

MONACO
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CMB MONACO: Client relations at the heart of our DNA

CMB Monaco (CMB), elected Best Private Bank In Monaco in 2017 by International Banker magazine and, for the second year running, Best Monaco Private Bank Client Client Service by The European, is no stranger to honours. Since 2014, many market analysts have nominated the bank for awards.

For Werner Peyer, CMB's managing director, this success is the result of real teamwork: "There is a true business culture here which means we can have a long-term outlook. Markets are still volatile, so it's quite normal that a bank, just like other sectors, should evolve. We like change and like a surfer, we ride the wave!"

This is a fairly rare mindset in the banking sector, which is often rather conservative. However, CMB have been driven to strengthen their strategies since the arrival of new regulations, tax rules and even technological constraints: "Client relations are at the heart of our DNA. We always listen to our clients' needs, with whom we have been able to form firm bonds, sometimes over several generations. Today, the average age of our clients is 70 but we are also the bankers of their children and grandchildren. We adapt the way we communicate, as well as our products, according to the age of a client, taking into account that, paradoxically, those most wary of new technology are the 40- and 50-somethings. Unlike their parents or children, they are more aware of cyber risks"

The Monaco authorities' decision to adhere to the new international regulations is a good thing, according to Werner Peyer, as this could encourage clients with multiple bank accounts to bring all their offshore assets to Monaco: "The Monaco financial sector is incredibly stable. It is one of the rare countries in the world to be debt-free and still be able to retain its tax laws. We are also fortunate to have a close relationship with the authorities, with whom it is easy to communicate. Moreover, let us not forget that Monaco's banking sector is closely supervised and is dependent upon the Banque de France – which only serves to reassure investors!"

Today, CMB employs 220 staff of 20 different nationalities and is able to meet the needs of the Principality's international clientèle. "We have a low turnover of staff, which is quite unusual in the banking sector. Stability is important to our clients, who do need time to establish a trusting relationship with their portfolio managers." Nevertheless, CMB's teams are constantly evolving. When the FATCA* and AEOI** regulations came into force, it was necessary to recruit people with new skills: "Our sector has become extremely complex and nowadays no one single person could claim to be a master of it all. In fact, my role is not to be a specialist in every domain but rather to be the conductor of my orchestra of experts! We have created an internal academy, so that our staff can be



trained continuously and their skills remain in synch with the changes and demands of the sector."

Despite the small size of Monaco's banking sector, it has played its cards right in the international financial marketplace, particularly in relation to the wealthy clients Monaco solicits: "We remain under the radar and are therefore not involved in the brutal rivalry that exists between the big marketplaces, which allows us to be selective in our choice of clients"

Today, like many others in the sector, Werner Peyer's main concern is focused on cyber crime, as banks are the favourite prey of hackers: "There are no more hold-ups but the criminals themselves are at the very core of our IT networks. It is a real threat and we take it very seriously. One of our shareholders, Médiobanca SpA, has adopted a particularly proactive investment policy for data protection. With the CRM***, banks are obliged to keep extensive files on all their clients. Therefore, we possess very sensitive information which we have a duty to protect." He is delighted by the creation of the Monaco Cyber Security Agency, which lends crucial support to essential facility providers.

2017 was an enriching year for CMB, which undertook a total data migration on all its IT systems, in preparation for the AEOI coming into force. In 2018, the bank intends to continue its growth, working with its teams to become more flexible: "My management style is to allow each one of our employees to be proactive and to give them skills in new areas. This is one of the keys to our success"

CMB also intends to focus upon FinTech: "Many of the projects initiated by our teams are dealing with artificial intelligence and the digital sector. Our business has changed a lot these last 20 years and clients are no longer necessarily looking for the best performance: they would rather protect their wealth and their spending power. Our aim is to maximise their shares and technology plays an important role in this, even if it will never be able to replace a portfolio manager in terms of planning and strategy. We are up against changes in the sector and in the markets, so being a human-sized company is our greatest strength, as it allows us to be very adaptable, so we can continually reinvent ourselves."

*FATCA: Foreign Account Tax Compliance Act, a law against tax evasion for American citizens and residents who have financial assets outside the USA

**AEOI: Automatic Exchange Of Information

***CRM: Customer Relationship Management