

BRIDGING THE ROUTE IN AND OUT OF CHINA

BACKED BY ESTABLISHED CORPORATE AND PERSONAL BANKING SERVICES IN HONG KONG, COMBINED WITH THE SUPPORT OF BANK OF CHINA AS ITS PARENT COMPANY, BANK OF CHINA (HONG KONG) LIMITED (BOCHK) PRIVATE BANKING IS ADAMANT THAT NOW IS THE RIGHT TIME TO SET UP AND BUILD THIS BUSINESS IN HONG KONG.

Wendy Tsang is both proud and purposeful about what seems – on the face of it at least – to be one of the biggest opportunities in Asian wealth management today.

As she expertly describes the meaning behind the various pieces of carefully-selected artwork that decorate the hallways at the BOCHK Private Banking Centre, it is easy to detect her passion for her new surroundings.

“I’ve been in the industry for over 20 years, and now I see the private wealth management industry is evolving into a new landscape, and it will be an honour for me if I can be part of a successful business,” she says.

While BOCHK Private Banking is yet to reach its first anniversary, Tsang now sits at the helm of an exciting start-up – but one which has some of the most established roots anyone could wish for.

In Hong Kong, through its over 260 retail branches, BOCHK already has a substantial client base.

In addition, given the growth in wealth in Asia over the past 10 to 15 years,

as well as interest in Asia as an investment destination, with China as a key market in particular, it is the right time for BOCHK to build its private banking business.

BUILDING THE BUSINESS

BOCHK, as one of the leading commercial banks in Hong Kong, gives its new private banking venture a good start with much of the required infrastructure from which to build a private bank.

“There is just a need to further enhance the existing platform, to build a truly integrated platform to offer one-stop, tailor-made services for high net worth (HNW) clients,” says Tsang.

The target clients are mainly Asian entrepreneurs or first-generation business owners.

These individuals are not simply looking for products that offer higher yields, because they make far higher returns from their own businesses.

Plus, Asian investors are used to picking products themselves, without needing help from the banker.

Instead, says Tsang, they’re looking for support and services to both their families and their businesses.

A bank with a strong balance sheet to facilitate lending is also crucial for these new entrepreneurs.

“The starting point has been to focus on existing clients and filling the service gap for HNW clients that management has identified,” Tsang continues.

“But obviously we’re looking to grow,” says Tsang. “Having Bank of China as

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BOCHK Private Banking

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our parent company is a big help. We can certainly leverage on the onshore network of our parent company to acquire and serve new clients.”

From the other perspective, Tsang says the bank has already had some interest from overseas clients, mainly based on their desire to access China.

“They tell us that they see BOCHK as a good potential partner given our expertise in China and RMB products and services.”

GRADUAL AND STEADY GROWTH

Tsang is realistic about any aspirations she has to grow the platform by recruiting talent into BOCHK Private Banking.

“Over the past couple of years, the private banking industry has been like musical chairs,” she says.

“Everybody remains in the industry but they’re constantly moving to different banks or institutions. It’s not good for building a long-term relationship with clients,” adds Tsang.

Yet although it’s not easy to hire talent – particularly seasoned individuals – many are currently looking to move into the China market.

“So we’re attracting some talent because of our positioning,” says Tsang.

MAKING THE MOST OF THE CHINA CONNECTION

Tsang says: “The market is optimistic about the increasing use of RMB globally and the rapid development of the offshore RMB market.”

In the past two to three years, the PRC government has been supporting this with new policies such as the relaxation of the RQFII and the opening up of RMB services for non-Hong Kong residents.”

“Hong Kong is part of China, and it is a well-developed cosmopolitan city with a robust legal framework,” she adds.

“We are certainly in a strategic location to help develop Hong Kong as a private wealth management hub in Asia, and this manifests our mantra of ‘East meets West’.”

CREATING LONG-TERM VALUE

The objective is to create long-term value for both the bank and its clients. Tsang says: “The insight of the top management of the group and of BOCHK is not to focus only on bottom line revenue.”

“Our vision is to build a full range of services which will be successful over time,” she adds. ■

Pillars of the BOCHK Private Banking business

- The financial strength of a bank is a crucial criterion for customers in selecting it as their trusted partner. BOCHK’s long-term credit rating was raised by Standard & Poor’s by two notches, from A- to A+.
- The essence of BOCHK is its “East meets West” business culture, also summed up in its slogan “Stability in Motion”. This manifests itself in Hong Kong’s social and ethnic diversity as well as BOCHK Private Banking’s commitment to offer the all-round banking services to its clients. This philosophy is in line with the bank’s belief that the best wealth management solution is a balanced one which is flexible yet adaptive and based on a solid foundation.
- To respond to investor demand for stability, BOCHK Private Banking has created a “1+1+1” platform service model: a one-stop solution for needs that cover investment and consultancy, trust, estate planning, and transactional and corporate banking services, through an integrated platform via its private, corporate and personal banking.