



Extract of the interview of Christian Fringhian, Partner, Co-Head of Corporate Advisory & Structuring, member of the Executive Committee published on „finews.asia“ website

Christian Fringhian, why should a private bank set out to become a boutique corporate adviser.

Most of our clients, or prospects, are entrepreneurs. An entrepreneur makes little between the management of wealth and the management of the tool of value creation – the company.

«All Reyl’s partners come from large investment banks like J.P. Morgan or Credit Suisse»

A client wants to make sure that he or she is talking to a partner who understands that a financial decision has ripple effects through his whole construct: family, personal wealth, company, and so on.

Aren’t they two fundamentally different businesses?

All of the partners at Reyl & Cie have experience with large investment banks like Barclays, J.P. Morgan, BNPP and Credit Suisse. We all witnessed the challenges of integrating corporate finance with wealth management, essentially due to cultural differences. As ex-investment bankers, it was natural for us to consider investment banking products and services to our clients.

So what makes you different?

We focus on how our clients can benefit from having access to a wider and integrated range of financial

services. Wealth management relationship managers understand how this strengthens the bond they build with their clients.

How can corporate advisory be profitable for private bankers?

We do have a simple internal mechanism which recognizes and rewards each participant who helps us create value.

«It’s not a fake currency»

Do you underpin it with bonus incentives, for example?

This system is fair and transparent which means it is to everyone’s benefit.

What is the advantage versus a large institution?

We apply key principles of wealth management expected by our client – bespoke attention, confidentiality, partnership – to investment banking. In a smaller team like ours, fewer people are involved on each transaction, thus further guaranteeing confidentiality and commitment.

How much of Reyl’s profits does the corporate advisory arm now account for?

We now represent 10 to 15 percent of revenue of the bank.

What are your growth targets for corporate advisory?

We have ambitious plans for corporate advisory: we’re building teams and adding new skills to the team, but I would think we’re at 25 percent of revenue within a very short time-frame.

What does that mean in terms of your hiring plans?

I wouldn’t be surprised if our team of eight people is between 10 and 12 people by year-end, between Geneva and London.

What size deals?

We can look at smaller transactions that usually fall below the threshold for big investment banks. We are positioning ourselves in the less than \$500 million segment – although this is not a rule – given that large investment banks are less motivated to look at smaller size transactions.

«For the moment, I don’t think we have a lot of competition in our segment»

How many deals a year?

In a normal year, we execute three to five transactions.

Who are you directly competing with?

All of our peers in the wealth management industry have entrepreneurial clients. It’s how their needs are being addressed that makes the difference. We have

identified a few institutions which are developing similar corporate finance services for their clients.

Surely boutique investment banks and M&A specialists would disagree?

The pool of corporate finance expertise we gathered as an integrated part of a private bank the size of Reyl is unique, I believe. Entrepreneurs never sit still as they constantly look for capital or leverage, or looking to sell or buy a company. Our relationship managers imbed our corporate advisory services in their commercial push as it helps to clearly differentiate our value proposition.

«We allow high net worth individuals to borrow money against the art pieces they own»

What corporate advisory services can you pitch to wealth management clients?

Our main areas of focus are M&A advisory and execution, restructurings, private debt issuances, and structured finance. We also bring targeted private equity and private debt investment opportunities to our client base. Recently we developed our artlending capabilities allowing clients to raise funding against art they own.

Christian Fringhian has been a partner and co-head of corporate advisory and structuring at Swiss-based Reyl since 2013. Previously, he spent 11 years with Barclays, and eight with J.P. Morgan. The French banker specialized in risk management, capital markets, structured and corporate finance.