

Being more rational about booking centres

As private banks seek ways to reduce cost-income ratios, they are weighing up the physical presence they need. John Williamson of EFG International believes more banks could reduce the number of booking centres they employ.

Private banks increasingly need to balance their desire to be close to their customers with a need to trim costs. One result of this is likely to be a reduction in the booking centres they use.

John Williamson, the vice chairman of EFG International, says he often considers the concept of keeping a lean yet client-focused physical presence. The bank has already reduced its global booking centres.

“We had over 20 booking centres and have reduced this to 13, but we have probably got too many still,” he says. “However, we want to keep our expertise close to our clients.”

WHERE TO TRIM

Many private banks are grappling with the issue of keeping good client relations while reducing costs. EFG International reported its cost-income ratio for 2014 to be 79.8%, a reduction from 81.5% the year before, but would no

doubt like to reduce this further. In Asia at least, it could prove challenging for the bank to reduce its booking centres below the two it already has in Hong Kong and Singapore.

“Hong Kong and Singapore have different cultures as well as different political and regulatory environments,” says Williamson. “One is North Asia-oriented and the other is more South Asia- and internationally-oriented.”

Williamson feels keeping its bankers close to clients doesn't always require a booking centre. “We don't want to lose the immediacy of contact with our clients. But that doesn't mean you necessarily have to have multiple booking centres. You could instead employ multiple branches and rep offices.”

EFG could raise its presence in one country: the US. Williamson notes the bank is considering applying for a banking licence for its Miami office.



JOHN WILLIAMSON
EFG International

“I think it is the obvious centre to cover Latin America, and one area in which we may add value by gaining a licence,” he says. ■