

Channels

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Passport to Swiss Banking Strategy



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Special Tips for the Investor

Choosing a Swiss Private Banker

While Swiss banking has been around a long time, modern Swiss private banking dates from the early 20th century. World wars & income tax started a steady flow of money to the safety of Swiss bank accounts. The Swiss responded by building what is arguably the world's best banking system for private asset management.

Until recently it was easy to choose a Swiss bank. Differentiation was almost zero, and active asset management almost nonexistent. Today things are different. While confidentiality is still important, customers now demand more in terms of technology, service, cost & performance.

Nearly all banks in Switzerland will accept and manage your money. But, there is also a large community of independent asset managers, which take management responsibility for a customer's private account at a bank in Switzerland. Combined, there are at least 1,000 places to go for Swiss asset management.

How do you choose one today? Fortunately, Swiss banking generally enjoys a high degree of professionalism, risk controls & management skills. And, the Swiss government insures all asset management is carefully regulated.

The best way to choose a Swiss asset manager is to ask these basic questions. The answers will help you choose who will manage your money:

- How many bankers are in the department where your money will be managed, and how many customers do those bankers have in total? Caution: many banks now have 3 to 6 bankers who manage thousands of clients, up to 500 clients per banker. Personalized service is non-existent. Choose a bank with a very low banker-client ratio.
- Does the asset manager or bank sell its own products to clients? Caution: many bankers are forced to heavily sell their own investment products, which are often not "best of class". Choose an asset manager that is independent to choose the best for you.
- Will your proposed relationship manager know you, your business, your country & your culture? Caution: some banks give relationship management to junior staff with no knowledge of the customer's environment. Managing money in a vacuum can be dangerous. Choose a banker who knows your culture, country & economy, and who visits you often.
- Will you get customized asset management? Caution: many banks now use one investment policy for all customers. We call this one-size-fits-all approach "McBanking." Choose a banker who will customize investing just for your needs.
- Is your proposed relationship manager an investment professional? Caution: many banks now separate relationship management from investment management. Relationship managers are often glorified salesmen. Choose a banker who both knows you & manages your money, and who is a top professional in the investment field.

It may come as a surprise that cost is not a main criterion. Why? Because fees & commissions have been generally harmonized in the competitive environment of Swiss banking. There is often little difference from one bank to another.

And, remember, service is still the asset manager's greatest incentive to find & keep clients. In today's complex & often dangerous world of asset management a knowledgeable, professional banker can be your best friend and ally, but only if he understands you & your environment and takes the time to create a unique, individualized investment strategy just for you. ■



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