

“Geneva is a hub for finding talent”

BANKING Indosuez Wealth Management CEO Jacques Prost announces the goal of the Crédit Agricole Group's wealth management subsidiary – to become a European leader in the banking sector

INTERVIEW BY ANNE BARRAT

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Crédit Agricole Private Banking, which is number one in France in terms of customer volume, aims to become a leader in the banking sector. To achieve this goal, Indosuez Wealth Management is about to buy out Belgian bank Degroof Petercam and intends to position itself in Switzerland, where the merger of the two largest wealth management players creates opportunities. Interview with Jacques Prost, CEO of Indosuez Wealth Management.

Does the disappearance of Credit Suisse create new opportunities for foreign private banks like Indosuez?

When two global leaders the size of Credit Suisse and UBS combine their business activities, this can lead to overlapping business assets and, as such, greater combined commitments for the same client. So the end result is not 1+1, or an entity that's merely twice as big.

The new banking landscape is opening windows for other players, whether they're Swiss or not. I'm not just talking about taking over employees and teams. Each company acts according to its ambitions, its offering and its ability to meet client needs.

How is Indosuez better positioned than other foreign banks to seize these opportunities?

Indosuez Wealth Management, a subsidiary of the Crédit Agricole Group, is a network established in around ten countries in Europe, Asia and the Middle East. It benefits from Crédit Agricole's locations in nearly fifty countries. In Switzerland, where we have been active for 145 years, this enables us to meet the needs of clients whose assets are managed locally and who have interests elsewhere in Europe. These needs range from structuring their assets, financing and investing to developing their businesses.

We do this via an extensive offering that we can combine with the expertise of other Crédit Agricole entities and potentially even their financing capacity for particular transactions that so require.

It is a 360-degree relationship that enables us to stand out and solidify our customers' loyalty. I come from Crédit Agricole CIB, the corporate and investment bank, where the client offering has been in line with this approach for several years now.

Why did you buy the Belgian bank Degroof Petercam? The goal in acquiring a majority stake in Degroof Petercam is to consolidate our position in order to become one of the European leaders in wealth management, subject to the approval of the relevant regulatory and competition authorities which is expected in the first half of 2024. This project will put us at over 200 billion in customer assets, meaning a change in category within the sector.

This is an opportunity for Indosuez and the Crédit Agricole Group to boost their presence in northern Europe, and particularly in Benelux. This project will generate many interactions and opportunities within the group.

PROFILE

1988 Begins his career in project finance at Paribas.

2000 Joins the Crédit Agricole Indosuez Group in Italy to run its structured products division.

2013 Becomes Deputy Chief Executive Officer of Crédit Agricole CIB.

2018 Becomes Chief Executive Officer of CA Indosuez Wealth Management.

2023 Proposed acquisition of Belgian private bank Degroof Petercam.



Jacques Prost: “The Geneva market is renowned for its responsible finance.” (ANTONIN WEBER/HANS LUCAS)

We will ready ourselves to take advantage of all the possible synergies between our business lines and those of Crédit Agricole CIB, Caceis and Amundi. Our clientele, which is made up of entrepreneurs and families, is similar to that of Degroof Petercam and will grow in northern Europe. Degroof Petercam will bring us its recognised expertise in fund and mandate management and investment banking.

What does that mean concretely? We will be able to offer all customers an expanded value proposal combining Degroof Petercam's sustainable asset management expertise and Indosuez's offering in financing, private equity, real estate and structured products.

We will be able to develop a continuum of services for heads of SMEs and mid-caps in addition to wealth advisory, which will include M&A advisory and debt restructuring since these are not systematically promoted by Indosuez today. We

will be able to become the preferred partner of entrepreneurs in Europe in addition to France, where the Crédit Agricole Group already has a strong presence.

“The new banking landscape is opening up windows for other players, whether they're Swiss or not”

This announcement is a first step, but as always, the most important one is the implementation of the merger process. To succeed at this endeavour, we will rely on a minority partner, the CLdN Group, which is controlled by the Cigrang family. Having held a stake in Degroof Petercam since 2011, it would like to retain a 20% stake. It is a guarantee of continuity and trust for the future of the new entity. Indosuez and moreover the Crédit Agricole Group have a great habit of

working with minority partners. In our experience, it's a privilege and a strength. They are entrepreneurs who share the same vision we have.

How far can this entrepreneurial strategy go for a subsidiary of the world's tenth largest banking group? Is it more than just a stance?

Our group has supported all of the major transitions, and has become the tenth largest bank in the world and one of the most solid banks in Europe. As a universal bank, the Crédit Agricole Group has always served all customers, from the most vulnerable to the most affluent, for all their needs across all its regions, through its business lines and brands. It is also in this spirit that Indosuez, which relies on a multi-local structure, is expanding.

Do you see private equity as a trademark that sets you apart from other private banks? We were among the first banks to develop a private equity offering 20 years ago. We have supported 2,000 companies and now have €7.5 billion in assets under management. We are working

in open architecture and invest in funds of funds on behalf of our clients. This enables us to benefit from the expertise of the managers of these funds and is beneficial to our clients for risk diversification. Regardless of the macroeconomic or financial environment, returns have always exceeded 13% per year.

It's more than just an investment. We offer a real experience by organising meetings for our customers with the managers of the young companies in which they have indirectly invested. They can meet with them, discuss their ideas and strategy, and contribute to the development of these companies by providing advice or access to their network, for example. Our customers today, especially the next generation – the children of our customers and the young successful entrepreneurs – expect much stronger personal commitment. Our private equity offering gives them what they're looking for.

Why manage private equity from Geneva? Geneva is a real hub for finding talent.

More generally, Switzerland is a stable country in economic, fiscal, financial and political terms. This is all the more important in the current environment for our clients. In wealth management, we must never forget the fundamentals of solidity and stability! Geneva is home to an ecosystem of expertise in wealth management and asset management.

One third of our staff is in Switzerland. We see this as a strategic area where we want to grow even more in our three business lines: private banking, investment banking and, under the Azgore brand, IT services and bank transaction processing for private banks. It's a financial market where we continue to invest, grow and hire.

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Lastly, the ecosystem of expertise in Switzerland has been bolstered considerably in recent years, as universities have expanded to share their wealth management knowledge abroad. First and foremost, the Geneva market has been able to adapt to changes in ESG (environmental, social and governance criteria) and is renowned for its responsible finance.

What's the role of sustainability at Indosuez? Is it more than just a marketing gimmick? Our ESG approach is rooted in the mutualist and cooperative nature of the Crédit Agricole Group's corporate DNA. The company is owned by members and is highly committed to society and the environment across all its regions. Our group has always respected the ecosystem in which it operates.

At Indosuez, ESG values are reflected in the involvement of our employees in the field. Alongside our two foundations, we take on a huge number of projects for education, people in vulnerable situations and women. We organise citizen days, enabling our employees to get involved in many social causes or projects for the environment. For example, we are committed to taking action for water in order to raise awareness about the scarcity of this resource and the need to preserve it.

Innovation is central to the development of our ESG approach. It helps find financing and ways to support and advise young companies, and it also helps find investors, particularly among our clients and as part of our private equity offering. We are also in the process of creating a fund whose mission is to invest in young, innovative and ESG-native companies, particularly in terms of the environment. So I think we can say that sustainability is central to our company and our group, and that it goes far beyond the limits of a marketing gimmick. ■