



Santander's Asset Manager Combining Offices as Part of Revamp

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By Charlie Devereux and Edward Robinson

- SAM merging five management offices into two in Europe.
- Measures are part of wider restructuring to reduce costs.

(Bloomberg) --Santander Asset Management will combine five of its management offices into two as part of Chief Executive Officer Mariano Belinky's plan to improve efficiency at the sprawling division.

The company plans to concentrate operations in Spain and Luxembourg to help reduce duplications, the CEO said in an interview. The unit of Banco Santander SA has already consolidated its German office and started the process to combine the operations of facilities in Portugal, the U.K. and Poland, which it hopes to complete next year, he said.

Santander AM has been undergoing a transformation ever since Belinky and wealth management head Victor Matarranz took charge in 2018. At the time, the unit was a collection of businesses in Europe and Latin America operating with myriad information technology systems, sales cultures, and product development teams.

"We don't need multiple management companies," Belinky said in an interview. "In Europe, no one has as many as we do and that just comes with lot of overhead, a lot of duplication, that doesn't allow us to capture scale."

Santander AM, which has 175 billion euros (\$207 billion) of assets under management, contributed 64 million euros to the bank's underlying group profit, although some additional profit is shared with the group's branch networks.

Regional Split

Belinky has divided the business between two regional hubs for Europe and Latin America. He also replaced three out of 10 country heads. The CEO didn't say how much he expects to save in the moves, but sees the cost-to-income ratio falling below its current 38%.

Merging the offices will not only mean reducing some staff but also cutting down on IT systems and governance, Belinky said. Currently, each operation is legally required to have its own full board of directors.

"A good chunk of this transformation is about really pushing this company forward toward a model much more focused on delivering tailored solutions for clients," he said.