

# «Any bank can have issues»

Renaud de Planta, owner manager of the Pictet Group, on growth plans, scandals and tighter regulation.



## CV

Renaud de Planta, aged 55, is one of seven owner managers of the Pictet Group, a leading wealth managers in Switzerland. De Planta is Chairman of Pictet Asset Management, the business line for institutional clients. With nearly 4,300 employees, the Pictet Group manages around CHF 512 billion in assets and is present in 27 locations around the world.

De Planta joined Pictet in 1998 as a Managing Partner. He had previously held various positions at UBS, where he was most recently responsible for global equity derivatives. He holds a doctorate in Economics and an MBA from the University of Chicago. Renaud de Planta is married with three children.

IMAGE: YVON BAUMANN

Renaud de Planta, Managing Partner at Pictet, is concerned about the position of Swiss banks in the world

Even though Pictet has just published a good set of half-year figures, Mr De Planta, there wasn't really any noticeable Collardi effect, with strong inflows of net new money.

Boris Collardi has only been with us since June. We all work as a team, so each of us is expected to contribute to the results, which is what Boris Collardi is now doing.

Are you currently enticing client relationship managers and assets away from Collardi's former employer Julius Baer?

It's not our style to inflict damage on someone else and to deliberately poach employees. But if there are good people looking for another employer, they're welcome to join us.

Collardi had a strong presence in Asia with Julius Baer. Does that mean Pictet will now go on a private banking shopping spree to pick up clients in the region?

*«We are growing organically in Asia and are profitable there.»*

We're growing organically in Asia and are profitable there. However, the share of Asian private assets in our total assets under management is well below 25%, the Asian share of our total global assets. We

will invest in Asia and will continue to grow there. And I wouldn't rule out acquisitions. The prices are high, though, and there are simply not that many takeover targets available.

Will you also be making acquisitions in your other mainstay, asset management?

I don't think so. You can achieve good results with the right talent and the right culture. Over the past twenty years we've expanded our asset base in Asset Management from CHF 10 billion to almost CHF 200 billion. It takes a long time to build this up in a sensible manner, but it can all be destroyed overnight by one acquisition. There's no reason to buy into trouble.

As others have obviously done. Some banks, such as Julius Baer, are now in the spotlight because of serious money-laundering cases in Brazil, Venezuela or Russia. Is Pictet affected as well? Are the Financial Market Authority (FINMA) investigating your bank?

Every bank in the world is vulnerable to problems, no matter how tight its controls are. However, the reports in recent weeks have shown that money laundering abroad is an even greater problem than in Switzerland. I'm not saying we'd never run into such problems. At Pictet we work professionally, though, and check our clients very thoroughly.

So Pictet isn't one of the banks that FINMA is currently taking legal action against because they're involved in the money-laundering scandal surrounding the Venezuelan state oil company PDVSA?

I don't want to pass comment on a specific case. Every supervisory authority is automatically in contact with a lot of banks. Overall, we have a good and constructive relationship with FINMA.

But your industry is regularly railing against regulation. What have you got against it? After all, your clients also benefit from having greater security?

That's unfortunately not true in many cases. We've had to invest massively in control systems and resources. We now have almost 350 people in the Group involved in risk control and compliance. Ultimately, it's the client who pays.

But isn't the regulation pendulum also swinging back the other way now?

In the US, perhaps. Look at how strong the US banks are. You'll only find US names in the top league of investment banks because European banks have much stricter capital adequacy requirements. JP Morgan is now worth ten times more than Credit Suisse. That's how knowledge and influence get lost.

The industry is also being hampered by its dealings with the EU. Your smaller competitors are continuing to insist

on direct market access to the EU. How about you?

We'd obviously be pleased to have the market access. But Pictet itself is dependent on it to a limited extent only. The major Swiss players already have branches in the important foreign markets. I think it would be a disaster for Switzerland, though, if we didn't secure market access.

How come?

Because we have a pool of talent, special expertise and a service mentality in this country that is second to none in the world. Without access to the market that will all just fade away.

*«We have had to invest massively in control systems and resources.»*

Speaking of banking secrecy, Pictet is one of the few banks that still hasn't resolved its tax dispute with the US. The cantonal banks of Basel and Zurich recently agreed on a settlement with the US authorities. Are you next in line? That's a subject we can't talk about.

Despite a major clean-up campaign in the past few years, Swiss banks are still reckoned to have around CHF 100 billion in black money. How much of that does Pictet have?

Nothing – as far as we know. We've cleaned up our assets under management, and now there's also the Automatic Exchange of Information, so we assume that our clients have declared their assets to the relevant tax authorities.

And what about Swiss black money?

We have no reason to assume that our clients have undeclared money with us.

INTERVIEW: VALENTIN ADE AND JEFFREY HOCHEGGER

Translated by the Pictet Group

## The largest bank after the big two

Things are going well for the private banks in Switzerland. Nearly all Swiss asset managers with client assets exceeding CHF 100 bn reported improved figures for the first half of 2018. Both operating income and consolidated profit rose, with assets under management up as well. Despite this, many private banks are pointing to a somewhat less benign trend on stockmarkets and more subdued investment sentiment among their clients.

The picture is similar for the Pictet Group. At the end of June, the Geneva-based private bank had CHF 512 bn in assets under management or custody and had generated operating income of over CHF 1.3 billion and a consolidated profit of CHF 321 million in the first half of the year. Pictet employs more than 4,200 people at 27 locations in 17 countries and manages assets for private and institutional clients.

Measured in terms of its client assets, which exceed CHF 0.5 trillion, Pictet is the largest Swiss asset manager behind the big two, UBS (UBSG 14.175 0.32%) and Credit Suisse. The Pictet Group is run by seven managing partners, with Boris Collardi, former CEO of Pictet's competitor Julius Baer, the newest member of that team. As head of Julius Baer, Collardi was responsible for expanding that bank's business, particularly in Asia,

where private wealth is set to grow most in the future, especially in China.

According to a study by the consulting firm McKinsey, personal wealth in the "Middle Kingdom" will increase by an average of 11% annually by 2022. The 20 largest asset managers in Asia are primarily American and European banks. These also include the big two Swiss banks, UBS (1st) and Credit Suisse (3rd) as well as Julius Baer (5th), EFG (EFGN 7.4 -0.14%) (19th), J. Safra Sarasin (20th) and Liechtenstein's LGT (12th). Pictet has not yet made it into the top 20 in the re-

gion, but is striving to achieve further growth there, as Pictet managing partner Renaud de Planta says in an interview with Finanz und Wirtschaft.

Like most of the private banks in Geneva, Pictet is not listed and, by all accounts, that won't change. According to the bank, it's possible to pursue a more long-term strategy if there isn't always a need to focus on the next quarterly figures. By applying that philosophy you can do business over a longer period even though it might not initially bring any return.

### Comparison of Swiss asset managers (excluding the big two)

