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La finance suisse dans l'e-media

"We have just set up an investors' club in which the Partners are also investors."

"Expanding supply is vital if client demand for cryptocurrencies and other cryptoassets is to be met."

Last true private bank in Geneva's financial center

"Bringing our interests into line with those of our clients remains one of our cornerstone values," say Grégoire and Evrard Bordier of Bordier & Cie.

Working as a family? "It's both hard and great at the same time," is the reply from the Bordier brothers, Grégoire and Evrard, Partners in the Bank that bears their name. Grégoire lives in Geneva, while Evrard has been living in Singapore for the last 10 years. Both agree they wouldn't change the course of their joint venture together for anything in the world, because running a bank for five generations isn't all about the money. As the last private bank in Geneva in which the Partners have unlimited liability, Bordier & Cie underwent major changes in 2020. Interview with Grégoire and Evrard Bordier.

Putting the general situation to one side for now, but we'll come back to that later, 2020 was an eventful year for Bordier. Its legal structure changed in June to that of a partnership limited by shares (société en commandite par actions – SCmA). Why was this change made? And why wasn't the conventional "limited company" (société anonyme) form chosen, as has happened with Geneva's other private banks?

Grégoire Bordier: Historically, private bankers had unlimited liability to ensure their interests were aligned with those of their clients, a principle which remains one of our cornerstone tenets. We've modernised our legal structure while preserving this commitment. This explains why we chose the SCmA status, a sort of 'hybrid' form between an ordinary partnership and a limited company. I would point out that we're not exactly the first to have gone down this route: about twenty years ago, the bank Reichmuth & Co in Lucerne also chose this formula. This legal structure – somewhat of a rarity in Switzerland – calls for rigorous governance, but it does also provide a degree of flexibility, on a par with that of a public limited company. And this makes it easier to secure acquisitions, which are part of our growth strategy. This structure also has a Supervisory Board rather than a Board of Directors, the Bank's Partners with unlimited liability acting as Chairman and CEO. As far as our Bank is concerned, this transition was completed before the end of June, so the structure would be effective throughout 2020.

2020 was also a year of changes among the Managing Partners (referred to as the "Collège des Associés"), with Michel Juvet leaving last November. Will he continue to have a role to play in the Bank?

GB: Michel Juvet has not left us altogether... He's now a limited partner and still serves some clients. We continue to draw on his know-how and expertise in financial markets. He's with us every week, but not as busy and taken up with day-to-day tasks.

You welcomed Christian Skaanild as one of the Managing Partners last April. Having come from Capital Group, he's an unexpected choice for a Geneva-based private bank. Does his arrival send out a signal as to the direction your Bank intends to take?

GB: I'd first like to point out that our search was conducted both in-house and externally. Although, in the end, we may have chosen someone who hails from a quite different setting from ours, it was made precisely because Christian Skaanild brings us a wealth of knowledge about private markets, an area in wealth management evolving very fast and taking on greater importance. A former partner in charge of private equity in emerging markets at Capital Group, Christian Skaanild, 44, has the skills to help vouchsafe the Bank's sustainability and its transition to the next generation.

What is the share of private equity in your portfolios?

GB: This business line, which covers investment in private equity funds and not direct ownership stakes in the capital of companies, is still on a small scale for us, worth around CHF 100 million. We aim to triple this over the next few years because private equity offers higher returns than investing in listed companies and is attracting a new class of investor, often with sizeable assets. Thanks to Christian Skaanild's expertise, a rare commodity among private banking partners, we will be able to offer our clients access to funds that are not usually accessible. Furthermore, we've just set up an investors' club in which the Partners are also investors, providing tangible proof of our philosophy that our interests and those of our clients are perfectly in line with each other.

How does your stake in Hermance Capital Partners fit into this new context?

GB: It's about different capabilities allowing us to broaden our offering to our clients: while Hermance Capital Partners specialises in fund of funds management, Christian Skaanild gives us access to direct investments in private equity funds.

You were among the first to turn to Asia. What prompted this?

Evrard Bordier: We've had a presence in Singapore for 10 years now. It's a very competitive financial centre, with over 200 banks and financial companies, and the client base is different to the one we are familiar with in Europe, but one that is now shifting towards a less transactional approach, one that is more 'conservative' (understood in the sense of capital conservation), similar to that of European clients. Growth is difficult there, margins are slim, but not being present in Asia for the next 25 years would be unimaginable. When it comes to investment, you have to think in generations, not quarters.

Recently, a new team joined you in Zurich from Credit Suisse. What is its role?

EB: Asia is one of our growth drivers. We already have a team of around 40 people in Singapore. With the arrival of Victoria Wu and Josef Stauber, we've created a Swiss centre of excellence for Asia in Zurich, with a strong focus on China, and our aim is to expand our traditional private banking services.

What about the partnerships with Asian banks?

EB: From Mongolia to Japan and encompassing India, Asia is huge, far too vast to imagine that a Bank like ours could set up a direct network to bring Swiss expertise to the region. We therefore favour partnerships with local institutions, as we've done in Vietnam. After relocating from Zurich to Singapore, our cousin Olivier Bordier will be taking responsibility for these partnerships and will press ahead with discussions already in progress with banking institutions in Thailand and China.

And outside Asia?

GB: First of all, our overall strategy is not to set up new structures, but to strengthen existing ones. For example, in Latin America, headed by Daia Feigenwinter, former Head of Brazil and then Head of Iberia at UBS, we've expanded our Montevideo office through a stake in Helvetia Advisors. From this hub, we can cover clients in Argentina, Brazil and Paraguay among others. In both the UK and France, we will continue to serve a local client base, many of whom are entrepreneurs.

You recently announced an agreement with Sygnum Bank.

EB: As you know, assets are going digital, and the way in which transactions are managed is changing. In this respect, it's vital to expand our offering to meet client demand for cryptocurrencies and other cryptoassets. The partnership we've established with Sygnum enables our clients – on an execution-only basis – to invest in the whole crypto-world should they wish. I should highlight the fact we do not provide any advice in this area. But this should be seen as just a first step. As for our choice of Sygnum, this platform had the dual advantage of having the status of being a Swiss bank licensed by FINMA and having an established office in Singapore.

It seems that the Covid-19 crisis will soon be drawing to a close. What lessons have you learned from it?

EB: In Singapore, which was cut off from the rest of the world for months, we were obliged to embark on a challenging rethink of all the Bank's management processes. Such events throw up an opportunity to take a fresh look at what we are seeking to do and at our direction of travel.

GB: In Switzerland, too, the challenge has been particularly tough, with some people experiencing quite marked psychological effects. Working and living in the same place can be really awkward, especially with children, and even with the commendable help and support from fellow work colleagues. What strikes me most is that, with the decline in contacts between employees, innovativeness has diminished. This is problematic for an institution like ours, where innovation is one of the drivers. A similar thing has happened with clients: on the phone or during videocalls, talk tends to centre solely around the portfolio, with discussion of other aspects of life falling by the wayside and exchanges being kept short. We have to be able to travel to offer the service our clients deserve.

Business does not, however, seem to have been too badly affected.

GB: No, it hasn't suffered. The results were balanced; interest margins were down, but commission income rose and net new money inflows totalled CHF 875 million, corresponding to 6.15% of assets under management totalling some CHF 14.2 billion.

Biography

Grégoire and Evrard Bordier
Partners

Grégoire Bordier joined the family-run bank in 1997 after working for Credit Suisse First Boston and Donaldson, Lufkin & Jenrette. Grégoire has an MA in Economics from the University of Geneva and an MBA from Dartmouth College. He is Vice-Chairman of the Association of Swiss Private Banks.

Evrard Bordier has been CEO of Bordier & Cie (Singapore) since 2011. Before that, he was CEO of Bordier UK in London and Chairman of the Board of Directors of Bordier Bank (TCI) Ltd.

Company

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In family hands since its creation, Bordier & Cie is now an international banking group owned and run by the fifth generation of its founders. As a family of entrepreneurs for more than 170 years, Bordier & Cie has helped safeguard, expand and transfer to future generations all the assets entrusted to them, cultivating a highly personal approach and a bespoke service.

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