



Banking on the Future

BOCHK's success lies in its acute understanding of clients' needs, matched by a full portfolio of services

Walking into the private banking centre at Bank of China (Hong Kong) Limited (BOCHK), one is immediately surrounded by ornate sculptures, paintings and other works of art. For BOCHK's head of Private Banking, Wendy Tsang, they are much more than mere décor. Drawing a parallel with the private banking industry as a whole, Tsang notes, "Art is similar to our business, art can be seen as an investment but art can also be very subjective on a personal level. In private banking our business is not just about money, in order to develop long-term relationships we need to have a holistic understanding of our clients."

Since launching in 2012, the private banking arm of BOCHK has enjoyed growth in what must be one of Hong Kong's most competitive industries. Tsang attributes much of this success to the heavy emphasis placed on understanding its clientele and catering for all their banking needs.

"To offer effective private banking services to clients, we need to have a platform that can align their personal, family and business needs, which could include everything from migration, education, wealth management, business development, share financing, to even overseas fund raising. A bank with scale and who can provide more services in an integrated platform will

appeal to the new wealth," says Tsang.

As the shift in global wealth continues eastward, the number of wealthy entrepreneurs in China is rising at twice the rate as that of the developed world. "We expect in a few years' time there will be more wealthy individuals in China than the rest of the developed world," says Tsang. "Most of them are still at the wealth creation stage, therefore we offer a full service to help their business development, for their personal and family we offer wealth management and estate planning. To this end we are offering family trust, tax planning, insurance and overseas investments on a global platform."

Being able to leverage parent company Bank of China (BOC)'s extensive network in China means BOCHK can offer both cross-border banking services and access to global markets, which is vital for a diverse portfolio.

Tsang explains, "Based on our experience, we would suggest

maintaining a diversified portfolio and not simply a balanced one. We provide insights on markets as well as advisory services across asset classes and regions. We help clients manage risks and at the same time give clients a better chance of maximising their profit."

In a business that is becoming increasingly global, things can change in a heartbeat but Tsang remains optimistic about the future of the global economy.

"I don't think we are headed for another recession; the US is recovering and we have the growth engine in Asia of which China is a major part," she says. "After decades of double-digit growth, the central government is targeting a more sustainable growth with a 7.5 per cent GDP target. China used to be more export focused and therefore more affected by overseas markets, the central government is now driving towards domestic



Wendy Tsang, managing director and head of Private Banking, BOCHK

consumption to achieve a more sustainable long term development."

Economic changes are not the only ones that have been put into effect in an industry that is still walking the road to recovery. In the wake of the financial crisis there have also been numerous regulatory changes, and Tsang is one of the founding members of the Private Wealth Management Association (PWMA).

"PWMA is an industry body set up last year with two major goals. Firstly to set a common competency standard for industry practitioners; with the support of the HKMA we introduced the Enhanced Competency Framework that will set a common standard, which industry players must meet," says Tsang. "Secondly we would like to promote Hong Kong as a private banking centre and we will also work closely with the regulatory bodies to ensure the regulatory environment develops in a way that helps to attract wealth to Hong Kong."

"Hong Kong offers a platform with world-class financial infrastructure. With our close links to the mainland China, there are many underlying competitive advantages to develop Hong Kong into a leading private wealth management hub," says Tsang.

"Nevertheless, over the years, increasing emphasis has been put on regulatory compliance, successful players are those who can afford the surging compliance cost yet able to deliver best client experience during onboarding and advisory process. We have the new wealth in China, but how do we capitalise on this advantage?" says Tsang.

Whatever challenges lie ahead BOCHK Private Banking is clearly looking optimistically towards a bright future for the industry and for Hong Kong, much like appreciating a beautiful piece of art. ■