

**C**AREER banker Claude Haberer's first banking job – and first overseas posting to boot – was in Singapore in 1980 for French bank BNP.

Today as chief executive (Asia Pacific) of Pictet Wealth Management, Mr Haberer says he is finally settled in Asia. "Previously I was an expatriate with a pre-determined time. Now I'm settled – permanent."

Mr Haberer's career in banking spans more than three decades, including stints in corporate, retail and investment banking and even investor relations. He calls himself a "Jack of all trades who finally found his way" when he settled on private banking.

Just prior to private banking, he had been in retail banking which he found boring. "One day I came across the head of private banking at BNP, we were crossing the road. He asked me how I was doing. I said: 'I'm bored to death and need a change.'

"He said: 'I'm looking for a head of private bank for Hong Kong, would you like the job?' I said, sure. By the time I crossed the road, I had a job. And that's the best thing I've done. It was probably the only business I hadn't touched yet (at BNP), and the one that fits me very well.

"When you've managed marketing teams, had exposure to investment products, and you like customer contact, and have some EQ to understand what's happening, you'll do well and you're made for private banking."

It probably helps too that he is a polyglot; he speaks six languages including Chinese.

He ran BNP's North Asian private bank business for five years before he joined Pictet in 2011.

Today he is an equity partner at Pictet & Cie. Founded in 1805, Pictet is one of the largest banks in Switzerland with assets under management or custody of 437 billion Swiss francs (S\$614.8 billion) at end-2015. The Pictet group comprises asset and wealth management, and asset services. Its structure is essentially a partnership of seven manager/owners responsible for the entire business of the group. Since 2006, it also has a scheme of equity participation for top managers.

Mr Haberer believes Pictet's business model – a pure play private bank with no corporate or investment banking – is one that appeals to the bank's desired clientele in Asia – that is, ultra wealthy families. "I met a tycoon recently and I explained to him what I did. He said: 'I notice how every time I met my banker, he always came with a colleague from corporate finance or from the bond department, because I told him I may issue some bonds or buy a company.'

"I told him: 'I am not going to help with your IPO (initial public offering) or M&A (merger and acquisition) but I can assure you that if you tell me you want to sell your company, I'm not going to tell anyone.' Clients understand the need for confidentiality. Asian families don't necessarily want information (about themselves) in the marketplace. They also appreciate that the bank is also a family business, just like their businesses."

There have so far been eight generations of partners bearing the Pictet name since the bank was founded in 1805.

Another point in Pictet's favour, he says, is that the group is private. This means it is not subject to short-term market pressures to perform, and can take a long-term view on its business. "Our managing partners are business owners like

our clients. There is good alignment of interest. We run the family office of our partners. So when a client invests in a strategy or fund or mandate, more often than not our managing partners are also investing. So the client co-invests with the owner. What better common interest is there?"

Being private also helps to enhance stability of capital. "No one can do a bid on Pictet because it's not listed. And the partners have ownership which is stewardship... The mission of the partners is to grow the company, benefit from the growth and pass it on."

Pictet's principles of succession and transmission of ownership have remained unchanged for 211 years. It has a long-term rating of AA- from Fitch.

Mr Haberer says the Asian private banking landscape, where clients are mostly first or second-generation business owners, is challenging. Not only are clients over-banked, they are also typically demanding. Performance is a must.

"Asian clients are active. They make decisions on their companies and their money. When you have a client on an advisory basis, you have to have better ideas, and have them first thing in the morning before anyone else. There is a real push for (bankers) to be on their toes in Asia, which is quite different from other parts of the world. You have to have a mentality, where your first duty to the customer is to deliver performance."

#### Influential adviser

Good bankers, he says, are those who are able to listen to clients, and to stand up to them. "You have to have professional expertise which will make you a trusted adviser. But you must also have the character to make you an influential adviser. I see many bankers who are intelligent but who believe that being a banker means you say yes to everything and are a slave to your customer.

"If you do that, how much influence will you have in terms of getting more market share, doing more business with your customer, and ensuring you continue to advise the next generation? It's not going to happen."

The minimum to open an account is US\$3 million in bankable assets. But the target clientele, he says, is the ultra high net worth family with more than US\$30 million in assets.

Pictet has been in Asia for 30 years, starting with an office in Hong Kong in 1986, and then in Singapore in 1994. In the early years, he says the service was Swiss centred, catering for Asian clients who liked the idea of banking in Switzerland. In 2012, however, it decided to expand its platform in Asia, offering clients a comprehensive range of products.

In 2013, it stepped out of tradition to offer lending on real estate in Asia, a first for the bank. "Asians need to leverage their portfolios or real estate holdings. We had never done any real estate loan in our more than 200 years until the first one in Asia.

"When you deal with the fourth or fifth-generation wealthy in Europe they are already sitting on financial wealth. In Asia, we have first or second-generation families, who have their companies. If they have cash they put it in real estate and after that they come to us, and ask – what can you do for us?"

He adds: "We're not the most aggressive lender but it's part of life. If used wisely it can be a good source of diversification." 

# Sharing common interests

Pictet's Claude Haberer believes the Swiss private bank's business model is one that appeals to its desired clientele in Asia

BY GENEVIEVE CUA

