

MONEY REPORT

Book Report

THE WERNLIN DIRECTORY ON PRIVATE BANKING AND ASSET MANAGEMENT IN SWITZERLAND AND LIECHTENSTEIN.

Compiled by Gunter Woernle.
Wernlin Directories. 750 pages.

Reviewed by Sharon Reier

If you have ever run into a barrier doing business with the tightly knit Swiss corporate and banking community, the idea of leafing through "The Wernlin Directory on Private Banking and Asset Management in Switzerland and Liechtenstein" may seem a bit titillating. Secrecy is one of the cornerstones of Swiss banking. So much so, writes Gunter Woernle, who compiled and published this ninth edition of the directory, that "if I had known the difficulties that I would encounter eight years ago, I would never have started this venture."

But Woernle, who was born in Germany and trained in international law, had at least two competitive advantages. For one thing, he knew he had a product people would want to buy: The current directory grew from a previous book, "The Private Bankers of Switzerland," published in 1975, which proved a best seller in large part because of the inclusion of a skeletal directory.

Second, Woernle is on the inside. Currently in management at Banque Baring Brothers (Suisse) in Geneva, he is very much a private banker. "The fact that I am not a journalist helped a lot," he said in a recent interview. "They were not suspicious in any way."

"The directory," he added, "is professional. No gossip." Not that Woernle himself does not know the gossip. "I know everybody," he said.

And as an insider, Woernle has played strictly by the rules. All addresses, Web sites, names of banks' major shareholders, board members, significant staff members, branches, financials and assets under management have been scrupulously verified with each bank. While this ensures that what appears in the directory is accurate, it also ensures that the banks can divulge little more than what is available publicly.

For instance, among the private banks owned by individuals or by partnerships - there are only 15 of these left in Switzerland today - there is no listing for profit and loss or balance sheets. Only a few divulge the amount of assets under management. Some suggest that prospective clients call if they wish to know the minimum amount of assets accepted by the bank.

Nonetheless, a willingness by the bankers themselves to lift the veil - but only partway - is what makes this directory possible.

"Strangely enough," Woernle writes in his terse introduction, "the Private Bankers, who are known for their discretion and reserve, were among the first to recognize the advantages of prudent and subtle information policies."

Wernlin's latest editions include the Web sites for many private banks. A cursory sampling of those sites indicates that many private banks have embraced the electronic age with remarkable fervor - and are discreetly and prudently polishing their images.

Thus, by using Wernlin and a little surfing, readers can extract some nuggets about what private banks are up to these days. For instance, Reichmuth & Co. Privatbankiers, an unlimited-liability private bank in

Lucerne, posted a 32-page analysis of the prospects for the 2004 economy plus a New Year's group photo of its entire staff taken on what appears to be the front lawn.

It almost makes private bankers appear like "just folks." The Wernlin Directory should prove a welcome tool for recruiters, accountants, consultants and lawyers doing business with private banks. A CD-ROM, created for the first time to accompany this edition, enables users to pinpoint staff by function and address and to compile multiple mailings. It also has a five-year history of the banks' financials.

As to Swiss insiders, some say that despite its listing of 141 banks and their subsidiaries and 3,500 executives, there is still a significant omission in this edition. The directory lists just 48 independent asset managers. According to Philippe Dubugnon, executive director of Vega Finance de Fortune (Suisse), the Swiss Association of Asset Managers estimates there are 1,500 to 1,800 of them, who handle 12 percent to 14 percent of the offshore assets managed in Switzerland. Most, he said, are former senior private bankers who set up on their own after building a loyal client base.

Woernle, a shrewd entrepreneur, said he expected to add more independent asset managers in future editions. And, ever the salesman, he said that since the independent asset managers used Swiss private banks for custodial services, "the book still accounts for 95 percent of the assets managed in private banking." International

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