

Why size matters to LGT

In an era where consolidation in Asia private banking looks set to continue to reshape the industry, Dr Henri Leimer of LGT Bank says it is all about combining scale with agility, and playing to your individual strengths, to cater to the needs of local clients.

LGT Bank's USD22 billion or so in AUM makes it around the 15th largest private bank in Asia, and probably the fourth largest Swiss-style private bank. Henri Leimer is pleased with this positioning against the backdrop of recent industry consolidation driven by the fact that certain players are just either not big or focused enough to survive in today's environment.

officer of its wealth management business in Asia Pacific.

An important component of this has been a conservative approach to costs, including number of employees.

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HENRI LEIMER
LGT Bank

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In terms of investment services, for example, not only is the firm very Swiss-like in its portfolio advisory and discretionary management capability.

It is also very active in catering to the trading-oriented needs of some locally-based clients.

“We have platform of a large bank but we are still of a size where we can treat each customer on an individual basis,” says Leimer.

THE RIGHT SIZE

The current scale of a private bank like LGT has its advantages. For example, says Leimer, it is still possible to communicate face-to-face with all of the critical parts of the business – such as compliance, legal, investments, dealing and credit.

Rather than having to reply on email traffic, messages can be relayed in person so as to avoid any doubts or misunderstanding.

This also enables the bank not to lose sight of the importance of the need to stay relevant to its clients.

In Leimer’s view, relevance is relative. “We want to be relevant to our clients because we don’t want to institutionalise them,” he explains. “We want to empower our bankers to be as close to their clients as possible.”

This is a different approach from many of its larger private banking peers. Many organisations are striving to use technology to communicate directly with clients and push the relationship banker out of the equation.

LGT’s approach, by contrast, is clearly what defines the bank’s culture and value proposition. “We have grown with very senior bankers who have been rewarded and respected for being the driving engine,” says Leimer. “They are also going to be the drivers of

growth in the future, so we as management need to see ourselves as supporting and empowering the bankers to satisfy their clients.”

At the same time, Leimer believes that in an age where regulation and compliance dictate more and more of what banks can and cannot do – and where they can or cannot do it, organisations should more than ever be realistic about what their DNA enables them to really be good at.

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This is also important for clients to do for themselves, depending on their size, needs and preferences for how they invest and manage their assets.

STRATEGIC GROWTH

Despite what Leimer considers to be the right size and positioning for LGT Bank in Asia, he doesn’t want the firm to stand still.

But his version of growth and expansion is to do so bit by bit, by selectively bringing on board a few highly-professional bankers who normally come from the larger organisations. “For us, it continues to be important to find the right people and give them the right platform to build on their client business with us,” he explains.

Yet the bank is adamant about maintaining its flat hierarchy.

It says it will not take the approach of building teams and therefore force good bankers and client relationship people to convert into managers and team heads.

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ised front management or client servicing desk, which is built up as the funds and firm grows.

So rather than potentially making bad managers out of good bankers, LGT wants to retain the benefits of its smaller size to ensure it can remain banker centric.

Amid opportunities to boost firepower overall, Leimer says the importance of Asia within the group has increased enormously due to its much faster growth than that seen in Europe.

“That’s what is expected from us; that a growing market has to deliver a higher growth figure than a more mature market,” he adds. ■