

## “We don't want to risk falling out with Julius Baer”

The Geneva-based private bank Pictet feels that it is ready for the next growth phase. Boris Collardi, the former CEO of Julius Baer who joined Pictet's Board of Partners in mid-2018, has a key role to play in this respect.

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The Geneva private bank Pictet is different, and it is this difference that has contributed to its success in doing business with affluent private clients (wealth management) and institutional clients (asset management) over the past 200 years or so. Since 1805 the bank has been run by Partners who have the unwritten goal of transferring the venerable institution to the next generation in better condition than when they themselves took it over – and this has been the case for eight generations.

Pictet is free to concentrate solely on its business precisely because the bank's cleverly thought out partnership model is designed to last virtually forever, while the absence of a stock market listing means there is no obligation to produce quarterly reports for shareholders or keep any lenders happy. “Our clients come to us because they're looking for solutions, not products,” says Nicolas Pictet, the bank's Senior Partner.

“Growth, size, profit – unlike other banks, we regard these as the results of our endeavours rather than objectives in themselves.”

Nicolas Pictet acts as *primus inter pares*, representing the bank externally and taking up a mediating role internally; he believes the type of success that can be measured in figures will take care of itself if the service is right.

### Acquisitions in mind?

This view is evidently justified. Today, Pictet has well over 4000 employees, who manage and safeguard more than CHF 500 billion in assets: this makes the financial institution one of the leading Swiss asset managers alongside the two big banks, UBS and Credit Suisse. And it is particularly remarkable that Pictet has built up this position through organic growth and not – like some of its competitors – through acquisitions.

But even with all that in mind, a certain question does still arise: why was Boris Collardi – who catapulted Pictet's Zurich-based rival Julius Baer into a whole new dimension by means of a relentless acquisitions strategy – welcomed into the Pictet Board of Partners in June last year? Does Pictet want to make use of Collardi's experience of acquisitions in order to embark on an expansive growth strategy based on acquisitions?

Nicolas Pictet is quick to deny such speculations: “We appointed a person, not a business model – a character, not a career.”

He goes on to say that in the course of their joint business trips and day-to-day dealings, he has been able to confirm that Collardi has really got to grips with and internalised the bank's organisation and culture, including the principle of collegiality upheld by the Partners. The seven Partners own and run the business jointly.

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Each has a vote, and there are no hierarchical distinctions. Important decisions are made either unanimously or not at all. This also applies to the appointment of new Partners, who are generally recruited from the Pictet, de Saussure and Demole families.

There is also the option of bringing people in from “outside” if there are no suitable family members available, or if the bank wishes to retain deserving “home-grown” candidates. Collardi’s appointment is remarkable in that he is a Catholic, has not spent his professional career at Pictet, and has not always been noted for the Calvinist virtues so dear to the private bank – such as modesty, restraint and discipline.

Be that as it may, Nicolas Pictet emphasises that Collardi’s arrival will not affect the private bank’s focus in any way. “We’re not going to change anything that makes us different and underpins our success,” he says. According to the Senior Partner, Collardi has developed into a fully-fledged Pictet Partner much faster than expected, not least because of his knowledge of people and his emotional intelligence. The new recruit has the task of strengthening Pictet’s position not only in German-speaking Switzerland but also in Asia and Italy. “It would be absurd not to take account of the fact that someone has lived in German-speaking Switzerland, speaks German fluently and has access to a valuable network of

relationships there,” says Nicolas Pictet.

Collardi has in fact taken over responsibility for the Pictet offices in these three market regions from Nicolas Pictet himself.

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*Nicolas Pictet  
Senior Partner at  
Banque Pictet*

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At the same time, Nicolas Pictet stresses that the expansion plans have been on the cards for a long time and were not just dreamed up when Collardi joined the bank. He points out that Pictet had already taken out a lease on the Leuenhof building on Bahnhofstrasse in Zurich, even before Collardi made the move to Geneva. Ironically, the former head office of Bank Leu is right by the main building of Bank Julius Baer, where the new Pictet Partner used to work. According to Nicolas Pictet, the bank simply took advantage of a long-awaited opportunity to secure additional office space in Zurich.

“In business, you have to have a bit of luck now and again, and our bank has struck lucky right now,” he says.

## **Team of advisors switches sides**

The same apparently applies to Pictet’s recent acquisition of a Julius Baer team consisting of over a dozen relationship managers with responsibility for clients from the Middle East. Many observers suspect that Collardi was the driving force behind this move, although Nicolas Pictet emphatically denies it, saying that Pictet has been intending to step up its activities in the Middle East for at least a decade. And then, he explains, Pictet was approached by this team, which had already been on the market for some time. “We don’t want to risk falling out with Julius Baer, with whom we maintain excellent relations,” says Nicolas Pictet.

