

The Group was founded by its founding partners in 1995 as a private Swiss banking group with an exclusive focus on asset management. It has three main lines of business. These are: private banking; investment funds; and alternative investments.

Private Banking

Private banking is carried out through the Bank in Switzerland, Syz & Co Bank & Trust Ltd in the Bahamas, Banca Albertini Syz & C. SpA in Italy and Syz & Berger-Sandhofer Vermögensverwaltung GmbH in Austria. Through these entities, the Group offers high net worth individuals a choice of discretionary asset management products and active advisory services.

The Bank also offers investment fund services to institutional investors in certain niche sectors such as Swiss and European equities and alternative investments, as well as providing a range of services to independent asset managers, including investment recommendations, trading on financial markets and direct access to the banking IT system.

Investment Funds

The Group offers its own branded family of “Oyster” investment funds through the Bank, other banks and fund distribution platforms and independent advisers and managers.

Alternative Investments

3A SA-Alternative Asset Advisors (“3A”) is the alternative investment arm of the Group, specialising in hedge fund analysis and alternative portfolio management.

The Group is managed according to business areas rather than legal structure. As a result, the Bank is an integral part of the distribution network of the Oyster fund and 3A businesses and Oyster and 3A products form a distinctive part of the Bank’s offering to its private banking clients. However, management believes that each of the three main lines of business is a viable stand-alone business in its own right.

As at 31 December 2005, the Group had total consolidated assets of CHF593.7 million and total assets under management of CHF14.2 billion (excluding double counting). As at the same date, total assets of the Bank were CHF406.5 million (or 68.5% of the Group’s total consolidated assets) and the Bank had total assets under management of CHF9.2 billion (excluding double counting) (corresponding to 64.8% of Group’s total consolidated assets under management). For the year ended 31 December 2005, the Group recorded net income of CHF45.6 million, while the Bank recorded profit for the year for the same period of CHF22.3 million (or 48.9%).

OVERVIEW OF THE BANK

The Bank is a limited liability stock corporation incorporated under Article 620 of, and in accordance with, the Swiss Code of Obligations and had an issued and paid-up share capital of CHF30 million as at 31 December 2005.

The Bank offers private banking, institutional asset management and the provision of services to independent managers, specialising in asset management for a wide clientele including high net worth individuals, corporations and institutions both on a domestic and international level.

Whilst the Bank adheres to the traditional private banking model of providing personalised investment advisory services to, and building strong relationships with, its clients through its client relationship officers (“CROs”), the Bank believes that, in order to maximise returns to its clients, it has to adopt an investment philosophy which is focused on fundamental, macroeconomic analysis rather than subjective opinions. Investment decisions are made after careful and extensive research and through the use of quantitative models. The Bank practises a non index-linked investment strategy and actively searches for viable and attractive investment opportunities. The Bank is also able to utilise a variety of investment strategies because of its expertise in alternative investments and hedging techniques. Headquartered in Geneva, the Bank has agencies in Lugano, Zurich and Locarno and a representative office in Salzburg with its main operations and the provision of portfolio management services centralised in Geneva for both its onshore and offshore customers.

The following table shows key financial information for the Bank as at and for the five years ended 31 December 2001 to 2005, which has been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

	<i>Year ended 31 December</i>				
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>(CHF millions)</i>				
Net interest income	2.67	1.79	1.51	2.83	6.35
Net fees and commissions income	18.93	25.32	35.81	51.28	81.73
Net trading income	6.73	6.96	9.17	11.28	3.98
Other income	6.89	4.13	8.02	9.88	9.23
Operating revenues	35.22	38.20	54.51	75.27	101.29
Personnel expenses	20.92	21.48	34.30	51.76	51.68
Other expenses (including depreciation)	11.44	14.20	15.20	17.36	20.17
Pre-tax profit	2.86	2.52	5.01	6.15	29.44
Tax expense	0.94	0.92	1.44	1.95	7.18
Net Income	1.92	1.60	3.57	4.20	22.26
	<i>As at 31 December</i>				
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>(CHF millions)</i>				
Cash	2.50	9.32	22.34	25.30	30.54
Amounts due arising for money					
market papers.....	0.05	0.02	0.54	0.21	0.67
Due from banks	146.69	111.01	276.60	77.37	130.11
Due to customers, others	45.55	47.89	115.81	129.07	176.93
Trading portfolio	14.33	10.74	9.21	11.04	10.96
Other	31.65	72.89	95.30	84.92	57.32
Total assets	240.77	251.87	519.80	327.91	406.53
Amounts payable arising for money					
market papers	0.60	0.03	0.20	0.25	0.71
Due to banks	113.54	63.17	133.65	32.75	76.37
Due to customers	54.22	72.84	245.65	156.57	180.53
Other	34.01	75.83	96.73	90.56	78.88
Total liabilities	202.37	211.87	476.23	280.13	336.49
Total shareholders' equity	38.40	40.00	43.57	47.78	70.04

The following table shows the client assets managed by the Bank as at 31 December 2004 and 2005, which have been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

	<i>As at 31 December</i>	
	<i>2004</i>	<i>2005</i>
	<i>(CHF)</i>	
Assets held by funds under own management	971,947,000	2,689,387,000
Assets with discretionary management mandate	2,609,994,000	2,449,075,000
Other client assets	1,108,229,000	4,312,089,000
Total Client Assets	4,690,170,000⁽¹⁾	9,450,551,000⁽²⁾

Notes

(1) Includes double-counted assets of CHF189,222,000

(2) Includes double-counted assets of CHF275,032,000

The Bank had a total of 114 full-time employees as at 31 December 2005 compared to 99 employees at 31 December 2004.

The Bank paid no ordinary dividends in the five years ended 31 December 2005. On 30 May 2006, the Bank paid an ordinary dividend of CHF8.01 million, equivalent to CHF267 per registered share, in respect of the year ended 31 December 2005.

GROUP HISTORY

The Bank was established as the primary operating company of the Group on 4 January 1996 by Eric Syz, Alfredo Piacentini and Paolo Luban, three bankers with previous Swiss private banking experience at two prominent Swiss private banks.

In the past 10 years, the Group has expanded its presence in the Swiss private banking and asset management sector, and as at 31 December 2005 managed CHF14.2 billion (excluding double counting) and employed 235 people as at 31 December 2005, with offices in Zurich, Lugano, Locarno, London, Luxembourg, Nassau, Salzburg, Milan and Rome.

Private Banking

After the establishment of the Bank in January 1996, the Group entered the offshore private banking business when a banking licence was granted to Syz & Co Bank & Trust Ltd in the Bahamas in November 1998. This was followed by the opening of agencies in Lugano and Locarno in November 1999 and 2000 respectively. In March 2000, the Bank expanded its network by launching Syz & Co Asset Management in London. In 2001, the Bank entered into a partnership with an Austrian private banking firm, Berger-Sandhofer GmbH to form asset management company Syz & Berger-Sandhofer Vermögensverwaltung GmbH in Salzburg.

In 2002, the Group entered into a partnership with Italian money management firm, Albertini & C. SGR to set up Albertini Syz & C. SGR in Milan which obtained a banking licence in November 2003 and became Banca Albertini Syz & C. SpA. In February 2003, the Group also expanded its operations with the opening of an agency in Zurich. In October 2005, Banca Albertini Syz & C. SpA established a branch in Rome, which became operational in January 2006.

Fund Management

The Group started its investment funds arm shortly after the incorporation of the Bank by establishing the Oyster SICAV in Luxembourg in July 1996.

Alternative Investments

In December 1996, the Group established ALTIN AG, a Swiss alternative investment company listed on the SWX Swiss Exchange and London Stock Exchange. In August 1998, the Group started an offshore fund of hedge funds, Alternative Capital Enhancement (ACE) Ltd, which was subsequently transformed into a Luxembourg SICAV in 2002. The Group reorganised its alternative investment activities under 3A in December 1999. In 2002, the Group commenced its alternative investment activities in Italy through Albertini Syz Investimenti Alternativi SGR, another partnership venture with Albertini & C. SGR.

GROUP STRATEGY

The Group's founding partners believed that traditional Swiss private banking strategies based on confidentiality and conservative investment policies were failing to meet the demands of private banking clients who had become more focused on higher absolute returns and expected active asset management strategies to achieve this. The Group's overall strategy, which is carried on through the Bank and other group companies, applies institutional banking models to private client business. The Bank aims to retain the best of the traditional private bank model while adding a commitment to investment performance delivered by its sophisticated and analytical approach to investment management and performance-linked fee system. Necessarily, this places considerable emphasis on high-quality, independent research in making asset allocation decisions (see "Research"). The Group has the following guiding strategies:

Risk minimisation – The Group focuses on asset management, thereby reducing the risk of conflicts of interest. Credit extension to clients is insignificant and is limited to Lombard credits.

Focus on performance – The key driver for the Group's business is to focus on performance in order to deliver enhanced returns to clients. To ensure this, the Group's revenue model is oriented towards performance-based fees.

Specialisation/selection of asset managers – As a niche provider of services, the Group believes that it can only have a competitive advantage in a limited number of sectors and regions. For other asset classes, the Group uses its expertise to select the best external specialists, thus allowing the Group to offer a comprehensive range of investments.

Concentration on on-shore business – Most of the Group's investment funds are sold to on-shore clients, and the alternative investment business is centred mainly on institutional investors and high net worth individuals. This concentration on on-shore activities is underlined by the Group's Italian and Austrian ventures. The Group is in the course of expanding its on-shore business to Spain and has other projects under consideration.

Independence – The sole focus on asset management reduces the risk of conflicts of interest or non-impartial research. All research conducted by the Group is exclusively "buy-side" analysis.

Innovation – The Group is committed to innovate in private banking so as to improve its client offering. As a result, it has applied institutional banking methods to private clients through a disciplined investment process, the extensive use of alternative investment products, hedging techniques and structured products. Moreover, the Group closely links its fees to performance.

Active non-indexed management – The Group is committed to active portfolio management. Its position as a niche provider of services means that the Group can adjust its portfolio structure rapidly. This combined with low transaction costs enables the Group to respond quickly to market developments without compromising net results.

Risk/return optimisation – The Group only invests in asset classes in accordance with rigorous selection criteria, which allows it to obtain medium-term capital gains while keeping portfolio volatility within acceptable limits. Derivative instruments are used with the sole objective of protecting the assets under management.

Client service – In order to offer the best service to clients, the Group's policy is to use an open platform for asset management, selecting the best products available even where these are not Group products. For example, third-party fund managers manage six of the 19 Oyster funds.

The Bank has identified the following as its main growth drivers:

- continuing to attract high-quality private bankers with established customer bases;
- improving its penetration of existing markets by consolidating its presence in Switzerland and Italy;
- further developing its on-shore presence in the EU; and
- improving its off-shore coverage of other potentially important private banking markets in Central and Eastern Europe, the United Kingdom, Latin America and the Middle East.

OPERATIONS OF THE BANK

The Bank has three key businesses – private banking, institutional asset management and the provision of services to independent fund managers.

Private Banking: Private Banking services provided by the Bank to high net worth individuals include discretionary asset management through several investment profiles tailored to the investor's needs such as the reference currency and risk tolerance. The Bank provides its customers with active advisory services and the Bank through the Hedge Advisory Group also offers alternative products to such individuals.

Institutional Asset Management: The Bank offers its expertise to institutional investors in certain niche sectors, such as alternative investments as well as Swiss and European equities, either through its wide range of investment products or through segregated accounts.

Services to Independent Fund Managers: The Bank offers a range of services to independent asset managers, including investment recommendations, trading on all financial markets and provides fund managers with direct access to the banking IT system.

The Bank's customers are mainly high net worth private individuals who are experienced and sophisticated investors and demand a dynamic approach to asset management in place of the confidentiality and conservative investment policies associated with traditional Swiss private banking practice. In order to meet these demands, the Bank has developed an extensive range of performance-based asset management services and alternative investments.

As at 31 December 2005, the Bank has an international customer base with 81.3% located in Western Europe (with a majority in Switzerland, Italy, Luxembourg and France), 15.0% in the Caribbean, 3.4% in the Americas and 0.4% in other countries.

Since 2001, there has been a steady growth in the Bank's assets under management from approximately CHF1.4 billion as at 31 December 2001 to CHF9.2 billion as at 31 December 2005 (excluding double counting).

The Bank has also increased the amount of new assets under management. As at 31 December 2005, the Bank had CHF1,646 million of new assets as compared to the financial year ended 31 December 2004 where the Bank had CHF769 million new assets under management.

As at 31 December 2005, the top 30 customers of the Bank accounted for approximately 41% of the customer assets managed by the Bank and approximately 12% of the customer revenues of the Bank. The next 70 customers of the Bank accounted for approximately 29% of the customer assets managed by the Bank and approximately 33% of the customer revenues of the Bank. The next 200 customers of the Bank accounted for approximately 25% of the customer assets managed by the Bank and approximately 18% of the customer revenues of the Bank. The remaining customers accounted for approximately 5% of the customer assets managed by the Bank and approximately 37% of the customer revenues of the Bank.

BANK FUNDING

The table below sets out the liabilities of the Bank as at 31 December 2004 and 2005, which have been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

Liabilities

	<i>As at 31 December</i>	
	<i>2004</i>	<i>2005</i>
Amounts payable arising from money market papers.....	254,980	714,039
Due to banks	32,746,479	76,369,042
Due to customers, other.....	156,572,853	180,532,575
Accrued expenses and deferred income	33,326,602	36,534,195
Other liabilities	55,996,660	40,639,380
Value adjustments and provisions	1,238,649	1,705,696
Total liabilities	280,136,223	336,494,927

As the nature of the Bank's business is the investment and management of clients' assets rather than the extension of credit facilities, the Bank is not dependent on significant third-party funding, other than client deposits. The Bank receives funds from its clients which it redirects towards investments in funds or alternative assets. The balance due to customers is a variable amount and reflects the cash balance of customers' deposits pending investment. Similarly, the amount due to banks is variable and reflects the overnight deposits of customer funds. The assets and liabilities of the Bank are substantially matched, in terms of geographical risk, currency and maturity.

The table below sets out the assets of the Bank by countries or country groups as at 31 December 2004 and 2005, which have been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

Assets by countries or country groups

	<i>As at and for the year ended 31 December</i>			
	<i>2004</i>		<i>2005</i>	
	<i>(CHF)</i>	<i>(%)</i>	<i>(CHF)</i>	<i>(%)</i>
Assets				
Switzerland	166,458,411	50.76%	128,377,066	31.58%
Germany	24,728,714	7.54%	16,663,266	4.10%
Spain	872,311	0.27%	599,486	0.15%
France	1,306,206	0.40%	6,476,303	1.59%
Great Britain	8,646,090	2.64%	8,079,884	1.99%
Italy	3,743,222	1.14%	3,973,012	0.96%
Luxembourg.....	4,995,738	1.52%	20,963,140	5.16%
Cayman Islands	13,415,035	4.09%	27,425,323	6.75%
Bahamas.....	21,158,461	6.45%	7,632,540	1.88%
Virgin Islands.....	33,473,109	10.21%	49,743,058	12.24%
Liechtenstein	12,330,974	3.76%	22,404,506	5.51%
Panama.....	4,518,839	1.38%	28,874,284	7.10%
Belgium	8,524,390	2.60%	19,504,963	4.80%
New Zealand	–	0.00%	–	0.00%
United States	15,426,513	4.70%	54,482,950	13.40%
Other countries	8,314,296	2.54%	11,335,665	2.79%
Total assets	327,912,309	100.00%	406,535,446	100.00%

The table below sets out the assets and liabilities by currencies of the Bank as at 31 December 2005, which have been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

Assets and liabilities by currencies

	<i>(CHF)</i>	<i>(U.S.\$)</i>	<i>(EUR)</i>	<i>(Other)</i>
Assets				
Liquid funds.....	29,488,570	127,386	907,033	15,677
Amounts due arising from money market papers	–	28,281	630,758	12,646
Due from banks	26,712,315	61,390,558	32,624,310	9,387,277
Due from customers	55,300,278	79,797,327	34,466,083	7,366,201
Securities and precious metals held for trading purposes	539,782	7,327,151	2,712,934	383,650
Tangible assets	7,988,765	–	–	–
Intangible assets.....	–	–	–	–
Accrued income and prepaid expenses	6,380,865	319,980	244,165	345
Other assets	42,343,181	5,690	33,140	1,098
Total assets	168,753,756	148,996,373	71,618,423	17,166,894
Receivables from spot and forward operations and option contracts	257,075,264	1,078,258,014	1,435,787,589	534,407,760
Liabilities				
Commitments resulting from money market papers	133,400	42,013	524,110	14,516
Due to banks	14,077,028	16,036,634	36,571,758	9,683,622
Due to customers, other.....	59,643,464	72,649,347	40,217,200	8,022,564
Accrued expenses and deferred income	36,394,106	–	140,089	–
Other liabilities	40,059,084	–	580,296	–
Value adjustments and provisions	1,705,696	–	–	–
Share capital	30,000,000	–	–	–
General legal reserve	904,000	–	–	–
Retaining earnings brought forward	16,872,086	–	–	–
Profit for the year.....	22,264,433	–	–	–
Total liabilities and shareholders' equity.....	222,053,297	88,727,994	78,033,453	17,720,702
Payables from spot and forward operations and option contracts	274,085,524	1,138,062,394	1,420,507,763	532,338,482
Net position by currency	(70,309,801)	463,999	8,864,796	1,515,470

The table below sets the Maturity Structure of the current assets and third-party liabilities of the Bank as at 31 December 2005, which have been extracted from the audited financial statements of the Bank, which were prepared in accordance with Swiss GAAP:

Maturity Structure of current assets and third-party liabilities

	<i>At sight</i>	<i>Cancellable</i>	<i>Maturing within 3 months</i>	<i>Maturing within 3 to 12 months</i>	<i>Maturing within 1 to 5 years</i>	<i>Maturing after 5 years</i>	<i>Total</i>
	<i>(CHF)</i>						
Current assets							
Liquid funds	30,538,666	–	–	–	–	–	30,538,666
Amounts due arising from money market papers	671,685	–	–	–	–	–	671,685
Due from banks	105,507,922	–	24,606,538	–	–	–	130,114,460
Due from customers	106,841,335	–	29,017,055	41,071,499	–	–	176,929,889
Securities and precious metals held for trading purposes	8,657,082	–	34,059	94,187	2,178,189	–	10,963,517
Total current assets - current year	252,216,690	–	53,657,652	41,165,686	2,178,189	–	349,218,217
Prior year	192,876,252	–	29,947,758	19,034,787	1,124,359	9,716	242,992,872
Third-party liabilities							
Amounts payable arising from money market papers	714,039	–	–	–	–	–	714,039
Due to banks	72,651,892	–	3,717,150	–	–	–	76,369,042
Due to customers, other	180,532,575	–	–	–	–	–	180,532,575
Total third-party liabilities - current year ..	253,898,506	–	3,717,150	–	–	–	257,615,656
Prior year	189,574,312	–	–	–	–	–	189,574,312

GROUP PRODUCTS AND DISTRIBUTION

The Group's target client base comprises ultra and high net worth individuals to whom the Bank is able to offer both off-shore (Switzerland and the Bahamas) and on-shore (Italy and Austria) private banking products. The Bank's management believe that demographic trends and a progressive retrenchment of European industrial dynasties from direct involvement in business is leading to a demand for increasingly sophisticated private banking services. The Bank's management believes that many of these target customers have become disappointed with the services offered by traditional private banks based on confidentiality and conservative investment policies and are looking for more active asset management services focused on absolute returns. The customer base is predominantly European with the majority being resident in Switzerland, Italy, Germany and France.

The Bank believes that the key to its continued performance is to offer to private banking customers an investment approach that is typical of institutional asset management such as the use of quantitative models for asset allocation and access to a wider range of investment products which would otherwise be unavailable to private customers. This investment philosophy has proved to be instrumental to the Group's performance, making it one of the top 15 Swiss private banks in terms of assets under management.

Given the Group's flat and flexible management structure, each of the Group's founding partners remains actively involved in the acquisition and maintenance of the customer base of the Bank. Management regards direct, personal client relationships as key to the growth of the business, in particular by way of client referrals.

Client Management

The CROs are responsible for the marketing and sales of investment products and day-to-day dealings with the clients. The Bank has a policy that the scope of the CROs' work must be limited only to the marketing and sale of products and they are not allowed to manage any client funds. The CROs are in return allowed to manage their clients and the sale of products without any unnecessary interference.

In order to ensure that the clients' expectations are met, the CROs will assess with input from the clients their risk profile and recommend a portfolio and asset allocation structure that will cater to the clients' needs. The Bank currently offers five different portfolio structures as set out below. The difference in the structures lies in the level of exposure the client has to the stock market and alternative investments. A more aggressive profile with greater capital variations would have higher expected returns but would also be riskier. The client also has the choice of a reference currency (CHF, Euro or U.S. Dollars), which may be the dominant currency in the portfolio and will be the currency in which performance is measured. The client may decide on a reference currency that limits its exposure to exchange rate risk or a currency that diversifies its assets.

- **Balanced Low**

This portfolio contains essentially bonds and money market instruments. It has a limited percentage of stocks and alternative investments. Investments are carried out largely in the reference currency.

- **Balanced Moderate**

This portfolio contains mainly bonds and money market instruments but also carries a limited percentage of stocks and alternative investments. Investments are made largely in the reference currency.

- **Balanced Medium**

This portfolio contains bonds, money market instruments, but also a significant percentage of stocks and alternative investments. Investments are essentially carried out in the reference currency.

- **Balanced High**

This portfolio contains a mix of money market instruments, bonds and a substantial amount of stocks and alternative investments.

- **Tailored**

A portfolio may be tailored for a client depending on his particular needs, and may comprise European stocks and/or alternative investments.

The CROs are in regular contact with the clients and will provide feedback to the asset managers so that new products or portfolios may be developed to meet the changing needs of the clients.

Asset Management

The asset management function of the Bank is centralised in Geneva.

As is the case with the CROs, the asset managers in the Bank operate within a strict framework. The Bank's asset managers take neither an advisory nor a client management role, focusing instead on the development and management of funds and portfolios to maximise returns.

Client assets are invested in a variety of fixed income instruments, equities, derivatives (options and futures), currencies and commodities as well as investment funds and alternative investments including products of Oyster and 3A.

Products

Oyster

The Bank invests in a number of Oyster funds on behalf of its private clients. Oyster is a Luxembourg SICAV founded in 1996 providing retail, private and institutional investors with a range of sub-funds across asset classes, geographies, industries and investment styles. Oyster is sold in seven European countries including Italy, Switzerland and France. Oyster currently comprises of 19 sub-funds with assets totalling approximately CHF4.2 billion as at 31 December 2005.

Oyster focuses on specific niches where performance can be obtained through active and non-indexed asset management. Each sub-fund is managed by a manager experienced in the relevant field and, where competitive expertise is not available within the Bank, Oyster outsources the management to top performing managers who have the relevant experience and expertise. The Bank manages approximately 60% of the Oyster funds in-house, and outsources the remainder to third-party managers. Oyster's funds have been ranked in the top three places for the Best European Fund Specialist in the 2005 Standard & Poor's European Best Specialist Group Awards for three consecutive years. In addition, Oyster's four largest funds (European Opportunities Fund, Japan Opportunities Fund, Diversified EUR Fund and Italian Opportunities Fund) have produced returns of 84.7%, 24.6% (since the Fund was launched on 1 April 2005), 30.6% and 63.3%, respectively, over the three years ended 31 December 2005.

Approximately 20% of Oyster funds are held by the Bank and the remaining 80% is sold into the retail market in Europe through third party distributors. The Bank receives a fee rebate of up to 50% of Oyster's management fees for placing the funds with its clients.

3A

The Bank invests on behalf of its private banking clients in a number of hedge fund products, such as those of 3A, the Group's alternative investment division. 3A was established in 1999 in Switzerland, focusing exclusively on the selection and monitoring of hedge funds and the development and management of fund of hedge fund portfolios.

3A creates and manages a diversified range of funds of hedge funds, hedge-fund based structured products and bespoke hedge fund portfolios. The range of products includes:

- ALTIN AG, a closed-ended fund of hedge funds traded daily on the SWX Swiss Exchange and London Stock Exchange. ALTIN aims to generate an absolute annual return in U.S. Dollar terms, with a lower volatility than equity markets.
- Alternative Capital Enhancement (ACE), an open-ended multi-compartment umbrella structure that comprises 12 sub-funds. Incorporated as a Luxembourg SICAV (part II) since 2002, it has been authorised for distribution in Switzerland as a "fund with special risks" since November 2003. The ACE SICAV offers multi-strategy and single-strategy hedge fund compartments.
- 3A Gennaker Fund, a BVI open-ended fund of hedge funds, and 3A Windrider Fund, a Cayman Island multi-class, open-ended investment company.
- Albertini Syz Funds, which is an Italian-based multi-manager fund of hedge funds focusing on specific strategies or on multiple strategies.

3A has a specialised team which handles the selection of performing hedge funds and also provides research and due diligence services to the Hedge Advisory Group, a unit of the Bank.

3A's managed assets form part of the Bank's clients' portfolio which allows institutions and private individuals access to on-shore and off-shore opportunities arising from alternative investments which would otherwise be unavailable due to restrictions in investment in funds of funds or hedge funds.

Distribution

The Group has imposed strict controls in relation to the distribution of its products as it is required to comply with the regulations imposed by the relevant authorities of the jurisdictions in which their products are distributed. It does not have distributors outside of Europe and only deals with recognised counterparties. Oyster funds and 3A products are distributed by large commercial banks or through independent distribution networks. The distribution agreements are commercially negotiated and the distribution fee rebates are set at market rates.

BANK REVENUE GENERATION

The Bank has three main streams of revenue. These are: fees derived from asset management and custody; foreign exchange and securities brokerage fees; and other fees (which include fees for managing assets on behalf of Oyster funds and rebates for placing client funds with Oyster and 3A).

Approximately 75% of the Bank's discretionary accounts incorporate a performance fee structure. The Bank believes that the interests of the customers and the asset managers are aligned as the performance fee is an incentive for the asset managers to maximise returns to customers.

The Bank charges the fees for its various operations as set out below:

Administration fees: the Bank charges a flat 0.05% fee on the aggregate principal amount of the assets managed. For the year ended 31 December 2005 administration fees charged by the Bank amounted to CHF1.4 million (compared with CHF1.5 million for the year ended 31 December 2004).

Brokerage fees: the Bank charges between 0.15% and 0.90% on the principal amount of assets per transaction, depending on the size of the transaction and the type of security (equities or bonds). For the year ended 31 December 2005 brokerage fees charged by the Bank were CHF34.0 million (compared with CHF20.2 million for the year ended 31 December 2004).

Custody fees: the Bank charges 0.18% for named accounts and 0.20% for numbered accounts on the aggregate principal amount of assets held in custody. For the year ended 31 December 2005 custody fees charged by the Bank were CHF6.6 million (compared with CHF4.1 million for the year ended 31 December 2004).

Management fees: the Bank charges management fees of between 0.45% and 0.90% of the aggregate principal amount of the assets managed for a client, depending on the investment portfolio of such client. For the year ended 31 December 2005, management fees charged by the Bank were CHF10.2 million (compared with CHF13.9 million for the year ended 31 December 2004).

Performance fees: the Bank charges performance fees of between 5% and 15% in each case above the benchmark set by the specific client after consultation with his CRO based on the risk profile of such client. For the year ended 31 December 2005, the Bank charged performance fees of CHF24.6 million (compared with CHF9.6 million for the year ended 31 December 2004).

In certain circumstances, the Bank will also impose a dealing charge on each transaction in addition to the commission paid to third-party dealers.

For the year ended 31 December 2005 net fees and commissions income (excluding income derived from performance fees) was CHF81.7 million (compared with CHF51.3 million for the year ended 31 December 2004), out of total net income (excluding income derived from performance fees) before operating expenses of CHF101.3 million (CHF75.3 million for the year ended 31 December 2004) or 80.7% (68.1%). The Bank does not factor in performance fee income in its budget, concentrating on fixed recurring management fees instead, as performance fees are variable and depend largely on market conditions and the performance of the Bank in a particular year.

The increase of CHF30.4 million in net fees and commissions income was due to a growth in the volume of assets under management, as this resulted in a corresponding increase in management fees and performance fees. The Bank also believes that it is achieving economies of scale as it is able to generate

significantly more income (through the optimal utilisation of its personnel and operating systems) without a proportionate increase in operating costs or salaries.

For the year ended 31 December 2005, the total operating expenses of the Bank amounted to CHF68.8 million (compared with CHF66.6 million for the year ended 31 December 2004), which was an increase of CHF2.2 million from the previous year.

The principal costs associated with the fees and commissions income are fixed operating costs (rent for office premises and depreciation), variable operating costs (travel and marketing expenses and professional fees), fixed salaries and the variable bonuses paid to employees.

The Bank believes that, with its increasing economies of scale, it is in a good position to respond readily to unfavourable market conditions by scaling back on its variable costs without any serious impact to its income.

GROUP RESEARCH

The Group's research function sits within the Bank and is personally headed by one of the founding partners, Paolo Luban.

Given the Bank's performance-based approach, management sees research as an integral part and tool of the Bank's structured approach to asset management as it ensures optimal allocation of client assets and a higher rate of returns. As such, the Bank's research is produced only for the benefit of the Bank's clients and for the use of companies within the Group and is not circulated to the public. The Bank's research team comprises ten analysts who combine country and industry expertise across European equities, fixed income and currencies. In addition, there are two analysts dedicated to full-time funds research and monitoring for the Oyster funds and six alternative investment analysts in 3A whose research is available to the Bank. The analysts focus solely on "buy-side" activities and have access to "sell-side" independent research reports and marketing reports in producing their own reports. The analysts are also actively involved in the management of certain of the Bank's funds basing investment decisions on their research.

Since 2000, the Bank has developed a proprietary macro-economic forecasting tool called "Fog-lights" to assist the decision-making processes of its fund managers. Fog-lights generates detailed forecasts of key macro-economic variables, such as inflation, interest rates, exchange rates and corporate earnings and has historically had a record of accurate indications of important market swings. Fog-lights is available free of charge on the Bank's website only to clients and designated users.

RISK MANAGEMENT

Risk policy in general

The risk management policy of the Bank is focused primarily on addressing the credit and market risks of the Bank. The relevant policies are examined, and modified if necessary, on an annual basis by the management of the Bank and are subject to the Board of Directors' approval.

The objective of the risk policies is to outline the Bank's strategies with regard to risks incurred in the activities carried out for its own account and that of its clients. The policy also sets out 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 below and are constantly monitored. Positions from trading operations are valued on a daily basis. Within management, the responsibilities for trading operations and for risk control are allocated to different persons.

Risk Management and Reporting Structure

Board of Directors: The risk management policy of the Bank is determined by the Board of Directors and is reviewed on a quarterly basis. The Board also approves the internal guidelines, directives and procedures submitted by the Management Committee of the Bank which is prepared in collaboration with the relevant business units.

Audit Committee: The Audit Committee is formed by members of the Board of Directors to examine reports issued by the internal auditors and also to maintain the relationship with the external auditors of the Bank. The Audit Committee reports to the Board of Directors on a periodic basis. The Audit Committee is currently chaired by Mr. Philippe Reiser (Vice-Chairman) and comprises of Mr. Marco Pedroni (Director) and representatives from the Internal Auditors and External Auditors as members.

Internal Auditors: The Bank employs KPMG Fides Peat as its internal auditors who report to the Audit Committee on a periodic basis. The internal auditors verify on a sample basis whether internal and external rules and regulations have been correctly applied.

Management Committee: The Management Committee is made up of the founding partners of the Bank, Eric Syz, Alfredo Piacentini and Paolo Luban. The Management Committee meets on a weekly basis and with the support of the relevant business units, ensures compliance with the applicable laws, ordinances and circulars issued by the Swiss authorities and that the guidelines, directives and procedures approved by the Board of Directors have been correctly implemented and adhered to on an on-going basis. The Management Committee also submits for approval of the Board of Directors any internal guidelines, directives and procedures.

Chief Operating Officer: The Chief Operating Officer monitors, reviews and reports to the Management Committee the risks related to price risk on securities and exchange rate risk.

Credit Committee: The Credit Committee approves and reviews applications for Lombard credits, determines the margins applicable to Lombard credits and monitors on a periodic and systematic basis the customers' undertakings relating to credit exposures. The Credit Committee submits for pre-approval by the Management Committee and the Board of Directors the risk policy of the Bank and internal regulations concerning credit matters and any updates thereof.

Strategy Committee: The Strategy Committee, comprised of asset managers, analyst macroeconomists and foreign exchange dealers, provides input on the forecast direction of markets, interests rates and currency to the Management Committee.

Hedge Funds Committee: The Hedge Funds Committee exercises similar functions to the Credit Committee with a focus on Lombard credits concerning hedge funds and related margins applicable to hedge fund investments.

Risk Manager: The Risk Manager identifies the risks in the private banking business and monitors the operational risk of the Bank. The Risk Manager prepares the risk policy for the approval of the Management Committee and the Board of Directors.

Credit Officer: The Credit Officer monitors the credit risk of the Bank on a daily basis under the supervision of the Risk Manager and manages the administrative follow-up procedures for credit applications. The Credit Officer also acts as the secretary of the Credit Committee and the Hedge Funds Committee.

Internal Control: Internal Control follows up on the feedback given in the reports issued by the Internal Auditors with the business units. It also monitors staff transactions and verifies whether there is consistency between the asset management profile decided by the customers, the management of the relevant portfolio and the Bank's management policy.

Compliance Officer: The Compliance Officer monitors all issues which may generate a reputational risk for the Bank. The Compliance Officer is also responsible for ensuring that the Bank complies with anti-money laundering provisions and know-your-customer rules by monitoring transactions and obtaining and reviewing appropriate documentation for the opening of accounts, identification of account holders and beneficial owners and the origin of funds deposited in the accounts. The Compliance Officer also monitors and reports to the Management Committee on a periodic basis the relationships and transactions classified as being potentially high risk, according to criteria implemented by law and regulation.

Legal Counsel: The Legal Counsel reviews and updates the legal documentation of the Bank in relation to its private banking activities such as indentures and banking forms. The Legal Counsel maintains

a relationship with the various competent bodies and regulatory authorities such as the Swiss Federal Banking Commission.

Financial Controller: The Financial Controller is responsible for producing the consolidated financial statements of the Bank as well as reports and analyses for the Management Committee's review. The Financial Controller is also in charge of all statutory reporting and ensuring that the financial statements of the Bank are prepared in compliance with Swiss GAAP for Banks.

Risk Exposure of the Bank

The Bank is mainly exposed to risks relating to asset management and operational risks. To a lesser extent, the Bank is also exposed to credit or default risks.

Market risks

Market risks of the Bank result from potential changes in the value of a financial instrument portfolio caused by fluctuations in interest rates, foreign exchange rates, market prices or volatility. The management, valuation and monitoring of risks is the responsibility of the Strategy Committee, based on analyses carried out by asset managers, analysts and foreign exchange dealers. The Management Committee 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 market risks to which the Bank is exposed are:

- Currency risk

Currency risk results from changes in the value of portfolios due to fluctuations in the currency market. The Bank's policy is to cover the currency positions by means of different derivative financial instruments. The Bank has rigorous position limits in place and monitors its positions and operations on a daily basis. The Bank believes, however, that its currency exposure is limited due to its relatively modest nature and volume of currency operations. In addition, the income stream of the Bank is mostly hedged.

The Board of Directors is responsible for setting the position limits and the Chief Operating Officer checks on the limits and reports to the Chief Executive Officer on a daily basis and to the Management Committee on a monthly basis.

- Interest rate risk

The interest rate risk of the Bank is limited by the fact that the Bank does not pay out interest on its customers' current accounts. Operations are refinanced on a daily basis out of cash reserves as well as borrowed funds. Forward exchange contracts with other banks are used to hedge client portfolios and do not generate interest rate risks, while swaps are pure treasury operations, in which the interest rate basis is known at the time the contract is entered into. The Bank does not take open interest positions, and does not trade derivatives for its own business activities, other than for hedging operations.

Any interest rate risks relating to balance sheet and off-balance sheet operations are monitored and managed by the Bank's Risk Manager together with the Group's Financial Controller. The Financial Controller reports quarterly on interest rate risks to the Management Committee and the Swiss National Bank.

- Securities price risk

To limit securities price risks, which are essentially risks on positions in equity securities, fixed-income and hedge-fund positions, the Bank has established a limit system. The portfolios and operations are subject to daily controls.

The Board of Directors is responsible for setting the position limits and the Chief Operating Officer checks on the limits and reports to the Chief Executive Officer on a daily basis and to the Management Committee on a monthly basis.

Credit or Default risks

The default or credit risk represents the potential losses that the Bank incurs in the case of the default of a counterparty. The credit policy comprises all commitments, which might lead to losses in the event that counterparties are unable to reimburse the Bank for their liabilities.

The credit risk of the Bank is not significant due to the nature of the Bank's business. There is no concentration of risk in any particular economic sector or region as the Bank is not active in commercial lending. The Bank limits its credit risks through diversification, through being selective about the quality of debtors and through keeping margins on coverage. The quality of clients is assessed, based on standardised solvency criteria.

Each of the Risk Manager and the Credit Committee examines the applications for credits or credit facilities which are prepared by the Credit Officer and approves applications according to the jurisdictional limits set by the Board of Directors and the Management. Credits are essentially granted in the form of Lombard credits, covered by pledged funds or negotiable securities at any time and usually over-collateralised. Credit facilities are mainly granted in the form of advances, but may also exist in the form of currency operations.

The Board of Directors reviews and approves the list of banking counterparties and brokers, sub-trustees and sub-depositaries. For certain individual products or when the counterparty is requested by the customer, the Bank does not have a choice regarding the counterparty used. In these cases, the counterparties appear on a separate list, the "List of Specific Counterparties", submitted to the Board of Directors.

In relation to collateral loans, the Bank's policy is to award loans that are secured by good-quality, well-diversified security that is easily negotiable, or loans guaranteed by portfolios, mainly or entirely invested in alternative funds.

The secured portfolios may incorporate, apart from listed securities, shares of investment funds or non-traditional investment firms, such as shares of hedge funds. However, private equity interests are not allowed as security.

Credit limits are reviewed on a regular basis and are approved by the Credit Committee and the monitoring of default risk is carried out on a monthly basis by the Credit Committee.

As at the date of this Listing Prospectus, the Group has no non-performing loans in its portfolio and the Group does not have any insolvent debtors or loans where the recovery of interest would be a material problem.

Derivatives

The Bank is exposed to risks arising from its use of derivative instruments such as the risk of counterparty default and market movements. Derivative financial instruments used by the Bank comprise options and futures on equity, stock exchange indexes and currencies, warrants and forward contracts. These instruments are essentially used to cover existing positions and are subject to a discretionary management for the managed funds. The risk on the instruments is valued in accordance with the circulars of the Swiss Federal Banking Commission on a regular basis.

Liquidity risks

Liquidity risk may arise from mismatches between the size of assets and liabilities or their maturities. The liquidity risk of the Bank is controlled and monitored in accordance with the liquidity framework prescribed by the Swiss National Bank. The negotiability of positions for own account is monitored on a regular basis. The Bank's assets and liabilities are significantly matched (see "Funding").

Operational risks

Operational risks result from a lack of, or a default in, internal control systems, procedures, human resources or external events. The Bank has in place an internal control system (which is based on the “Framework for Internal Control Systems in Banking Organisations” recommendations made by the Basle Committee for Banking Surveillance) and limits its exposure to operational risks through the implementation of directives from the management and the Bank’s Regulations which codify the principles of the Bank, its policies, workflow procedures and the responsibilities and expectations of the Bank’s different departments.

There is also active supervision undertaken by the Board of Directors and the Management of the Bank. Quarterly progress reports (including monthly closings with budget comparisons and feedback from the management), lists of professional counterparties used by the Bank and a trend chart of debt owed to the Bank are submitted to the Board of Directors for review.

Each Director is in charge of a specific department of the Bank and regularly checks on the process of operations in that department.

The internal control system is regularly verified by the internal auditors, KPMG Fides Peat, which reports directly to the Board of Directors.

The main operational risks of the Bank are:

- **Trading Error Risk and Delivery Risks**

The Bank is exposed to trading error in the transmission and execution of orders and delivery risks for deals which are not executed on a delivery versus payment system, as is the case for hedge funds. To limit trading errors, all telephone conversations between clients and customer relationship managers are recorded. There is also a plausibility check by the IT system at the order entry level and the order is also checked against the counterparty. The daily accounting is confirmed by the head of the relevant back-office team and daily trade reconciliations are made where the cash and securities positions are reconciled with the custodian’s output.

- **Internal and External Fraud Risk**

As a precautionary measure against internal and external fraud risk, all outgoing payments or cash withdrawals must be validated by the Credit Officer. All orders which are above a set limit depending on the mode of instruction (whether written, oral or by fax) must be authorised by a member of the Management Committee or the Risk Officer.

The Bank also utilises what is known as the “four eyes principle”. Each operation initiated by an employee is checked and validated by a second person at each step. A stock market transaction generated by the fund manager responsible for the account is validated by another fund manager. The order is then executed by a trader and the confirmation is sent by the correspondent to the back-office. The back-office then matches the confirmation with the ticket issued by the trading desk. Finally, the transaction is accounted in the system and is validated by the head of the relevant back-office team.

- **Information Technology Risk**

The Bank is exposed to risks of its information technology hardware systems failing, software malfunction, computer virus attacks and breach of its security systems by hackers.

The management of information technology activities is monitored by the Chief Operating Officer and the information technology development is supervised on a case-by-case basis by the Management Committee. The Bank relies on third party banking software packages to ensure that its software applications are continually upgraded and improved. Data security is reinforced by passwords, firewalls and anti-virus software and is monitored on an on-going basis. Daily backups are stored in a bank safe and all customer documentation is scanned and stored at an offsite facility.

- **Physical Security Risk**

The Bank's premises are protected by anti-burglary, seismic, humidity and smoke detectors as well as secondary power supplies. The Bank has a contingency site equipped with servers and workstations with secure internet access. A Disaster Recover Plan has also been formulated with a switchover time of four hours for critical operations and eight hours for remaining operations.

Compliance and legal risks

The Compliance Officer ensures that the Bank complies with the legal requirements in force as well as its obligations of diligence by monitoring transactions and reviewing legal documentation and providing in-house training for the employees. The Compliance Officer follows the current legal developments at the supervisory bodies, the government, the parliament and other relevant organisations and adapts internal directives to new legislative and regulatory requirements. The strong personal relationships between clients and CROs results in a high quality of clientele and a superior "know-your-clients" compliance.

The Group has also taken out insurance policies for the following corporate risks: fraud (including computer fraud), negligence, loss and wrongful acts of employees for an annual aggregate amount of CHF100 million.

CREDIT LOSS HISTORY

As the Bank does not offer commercial lending products as a main business other than Lombard credits which are granted only to clients as an ancillary service, it has to date not experienced any credit losses.

BANK REGULATORY CAPITAL

Under the Swiss Federal Act on Banks and Savings Banks of 8 November 1934, as amended (the "**Banking Act**"), a bank must maintain an adequate relation between its capital resources and its total liabilities. Statements of its required and existing equity must be completed semi-annually on a consolidated basis and quarterly on an unconsolidated basis. With effect from 1 February 1995, the Implementing Ordinance of 17 May 1972, as amended (the "**Banking Ordinance**"), was amended to bring Swiss capital requirements more in line with those imposed elsewhere, to take into account the risks attached to off-balance sheet activities and more fairly to reflect the different levels of activity. The revised regulations (as further amended thereafter) take into account a number of key elements of the recommendations of the Basle Committee on Banking Supervision of the Bank for International Settlement.

Swiss banks are required to maintain a minimum capital-to-risk-weighted assets ratio of 8% under Swiss banking capital adequacy rules. In addition, the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommision*, the "**FBC**") imposes a higher minimum threshold of 120% of the official requirement which effectively raises the minimum capital-to-risk-weighted assets ratio requirement to 9.6%. There are no other specific capital requirements imposed by the FBC or the Swiss National Bank. As of the date of this Listing Prospectus, the Bank has never been in breach of Swiss capital adequacy requirements. Further capital adequacy requirements are expected to enter into force in the near future arising from the Basel II revised capital framework. See "Regulation and Supervision".

COMPETITION

The Bank faces competition from a number of sources. The Bank's primary competitors consist of Swiss private banks operating on a domestic and international level.

In addition, the Bank faces competition for clients from a variety of other financial services companies, such as asset management companies, hedge fund advisory companies and other financial service providers. Many of these banks and financial institutions have extensive worldwide operations.

The Group is one of the top 15 Swiss private banks in terms of total assets under management with CHF15.4 billion assets under management (CHF14.2 billion excluding double counting) as at 31 December 2005. For the year ended 31 December 2005, the Group experienced growth in assets under management of 69% (Source: Swiss National Bank, Company Reports).

INFORMATION TECHNOLOGY

The Bank uses the APSYS banking application which is widely used by banks in Europe. Data are backed up every day at an offsite facility with full disaster recovery capability within hours. Disaster recovery procedures are regularly tested.

In addition, the Group has also developed its own proprietary applications which are available to the Bank's clients such as:

“*Fog lights*”: a complex system of quantitative models providing a macro-economic forecasting tool for asset allocation (see “Research”).

“*ALTRAC*”: a reporting tool designed to store, display and exploit hedge fund data (NAVs, AuM, administrator's details, liquidity, notice periods for subscriptions and redemption, etc.). About 800 hedge funds are currently listed in ALTRAC.

3A Peer Group: a proprietary peer group universe and analytical software to monitor performance of all funds followed by 3A analysts. This application differs from public databases that rely on public information only. Currently, close to 900 hedge funds compose the Peer Group universe.

BANK MANAGEMENT AND EMPLOYEES

Management

Board of Directors

The Board of Directors is independent from the founding partners of the Bank. The Board of Directors is responsible for the ultimate management and administration of the affairs of the Bank, for reviewing and adopting the strategic plan for the Bank, for approving the risk management policy of the Bank and for overseeing its business performance. It is also responsible for the internal control and management information systems and for reviewing the adequacy and integrity of such systems in consultation with the Management.

The current directors of the Bank are as follows:

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Domicile</u>	<u>With the company since</u>
Luc Argand	Chairman	Swiss	Geneva	April 2005
Philippe Reiser	Vice-chairman	Swiss	Geneva	April 1999
Pierre Brunschwig	Director	Swiss	Vandoeuvres	July 2002
Gabriele Burgio	Director	Italian	Madrid	April 2003
Oskar Kneubühler	Director	Swiss	Prangins	November 1996
Marco Pedroni	Director	Swiss	Veyrier	April 1999

The Bank has also strengthened its corporate governance by establishing a committee structure made up of the Management Committee, the Audit Committee, the Credit Committee and the Hedge Funds Committee (see “Risks Policy – Risk Management and Reporting Structure”).

The Board meets at least four times a year. The quorum required for a meeting of the Board is, in addition to the chairman of the meeting, the majority of the Board. No quorum is required for decisions taken by notarised deed (e.g. certification of increases of capital and the amendments of the Bank's articles of association). The Board adopts resolutions by an absolute majority of the present members. In the case of a deadlock, the chairman has a casting vote.

Management Committee

The Management Committee consists of the founding partners of the Bank, Eric Syz, Alfredo Piacentini and Paolo Luban, who are all actively involved in the day-to-day management of the Bank.

Mr Eric Syz, General Manager

Mr Eric Syz, age 49, is one of the founding partners and a General Manager of the Bank. He is also a member of the Executive Committee. Mr Syz worked in Lombard Odier & Cie from 1984 to 1995 where he specialised in institutional asset management, mergers and acquisitions, development of products and hedge funds. He is the Chief Executive Officer of Financière Syz and Director of 3A and Oyster SICAV and responsible for the Zurich and Salzburg offices. His regional responsibilities include the operations in London (Private Banking) and the Cayman Islands (Alternative Investments).

Alfredo Piacentini, General Manager

Mr Alfredo Piacentini, age 49, is one of the founding partners and a General Manager of the Bank. He is also a member of the Executive Committee. Mr Piacentini spent 10 years in Lombard Odier & Cie from 1985 to 1995 where he last held the position of senior institutional asset manager, specialising in the management of funds and mergers and acquisitions. He is Chairman of Oyster SICAV and Albertini Syz Investimenti Alternativi SGR SpA and Vice-Chairman of both Banca Albertini Syz & C. SpA, Albertini Syz Corporate Finance Srl and Valora SpA. He is also a Director of 3A and Chairman of Syz & Co Bank & Trust Ltd. His regional responsibilities include the operations in Milan and Nassau (Private Banking and Alternative Investments).

Paolo Luban, General Manager

Mr Paolo Luban, age 52, is one of the founding partners and a General Manager of the Bank. He is also a member of the Executive Committee. Mr Luban started his career in 1979 as a lecturer in the Department of Economics with the University of Geneva and later became a scientific adviser to the Federal Office of Foreign Trade in Berne. In 1984, he joined Bordier & Cie where he was responsible for the financial analysis and investment strategy department. He is a Director of 3A SA and responsible for the Lugano and Locarno offices. He also heads the Group's financial research department.

Executive Management

The following table sets forth the executive management of the Bank:

<u>Name</u>	<u>Position</u>
Yves RoCHAT	Manager, Head of Administration
Marco Ronchetti	Manager, Head of Lugano Agency
Claudio Crivelli	Manager, Head of Locarno Agency
Etienne Boitel	Manager, Head of Zurich Agency
Roberto Amaleh	Manager, Head of Hedge Advisory Group
Maurice Basso	Manager, Head of Trading
Ricardo Payro	Manager, Head of Corporate Communications
Bernard de Coulon	Manager
Jean-Louis Lovisa	Manager

Signatory Authority

The members of the Board of Directors and each member of the executive management may represent the Bank jointly with another member (*droit de signature collectif à deux / Kollektivunterschrift zu zweien*).

Employees

The Bank had 114 employees as at 31 December 2005. The table below sets out the number of employees of the Bank over the previous five years by function:

	<i>Year ended 31 December</i>				
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
Partners	3	3	3	3	3
Front Office	18	21	24	29	29
Trading Desk	4	4	5	5	7
Advisory	2	2	2	2	1
Administration	21	25	26	31	37
Back-Office	10	12	13	17	18
Hedge Advisory Group	0	0	3	6	6
Research & Analyst	3	3	3	4	6
Centralised Portfolio Management	6	4	4	5	7
Total	67	74	83	99	114

HUMAN RESOURCES

The Bank is aware that there is intense competition for skilled employees and, therefore, pays special attention to the recruitment, remuneration and development of its employees. The Bank believes that, as a niche provider of services, it is able to maintain a personal relationship with its employees and that its flat and flexible structure allows greater freedom and latitude for its asset managers and CROs and easy access to senior management.

The Bank remunerates its employees in line with market standards. In addition, the Bank also believes in rewarding its employees based on their performances and a large part of remuneration is directly related to the individual's results. The Bank actively tries to foster an ownership culture by granting to key personnel and top asset managers stock options.

One of the Bank's top priorities is the continuous professional growth of its employees. The Group supports continuous development of its employees through training programmes designed to equip employees with the knowledge and skills required to perform their tasks.

REGULATION AND SUPERVISION

Financière Syz & Co SA (“**Financière Syz**”), the parent holding company of the Group, is not a bank according to the Swiss Federal Act on Banks and Savings Banks of 8 November 1934, as amended (the “**Banking Act**”), and its Implementation Ordinance of 17 May 1972, as amended (the “**Banking Ordinance**”), and thus not supervised on a legal entity basis. However, the Group is supervised on a consolidated basis by the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommision*, the “**FBC**”). The Group is required to comply with Switzerland’s requirements for banks, including, among other things, with respect to capital adequacy, solvency and risk concentration on a consolidated basis.

The Bank operates under two licences granted by the FBC pursuant to the Banking Act as well as the Swiss Federal Act on Stock Exchanges and Trading in Securities of 24 March 1995, as amended (the “**SESTA**”), and its Implementation Ordinance of 2 December 1996 (“**SESTO**”). In addition, the Group and the Bank must comply with certain reporting and filing requirements with regard to the Swiss National Bank (the “**National Bank**”).

The FBC, which is the Swiss financial services supervisory authority and is independent from the National Bank, is responsible for the supervision of the banking system. Among other things, the FBC has the power to grant and withdraw banking as well as securities-dealers’ licences, to enforce the Banking Act, the SESTA and the Swiss Federal Investment Funds Act of 18 March 1994, as amended (the “**IFA**”), to prescribe the content and format of audit reports.

In addition, under the Banking Act and the SESTA, a bank’s business is subject to inspection and supervision by an independent auditing firm licensed by the FBC. These Banking Act auditors, who are appointed by the bank’s board of directors, are required to perform an annual audit of the bank’s financial statements and assess whether the bank is in compliance with the provisions of the applicable banking and other financial services legislation and regulation and guidelines of self-regulatory bodies such as those of the Swiss Bankers Association (“**SBA**”). The audit report is submitted to the bank’s board of directors and copies are submitted to the FBC. In the event that the audit reveals either violations of law or other irregularities, the auditors must inform the FBC if the violation or irregularity is not cured within a time limit designated by the auditors, or immediately in the case of serious violations or irregularities.

Under the Banking Act, a bank must maintain an adequate relation between its capital resources and its total liabilities. Statements of its required and existing equity must be completed semi-annually on a consolidated basis and quarterly on an unconsolidated basis. With effect from 1 February 1995, the Implementing Ordinance was amended to bring Swiss capital requirements more in line with those imposed elsewhere, to take into account the risks attached to off-balance sheet activities and more fairly to reflect the different levels of activity. The revised regulations (as further amended thereafter) take account of a number of key elements of the recommendations of the Basle Committee on Banking Supervision (“**Basle Committee**”) of the Bank for International Settlement. In June 2004, the Basle Committee adopted significant changes to the existing international capital adequacy standards, known as Basle II. Switzerland is currently in the process of modifying its bank capital and regulatory laws and regulations to implement the new standards with effect, at the earliest, as of 1 January 2007 (subject to certain transitional periods).

A bank must submit its annual statements of condition and detailed monthly interim balance sheets to the National Bank. The National Bank is a limited liability company whose share capital is held by the Swiss cantons and cantonal banks, private shareholders and public authorities. It is responsible for the implementation of those parts of the government’s monetary policy that relate to banks, particularly in the areas of foreign exchange. It publishes extensive statistical data on a monthly basis. The National Bank may demand further disclosures from banks concerning their financial condition as well as other kinds of information relevant to the regulatory oversight responsibilities of the National Bank. On 1 May 2004, an amendment to the Swiss Federal National Bank Act came into effect that gives the National Bank certain additional powers such as the supervision of payment and securities settlement systems.

TAXATION

Switzerland

General

The following summary does not purport to address all tax consequences of the acquisition, ownership and disposal of Certificates, and does not take into account the specific circumstances of any particular investor. This summary is based on the tax laws, regulations and regulatory practices of Switzerland as in effect on the date hereof, which are subject to change (or subject to changes in interpretation), possibly with retroactive effect, and a private letter tax ruling with the Swiss federal tax administration. Moreover, the summary is based on the assumption, as confirmed in such tax ruling in reliance on respective information given by the Bank and Syz Finance that throughout the life of the Certificates the residence and place of effective management of Syz Finance will be outside Switzerland and Syz Finance will have no permanent establishment situated in Switzerland.

Certificateholders or prospective Certificateholders are advised to consult their own tax advisers in light of their particular circumstances as to the Swiss tax laws, regulations and regulatory practices that could be relevant for them in connection with acquiring, owning and disposing of Certificates and receiving payments of any kind on or in respect of Certificates as contemplated herein and the consequences of such events under the tax laws, regulations and regulatory practices of Switzerland.

Swiss Dividend Withholding Tax

Certificates

On-payments by the Fiduciary to Certificateholders of any Dividends and similar distributions it receives on the Participation Securities and any Distributions it receives on the Preferred Securities, as well as on-payments by the Fiduciary to the Certificateholders of the Net Purchase Price upon the purchase of Participation Securities by the Bank, Syz Financière or a Permitted Transferee, as the case may be, and Redemption Amounts upon the redemption of the Preferred Securities by Syz Finance (“**Fiduciary Payments**”) will not be subject to Swiss federal withholding tax (“**Withholding Tax**”).

Participation Securities

Deduction

Dividends and similar cash or in-kind distributions, including repayment of Share Premium and, under certain circumstances, payment of Net Purchase Price less Nominal Value (“**Dividends or similar distributions**”), made on Participation Securities by the Bank to the Fiduciary will be subject to Withholding Tax at a rate of 35%. The Withholding Tax will be deducted by the Bank on the gross Dividend or similar distribution and remitted to the Swiss Federal Tax Administration. Repayment of Nominal Value will in any case not be subject to Withholding Tax.

Refund

Certificates are issued on a fiduciary basis. A Certificateholder should therefore be considered the beneficial owner for tax purposes of, *inter alia*, the Participation Security underlying the Certificate and the Dividends and similar distributions paid on such Participation Security if such Certificateholder holds the Certificate and the payments made thereon for his own benefit.

Subject to the foregoing, Withholding Tax on Dividends or similar distributions on Participation Securities will be refundable in full to a Certificateholder resident in Switzerland for tax purposes, or a Certificateholder resident outside Switzerland for tax purposes who holds the Certificates as part of a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes, and who, in each case, duly reports the gross Dividend or similar distribution on the

Participation Securities in his individual income tax return or, as the case may be, recognises the Dividend or similar distribution on the Participation Securities for tax purposes as earnings in his income statement.

A Certificateholder who is not tax-resident in Switzerland and who does not carry on a trade or business in Switzerland through a permanent establishment or fixed places of business for tax purposes may be entitled to a partial refund of the Withholding Tax on Dividends and similar distributions on Participation Securities if the country where he resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the further conditions of such treaty are met. Such Certificateholders should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) might differ from country to country.

Preferred Securities

Distributions on Preferred Securities and payment of Redemption Amounts in respect of Preferred Securities will not be subject to Withholding Tax.

Issuance Stamp Tax and Turnover Stamp Tax

The issuance of the Certificates by the Fiduciary and the Preferred Securities by Syz Finance will not be subject to Swiss federal stamp tax on the issuance of securities (*Droit de timbre d'émission / Emissionsabgabe*). The Bank will be subject to and pay to the Swiss federal tax administration 1% Swiss federal stamp tax on the issuance of securities on the consideration received by it for the issuance of the Participation Securities less certain costs incurred in connection therewith.

The delivery of the Certificates, the Participation Securities and the Preferred Securities to their initial holders at the original offering price will not be subject to Swiss federal stamp tax on the turnover in securities (*Droit de timbre de négociation / Umsatzabgabe*). Subsequent dealings in Certificates, Participation Securities and Preferred Securities, where a bank or another securities dealer in Switzerland (as defined in the Swiss Federal Stamp Tax Act) acts as an intermediary, or is a party, to the respective transaction, may be subject to Swiss federal stamp tax on the turnover in securities at an aggregate rate of up to 0.15% in the case of Participation Securities and at an aggregate rate of up to 0.3% in the case of Certificates and Preferred Securities, in each case of the purchase price of the respective securities.

Swiss Federal, Cantonal and Communal Taxes

Swiss Resident Shareholders and Shareholders with Trade or Business in Switzerland

Private individuals resident in Switzerland who hold Certificates in their private fortune are required to include Fiduciary Payments – except Fiduciary Payments reflecting Nominal Value, Redemption Amounts and, under certain circumstances, Net Purchase Price (“**Exempt Fiduciary Payments**”) – in their personal income tax return and are subject to Swiss federal, cantonal and communal income tax on any net taxable income (including the Fiduciary Payments but without the Exempt Fiduciary Payments) for the relevant taxation period. For these private individuals capital gains resulting from the sale of Certificates and, under certain circumstances, from Fiduciary Payments reflecting Net Purchase Price, may not be subject to Swiss federal, cantonal and communal income tax and, conversely, capital losses not tax-deductible.

Swiss-resident corporate entities, Swiss-resident private individuals as well as corporate entities and private individuals resident abroad who hold Certificates as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business situated in Switzerland, are required to recognise Fiduciary Payments in their income statement for the respective taxation period and are subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings (including Fiduciary Payments) for such taxation period. The same taxation treatment also applies to Swiss-resident private individuals who, for income tax purposes, are classified as “professional securities dealers” for reasons of, *inter alia*, frequent dealing or leveraged investments, in shares and other securities. Corporate taxpayers may qualify for dividend relief in respect of Dividends and similar distributions on Participation Securities (including, as the case may be, Fiduciary

Payments reflecting Net Purchase Price) if the Participation Securities held by them through Certificates have an aggregate market value of at least CHF2,000,000.

Shareholders resident outside of Switzerland and with no Trade or Business in Switzerland

Payments on Certificates to a holder who is not resident in Switzerland for tax purposes, and who, during the respective taxation year, has not engaged in a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes, and who is not subject to corporate or individual income taxation, as the case may be, in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or communal income tax.

Jersey

General Issues

Syz Finance has obtained “exempt company” status within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, for the calendar year ending 31 December 2006.

Syz Finance will be required to pay an annual exempt company charge which is currently £600 in respect of each subsequent calendar year during which it wishes to continue to have “exempt company” status. The retention of “exempt company” status is conditional upon and subject to the Comptroller of Income Tax in Jersey being satisfied that no Jersey resident has a beneficial interest in Syz Finance, except as permitted by the Comptroller of Income Tax.

As an “exempt company” Syz Finance will not be liable to Jersey income tax other than on Jersey source income (except by concession bank deposit interest on Jersey bank accounts). For so long as Syz Finance is an “exempt company”, payments in respect of the Securities will not be subject to taxation in Jersey (unless the holder is resident in Jersey) and no withholding in respect of taxation will be required on any such payment made to a holder.

Under current Jersey law there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of Securities. In the event of the death of an individual sole holder, duty at rates of up to 0.75% of the value of the Securities held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Securities held by the deceased individual holder.

European Union Directive on the Taxation of Savings Income

Jersey is not part of the EU and is not subject to the EU Savings Tax Directive or other EU fiscal legislation. However, in keeping with Jersey’s policy of constructive international engagement (and in line with steps taken by other relevant third countries) the Island has now entered into various agreements regarding the European Union directive on the taxation of savings income in the form of interest payments (the “**EU Savings Tax Directive**”).

The States of Jersey have introduced a system which permits, either:

- (a) the disclosure of information concerning details of payments of interest (or other similar payments) and the identity of an individual beneficial owner of the interest to the tax authority of the EU jurisdiction where the owner of the interest payment is resident; or
- (b) the imposition of a retention or withholding tax in respect of payments of interest (or other similar income) made to an individual beneficial owner resident in an EU Member State by a paying agent situate in Jersey or an EU Member State.

The retention tax system will apply for an initial transitional period during which tax would be retained from such payments, instead of communicating the details of such payments to the tax authorities of the EU Member State in which the individual beneficial owner is resident (the transitional period is prior

to the implementation of a system of automatic communication among all EU Member States of information regarding interest payments.)

(The terms “beneficial owner” and “paying agent” are defined in the bilateral agreements entered into between Jersey and each of the EU Member States relating to the treatment of savings income.)

Where the Issuer has appointed a paying agent located outside Jersey, the Issuer is not required to make any disclosures or levy retention tax. However, the rules applicable in the jurisdiction where the paying agent is located will apply.

The requirements in respect of information disclosure or retention tax will not apply to companies, partnerships or to most types of trusts, nor will they apply to individuals who are resident outside the EU.

European Union Code of Conduct on Business Taxation

On 3 June 2003, the European Union Council of Economic and Finance Ministers reached political agreement on the adoption of a Code of Conduct on Business taxation. Jersey is not a member of the European Union, however, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey’s policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by the end of 2008 with a general zero rate of corporate tax.

Luxembourg

The statements herein regarding Luxembourg taxation are based on the laws, regulations and administrative and judicial interpretations in force in the Grand Duchy of Luxembourg as of the date of this Listing Prospectus. The following summary does not purport to be a comprehensive description of all tax considerations that may be relevant to investors intending to hold, purchase or sell Certificates. Each prospective holder or owner of Certificates should consult its tax advisers as to the Luxembourg tax consequences of the purchase, ownership and disposal of the Certificates.

Withholding Tax

Non-Residents

Under the existing laws of Luxembourg and except as provided for under the EU Savings Tax Directive, there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Certificates made to non-residents of Luxembourg.

Under the EU Savings Tax Directive and the related Accords with certain dependent or associated territories (currently being Anguilla, Aruba, British Virgin Islands, Cayman Islands, Guernsey, Isle of Man, Jersey, Montserrat, Netherland Antilles and Turks and Caicos) and certain non-EU Member States (currently being Andorra, Liechtenstein, Monaco, San Marino and Switzerland), EU Member States will be required to provide to the fiscal authorities of another EU Member State, certain dependent or associated territories and certain non-EU Member States, details of payments of interest or similar income made by a paying agent within its jurisdiction to an individual or certain types of entities called “residual entities” resident in that other EU Member State, relevant dependent or associated territory or relevant non-EU Member State, except that Austria, Belgium and Luxembourg will instead operate a withholding system for a transitional period in relation to such payments unless during such period they elect otherwise.

Under the Luxembourg law of 21 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of the aforementioned Accords, payments of interest or similar income made or ascribed (the French text of the law refers to “attribuer”) by a paying agent established in Luxembourg to or for the immediate benefit of an individual or certain residual entities as defined by law, who as a result of an identification procedure implemented by the paying agent are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg, certain dependent or associated territories or certain other non-EU Member States, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or

has provided a tax certificate from his/her fiscal authority in the format required by law to the relevant paying agent.

Where withholding tax is applied, payments of interest and similar income will be subject to a withholding to be made by the relevant paying agent at the initial rate of 15% during the first three-year period starting on 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter.

When used in the preceding three paragraphs “**interest**” and “**paying agent**” have the meaning given thereto in that law (or the relevant Accords). “Interest” will include accrued or capitalised interest at the sale, repayment or redemption of the Certificates. “Paying agent” is defined broadly for this purpose and in the context of the Certificates means any economic operator established in Luxembourg who pays interest on the Certificates to or ascribes the payment of such interest to or for the immediate benefit of the beneficial owner, whether the operator is, or acts on behalf of, Banque Syz or Syz & Co Finance Limited or is instructed by the beneficial owner to collect such payment of interest.

Payments of interest or similar income under the Certificates to the Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, and payments by or on behalf of Clearstream Banking, *société anonyme*, Luxembourg, to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

Residents

Interest on Certificates paid by a Luxembourg paying agent to an individual holder who is a resident of Luxembourg will be subject to a withholding tax of 10% which will operate a full discharge of income tax due on such payments.

Interest on Certificates paid by a Luxembourg paying agent to residents of Luxembourg which are not individuals will not be subject to any withholding tax.

Other taxes

Any payments received by the Fiduciary on behalf of the Certificateholders under or in connection with the Certificates will not be subject to any taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of Luxembourg or any political sub-division or authority thereof or therein.

Holders of Certificates who are neither resident in, nor engaged in a trade or business through a permanent establishment in, Luxembourg will not be subject to taxes or duties in Luxembourg with respect to payments under the Certificates or gains realised upon disposal or redemption of the Certificates. Certificates held by persons not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg and holders of Certificates will not be deemed to be resident, domiciled or carrying on business in Luxembourg by reason only of holding such Certificates.

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Certificateholders in connection with the issue of Certificates.

Holders of Certificates who are domiciled in Luxembourg or maintain a permanent establishment therein with which the Certificates are effectively connected will be subject to Luxembourg taxation as provided for by applicable tax provisions.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Certificates or in respect of the payment of interest or principal under the Certificates or the transfer of the Certificates. Luxembourg value added tax may be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Prospective purchasers of Certificates should consult their tax advisers as to the tax laws and specific tax consequences of acquiring, holding and disposing of Certificates.

EU Savings Tax Directive

Under EC Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Also with effect from 1 July 2005, a number of non-EU countries (including Switzerland), and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (in certain circumstances on a reciprocal basis).

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International Limited (the “**Lead Manager**”) has, pursuant to a Subscription Agreement dated 31 October 2006 (the “**Subscription Agreement**”), agreed to subscribe for the Certificates at the issue price of 100% of the principal amount of Certificates. The Bank has agreed to separately pay to the Lead Manager certain commissions specified in the Subscription Agreement, will reimburse the Lead Manager in respect of certain of its expenses, and has agreed to indemnify the Lead Manager against certain liabilities, incurred in connection with the issue of the Certificates. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Fiduciary.

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Certificates (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Certificates are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Certificates within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Certificates which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Certificates to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Fiduciary of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor

to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Fiduciary; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Jersey

The Certificates may not be:

- (a) offered to, sold to or purchased by, or for the account of, persons resident for income tax purposes in Jersey (other than a financial institution in the ordinary course of business); or
- (b) transferred to a person resident for income tax purposes in Jersey (other than a financial institution in the ordinary course of business) unless the Registrar of Companies in Jersey is satisfied that the beneficial owner thereof is not resident in Jersey for income tax purposes.

A financial institution means a bank, finance house, insurance company, investment trust or fund, mutual fund or society, pension fund and any other institution of a similar nature.

Luxembourg

The Certificates shall not be offered or sold within the territory of the Grand Duchy of Luxembourg, unless:

- (i) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the “CSSF”) if Luxembourg is the home member state (as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading); or
- (ii) if Luxembourg is not the home member state, the CSSF has been notified by the competent authority in the home member state that the prospectus has been duly approved; or
- (iii) the offer benefits from an exemption to, or constitutes a transaction not subject to, the requirement to publish a prospectus.

Hong Kong

The Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in

the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

The Lead Manager has acknowledged that this Listing Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager has represented, warranted and agreed that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell such Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Listing Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Certificates, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Certificates are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 except:

- (i) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law.

GENERAL INFORMATION

Authorisation

1. The issue of the Certificates by the Fiduciary was authorised by the management of the Fiduciary as part of its general banking activities.

The issue of the Preferred Securities was authorised by the Board of Directors of Syz Finance on 31 October 2006.

The issue of the Participation Securities was authorised by shareholders' resolutions of the Bank dated 31 October 2006 and will be authorised by resolutions of the Board of Directors of the Bank dated on or about 2 November 2006.

Clearing Systems

2. The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS0267125135, the Common Code is 026712513.

No significant change

3. Save as disclosed in this Listing Prospectus, there has been no material adverse change in the condition (financial or otherwise) or the prospects of the Bank since 31 December 2005 or Syz Finance since its date of incorporation.

Litigation

4. Neither the Bank, Syz Finance nor any of the Bank's subsidiaries is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank or Syz Finance is aware) which may have or has had in the 12 months preceding the date of this document a significant adverse effect on the financial position of the Bank, Syz Finance or the Group.

Auditors

5. The auditors of the Bank are PricewaterhouseCoopers SA, Geneva, who have audited the Bank's accounts, without qualification, in accordance with generally accepted auditing standards in Switzerland for each of the two financial years ended on 31 December 2005.
6. The auditors of Syz Finance are PricewaterhouseCoopers CI LLP, Jersey.

Documents

7. Copies of the following documents will be available free of charge from the offices of the Paying Agent for the time being in Luxembourg so long as any of the Certificates remain outstanding:
 - (a) the constitutional documents (including the articles of association) of the Bank and Syz Finance (with an English translation thereof, where applicable);
 - (b) the audited financial statements of the Bank in respect of the financial years ended 31 December 2004 and 2005;
 - (c) the most recently published audited annual financial statements of the Bank and Syz Finance;
 - (d) the Agency Agreement and the Fiduciary Assets Agreement; and
 - (e) the Annual Report of the Bank and Syz Finance.

Financial Statements

8. The Bank does not prepare audited or unaudited consolidated financial statements.
9. The Bank does not prepare audited or unaudited interim financial statements.

Notices in Switzerland

10. Notices of the Bank are made by publication in the Swiss Official Gazette of Commerce (*Feuille Officielle Suisse du Commerce / Schweizerisches Handelsblatt*) or in other media.

GLOSSARY

All references herein to any law, regulation, agreement, deed, instrument, prospectus or other document (including any schedules, exhibits, appendices or reference deeds thereto) shall be construed as a reference to that law, regulation, agreement, deed, instrument, prospectus or document as amended, supplemented, restated, superseded or replaced from time to time, and, in relation to a law, including any successor legislation.

“**Additional Amounts**” has the meaning given to it in Paragraph 11 of the Description of the Preferred Securities.

“**Agents**” means the Fiscal Agent, the Principal Paying Agent, the Calculation Agent and the Paying Agent in Luxembourg and any additional paying agent appointed in accordance with Condition 18.2 of the Terms and Conditions of the Certificates (and each an “**Agent**”).

“**AGM**” means the Bank’s Annual General Meeting (*Assemblée générale ordinaire / ordentliche Generalversammlung*).

“**Articles of Association**” means the articles of association of Syz Finance.

“**Bank**” means Banque Syz & Co. SA.

“**Bank Equity Securities**” means the Bank’s nominal capital represented by the common shares of the Bank and any participation certificates (*Bons de participation / Partizipationsscheine*) (including the Participation Securities) issued by the Bank.

“**Banking Act**” means the Swiss Federal Act on Banks and Savings Banks of 8 November 1934, as amended.

“**Banking Ordinance**” means the Implementation Ordinance of 17 May 1972 with regard to the Banking Act, as amended.

“**Business Day**” means any day (other than a Saturday or a Sunday) (i) on which banks are open for business in London, Luxembourg, Geneva and Jersey and (ii) which is a TARGET Business Day.

“**Calculation Agent**” means J.P. Morgan Bank Luxembourg S.A. or such other person or entity appointed from time to time as calculation agent under the Fiscal Agency Agreement.

“**Certificates**” means the €40,000,000 Syz Fiduciary Certificates which are divided into certificates in registered form in the Nominal Amount of €1,000 each (and each a “**Certificate**”).

“**Certificateholders**” means the holders of any Certificate (and each a “**Certificateholder**”).

“**Certificate Registrar**” means the Fiduciary at its registered office who will act as Certificate registrar for the purpose of registering Certificates as provided in the Conditions.

“**Certificateholders’ Register**” means the register of Certificateholders with respect to the Certificates kept by the Fiduciary at its registered office.

“**Clearing System**” means together Clearstream, Luxembourg and Euroclear.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*, Luxembourg.

“**Conditions**” means the terms and conditions of the Certificates, as may be amended from time to time pursuant to Condition 14 of the Terms and Conditions of the Certificates.

“**Covered Dividend Amount**” means the amount of a Distribution on the Preferred Securities declared and paid by Syz Finance for the relevant year declared and covering the Dividend contemplated by the Fiduciary Assets Agreement.

“**Day Count Fraction**” means, in respect of the calculation of an amount of Distributions or Dividends, as the case may be, for any period of time (the “**Calculation Period**”), if the Calculation Period is equal to or shorter than the Fixed Payment Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Fixed Payment Period.

“**Determination Date**” means the second TARGET Business Day prior to the commencement of the relevant Floating Payment Period.

“**Distributable Funds**” means, in respect of each fiscal year of the Bank, the aggregate amount as shown in the unconsolidated financial statements of the Bank as at the end of the immediately preceding fiscal year of the Bank, of (i) the profits for that fiscal year and (ii) the accumulated net profits carried forward and (iii) any freely available reserves (other than reserves for treasury shares), less any amounts that must be contributed to legal reserves under mandatory Swiss law.

“**Distribution**” means the preferential distribution payments to be made to the holders of the Preferred Securities.

“**Distributions**” means the amount of dividends payable on the Preferred Securities in accordance with the terms thereof.

“**Dividend**” means each preferred dividend declared on the Participation Securities at the full discretion of the AGM subject to the conditions set out in Article 6a of the Bank’s articles of association.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**EuroMTF Market**” means the Luxembourg Stock Exchange’s EuroMTF Market.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union (as amended).

“**Exercise Notice**” means the exercise notice in respect of the Purchase Right under the Fiduciary Assets Agreement.

“**Extraordinary Resolution**” has the meaning given to it in Condition 14.4 of the Terms and Conditions of the Certificates.

“**FBC**” means the Swiss Federal Banking Commission (*Commission fédérale des banques / Eidgenössische Bankenkommission*).

“**Fiduciary**” means J.P. Morgan Bank Luxembourg S.A., a bank licensed in Luxembourg and incorporated as a public limited liability company (*société anonyme / Aktiengesellschaft*) under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under no. R.C.S. Luxembourg B-10.958, acting on a fiduciary basis under the laws of the Grand Duchy of Luxembourg or any New Fiduciary pursuant to Condition 12.2 and Condition 12.4 of the Terms and Conditions of the Certificates.

“**Fiduciary Assets Agreement**” means the agreement dated on or around the Issue Date and made between the Fiduciary, the Bank, Syz Finance, Financière Syz, the Lead Manager and the Calculation Agent in respect of the Participation Securities and the Preferred Securities.

“**Fiduciary Contract**” means the fiduciary contract (*contrat fiduciaire*) including the Conditions between each Certificateholder and the Fiduciary as evidenced by each Certificate and governed by the Trust and Fiduciary Contracts Law 2003.

“**Financière Syz**” means Financière Syz & Co SA.

“**First Optional Purchase Date**” means 29 June 2011.

“**First Optional Redemption Date**” means 29 June 2011.

“**Fiscal Agency Agreement**” means the fiscal agency agreement dated on or around the Issue Date and made between the Bank, the Fiduciary, Syz Finance and the Agents.

“**Fiscal Agent**” means JPMorgan Chase Bank, N.A. or any successor.

“**Fixed Payment Date**” means 29 June in each year. The first Fixed Payment Date will be 29 June 2007. The last Fixed Payment Date will be 29 June 2011. If the Fixed Payment Date falls on a date which is not a Business Day, then the payment shall be made on the next Business Day and no payment of any amount in respect of such delay shall be required to be made.

“**Fixed Payment Period**” means each period from and including 7 November 2006 to but excluding the first Fixed Payment Date and each successive period from and including a Fixed Payment Date to but excluding the following Fixed Payment Date.

“**Floating Day Count Fraction**” means, in respect of the calculation of an amount of Distributions or Dividends, as the case may be, for any period of time (the “**Calculation Period**”), the actual number of days in the Calculation Period divided by 360.

“**Floating Payment Date**” means 29 June in each year. If any Floating Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Payment Date shall be the immediately preceding Business Day.

“**Floating Payment Period**” means each period from and including 29 June 2011 to but excluding the first Floating Payment Date and each successive period from and including a Floating Payment Date to but excluding the following Floating Payment Date.

“**FSMA**” means the Financial Services and Markets Act 2000.

“**Global Certificate**” means the global certificate in registered form without coupons representing the Certificates.

“**Group**” means the Bank, its affiliates and subsidiaries taken as a whole.

“**IFA**” means the Swiss Federal Investment Funds Act of 18 March 1994, as amended.

“**Issue Date**” means 7 November 2006.

“**Law**” means the Companies (Jersey) Law 1991, as amended.

“**Lead Manager**” means Morgan Stanley & Co. International Limited.

“**Luxembourg**” means the Grand Duchy of Luxembourg.

“**Luxembourg Gross-Up Amount**” has the meaning given to it in Condition 9.2 of the Terms and Conditions of the Certificates.

“**Margin**” means 2.875% per annum.

“**National Bank**” means the Swiss National Bank.

“**Net Purchase Price**” means an amount equal to €999.99 per Participation Security.

“**New Fiduciary**” has the meaning given to it in Condition 12.2 of the Terms and Conditions of the Certificates.

“**Nominal Amount**” means €1,000 per Certificate.

“**Non-Principal Distribution**” has the meaning given to it in Condition 5.3 of the Terms and Conditions of the Certificates.

“**Notional Amount**” means an amount of €1,000 per Preferred Security.

“**Ordinary Resolution**” has the meaning given to it in Condition 14.4 of the Terms and Conditions of the Certificates.

“**Ordinary Shares**” means the ordinary shares in the capital of Syz Finance having no par value and carrying voting rights.

“**Paid-up Amount**” means an amount of €0.01 per Preferred Security.

“**Participation Capital Increase**” means the increase of the Bank’s equity capital by CHF1,000,000 to CHF31,000,000 by issuing up to 40,000 preferred non-voting Participation Securities (*Bons de participation / Partizipationscheine*) at the nominal value of CHF25 each resolved by the extraordinary shareholders’ meeting of the Bank held on 31 October 2006.

“**Participation Securities**” means the 40,000 participation certificates (*Bons de participation / Partizipationscheine*) of class A in the paid-up amount of the Swiss franc equivalent of €999.99, converted at the exchange rate prevailing on the Issue Date, each, with a nominal value of CHF25 each issued by the Bank.

“**Participation Securities Terms**” means the rights attaching to the Participation Securities as contained in the articles of association of the Bank as well as in the Fiduciary Assets Agreement.

“**Paying Agent in Luxembourg**” means J.P. Morgan Bank Luxembourg S.A. or any successor.

“**Payment Business Day**” means any day which is a day (other than a Saturday or a Sunday) on which (i) the Clearing System and (ii) TARGET settles payments in Euro.

“**Payment Date**” means each Fixed Payment Date and Floating Payment Date, as the case may be.

“**Payment Period**” means each Fixed Payment Period and each Floating Payment Period.

“**Permitted Transferee**” means a person designated by the Bank (to be transferee of the Participation Securities or the Preferred Securities, as the case may be).

“**Preferred Securities**” means the 40,000 no-par value, non-voting, registered preference shares in the paid-up amount of €0.01 each issued by Syz Finance (each a “**Preferred Security**”).

“**Preferred Securities Terms**” means the rights attaching to the Preferred Securities as contained in the Articles of Association of Syz Finance as well as in the Fiduciary Assets Agreement.

“**Principal Paying Agent**” means JPMorgan Chase Bank, N.A. or any successor.

“**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

“**PS Acquisition**” means the acquisition, in whole but not in part, of the Participation Securities by the Bank, Financière Syz or a person designated by the Bank.

“**Purchase Right**” has the meaning given to it in Clause 3.3.1 of the Fiduciary Assets Agreement.

“**Qualified Institution**” means an entity incorporated under the laws of Luxembourg which:

- (i) is qualified and authorised to act as a fiduciary under the Trust and Fiduciary Contracts Law 2003; and
- (ii) has itself or is part of a group which has a long-term debt rating by Standard & Poor’s Rating Services of at least “A” and/or Moody’s Investors Service, Inc of at least “A3”.

“**Redemption Amount**” means an amount per Preferred Security equal to the Paid-up Amount, i.e. €0.01.

“**Redemption Right**” has the meaning given to it in Clause 5.2.1 of the Fiduciary Assets Agreement.

“**Reference Banks**” means, in the case of a determination of the Reference Rate, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“**Regulation S**” means Regulation S under the Securities Act.

“**Relevant Date**” means the date on which the relevant payment first becomes due (save that, if the full amount of money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to such effect has been duly given to Certificateholders in accordance with Condition 15 of the Terms and Conditions of the Certificates).

“**Relevant Implementation Date**” means the date on which the Prospectus Directive is implemented in each Relevant Member State.

“**Relevant Jurisdiction**” means Jersey, Switzerland, Luxembourg or any other jurisdiction of residence of the obligor of the Preferred Securities (or any jurisdiction from which payments are made thereon).

“**Relevant Member State**” means each Member State of the European Economic Area which has implemented the Prospectus Directive.

“**Replacement Securities**” has the meaning given to it in Condition 12.7 of the Terms and Conditions of the Certificates.

“**Representative**” means one or several representatives of the body of Certificateholders appointed by a general meeting of the Certificateholders.

“**SBA**” means the Swiss Bankers Association.

“**Screen Page**” means (i) Reuters Page EURIBOR1YD (or such other page of Reuters or such other information service, which has been designated as the successor to Reuters Page EURIBOR1YD for the purpose of displaying such rates or, (ii) if Reuters Page EURIBOR1YD is not available or if, no such quotation appears at such time, Telerate Page 248 or such other page of Telerate or such other information service, which has been designated as the successor to Telerate Page 248 for the purpose of displaying such rates.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**SESTA**” means the Swiss Federal Act on Stock Exchanges and Trading in Securities of 24 March 1995, as amended.

“**SESTO**” means the Implementation Ordinance of 2 December 1996 with regard to the SESTA.

“**Settlement Record Date**” means the second calendar day before the due date for on-payment to the Clearing System or to their order for credit to the accounts of the relevant accountholders of the Clearing System outside the United States.

“**Subscription Agreement**” means the subscription agreement dated 31 October 2006 made between the Lead Manager, the Bank, Syz Finance and the Fiduciary.

“**Syz Finance**” means Syz & Co Finance Limited.

“**TARGET**” means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system.

“**TARGET Business Day**” means a day on which TARGET is open.

“**Taxes**” means any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Jersey or Switzerland, or, in each case, any political subdivision or any taxing authority thereof or therein.

A “**Tax Event**” shall occur if as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Jersey or Switzerland or, in each case, any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), distributions payable by Syz Finance in respect of the Preferred Securities become subject to any withholding or deduction for any Taxes.

“**Trust and Fiduciary Contracts Law 2003**” means the Luxembourg law dated 27 July 2003 relating to trust and fiduciary contracts of Luxembourg.

“**Withholding Taxes**” means any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied, deducted, withheld or collected by or on behalf of any Relevant Jurisdiction or by or on behalf of any political subdivision or authority therein or thereof having the power to tax.

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