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The current services offered in a private bank

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To be and remain competitive, banks have to be committed to creating innovative, integrated financial solutions to meet the needs of an increasingly sophisticated and globally-oriented clientele. Compelling value propositions reflect the growing demand for expert advice, tailor-made offerings and global capabilities among today's private banking clients

A global bank's innovative strength in wealth management is driven by its desire to constantly find better ways to serve its clients and address the issues they face. Most importantly, this is done across a number of jurisdictions as the clients require it. Drawing on the experience and creativity of its people, new approaches to client service have been pioneered and a powerful, integrated private banking platform has been created comprising the following five key elements.

1. STRUCTURED ADVISORY PROCESS

An in-depth understanding of individual financial needs is the key to delivering optimal advice and to successfully partnering clients. A few big banks systematically evaluate each private banking client's current and future financial liabilities, as well as their assets, using a state-of-the-art advisory approach. Using a carefully structured process, a relationship manager usually conducts a comprehensive analysis of the client's financial situation and formulates an investment strategy on the basis of the resulting client profile. Investment professionals subsequently develop investment recommendations that are tailored to the client's needs. Implementation and monitoring of the client's portfolio is performed by a dedicated relationship manager using advanced financial tools.

2. COMPREHENSIVE FINANCIAL ADVICE

Banks that want to succeed in the 21st century as recognised experts in the development of innovative solutions for the management, optimisation and preservation of its clients' wealth in private banking must provide comprehensive financial advice geared towards the needs of clients in each phase of their lives – including tax planning, retirement planning, inheritance issues and life insurance solutions. Such a service has been known as "family office".

In the area of tax advice, for example, the bank's own advisors offer customised and comprehensive tax planning and optimisation services with the aim of minimising the client's tax burden within the relevant statutory framework. Clients then rest assured that their tax situation will be handled correctly and professionally and that future events can be planned in such a way as to allow for tax optimisation.

In the field of inheritance advice, consultants of banks evaluate the client's overall asset situation and requirements, as well as the family's circumstances to create tailored solutions – often including a series of asset transfers to the next generation during the client's lifetime. In addition, most first class banks include the custody of wills and the professional distribution of estates in this service. Premier banks also help clients in redomiciliation issues.

Services offered by a bank now go much beyond what is usually expected. Banks can arrange ship financing, trade finance and yacht financing. Mortgages on first or second homes can be implemented in major jurisdictions ranging from Spain to France, to England, Germany and Switzerland.

3. INVESTMENT CONSULTING

Expert management of liquid assets through investment consulting is a key service for dynamic and discerning investors that only a few banks are able to

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deliver. These highly demanding clients, who have a first-rate knowledge of the financial markets and wish to implement their own investment decisions, can benefit from the investment and trading recommendations produced by dedicated teams of investment consultants to exploit market opportunities across all asset classes. The bank of the 21st century also offers investment portfolio structuring and implementation of individual strategies for clients with more complex requirements – including a wide range of investments in structured products (which can also be made to measure), alternative investments, private equity and real estate, whether residential or commercial.

To cater for clients who wish to delegate full responsibility for their investment decisions to a bank, discretionary asset management services usually comprise a number of standardised portfolio management mandates linked to the client's risk preferences and reference currency. Direct investments and investments in funds or alternative products are made on behalf of the client, according to the type of mandate selected. Predefined investment strategies, such as capital preservation and growth, and customised solutions that meet the client's investment goals, are normally also available and daily structured with the help of experts. In a parallel-planning process clients must be met regularly to ensure that their preferences and requirements have not changed due to family circumstances, (life-cycle changes) – in which case the investments may be adapted to the prevailing circumstances.

4. TRUST SERVICES

Whether a relationship manager or consultant is dealing with a family business or the personal assets of a high net worth individual (HNWI), the overriding priority should be the creation and preservation of wealth. A range of trusts and foundations provide solutions to ensure optimal estate planning. Such vehicles offer a number of compelling benefits such as the simplified and efficient transfer of wealth to the next generation. In the case of very wealthy families, trusts and foundations are an attractive option if they wish to consolidate their global assets to effectively control and safeguard their wealth. Trusts and foundations can be individually tailored to meet each client's specific inheritance planning requirements. Discerning banks will obtain legal opinions for clients to ensure that the structures suggested are perfect fits.

5. CORPORATE ADVISORY

For wealthy entrepreneurs who are seeking to sell their business or to raise additional capital a series of corporate advisory services can be offered by the bank adhering to the principles of the 21st century. Services range from optimal positioning of the company to assessment of potential partners and management of financial transactions. Also when domiciling a family office, the bank can be of assistance and advise about ideal jurisdictions. This goes hand in hand with redomiciliation services provided to wealthy families.

Expert advice is also essential to ensure optimal succession planning in the client's company. Clients are often interested in establishing the value of their company and discovering what options they have if they wish to exit the business in the near future. Specialised entities within the bank therefore usually offer comprehensive corporate advice in the areas of mergers and acquisitions, management buy-outs, management buy-ins, divestitures and monetisations. The range of services now offered is quite wide: not only can illiquid assets be turned into liquid assets for example for a company entirely owned by one family, but also project-orientated financing of trades including pipeline financing can be put in place under certain circumstances. Teams in the bank also analyse each client's personal tax situation before for example the sale of a company and advise on tax-efficient asset structures. Clients can thus rely on the expertise of international teams of corporate advisory experts.

A DEDICATED PARTNER

The bank of choice should be a wealth manager who ranks high in terms of client satisfaction and service. As a single point of contact at a bank is the most efficient way for clients to manage their wealth, such a bank provides dedicated relationship managers who enable clients to access the full range of innovative products, comprehensive services and global expertise.

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