

EFG targets high growth post-BSI integration

EFG Bank is determined to pursue a path of growth following the BSI Bank integration, says Kong Eng Huat.

After completing the integration of BSI Bank in Singapore, Hong Kong and Switzerland, EFG plans to continue to expand its business in Asia.

“We definitely want to grow aggressively,” says Kong Eng Huat, chief executive officer for EFG Bank in Singapore and South-east Asia.

Hiring new bankers will inevitably be an important component of this, although not the only path for growth.

So far in Singapore in 2017, EFG has recruited 12 new client relationship officers (CROs) who, believes Kong, like the more entrepreneurial working culture at the firm. “We treat them like business partners rather than employees,” he says.

A BOOST BEYOND PEOPLE

In Asia, the EFG-BSI combination has boosted AUM to about USD22 billion.

“We had wanted to scale up the business for a long time but organic growth tends to be slow,” explains Kong. “The acquisition was a great move because we achieved scale, which allows us to spend more on other areas, such as platform.”

Another benefit for EFG has come in terms of the global South Asian (GSA) business, which includes non-resident Indians (NRIs). “We gained quite a lot of NRI clients through the acquisition,” adds Kong.

Although the bank didn’t cover that segment comprehensively previously, the BSI deal has given it the ability to leverage on the existing scale and platform, to now grow it further.

Further, the combined bank has a much bigger investment and wealth solutions team. Kong says this enables it to service clients more effectively.



KONG ENG HUAT
EFG Bank

“We are also now increasingly focusing on advisory and discretionary portfolio management, and reducing our

dependence on transaction services,” he adds.

SMOOTHENING THE WAY FORWARD

Following the roll-out of the renewed brand in all locations where the legal integration of BSI has been completed, Kong says the next step for the group is harmonising and integrating the clients and employees who are new to EFG as a result of the acquisition.

“The positive thing is that [BSI] has now closed one chapter and opened a new one,” says Kong.

“Now that they are part of a bigger bank and they can start to focus on doing business instead of worrying about all the issues of the past.”

to grow significantly and you can’t do that if one person has 60 bankers reporting to them.

We therefore decided to go with co-heads, with each of them recruiting and managing CROs and enhancing the productivity of their separate teams.”

EFG is also finding ways to get its client relationship officers to focus on net new assets in addition to net profitability which is currently the main focus.

More broadly, he remains optimistic about growth prospects in Asia despite the challenges facing the private banking industry in general.

“I believe there are many opportunities for private banks because wealth in the region continues to grow,” he says.

needed to help them navigate through the uncertainties,” explains Kong.

In addition, HNW individuals can benefit from having what he describes as a “sounding board” for discussions on everything from investing and borrowing, to succession and legacy planning.

“It’s good to have someone who knows their [clients’] background, family situation and cash flows, and can come up with a plan when understanding all those factors.”

However, he also acknowledges that the private banking business is moving away from a model which simply offers transaction and execution services for clients.

“There is a clear move towards more holistic approach to investing and portfolios, along with an increased emphasis on advisory and risk management,” he adds. ■

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NEW PROSPECTS

EFG now has its sights set firmly on the future. In December 2016, for example, it hired the former head of private banking at ABN AMRO Private Banking in South-east Asia, Lee Chang Tze, as deputy CEO and co-head of the private bank in Singapore.

In this role, Lee works alongside Oliver Balmelli, who has the same title.

The reason for having co-heads for private banking is simple, says Kong. “We want

Much of that wealth is still not with private banks,” adds Kong.

Besides, he notes, the world is still very complex and investors might become confused given the increasing flow of information, the burden of regulatory requirements and all the accompanying “white noise”.

“Everyone has different opinions on what to do, so the ‘steady hand’ of an experienced private banker is still

Getting the deal done

- Feb 2016 - EFG announces it is acquiring BSI from BTG Pactual
- Nov 2016 - Acquisition is closed
- Nov 2016 - BSI Singapore is fully integrated into EFG under an accelerated asset deal
- March 2017 - BSI Hong Kong is fully integrated into EFG
- April 2017 - BSI Switzerland integration is completed. The roll-out of the new EFG brand begins in locations where the legal integration of BSI is completed