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## **Private Banking Services**

**Private banking services in Switzerland stand for services of high quality, extremely qualified bankers with international experience and a long-standing tradition of managing considerable wealth.**

### **Highly-qualified staff**

The quality of Swiss bankers is beyond any doubt. The majority of Swiss bankers are educated as private bankers through a specific financial educational program. Bankers moving up in the management of a Swiss private bank have abundant education possibilities with institutions such as the Swiss Finance Institute, which goal it is to provide financial and private banking education of the highest international level. In addition, Switzerland has a centuries-long tradition as a banking centre, allowing banking experience and expertise to pass from generation to generation within the banks - a unique advantage over upcoming financial centres.

### **A personal approach**

How do Swiss private banking services compare to onshore private banking services? Swiss bankers first of all take a lot of time for their clients. Where in the rest of the world more and more financial institutions standardize their products and try to minimize the time spent with a client, a Swiss private banker is there for you to listen to you and to advise you and your family. And he/she will try to get to know you and your needs and build a long-lasting relationship with you. In practice it could very well be that one and the same private banker will support you for decades. And it is not uncommon for the private banker to evolve into a family friend over time.

### **Services**

A Swiss private bank is able to provide you with tailor-made financial solutions. Banks located in the Swiss financial centre offer investment products from all over the world and a Swiss bank has the necessary in-house expertise to advise you on those products as well. A Swiss private bank has access to and knowledge of investment options from all corners of the world. This as opposed to locally established private banks (in your home country) which mostly advise their clients on investment products traded on the local stock exchange only. A Swiss private bank commonly employs investment specialists with a focus on specific regions of the world and on different asset classes, such as precious metals, emerging market bonds, hedge funds and foreign currencies (Forex).

## Service models

Swiss private banks offer specialised services such as asset management, investment advisory, discretionary portfolio management, direct access to the trading floor (forex, equity and bond traders), credits, wealth planning, tailor made structured products, investment funds and online banking. Most banks offer an open architecture, which means that you will be able to purchase not only products (structured products, funds etc.) offered by the bank itself, but also from a wide range of other financial institutions.

Nowadays most banks provide three different service models:

- **Discretionary portfolio management:** the bank manages your assets at its own discretion. Since not everyone has the time and expertise to manage his own investments, the bank can manage the investments on behalf of the client. Most banks offer various investment strategies with a different risk profile and in different base currencies. You choose the appropriate risk profile (i.e. conservative, balanced, growth etc.) that matches your investment goals best. In this model the bank is wholly responsible for the investment result realised and you pay a certain percentage of your assets to the bank as a fee.
- **Advisory services:** in this model the bank acts as your investment advisor. In addition to your relationship manager you have regular (daily, weekly, monthly) contact with an investment advisor (or even directly with the traders) who acts as your sparring partner with respect to your investment decisions. Beforehand you decide on your risk appetite. The investment advisor subsequently brings specific investment products to your attention that match your risk appetite, and updates you regularly on developments in the financial markets. You decide on every trade after digesting the information provided to you. Ultimately it is you who is responsible for the investment result realised. In this model you often pay a fixed advisory fee to the bank.
- **Execution only:** the bank acts primarily as a custodian for your assets and investments. You make your investment decisions yourself and your private banker now and then may suggest a change in your portfolio and will execute your trades for you. Under this model you carry all responsibility for the return on investments. The bank will charge you a fee as a custodian and for every time a trade is executed.

Clients from all over the world use Swiss private banks, therefore, in most of the larger institutions, staff will be able to address you in your mothertongue. Although most private banks will generally offer similar (investment) services, the quality of those services may differ considerably. It is therefore important to carefully consider which private bank will suit you best.