

Private Banking

- A New Point of View

Evrard Bordier, Singapore CEO and Managing Partner of Swiss private bank Bordier & Cie, has a deep understanding of the foundation that forms a genuine private bank and a keen sense of the strategic positioning the institution will need to overcome present challenges. He shared Bordier & Cie's strategy for developing a strategic co-operation model to expand in APAC.

“ **I** **N THE 25 YEARS SINCE I ENTERED** private banking,” Bordier began, “I have seen many changes, most recently with CRS and AEOI.” He noted that while private banks may be naturally inclined to preserve their heritage, they must also constantly reinvent the brand in order to stay relevant.

“Bordier & Cie is a family business and has been so for 175 years and is now in the fifth generation,” he explained. Focused on passing on the business to the next generation, Bordier remains prudent about taking the right step in the next direction.

In a bid to capitalise on its boutique set-up, Bordier & Cie has embarked on a focused approach to collaborate with regional banks. “We help them build a private banking offering, since it is our core expertise” says Bordier.

Private banks must adapt

Bordier explained that like any private bank, Bordier & Cie must reinvent itself. Private banking is under stress, from both an economic perspective because of initiatives such as CRS and the drive to greater transparency arising from increased competition, margin compression on brokerage and the cost of compliance. “There are also cultural obstacles,” he added, “for example private banks are seen as being out of touch and opaque due to the multiple layers of fees imposed. The lack of competitive pricing and IT limitations are also some of the challenges we face.” He added that the perception issues facing the industry are further compounded by the lack of differentiation among private banks, making it challenging for clients to make a nuanced decision.



EVARD BORDIER
Bordier & Cie

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Mapping the clients' needs

“We approach this in a novel way,” he reported. “We use psychometrics to map our clients’ internal aspirations and goals. From here we curate different investment strategies to manage money in accordance to what is important for them. Clients really appreciate this because the investment becomes explicitly tailored to what they want and need in their lives instead of what the bank provides.”

Strategic Co-operation

Bordier explained that the bank works with regional banks to help them start or enhance their private banking operations. With an eye towards setting up best-in-class wealth management

capabilities, Bordier & Cie makes use of its own expertise and resources to help identify key areas needed to shape the value proposition for these banks.

The three questions

Bordier explained that the regional banks must first decide if they want to make a foray into private banking. The answer has mostly been determined by the immense private wealth expansion in Asia, with more than 80% of private wealth not professionally managed. Moreover, inter-generational wealth shifts are seismic in the region, thereby opening avenues of opportunity.

Assuming the decision is ‘yes’, the next question is whether

to develop private banking organically or through partnering.

“Do you opt for a big bank or a boutique bank that is perhaps more agile and adept at offering new solutions?”

He noted that while there are pros and cons of partnering with a smaller institution such as Bordier & Cie, the most obvious reason to choose a private bank rests in the certainty that a boutique is more likely to remain offshore, which eliminates any underlying concerns about potential competition.

“We are not the only private bank taking this route,” Bordier remarked, “but we believe that given our size and niche offering we have developed an appealing model to build in this region.” ■