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Bankers Trust vows to keep HQ in territory

By IAN K. PERKIN

BIG US merchant banker, Bankers Trust (BT), plans to maintain Hongkong as the hub of its private banking operations in Asia despite a top management change which will see Singapore take a more prominent role.

Its new worldwide chief of private banking division, Mr Paul Higgins, made the commitment yesterday during his first visit to the territory since moving across from the US-based Marine Midland Bank.

Mr Higgins, who has returned to BT after 2½ years at the Hongkong Bank's US subsidiary, said Hongkong

would remain the regional office after Singapore-based Ms Saw Cheng Suan takes over regional control in December.

The Hongkong-based Mr Jose Sarrado, who established BT's private banking presence in Asia six years ago, is heading off to Geneva to set up the merchant bank's Continental private banking division.

The change at the top has apparently caused some nervousness among BT staff in Hongkong, but Mr Higgins, who returned to BT in April, was reassuring.

"Hongkong will continue to be the hub of our activities - we have an invest-

ment and trust presence here as well - and we are committed to really having the strongest possible professional staff here and the highest quality products we can deliver for the region," he said.

"Our presence here is very important to us and to our clients. I keep getting asked the question about Hongkong and we are going to be here and it is very important to us."

The issue is a particularly sensitive one within the local BT office because of the nervousness that arose from concern about the shift in the group's foreign exchange emphasis to Singapore.

At the time, BT Brokerage's Mr William Overholt described the move as a change from both trading and sales in Hongkong to just sales, with no part of the group's operations being closed down.

But it still caused some concern at BT's Hongkong headquarters.

The new head of the regional private banking division, Ms Saw, intends to commute between Hongkong and Singapore, as well as other regional centres, in her new role.

Asked whether she might move to Hongkong, she said: "I am considering that, but I am committed to

spending at least half my time in Hongkong."

As for Mr Higgins, he is intent on expanding the group's private banking operations in Asia - the fastest growing region in the group's global operations.

"I came back in April this year really because of what I see as a unique opportunity within a large merchant bank, to grow the private banking business with that special slant that Bankers Trust will bring to it," he said.

"This is my first trip to the field and I wanted to come to this region because it is our fastest growing area and the most exciting in

terms of the opportunities for us."

The group now has 10 offices around the world - London, Zurich and Geneva in Europe; New York, Miami (which covers Latin America), San Francisco and Los Angeles in the US; and Singapore, Hongkong and Taiwan in Asia.

"Mr Sarrado came out here six years ago, really to start the business for us in the Asia-Pacific region, and he has grown it from almost nothing to the major and fastest growing component in the private banking division."

"In September he is go-

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Bank vows to stay in HK

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ing to go to Geneva to start up our Continental Europe division and we hope that he will be able to capitalise on growth.

"In Singapore, Ms Saw has contributed significantly to the growth and she is going to be assuming Jose's responsibility in the Asia region.

"All the offices will report to her and she will be splitting her time evenly among them."

Mr Higgins said the private banking in Hongkong and the region was extremely competitive. "Everybody is here," he said.

But he said that as a global merchant bank rather than a retail banker, Bankers Trust brought a different approach to the business.

"We are the only bank in the area that deals with wealthy individuals and we work in concert with other parts of the bank in a very narrow sector of the affluent segment," he said.

"In addition to the traditional fiduciary, investment

and banking products, we deal with our clients on the real estate acquisitions and sales around the world, foreign exchange, Swiss banking and indeed, in terms of acquiring or selling companies around the world.

"We really work as one integrated bank and Asia is probably the best example of that," he said.

Although it will not divulge figures, Bankers Trust believes that its private banking business in Hongkong has grown faster than the market.

"We feel that Hongkong has had an equal growth to the most predominant markets in Asia — in Southeast Asia, the Philippines or Taiwan," the outgoing local chief, Mr Sarrado, said yesterday.

"I think we have tried to diversify our products and also our local presence."

Ms Saw said in recent years there had also been a growth in intra-regional business as affluent Asian investors poured money into countries in the region.

"That was not the case five years ago. The climate of sophistication has increased and right now there are many opportunities within the region and there is going to be further growth in the future."

But Mr Sarrado said there has also been diversification into various markets — "putting eggs into various baskets".

"The Asian communities like to have some assets and investments somewhere else outside of the region, such as Europe and the United States," he added.

Mr Higgins agreed.

"There really is a rapid acceleration of the awareness of the benefits of global diversification in terms of returns on capital," he said.

"It has evolved from cash portfolios, where people were just looking at deposits and interest rates, to the recognition that a mixture of a portfolio of the different markets around the world reduces risk and gives better returns."