

Boutique Private Bank Bordier & Cie. Expands Pioneers New Partnerships in Asia

Evrard Bordier, Singapore CEO and Managing Partner of Swiss private bank Bordier & Cie, knows that as a boutique, independent firm, the bank must be fleet of foot and entrepreneurial, in order to adapt and be successful within a global private banking landscape of dramatic change. He offered his personal and corporate insights to delegates at the Hubbis Independent Wealth Management Forum, highlighting the immense and growing onshore wealth management opportunities in Asia and advising delegates on how they can best grasp the opportunities that lie ahead.

“WE MIGHT BE PERHAPS THE SMALLEST boutique private bank in Singapore,” Bordier began, “but we have been in business for some 175 years, and we are in the fifth generation of family ownership and control. We have made a conscious decision to remain a boutique firm, instead of moving, for example, into the pension fund market, institutional fund management or investment banking. We have remained true to our original mission, and we are intent on adapting our model to the regional markets as this was precisely why we set up in Asia.”

Bordier & Cie is headquartered in Geneva, Switzerland with offices in 6 countries. The Singapore office serves as its Asian headquarters and the only booking centre in the continent. “We are regulated and licensed by the relevant regulatory bodies,” Bordier said. “And like most external asset managers, we operate similarly to a family office, so we understand how much the high-net-worth and ultra-HNW families are evolving their wealth management needs rapidly across many different segments, including insurance, and of



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EVARD BORDIER
Bordier & Cie

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course across the world of private and public investments, as well as estate planning, succession and so on. We are adapting our products and services to hopefully be one step ahead of all these changes.”

Bordier & Cie.’s pioneering steps

“Given the relatively high and stable economic growth in the Asian region, and the speed at which private wealth accumulation is taking place, Bordier & Cie’s management saw a growing need for specialised private banking services, especially as onshore wealth management continues to grow across the region. Moreover, as wealth transfers pick up from one generation to the next, the bank sees an increase in risk appetites among Asian clients as compared to their European or American counterparts. This inevitably presents exciting opportunities within the private wealth landscape.

And this, Bordier explained, is why the bank has adopted a model of working in strategic partnerships with regional banks and financial institutions to help

them start or enhance their private banking operations. “With an eye towards achieving best-in-class wealth management capabilities,” he explained, “the bank makes use of our own expertise and resources to help identify key areas needed to shape the value proposition for these banks and partners.”

Analysis, understanding, decisions

Bordier explained that before venturing full-on into private banking, the regional banks must first decide why and how they want to move into this business segment. The answer, he said, has mostly been determined by the immense private wealth expansion in Asia, and the fact that more than 80% of private wealth today is not under professional management. Moreover, inter-generational wealth shifts are creating seismic changes in the region, thereby opening further avenues of opportunity.

Assuming the decision to move into private banking is a ‘yes’, the next question is whether to develop this model organically or through partnerships. “There are arguments from both sides,”

Bordier observed, “but the reality is that to build a private bank on your own takes at least a decade, whereas partnering will increase their efficiency and focus, which would help banks get into the market much faster than they could on their own.”

He cited the example of Netflix, which decided very early on to outsource its critical technology solutions to third-party providers while focusing on the core Netflix uniqueness, namely their customer’s experience.

“In the same way,” he extrapolated, “a major commercial bank in the Philippines or another country should focus on what they are good at, which is commercial banking, and outsource private banking to tap onto the fastest and most efficient way to build the model.”

The choice is yours...

The question for the institutions that decide on partnering is whether to opt for a big bank partner, or a boutique bank partner that is perhaps more agile and adept at offering new solutions. “We see this as the choice between a GM-type organisation and a Tesla,”

he remarked, “and clearly the latter is nimbler, more adroit and more representative of the future.”

While there are clearly pros and cons of partnering with a smaller institution such as Bordier & Cie, the most obvious reason to choose a smaller private bank, Bordier noted, rests in the virtual certainty that a boutique firm is not likely to end up as a local competitor. “The boutique private bank is of a size which means they will remain offshore, which eliminates any underlying concerns about potential competition,” he commented. “We are not competitors to these partners; we are totally committed to the belief that any partnership should be a long term one that is mutually beneficial.”

The personal approach

He also briefly remarked on Bordier & Cie’s individual approach to investment management, with discretionary becoming an increasingly important decision for HNWI clients across the region.

“We approach investments in a novel way,” he reported. “We use psychometrics to map our clients’ internal aspirations and goals. From there, we curate different investment strategies to manage money in accordance with what is important for those clients. They genuinely appreciate this because the investment becomes explicitly tailored to what they want and need in their lives, and instead of limited by what a bank might provide.”

He said that Bordier & Cie is not the only international private bank taking the partnership route in the region, but that given the bank’s size and its niche offering, the concept is already gaining considerable interest.

Bordier closed his lively and insightful talk by sharing insights from one of the partnerships already in operation. “We entered a partnership a year ago with MB Bank in Vietnam, the fifth-largest bank in Vietnam, with some 16000 staff and 400 offices,” he explained. “We began working with them to build private banking from scratch. It has been a remarkable partnership, one that bodes well for both of us and for the future of private banking.” ■

