



WEGELIN & Co.

PRIVATE BANKERS SINCE 1741

Media release

No threat to Wegelin & Co. Private Bankers

St. Gallen, 09.01.2012 – In the Swiss newspaper "SonntagsZeitung" of 08.01.2012, two questions were raised in regard to the controversy between the US authorities and the Swiss financial centre: what would happen to a bank structured as a limited partnership – such as Wegelin & Co. – firstly if one of its Partners were indicted by the USA, and secondly, if the bank itself were indicted by the USA. The answer to these hypothetical questions: neither scenario poses an threat to Wegelin & Co.

First: An indictment against one (or even more) Managing Partners of Wegelin & Co. does not pose any immediate threat to the bank. The joint and several liability of a limited partnership is based on a civil law relationship among the bank's executive managers (the so-called "Managing Partners" with unlimited personal liability) for liabilities of the bank. A court decision resulting in a financial penalty for one Partner does not represent a liability for the bank but is the sole responsibility of the individual Partner. In other words, the joint and several liability of the limited partnership does not apply to such (or other) personal liabilities. The question is in any case hypothetical: the executive management is not included in the current indictment. In this regard, those claiming that Wegelin & Co.'s very existence is under threat are verging on defamation and wilfully seeking to damage the bank.

Second: An indictment against Wegelin & Co. as an entity is essentially no threat either: An indictment is not a conviction; furthermore, any subsequent conviction would be contested and thus not legally effective for a considerable period; and ultimately, the question of the enforceability of such a decision would remain. That a bank indicted by the USA would be excluded from Interbank business (as claimed by some) is, in Wegelin & Co.'s opinion, not an issue. We must assume that the Swiss Financial Markets Authority and the Swiss National Bank – as the responsible Swiss authorities – will ensure that the interbank business is not disrupted under any circumstances. Any exclusion would not just affect Wegelin & Co. (a comparatively small asset management bank) but would endanger the stability of the financial system itself. Were one bank to be left in the lurch, a precedent would be set for all eleven banks currently being targeted, which would destabilise the Swiss financial centre as a whole. In this regard, the Swiss authorities will act according to their responsibilities.

Founded in 1741, Wegelin & Co. is Switzerland's oldest bank. Based in St. Gallen, the private bank is a limited partnership lead by eight Managing Partners with unlimited liability, and it employs a staff of over 700 at thirteen branches throughout Switzerland. Wegelin & Co. specialises in wealth and asset management for private and institutional clients, and manages assets in excess of CHF 24 billion.

Additional information available from:

Dr. Albena Björck, Head of Corporate Communications

Telephone (direct): +41 71 242 58 21, email: albena.bjorck@wegelin.ch