

Indosuez Wealth Management's Arjan de Boer on Building a Classic Private Banking Model

Arjan de Boer loves following the Formula One championship, and although he has reinforced his love of fast motoring with the purchase of a classic Italian thoroughbred, he does not see private banking as a high-speed race. Instead, he sees it as more of a long-distance endurance challenge in which to win, the bank and the key professionals are consistent, determined, dedicated, unflinching and completely on their side. In doing so, the bank will have created its own classic model of private banking. Hubbis met up with Arjan again early in May to learn more of how as Head of Markets, Investments and Structuring, Asia for Indosuez Wealth Management, a role he took on back in early 2017, he and his teams continue to drive this longer-term, conservative approach, with an overriding emphasis on quality, diversity, discretionary management, advisory and an ever-increasing drive towards ESG adoption. He looks back at the topsy-turvy market conditions of 2020 and forwards to the months and years ahead when he believes studious asset allocation and a cautious yet agile approach to portfolio construction will prove to be both robust on the downside and potentially rewarding on the upside.

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In Brief

Arjan de Boer has been in his role heading markets and investments since early 2017. He was fortuitous in his timing, as very soon after that, he was immersed in the Indosuez purchase of the private banking business of Credit Industriel et Commercial (CIC) in Singapore and in Hong Kong. The transformative deal has helped the bank significantly expand its RM force, its AUM and to support this growth, Arjan's team has more than doubled in size since 2018.

He has built his business and teams around four pillars – investment solutions, structuring & financing, capital markets and asset management.

In line with our mother company Credit Agricole group, we have a strong commitment towards sustainable finance as we believe that it can be an essential lever to create a better and greener world. Green finance is a key growth driver for the Group. All Group entities are committed to a common climate strategy in line with the Paris Agreement.

To that extent, our strong ESG expertise spreads from advisory to asset management and capital markets. Our strong understanding of environmental, social and governance issues helps us to assist our clients in building resilient portfolios that can also comply with their personal aspirations. We have a unique ESG product selection that encompasses single stocks, sustainable bonds, green structured products as well as investment funds. We also have mandates with a social and environment focus.

The Indosuez Wealth Management culture allows its RMs and other team members a tailor-made approach in the way they manage their clients; they are able to personalize the client experience in all aspects, or at the other extreme passing clients over to the investment specialists at the firm, or perhaps taking a happy medium between those divergent approaches. The key is to ensure the RMs and their clients are well served and happy with the relationships and the outcomes.

Arjan reports his key missions for the foreseeable future include strengthening the product range, including boosting private equity activity, expanding the digital tools and extending the operation of the night desk. Expansion of the DPM and advisory propositions is also central to the growth potential.



Arjan opens by reminding us of the start of his tenure at Indosuez, around Chinese New Year 2017, which was soon followed by the Indosuez purchase of the private banking business of Credit Industriel et Commercial (CIC) in Singapore and in Hong Kong. That deal was completed later that year and significantly boosted Indosuez Wealth Management's private banking position in Asia in line with its strategy to accelerate growth in key markets as part of its corporate project.

He looks back at key elements and staging posts of the progress since 2018, pointing first to the introduction of the investment advisor model, with a strong team of investment advisors across Singapore and Hong Kong now in place acting as the bridge between the product specialists and the bankers.

Driving the ESG proposition

Arjan also points to the continuing penetration of the product

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A springboard to the future

“That was a transformational transaction that provided the platform for the growth we have since achieved,” he comments. “It was exciting to arrive at the time, as the deal added significant weight to the Indosuez offering out of Singapore and Hong Kong, significantly increasing the number and range of clients, bringing in more RMs, boosting the AUM, and providing a springboard for the firm to grow more rapidly organically since 2018. My team today stands at around 60 people today, roughly double the number in place when I first arrived.”

range and of the RM/advisor psychology around ESG adoption. This, he reminds us, is an area the bank has been focusing on very diligently in recent years and a theme that at the same time had fortuitously become of far greater importance globally since the pandemic hit. “The crisis has certainly increased general awareness of issues around corporate governance, the environment, social impact, and sustainability,” he reports.

The bank now even reports the ESG scores of clients' securities in their portfolios, which Arjan believes makes it the first bank in Asia to have done so.



**ARJAN DE BOER**

Indosuez Wealth Management

ESG in Crédit Agricole group's DNA

"We actually introduced the ESG scoring more than five years ago," he explains, "we were one of the pioneers to do this within wealth managers; we are totally committed to driving ESG into our clients' portfolios by enhancing client awareness and education, boosting our RM understanding and adoption, and in a variety of other ways. Whether our clients actually take an active approach to ESG principles around their portfolios, or not, we provide the ESG scores of most of the holdings they have, and of the portfolio in total."

He points to a growing body of evidence globally that companies with high ESG scores do actually outperform those with lower scores. "We believe this is the future," he states. "Those investors who select companies that have better ESG scores see a mitigation of the risks in their portfolios, and we are seeing more evidence all the time that the relative performance of those assets improves."

A global phenomenon

He notes that the world's 60 largest asset managers manage roughly USD100 trillion of investments and that virtually all of those are now focussing on ESG. "There is no turning back in this phenomenon," he says, "because from the sovereign wealth funds through the world's major pension funds and asset managers, there is increasing internal and external impetus to follow ESG principles, and vastly increased sums allocated to investments that have good ESG credentials. At the

should add that in Europe, Crédit Agricole has also been nicknamed as the Green Bank and has a well-documented commitment to the clients that we serve in the communities where we operate."

A Better World...

He also highlights the Indosuez Wealth & Beyond Asia Summit, the bank's flagship client event for the region that would normally take place annually. "The last one we did in person was in 2019, sadly, but we had themed that last one

"We offer these different options in order to cater to clients with higher and lower thresholds," he explains, "and we think that is really quite unique in this industry. PE has really become ever more mainstream since early last year; the returns have been very encouraging, and we have also reinforced our ESG approach with such opportunities."

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Amundi on the same ESG mission

He also points to Amundi, the leading European asset manager, ranking among the top 10 global players, which is owned by Crédit Agricole, Indosuez's group parent, with €1.750 trillion of assets at end of March 2021. Since its creation in 2010, Amundi has always been a pioneer with responsible investment as one of its founding pillars. "Amundi is similarly totally committed to ESG, so we present a combined face on this vitally important matter," Arjan reports. "I

'A Better World', and presented a very strong focus on sustainable finance," he reports. "We are totally committed to building our internal expertise and delivering knowledge and insights on this to clients, so there is a two-way dialogue on the clients' so-called ESG scorecard, and so our teams can come up with interesting ideas on how to improve these scores from an ESG perspective, but also from a risk and returns viewpoint."

Not too big to care

He expands on these comments by offering further insight into the culture and approach of the bank, remarking that Indosuez remains what he calls a "human-sized private bank" offering a very personal level

of contact with our clients, but at the same time being part of one of the world's largest and strongest banks.

"We believe we offer the best of both worlds," he states. "For clients in Asia, they have the reassurance of the very intimate type approach to their needs and the global power and security of one of the world's major financial institutions."

Expanding the array of managed investments

Advisory for Arjan should be seen as a hybrid between the client making their own decisions and the bank steering them towards a conclusion with their advice. "Across the bank in Asia, we have seen steady growth in managed investments as a percentage of our AUM, but I must concede that the growth is not as rapid here in Asia as for our European counterparts, where huge percentages of the AUM are now slated as managed investments and advisory. However, we are optimistic that a benefit

Key Priorities

Other key ambitions are to offer complete and relevant digital solutions to increase the quality of service we deliver for clients in multiple aspects, such as investment funds, structured products or FX.

from the dreadful pandemic will be a more acute shift away from self-directed investing in Asia."

Private equity - a bedrock for the future

His final comment is on the commitment to private equity. Indosuez has a dedicated Private Equity team of around 30 professionals based in Europe and Asia and has committed more than USD 5 billion into more than 300 Private Equity investments since 2001. "We offer these different options in order to cater to clients with higher and lower thresholds," he explains, "and we think that is really quite unique in

this industry. PE has really become ever more mainstream since early last year; the returns have been very encouraging, and we have also reinforced our ESG approach with such opportunities."

Arjan remains energised by the challenges and opportunities ahead and believes that once lockdowns are in the past, the bank will be able to drive considerably more new business as well as gaining a rising share of wallet from its existing clients. "The journey we have been on globally and here in Asia since I joined back in 2017 has been really encouraging and exciting," he concludes. ■

Getting Personal with Arjan de Boer

Born in Soest, which is roughly in the middle of the Netherlands, de Boer grew up in what he describes as a tiny place called Hoevelaken, a village of around 10,000 people. He later studied in the Hague, and then at Nyenrode Business University in Breukelen, before embarking on his career at ABN AMRO Bank, which some years later brought him to Asia, where he has now been working for over 15 years.

He says he is well suited to Asia, the local lifestyle and working environment. "Growth out here has been so dynamic, and as my wife is actually half Thai Chinese and half Dutch, we feel extremely comfortable in the region," he says. "In fact, her mother's family hails from Hainan, and they have been now several generations in Bangkok. She studied in Europe; that's how we met."

The couple is blessed with three children, the oldest a boy of coming up 18 and twin girls of 15 years old. "Our son will head to Nyenrode Business University, which is located in a wonderful part of the Netherlands," he explains. "He will be the third generation going there; his grandfather studied there, I did as well, so we keep this tradition going. And the girls keep progressing well at school here."

"Hiking is one of our family hobbies," he reports, "it helps keep the gang away from computer games and mobile phones. We also travel a lot as a family, and we love skiing, with Gaschurn in Austria a really

favoured venue. I also have a big passion for good food and wine. But of course, travel and all those pleasures have been on hold for some while.”

Relaxing at home might also be spent watching the Formula One races, at least when they were taking place, usually cheering on the Dutch driver Max Verstappen of Red Bull. “A future world champion, I believe, and as he is only 22, he has many years to prove me right. But he got overtaken by Lewis Hamilton again last night; he is pretty unstoppable of late.”

And lockdown weeks have allowed him a bit more time to enjoy roof terrace barbecues with the family, with him and his wife enjoying their favourite lockdown wine of the moment, a 2013 Barolo.

“And to work that off,” he reports, “I have been doing more exercise than usual, trying to keep fit for the years ahead; it helps me manage the pressures of work and lockdown, as well as helping me keep slightly more trim.”

Staying healthy and retaining a positive mental approach to work, life, and the pandemic is essential. During the real intense lockdown, I also started going out for an hour’s walk with one of the children, rotating every night, walking to different areas, chatting along the way, no mobile phones, just some nice conversation. These are some positives we take out of a bad situation for the world.”

