

# PRIVATE BANKING NOW COMES WITH AN INVESTMENT BANKING FLAVOUR

by Christian Fringhian

Partner, co-head of Reyl Corporate Advisory & Structuring

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In a time when Swiss private banks are being forced to revamp a business model relying heavily on wealth management, it is worth paying attention to a stimulating initiative currently taking place in Geneva. Located in the heart of the city, near the Old Town, REYL & Cie has been actively engaged over the past few years in renewing its approach to private banking, thus opening new perspectives for the entire Swiss financial sector. The main idea underlying its approach consists in completing its wealth management services with high added-value corporate advisory services. In the view of its executives, who favor a cross-border entrepreneurial clientele, private bankers with corporate banking DNA might very well make the best wealth managers.

The aftermath of the 2008 financial crisis has taken a painful toll on Swiss private banks. The Swiss financial marketplace has certainly displayed overall strong resilience, but its banks still need to cope with constant margin erosion. Increases in costs due, in particular, to new regulatory constraints, are forcing the wealth management industry to re-examine its value proposition as well as its business model. Swiss private banks are thus incentivized to innovate and find relays of growth in order to remain competitive. In that regard, the corporate angle certainly deserves more attention.

Rather than focusing strictly on financial assets, the bank has widened its value proposition to the customers' asset base in its entirety, no matter how complex it might be, to the extent that it now includes corporate advisory services. Partners at REYL & Cie are confident that a private bank needs to move beyond portfolio management, and must be able to address all constituents of their clients' overall wealth. Although



banks do not necessarily see them as an area of focus, corporate assets obviously fall into the category. REYL & Cie has therefore committed to filling the gap, eager to prove that corporate advisory and wealth management can develop synergies aimed at creating long term sustainable value for clients.

REYL & Cie was created in Geneva by Dominique Reyl in 1973 as a wealth management boutique. His son François, who joined, in 2002, initiated a significant diversification program. Over the past 14 years, REYL & Cie has developed a diversified range of financial services which now encompass Wealth Management, its historical core business, Asset Management, Corporate & Family Governance, Corporate Advisory & Structuring and most recently Asset Services. Across these five distinct yet complementary business lines, the bank is developing a client base consisting mostly of institutional investors and cross-border entrepreneurs with an expansion strategy geared

towards high growth regions such as South-East Asia and the Middle East.

The Corporate Advisory & Structuring business line was launched in 2013 with the ambition of assisting international entrepreneurs in the most critical stages of their business expansion. Drawing on an interdisciplinary team with in-depth expertise, REYL & Cie covers most sought-for areas such as strategic advice, financing strategies, capital raising, balance sheet restructuring and optimization, recapitalization, mergers, and acquisitions. Over the past two years, it has also acquired a solid know-how in the particular field of private debt financing, an innovative yet affordable funding solution for entrepreneurs looking for an alternative to bank lending.

However, corporate advisory services add up to a larger picture. "The value we create at the corporate level contributes substantially to growing the asset base", says Christian Fringhian, who heads this business line. "Here lies our key selling proposition. In many ways, we ensure our clients that the development of their corporate assets will be fully integrated into the overall wealth management process.

We have succeeded in aligning wealth management services with corporate advisory services in an integrated way. Few banks can actually provide this kind of approach. Many of them are used to having separate divisions which can create challenges when interacting with each other. REYL & Cie, on the other hand, can quickly and efficiently mobilize a multi-disciplinary team around a joint project. Our main strength is that we understand the central role played by the company in the wealth creation process. We have always considered companies as assets in their own right and we have assembled the resources required to incorporate the entrepreneurial dimension of our clients into the wealth management framework".

For REYL & Cie, adding Corporate Advisory to the value proposition follows a natural path. Companies have always formed a familiar work environment for the bank's managing partners who have previously distinguished themselves in well-renowned investment banks. For years, they have dealt with

the harsh realities and challenges of developing a business, acquiring over precious time experience. REYL & Cie has the particularity of being a private bank managed by former renowned investment banking professionals.

François Reyl, CEO of the bank, embodies this concept of convergence. Between 1995 and 2002, he worked at Credit Suisse First Boston in London, where he executed numerous mergers, acquisitions, leveraged buy-outs as well as equity and debt capital markets transactions. « This is the kind of background that our clients value », says François Reyl. "They prefer to talk to a private banker who understands how important their businesses are in building up their wealth.

The profile of Lorenzo Rocco di Torrepadula shows a similar pattern. Lorenzo worked with François Reyl in London, at Credit Suisse First Boston, which he also left in 2002 to join REYL & Cie. A partner and member of the Executive Committee, Lorenzo is now co-responsible for the Bank's wealth management activities in Switzerland.

Also a partner and a member of the Executive Committee, Christian Fringhian is in charge of the Global Corporate Advisory & Structuring practice. He has gained over time a solid expertise in this particular field. His career first took him to JP Morgan, in 1992, and then on to Deutsche Bank in Paris and London. Next, he moved to Barclays Capital, where he led the Public Sector Solutions group, developing and managing a range of advisory services in the areas of Debt Capital Markets and risk management.

Wealth Management might be our core business line; he sums up, but the corporate advisory is a big part of our genetic code". REYL & Cie might still be a newcomer in the corporate advisory landscape but the bank's latest performances suggest a promising future. Five years ago, REYL & Cie's assets under management accounted for CHF 4 billion. At the end of last year, they were closing in on over CHF 11 billion. The corporate advisory expansion clearly contains a recipe for success and, as such, it is certainly catching the attention of other Swiss wealth management firms in search for relays of growth.