



# Global private-banking group EFG International Expands in Canada

A leading wealth-management company has expanded rapidly in the Canadian market. Based in Switzerland, EFG International opened a Canadian subsidiary EFG Wealth Management Canada Ltd. in 2007. It now operates offices in Toronto, Montréal, Vancouver and St. Catharines, providing a private-banking service few other firms offer in this country.

"Our approach is distinctive because we are truly client-centric," says Steve Mackey, Chairman of EFG Canada. "We offer wealthy individuals and families a level of service they expect and deserve. Our business model facilitates the provision of high-quality, attentive service to through personalized, one-on-one relationships."

## EFG brings Swiss-style private banking to Canada

The distinctive approach to private banking has fueled EFG's success in markets around the world. EFG International is a member of the EFG Group. With headquarters in Geneva, EFG Group is Switzerland's third-largest bank by Tier 1 capital. Although EFG was established relatively recently (1995), its business model is based on long-term client relationships.

"Switzerland earned its reputation in the banking industry through stability and the protection of client assets," says Steve Mackey. "Its long tradition of neutrality – it's not a member of the European Union, for instance – also helps Swiss banks attract a sizeable share of the world's offshore deposits. Canada,

clearly has a different regulatory environment, but what EFG can and does deliver in this country, however, is a similar level of individualized service." EFG continues this tradition by focusing on tax-compliant structures such as trust funds.

At the core of EFG's model is the Customer Relationship Officer, or CRO. Each client works with a single CRO, who serves as both an expert advisor and a conduit capable of accessing whatever products and services best suit the goals of an individual client. Through various operations across the EFG International



Steve Mackey

network, CROs can access and deliver the full range of financial services: from investment and inheritance counseling to deposit accounts and lines of credit. EFG Canada has set up a mutual-fund company in Canada. In 2009, it expects to establish a federally chartered, deposit-taking trust company.

EFG's move into Canada was carefully designed. In 2007, EFG acquired Bull Wealth Management, an independent investment-counseling firm.

Founded by Jim Bull, a former senior partner in the wealth-management practice of Ernst & Young, it represented a good fit with EFG's entrepreneurial business model. With an enviable list of individual and institutional clients – including corporations, charitable foundations, pension plans, and intermediary firms – Bull Wealth Management enabled EFG Canada to hit the ground running.

## Why Canada?

EFG Canada continues to recruit actively and plans to open offices in Ottawa and Alberta in the near future. The company could well triple in size within a few years.

CEO Glen Brown sees ample opportunity for significant expansion in both the short and long terms. "EFG Wealth Management Canada is able to deliver a unique financial service proposition to which Canadians have not had access before now. We believe that our approach will resonate with both clients and their advisors," he says.

According to Steve Mackey, there are several reasons why the company chose Canada for its expansion plans.

"The market opportunity was attractive," he says. "Before we arrived, this level of private-banking service was not really available in Canada. Perhaps more importantly, Canada has a small but growing number of people who have what it takes to be a CRO. The catalyst that precipitated the decision to open in Canada was the availability of the right people."



The EFG model requires CROs to possess an exceptional mix of skills, knowledge and experience. Along with the appropriate licences and accreditations, CROs must have a sound understanding of financial instruments and domestic and international markets, along with outstanding interpersonal and entrepreneurial skills.

## EFG's advantageous business model

"We grant considerable autonomy to our CROs," says Steve Mackey. "A CRO and client typically develop a close and long-lasting relationship. Understanding and representing the client's best interests is everything; a CRO is under no obligation to sell EFG products or services. This is a powerful competitive differentiator for us. Our management structure represents another key advantage."

EFG Canada has no bureaucracy to speak of; there are no middle managers, for example, only CROs and a lean but competent administrative staff.

"Each CRO essentially runs his or her own business," says Mackey. "We assign them tremendous responsibility and controlled freedom. That's why our expansion plans are absolutely dependent on finding exceptional people."

Steve Mackey is a prime example. For nearly two decades, he climbed the ranks within one of Canada's original chartered banks, serving as loans officer, branch manager and finally over-

seeing the firm's private-banking services in both the Caribbean and Switzerland. Eventually, he recognized the limitations of the bank's business model.

"Canada's retail banks offer something they describe as private



EFG Head Office

banking, but it's a far cry from the service EFG aspires to provide. A retail bank is a large organization with a separate department for each financial service or product; it focuses on pointing clients toward in-house offerings. In some cases, however, a client will be better off using multiple firms. And that's exactly what an EFG Canada CRO advises a client to do."

"At EFG International, private banking and asset management is all we do and we are very good at it," says Glen Brown.

EFG Canada's distinctive approach has helped to convince a number of other experienced financial professionals to leave commercial banks and join the firm. Glen Brown, the company's CEO, spent 15 years with a Canadian chartered bank and headed their Bahamian trust operations.

"I think it's a question of timing," says Steve Mackey. "The demand for our services is clearly there and Canada's financial sector has matured enough to produce people with the calibre of skills needed to fulfil the CRO role. I'm confident that EFG Canada will continue to grow despite the current challenging economic environment."

To learn more about investment opportunities in Canada, consult: [www.investincanada.com](http://www.investincanada.com)