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Brute force growth can take Asia’s private banking industry only so far. So while it is heartening from a business perspective that Asia’s Top 20 private banks raised their collective AUM by some 30% percent in 2017, leadership (if it hasn’t already) must ask searching questions on what it means as a wealth manager to add value to clients. And this means proactively engaging with disruptive forces and, ultimately, evolving business models to address present and future exigencies.

Thus, while our annual AUM and RM Headcount League Tables are the most accurate and thorough data sets of their kind, and though they do function as an indicative benchmark of sorts, they are only one measure of performance.

Even so, 2017 brought a number of milestone:

- Total AUM held by Asia’s Top 20 excluding China onshore surpassed the US$2 trillion mark
- The Top 5, led by UBS Wealth Management collectively accounted for around half of this total
- Productivity (AUM per RM) is up – Credit Suisse Private Banking’s 34% increase was the largest
- China’s Top 5 onshore players increased their total AUM at a CAGR of 25.5% (2013-2017) versus Asia’s (ex-China onshore) Top 5 CAGR of 7.4%

I encourage you to dive on in; and do reach out to the editorial team at editor@asianprivatebanker.com if you have something to add to the conversation.

Cheers,

Sebastian Enberg
Editor
Asian Private Banker
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Asian banks should pay attention to new EU privacy laws, lawyers warn

Financial institutions should pay attention to the upcoming update on the European Union data privacy regulation, even if they are Asia-based, lawyers have warned.

A new version of the General Data Protection Regulation (GDPR) is due to be implemented on 25 May this year. As it comes into effect, legal experts say Asian banks should be prepared for the new law’s requirements or risk regulatory scrutiny on the continent.

“[Asian] banks under the scope of GDPR will need to review contracts with third parties and ensure that they have assigned a data protection officer,” a legal source told Asian Private Banker.

“They also need to be aware that consent can be withdrawn anytime under the new regulations,” he added.

The source said the GDPR is expected to be a set of regulation with wide-ranging implications for banks globally, even if the exact coverage and how institutions may be affected is still ambiguous.

In comparison, the Hong Kong Personal Data (Privacy) Ordinance currently covers “data users who control the collection, holding, processing or use of the personal data in or from Hong Kong” — a more direct indication on how banks may fall under its regulation.

The new European regulation will also raise the standard of how banks interact with customers.

Under the new requirements of the GDPR, assumed consent from clients using “silence, pre-ticked boxes” will no longer be deemed acceptable.

Instead, banks should seek a “statement or clear affirmative action”, according to Baker McKenzie — a change that would require an update of existing investment documents for most banks.

Banks will also need to renew their consent from clients regularly.

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China’s State Council has asked the National People’s Congress (NPC) for permission to merge the China Banking Regulatory Commission and China Insurance Regulatory Commission, as part of a major overhaul of the central government structure. The aim behind the move is to simplify the number of government ministries.

The proposed merger, which does not include the China Securities Regulatory Commission, will produce a joint China Banking and Insurance Regulatory Commission responsible for supervision and enforcement across the banking and insurance industry, defending consumer’s interest and maintaining financial stability.

The newly combined banking and insurance regulator will be a direct subsidiary under the State Council, compared to previous renditions which saw the CBRC and CIRC operating as commissions ranking below the level of national ministries.

However, the newly merged body will no longer have the power to draft legislation on the regulation of banks and insurance companies. All legislation powers, along with their functions for overseeing companies’ prudential performance, will go to the central bank — the People’s Bank of China — from now on.

State Councillor Wang Yong told the NPC on 13 March that finance is the core of a modern economy, and the state must closely guard the interest of the nation through its financial security.

“To deepen the reforms on financial regulations, and to resolve the unclear areas for regulation, overlaps and regulatory vacuums under the existing system… [The changes] will strengthen overall supervision, optimise regulatory resources, and better coordinate oversight for the key systemic institutions… [and] gradually develop an effective modern financial framework and mitigate systemic risks,” he said.

“The merger of the three commissions is always on the agenda, and the CIRC has had no head for a year. It is probably just a temporary commission before the emergence of the super-regulator,” Marco Yau, senior analyst at CEB International, told Asian Private Banker after Wang’s speech.

The State Council’s proposal follows the setup of the Financial Stability and Development Committee, directly under the State Council last November. This places the control of the nation’s financial policies directly under vice minister Ma Kai.

The proposal also comes as the banking regulator reaches its 15th year of operation. Its insurance counterpart is in its 20th year.

The two have outgrown their original designs and purposes, having persevered through the nation’s worst stock market rout and controversies in the banking and insurance industries in recent years.

“The consolidation of the banking and insurance regulators would streamline and unify regulation, especially on shadow-banking activities, by reducing the room for regulatory arbitrage,” said Nicholas Zhu, vice president and senior banking analyst at Moody’s Investors Service in Beijing.

“Consolidation could help contain the use of pass-through channels involving the banking and insurance industries. We expect the merged regulator would adopt a more effective approach to regulating these activities,” Zhu said.

“Furthermore, the transfer to the central bank of rule-making authority in the two industries would enhance coordination between monetary and regulatory policies in the interests of safeguarding financial stability.”

The CBRC was set up in April 2003. The CIRC was established earlier, in November 1998.
It was a watershed year for the regulation of the Chinese wealth management market, with Chinese watchdogs stepping in unison, putting a stop to the regulatory arbitrage behaviour banks have, until now, relied on to deliver profits in the past few years.

It was not a kind year for China’s largest private banks.

The industry faces a hard deadline of 1 July next year to rid itself of some of the RMB 7 trillion of guaranteed wealth management products (WMPs) - de facto off-balance sheet lending books which regulators had flaked banks for created greater leverages in the economy.

With the impending loss of a key product offering that has underpinned client discussions, banks are now pursuing alternative strategies in response, in an attempt to create a sense of continuity and create a more sustainable growth for themselves in the future.

There was China Merchants Bank’s (CMB) audacious response in telling markets it would now set up a standalone subsidiary to take over the risks and responsibilities for its RMB 2.17 trillion worth of outstanding WMPs.

The plan has not yet been approved by the banking regulator, but triggered much discussion in the market if that may provide a template for other banks to continue in the business.

With the existing portfolios of noncompliant assets, CMB’s management also said it would now attempt to ‘standardise’ and divert wealth into normal equity, fixed income and funds products. These would no longer be guaranteed, but ‘net asset value-based’ products, which would require investors to bear both profits and losses.

Meanwhile, more Chinese banks have now clearly stated they are shaking up their product platform, with fund-of-funds (FOF) or multi-manager products – the only kind of ‘pass-through’ products regulators would allow them to structure going forward – being a key area of interest.

At Bank of China Private Banking, further to FOF plans, the management went a step further, announcing plans to start tapping into artificial intelligence that may create portfolios of greater precision for clients, pairing behavioural analysis, client risk preferences with ‘one touch’ portfolio construction processes.

Interestingly, CMB also said it would now turn itself into a fintech company, mirroring a move pushed by Ping An Group, which had restructured itself from a financial holding group into a technology-centred financial business which is now looking to deepen its level of online-offline integration.

The broader industry, including CMB, Ping An, ICBC and more, has also come to a consensus; further to technology, they will need to integrate themselves into their parent groups’ resources better, so they could offer a “one bank” model to answer to Chinese clients’ needs.

As Mainland HNWIs are primarily still in the first-generation entrepreneur mode, more than investment products, they require corporate financing and M&A advice for the businesses they run. In addition, they have also started needing succession planning with trusts and insurance services to provide for their next generation as they advance in age.

It may still be early days for the banks to change their product-focused mentality into a more holistic set of wealth management focus for clients.

But it is in the cross-selling of these additional services, which will create better access to clients’ balance sheets, that the banks hope to generate better synergies and open the new lines of revenues that may be more sustainable for themselves for the future.

2018 promises a new beginning, with qualification. Nonetheless, industry players say it will be the anno domini for a new landscape for the wealth management market.
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Boom year for Asia’s private banks as Top 20 AUM surpasses US$2 trillion in 2017

A sustained market rally and robust client activity in 2017 translated into a year of gains for Asia’s private banks, whose combined assets under management (AUM) – excluding China onshore – surged past US$2 trillion for the first time.

The record-high AUM total of US$2.01 trillion marks a year-on-year (YoY) increase of 29%, and the second consecutive year that Asia’s Top 20 private banks have increased their combined AUM after a drop in 2015.

The Top 5 grouping of UBS Wealth Management, Citi (incl. Gold, Private Client and Private Bank), Credit Suisse Private Banking, HSBC Private Banking, and Julius Baer remained unchanged in composition and ranking, with their combined AUM of US$1.08 trillion representing around half of the Top 20 total. UBS Wealth Management extended its lead at the top of the table with US$383 billion at the end of 2017, adding just under US$100 billion to its APAC book – equivalent to a mid-to-large-scale private banking business in Asia – including US$29 billion in net new assets (NNA).

Overall, AUM growth was underpinned by healthy NNA inflows in the Greater China market in particular, and was supported by positive market performance. Larger private banks benefited from account consolidation prior to the introduction of the OECD’s Common Reporting Standard in Asia in 2018, although global regulatory tightening, including Indonesia’s tax amnesty which concluded on 31 March 2017, prompted some cross-border outflows. Further, a number of private banks in the region spent the better part of the year exiting or downgrading smaller or dormant accounts.

High net worth wealth creation in APAC, which grew at a CAGR of 9.8% since 20131, continues to be in line with AUM growth, which grew at a CAGR of 9.9% over the same period. This is a fact that not only underlines the region’s promise but also highlights the challenge private banks face to capture wallet share, especially as non-traditional, digital players capable of providing asset allocation solutions at a low cost and Chinese institutions enter the offshore fray.

Meanwhile, domestic Chinese private banks continue to grow at a markedly faster clip than offshore private banking businesses. China’s Top 5 onshore players increased their total AUM at a CAGR of 25.5% (2013-2017) versus Asia’s (ex-China onshore) Top 5 CAGR of 7.4%. Even so, growth rates for the Chinese industry slowed as regulators put a halt to the sale of ‘guaranteed’ wealth management products that have driven AUM growth.

As with previous years, those banks that pursued an inorganic growth strategy increased their AUM at a higher rate on average (+43%) than those that relied on organic growth (+27%) although the former figure is inflated by LGT’s acquisition of ABN AMRO’s private banking business in Asia and the Middle East and does not take into account Indosuez Wealth Management’s acquisition of Crédit Industriel et Commercial’s (CIC) private banking business in Hong Kong and Singapore. The Indosuez-CIC deal boosted the French private bank’s Asia AUM to an estimated US$15 billion at the end of 2017.

¹ Source: Capgemini, APB estimates
Top 20 private banks in Asia (ex-China onshore): AUM (US$ billion)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bank</th>
<th>YoY % Change</th>
<th>2017</th>
<th>2016</th>
<th>2013-2017 CAGR</th>
</tr>
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<tr>
<td>1</td>
<td>UBS Wealth Management</td>
<td>33.6%</td>
<td>382.7</td>
<td>286.4</td>
<td>11.8%</td>
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<td>2</td>
<td>Citi</td>
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<td>BNP Paribas Wealth Management</td>
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<td>Credit Suisse Private Banking</td>
<td>23.4%</td>
<td>202.1</td>
<td>163.8</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Total 2,007.5 1,554.4

Note: December 31, 2017 spot rates used to convert non-USD reporting currencies. CHFUSD: 1.026; SGDUSD: 0.748; EURUSD: 1.200

1. Source: Publicly reported figures
2. Source: APB estimates
3. Provided by the bank
4. Includes assets booked in Hong Kong, Singapore, Taiwan, Japan, China
5. Includes assets from Citigold, Citigold Private Clients and Citi Private Bank, includes assets booked in India
6. Includes assets booked in Hong Kong, Singapore, Australia, Japan, India, Switzerland
7. Includes assets booked in India
8. Includes assets from DBS Treasures Private Clients and DBS Private Bank
9. Includes assets booked in Australia
10. Excludes loans; includes assets booked in India
11. Includes assets booked in India
12. Includes loans

A. DBS completed the acquisition of ANZ’s Singapore, Hong Kong, China, Taiwan, Indonesia wealth businesses by February 2018.
B. OCBC completed the acquisition of NAB’s wealth business in Hong Kong and Singapore by November 2017.
C. LGT completed the acquisition of ABN AMRO’s Asia and Middle East wealth business by May 2017.
D. EFG completed the acquisition of BSI Hong Kong in 1Q17. BSI Singapore was completed by YE2016.
E. Indosuez completed the acquisition of CIC’s Hong Kong and Singapore wealth business by YE2017.
INDUSTRY

Universal vs pure play growth 2016-2017
Universal PBs increased by 28.4%
Pure play PBs increased by 35.9%

International vs Asian growth 2016-2017
International PBs increased by 27.1%
Asian PBs increased by 40.3%

Inorganic vs organic growth 2016-2017
42.7% inorganic AUM growth
27.0% purely organic AUM growth

1 Source: Capgemini Asia-Pacific Wealth Report 2017
2 APB estimates
LGT added approximately US$20 billion to its book as a direct result of the ABN AMRO transaction, with the pure play rounding out 2017 with US$63 billion in AUM (+116%). Indosuez Wealth Management, which ranks just outside of the Top 20, grew its AUM by 36% in 2017, largely due to its acquisition of CIC’s private banking franchise in Hong Kong and Singapore. DBS’s acquisition of ANZ’s retail and wealth management business across five markets contributed marginally to its Treasures Private Client and Private Bank AUM (US$109 billion), as did Bank of Singapore parent OCBC’s purchase of NAB’s private wealth business in Hong Kong and Singapore (US$99 billion). EFG also completed its acquisition of BSI Hong Kong, having finalised the Singapore portion at the end of 2016.

Of those banks that have pursued an organic growth strategy in Asia for the past five years, Goldman Sachs Private Wealth Management (+17.9%, 5y CAGR), BNP Paribas Wealth Management (+17.7%, 5y CAGR), Morgan Stanley Private Wealth Management (+11.8%, 5y CAGR), UBS Wealth Management (+11.8%, 5y CAGR) and Credit Suisse (+11.4%, 5y CAGR) have registered among the strongest growth rates.

Meanwhile, Julius Baer, whose acquisition of Merrill Lynch’s International Wealth Management business outside the US in 2012 (completed in 2015) catapulted the Swiss bank up the rankings, reaped the benefits of heavy hiring over the past 24 months, with new joiners transferring over 65% of their book on average, helping to bolster the Swiss pure play’s AUM to a total of US$115 billion, or a 5y CAGR of 12.4%. By this measure, Julius Baer is the region’s largest pure wealth manager by some distance.

Elsewhere, Deutsche Bank Wealth Management shrugged off a challenging 2016 during which its regional AUM dropped, to record a YoY increase of 24% to US$59 billion.

While buoyant markets set the scene for strong transactional volumes and revenues in 2017, the vast majority of Asia’s private banks, wary of revenue volatility and regulatory tightening, doubled down on their managed solutions businesses, driving fund and discretionary portfolio management penetration rates in the region higher. A number of players rolled out flat fee advisory offerings — or are in the process of doing so. Notably, Credit Suisse’s CS Invest solution pulled in more than US$3 billion in AUM less than 10 months after its launch.

Combined, pure play private banks registering in the Top 20 grew their AUM by 36% YoY, outpacing their universal counterparts, whose combined AUM increased by 28% over the same period. The discrepancy was magnified by LGT’s ABN AMRO acquisition. Union Bancaire Privée, whose purchase of Coutts International in 2016 added approximately US$11 billion to its Asia book, ranked outside of the Top 20 for 2017, but nevertheless increased its AUM by 21% YoY to US$14.3 billion.

Asia-headquartered private banks, whose combined AUM jumped 40% in 2017, continue to grow at a faster rate than their international players. DBS (incl. Treasures Private Client and Private Bank; +34%), CMB Private Bank (+41%) and UOB Private Bank (+33%) all beat the international average of 27%.

### Top pure play private banks in Asia (ex-China onshore): (US$ billion)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bank</th>
<th>2017</th>
<th>2016</th>
<th>YoY % Change</th>
<th>2013-2017 (5y) CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Julius Baer</td>
<td>115.0</td>
<td>82.4</td>
<td>39.6%</td>
<td>12.4%</td>
</tr>
<tr>
<td>2</td>
<td>LGT</td>
<td>63.0</td>
<td>29.1</td>
<td>116.5%</td>
<td>35.5%</td>
</tr>
<tr>
<td>3</td>
<td>EFG Bank</td>
<td>21.1</td>
<td>15.1</td>
<td>39.9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>4</td>
<td>J. Safra Sarasin</td>
<td>19.2</td>
<td>15.3</td>
<td>25.4%</td>
<td>11.6%</td>
</tr>
<tr>
<td>5</td>
<td>Pictet Wealth Management</td>
<td>16.0</td>
<td>12.75</td>
<td>25.5%</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>UBP</td>
<td>14.3</td>
<td>11.8</td>
<td>21.2%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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**ASIAN PRIVATE BANKER**  
13
Deutsche Bank Wealth Management

Although Deutsche Bank Wealth Management has long been a mainstay on Asian Private Banker’s AUM League Table, widely-reported difficulties in 2016 saw it falter, giving rise to questions over its long-term survival in Asia. A series of booking centre closures, including in Japan and Australia, didn’t help matters optically. But while the bank has yet to assuage its doubters, Lok Yim, APAC wealth management head, has embarked on a hiring and communications blitz. In 2017, the private bank added 25% to its Asia RM headcount which hit 250 – and the drive is yet to slow, with Yim making a number of NRI-focused additions earlier this year and fleshing out the back and middle offices across Hong Kong, Singapore and Dubai. Deutsche Bank WM is also pursuing a digital revamp of sorts and the change of leadership at the very top of the bank – John Cryan is out and former wealth management and commercial banking boss Christian Sewing is in – may bode well for the German lender, which has stated on record that it will focus on building its wealth management business in key markets, including Hong Kong and Singapore.

China Minsheng Banking Corporation

A wealth management giant in China’s onshore market with AUM totalling CNY 306.9 billion, China Minsheng Banking Corporation (CMBC), if it has its way, will soon be a force to reckon within the offshore market. After launching its Hong Kong-based wealth management centre in September 2017, it has already grown its client base 42% to 730 as of April 2018, selling some US$290 million in high-end insurance policies in the same period. But CMBC’s real target – given its 22-year focus on SME banking – is the upper-tier entrepreneur space, with the bank currently boasting the highest AUM per capita domestically. Organisationally, the private bank has stated that it is not a mere distribution channel for its investment bank, but that wealth management will be a key focus with investment banking as a feature, and has been picking the brains of an international bank well-known for its ‘one bank’ model. Its sweet spot? The Pearl River Delta.

Union Bancaire Privée

Union Bancaire Privée (UBP) made a brief appearance on the 2016 AUM League Table after it absorbed Coutts’ international business in what was, ostensibly, an Asia play. Its estimated US$14.5 billion in AUM in 2017 may be insufficient to keep it in the Top 20, but the bank has been prudent with costs, patiently picked up key hires along the way, and raised its brand cache. It has also made substantial headway with its North Asia business, increased advisory and DPM penetration rates markedly, and grown average monthly revenues over 15 times since the acquisition. Still, scale issues loom large, and it is no secret that CEO and owner, Guy de Picciotto, is hungry to make another acquisition in a bid to increase Asia’s share of AUM to 25% of the global total – despite slim pickings in the region. The bank’s Asia leadership believes it is well on track to achieve this; even so, odds are that UBP will be in the mix to make the next major purchase in the region.

Ones to watch for 2018
Pictet & Lombard Odier
Client acquisitions in 2017 aside, a bumper year for global markets, combined with relatively more aggressive lending by peers and concentrated investing, may have contributed significantly to AUM growth across the industry. Conservative pure plays such as Pictet and Lombard Odier are not configured to roar in such conditions.

Even so, both banks – Swiss wealth managers in the purest sense – continue to succeed in Asia organically, largely due to their sizeable discretionary portfolio management (DPM) businesses which are a significant source of (stable) revenue, notwithstanding support from their asset management arms.

Although few are calling for a major correction in equity or bond markets, margin calls could come into play for leveraged investments from more aggressive peers in 2018 – if risk management proves insufficient. In addition to pure capital loss, unhappy clients could pull out from banks that have been excessively optimistic, thereby impacting net inflows for the year.

By contrast, Pictet and Lombard Odier’s relatively stronger focus on DPM would suggest that both banks are well-positioned to make decisive positive moves within portfolios and cut losses earlier – a luxury that universal banks lack given their low DPM penetration rates and Asian clients’ tendencies to hold through volatile times if not sell low.

The case for an investment strategy making or breaking a bank’s overall performance is especially pronounced at Lombard Odier, where its DPM approach hinges on factor-based investing. Time will tell if central bank tightening will break correlations that have long been known to traditional 60/40 long-only managers, but if this reality materialises, LO could potentially withstand the turbulence from its commitment to focus on investing specifically in various factors that drive prices rather than in asset classes and sectors. Meanwhile, Pictet will soon welcome Boris Collardi into its fold, which could well prove a boon for its Asia business given his ties to the region.

Standard Chartered Private Bank
The next couple of years will be pivotal for the future of Standard Chartered Private Bank. Despite a blockbuster year for the industry, Standard Chartered Private Bank registered a US$1 million loss and net inflows of just US$2.2 billion globally, which offsets 2016’s net outflow of US$2 billion. Even in Asia, where stronger investor appetite and regional equities performance bolstered private banking AUM significantly across the market, Standard Chartered posted a mere 10% increase for 2017 - well below the average YoY jump of 29%. Bloomberg Gadfly, in May 2017, called StanChart’s private banking ambitions “a waste of time”.

But there are encouraging signs. The bank made significant inroads in 2017 – notwithstanding its troubled tech revamp – hiring 60 new frontline staff globally, driven primarily by its Greater China and North Asia unit. The private bank reportedly upped its minimum requirements from US$2 million to US$5 million, globally. While this may have contributed to StanChart’s relatively torpid AUM growth, it also signals a future with higher cost efficiencies. Sources indicate that the bank is also ramping up its product platform, at least within funds and discretionary portfolio management (DPM), to bolster its competitiveness. Its US$1 million loss last year was attributed to greater investment, not only in people, but in new systems to enhance its business – again, questions remain around the scope and timeline of its wealth management and private banking tech project. The recently announced exit of its private banking and commercial CEO, Anna Marrs, potentially indicates a fresh start for the business. Bill Winters, group CEO told Asian Private Banker, at a Credit Suisse conference no less, that the brand, while “tarnished” in some markets, remains “aspirational” for Asia’s wealthy. StanChart Private Bank’s next moves will be crucial.
AUM growth slows for China’s biggest private banks

Assets under management (AUM) at China’s largest private banks continue to grow at double-digit rates, carried by Chinese HNW clients’ robust asset generation. However, the industry’s growth in 2017 was visibly moderated compared to headier times of yesteryears, as Chinese regulators stepped up regulatory tightening on banks’ wealth management activities in the second half of last year.

Agricultural Bank of China (ABC) Private Banking and Shanghai Pudong Development Bank (SPDB) Private Banking were the only exceptions among the Chinese majors to post a higher level of growth in 2017.

ABC crossed the trillion yuan mark for the first time with 25% growth in 2017, compared to 1.3% in 2016, with its latest AUM reaching RMB 1.03 trillion. Shanghai-based SPDB grew its AUM by 35% year-on-year (YoY), compared to 17.6% in 2016, with its latest total AUM reaching RMB 460 billion.

Meanwhile, AUM growth at China Merchants Bank Private Banking, the nation’s largest private bank, more than halved from 32.5% in 2016 to 14.8% in 2017. Its total AUM reached RMB 1.91 trillion at year-end — sufficient for the bank to retain its place at the top of the industry league table.

At second place, ICBC Private Banking said its growth dipped to 10.1% in 2017, compared to 13.8% in 2016, with its latest AUM reaching RMB 1.3 trillion. The bank told markets it would transform its business model.

Rounding out the top three, Bank of China Private Banking posted AUM growth of 20% last year, down from 23.5% in 2016, bringing its total to RMB 1.2 trillion.

Of those outside the top grouping, China Construction Bank (CCB) Private Banking reported a drop in growth in 2017 to 19.6%, from 26.2% previously, as did China CITIC Bank Private Banking, whose AUM growth reached 25% in 2017, versus 31.6% in 2016. CCB closed out the year with to RMB 940.2 billion in AUM, while China CITIC’s total reached RMB 402.5 billion.

China Minsheng Banking Corporation’s private banking arm saw its total AUM increase by 3.3% to RMB 306.9 billion. The bank did not provide a further breakdown for its Hong Kong activities. Bank of Communications and Ping An Bank did not provide performance breakdowns for their private banking businesses.

**2017 snapshot: Top 5 private banks in China**

<table>
<thead>
<tr>
<th>Bank</th>
<th>2017 AUM (RMB billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Merchants Bank Private Banking</td>
<td>1,910</td>
</tr>
<tr>
<td>ICBC Private Banking</td>
<td>1,300</td>
</tr>
<tr>
<td>Bank of China Private Banking</td>
<td>1,200</td>
</tr>
<tr>
<td>Agricultural Bank of China Private Banking</td>
<td>1,003</td>
</tr>
<tr>
<td>China Construction Bank Private Banking</td>
<td>940.2</td>
</tr>
<tr>
<td>China CITIC Bank Private Banking</td>
<td>402.5</td>
</tr>
</tbody>
</table>

As of 2017, the top five private banks in China had an aggregate AUM of RMB 6.93 trillion, compared to RMB 5.81 trillion in 2016.
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Asia's Top 20 private banks by relationship manager (RM) headcount excluding China onshore collectively increased their frontline by 7% in 2017, maintaining 2016’s growth momentum and bringing the region’s total Top 20 RM number to 5,843.

UBS Wealth Management, Asia’s largest player by assets under management (AUM), is also the biggest employer of private bankers, with 1,037 client advisors or RMs in the region, although net additions in 2017 were minimal (+2% YoY), following a 7% drop in 2016.

Rival Credit Suisse, meanwhile, shaved its frontline headcount in 2017 by 8%, rounding out the year with 590 RMs in Asia. The decline was the largest recorded by any bank in the Top 20, and came as the Swiss major pursued a productivity drive, as evidenced by a 34% YoY increase in its AUM per RM.

The Singaporean triumvirate of DBS, Bank of Singapore and UOB ranked among the most active hirers in 2017. With 144 RMs in 2017, UOB Private Bank posted an increase of 15% following a 98% jump in 2016, while DBS, which acquired ANZ’s retail and wealth unit in five Asia markets, grew its frontline by 18%. Bank of Singapore recorded a net addition of 34 RMs, bringing its total in Asia to 430, up almost 9%.

Acquisitions had a marked impact on the frontline numbers. Those banks that concluded an M&A transaction in 2017 grew their combined RM headcount by 26% versus a 4% increase for the balance of the Top 20. LGT’s purchase of ABN AMRO’s Asia and Middle East private banking business contributed to an 88% increase to its RM headcount, from 106 in 2016 to 199 in 2017, pushing the pure play up to 12th in the rankings. Indosuez Wealth Management recorded a 79% leap in the number of private bankers it employs in Asia, following its acquisition of CIC’s Hong Kong and Singapore business. And EFG, which bought BSI, bulked out its Singapore office in particular, raising its total RM headcount in Asia by 18% YoY to 109.

Recruiter views
Predictably, recruiters in Hong Kong and Singapore who spoke Asian Private Banker cited the region’s largest players as the most active hirers in 2017.
"Most banks are still hiring as they’re looking to grow AUM. Banks such as UBS, Credit Suisse and LGT have been significant hirers over the last year," said Jonathan Hollands, managing director at Carraway Group. Others pointed to Julius Baer and Bank of Singapore as major hirers in 2017.

In terms of seniority, directors with eight-to-nine years of experience were the most sought after, according to Amod Jain, regional lead, private banking at Morgan McKinley. Executive directors, while in great demand, are typically scarcer. Further, Hollands observed that private banks in Asia have cut back on hiring at the managing director level for cost reasons.

Chinese bankers are also in hot demand given the country’s swelling wealth pool.

“The shift to Chinese nationals is because [private banks] figure it is much more effective to manage and develop the Chinese network with people who intimately understand the unique business culture and behaviours of Chinese clients,” said Liu San Li, head of banking at BTI Executive Search Singapore.

Similarly, Norris Wong, senior consultant in banking at Hays Hong Kong, pointed out that the hiring focus remains “centred” on the Greater China market given its strategic importance in the region.

Elsewhere in the region, the Philippines and Thailand markets have been hotbeds for hiring, although quality talent onshore remains in short supply. Even so, a number of recruiters pointed to the steady stream of domestic bankers in both countries being shifted to Singapore to oversee their respective markets.

### Top 20 private banks in Asia (ex-China onshore): RM Headcount

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bank</th>
<th>YoY % Change</th>
<th>2017</th>
<th>2016</th>
<th>2013-2017 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UBS Wealth Management ¹</td>
<td>2.1%</td>
<td>1,037</td>
<td>1,016</td>
<td>0.1%</td>
</tr>
<tr>
<td>2</td>
<td>Credit Suisse Private Banking ¹</td>
<td>-7.8%</td>
<td>590</td>
<td>640</td>
<td>5.8%</td>
</tr>
<tr>
<td>3</td>
<td>HSBC Private Banking ²</td>
<td>0.0%</td>
<td>470</td>
<td>470</td>
<td>1.1%</td>
</tr>
<tr>
<td>4</td>
<td>Bank of Singapore ² - A</td>
<td>8.6%</td>
<td>430</td>
<td>396</td>
<td>9.4%</td>
</tr>
<tr>
<td>5</td>
<td>Julius Baer ²</td>
<td>5.3%</td>
<td>400</td>
<td>380</td>
<td>13.7%</td>
</tr>
<tr>
<td>6</td>
<td>Citi ² - ³</td>
<td>10.2%</td>
<td>358</td>
<td>325</td>
<td>-5.6%</td>
</tr>
<tr>
<td>7</td>
<td>DBS ² - ⁴ - B</td>
<td>18.0%</td>
<td>354</td>
<td>300</td>
<td>13.3%</td>
</tr>
<tr>
<td>8</td>
<td>Standard Chartered Private Bank ²</td>
<td>2.6%</td>
<td>350</td>
<td>341</td>
<td>6.7%</td>
</tr>
<tr>
<td>9</td>
<td>Morgan Stanley Private Wealth Management ² - ⁵</td>
<td>20.7%</td>
<td>298</td>
<td>247</td>
<td>-1.0%</td>
</tr>
<tr>
<td>10</td>
<td>BNP Paribas Wealth Management ²</td>
<td>-0.7%</td>
<td>268</td>
<td>270</td>
<td>5.9%</td>
</tr>
<tr>
<td>11</td>
<td>Deutsche Bank Wealth Management ²</td>
<td>25.0%</td>
<td>250</td>
<td>200</td>
<td>5.7%</td>
</tr>
<tr>
<td>12</td>
<td>LGT ² - C</td>
<td>87.7%</td>
<td>199</td>
<td>106</td>
<td>35.5%</td>
</tr>
<tr>
<td>13</td>
<td>UOB Private Bank ²</td>
<td>15.2%</td>
<td>144</td>
<td>125</td>
<td>N/A</td>
</tr>
<tr>
<td>14</td>
<td>J.P. Morgan Private Bank ²</td>
<td>0.0%</td>
<td>135</td>
<td>135</td>
<td>2.4%</td>
</tr>
<tr>
<td>15</td>
<td>Indosuez Wealth Management ² - D</td>
<td>78.6%</td>
<td>125</td>
<td>70</td>
<td>N/A</td>
</tr>
<tr>
<td>16</td>
<td>EFG Bank ¹ - E</td>
<td>18.5%</td>
<td>109</td>
<td>92</td>
<td>12.1%</td>
</tr>
<tr>
<td>17</td>
<td>Goldman Sachs Private Wealth Management ²</td>
<td>-3.3%</td>
<td>88</td>
<td>91</td>
<td>5.9%</td>
</tr>
<tr>
<td>18</td>
<td>J. Safra Sarasin ²</td>
<td>11.5%</td>
<td>87</td>
<td>78</td>
<td>N/A</td>
</tr>
<tr>
<td>19</td>
<td>CMB Private Banking ²</td>
<td>12.5%</td>
<td>81</td>
<td>72</td>
<td>N/A</td>
</tr>
<tr>
<td>20</td>
<td>UBP ²</td>
<td>4.5%</td>
<td>70</td>
<td>67</td>
<td>N/A</td>
</tr>
</tbody>
</table>

| Total | 5,843 | 5,459 |

---

1 Source: Publicly reported figures  
2 Source: APB estimates  
3 Includes RMs from Citigold, Citigold Private Client and Citi Private Bank  
4 Includes RMs from DBS Treasures Private Clients and DBS Private Bank  
5 Includes RMs in Australia  
6 OCBC completed the acquisition of NAB’s private wealth business in Hong Kong and Singapore by November 2017  
7 DBS completed the acquisition of ANZ’s Singapore, Hong Kong, China, Taiwan, Indonesia retail and wealth businesses by February 2018  
8 LGT completed the acquisition of ABN AMRO’s Asia and Middle East private banking business by May 2017  
9 Indosuez completed the acquisition of CIC’s Hong Kong and Singapore private banking business by YE2017  
10 EFG completed the acquisition of BSI Hong Kong in Q2017. BSI Singapore was completed by YE2016
Average AUM per RM hits US$341 million

R M productivity, as a measure of average AUM per RM, increased in 2017, with the average book size per RM climbing 14% from US$298.3 million in 2016 to US$341 million last year.

Goldman Sachs Private Wealth Management, which focuses on the ultra high net worth segment, continues to top the rankings with AUM per RM of US$988.6 million, up from US$769.2 million in 2016. At the same time, the bank saw net decline in its RM numbers of 3%, to 88 in 2017.

Fellow American players, Citi (incl. Gold, Private Client and Private Bank) and J.P. Morgan Private Bank round out the top three, both recording AUM per RM increases, with the latter’s number jumping 25% to US$629.6 million in 2017 even as net hires at the private bank remained flat.

Elsewhere, Julius Baer, whose heaving hiring in 2016 contributed to a substantial asset inflow with new joiners transferring over 65% of their books on average, grew AUM per RM by 33% YoY to US$287.5 million, while CMB Private Banking, a new entrant to the table, boasted AUM per RM of US$453.1 million, an increase of 25%.

### Top 20 average AUM per RM

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bank</th>
<th>YoY % change in AUM per RM</th>
<th>2017 AUM</th>
<th>2017 RM</th>
<th>2017 AUM per RM (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goldman Sachs Private Wealth Management</td>
<td>28.5%</td>
<td>87.0</td>
<td>88</td>
<td>988.6</td>
</tr>
<tr>
<td>2</td>
<td>Citi</td>
<td>6.6%</td>
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<td>4</td>
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<td>BNP Paribas Wealth Management</td>
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<td>Morgan Stanley Private Wealth Management</td>
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<td>Julius Baer</td>
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<td>115.0</td>
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<td>34.3</td>
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<td>16</td>
<td>Deutsche Bank Wealth Management</td>
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<td>Bank of Singapore</td>
<td>15.4%</td>
<td>99.0</td>
<td>430</td>
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<td>18</td>
<td>J. Safra Sarasin</td>
<td>12.4%</td>
<td>19.2</td>
<td>87</td>
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<td>EFG Bank</td>
<td>18.1%</td>
<td>211</td>
<td>109</td>
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BEST
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ETF overconcentration? Noah Holdings vs. iShares

William Ma  
chief investment officer  
Noah Holdings

While Asia’s major private banks typically believe that the technical-driven sell-off has already passed, Noah Holdings’ CIO, William Ma, has told Asian Private Banker that the overconcentration of passive strategies is likely to trigger the next equity correction.

According to Bloomberg data, more than a third of all assets in the US are in passive funds, up from about 20% a decade ago. In the first half of 2017, flows out of active and into passive funds reached nearly $500 billion.

"The thing that worries me most is the combined impact from growing market participation from the passive investing, such as indices and ETFs, and the concentrated rally of large cap growth stocks, such as FAANG (Facebook, Apple, Amazon, Netflix, Google), in the past few years," Ma said.

"As we have witnessed recently, the power of [ETF selling], due to investors [redeeming], plus stop losses from the quantitative funds could escalate the daily volatility of the market and this ripple effect could trigger further stop losses and selling."

If this redemption of passive funds continues, the “second leg of market correction” is likely to be generated by short selling, as some strategies, such as commodity trading advisors (CTAs), are adding short exposures, Ma added.

Additionally, the CIO noted that there are other potential triggers for another round of corrections in equity markets, given that good news is already priced in and a decent amount of profits are sitting on the sidelines. Further, valuations of equity markets are at a record high, although global fundamentals have been improving.

"The easy money has been made," Ma said, pointing out that S&P 500 had quadrupled from its low in 2009. He added that the benchmark’s P/E ratio currently stands at about 25X, setting the foundation for another market correction.

Noah Holdings has been taking profits for clients in their actively managed portfolios since late last year when equity markets saw record highs.

Going forward, Ma believes Asian equities will continue to offer favourable risk-adjusted returns on account of strong domestic consumption growth, middle-class consumption upgrade, and global economic recovery.

With regard to Asia, Noah is positive on China, where there has been a transition from an L-shape to a U-shape recovery.

Equity markets across the globe experienced a collapse in early February, yet most private banks in the region believe that the recent rebound stands as fair evidence that the previous sell-off is technical-driven.

“For the moment, we think the market should be able to work through its ‘growing pains’,” UBS Wealth Management said in a recent investment note.

“While recent high-frequency economic data suggests that wage growth and inflation are rising, there is scant evidence of an overheating economy. Inflation expectations are still compatible with the Fed hitting its 2% target over the long run, and the Fed is willing to tolerate a modest overshoot in the short run,” it continued.

Julius Baer echoed this view in an exclusive investment note to Asian Private Banker. “We maintain our bullish view on equities and view any setback as an attractive entry point,” the bank said.

It also added that its latest bullish outlook is underpinned by the robust earnings season seen in the US market. The performance has been the best in over a decade.
ETF overconcentration? Too little assets to move markets: iShare’s Cunningham

Contrary to the belief that there is a growing risk of overconcentration in ETFs in markets, iShares believes such worries are far from valid.

In an exclusive conversation with Asian Private Banker, the asset manager stressed it relatively minor size as a price mover, while highlighting its demonstrated function as a liquidity provider and cushion against volatility.

“Certainly no overcrowding”

“When we look at markets, index investing represents less than 20% of global equities with index funds and ETFs making up 12% and 7% US and global equities, respectively. Given this relatively small portion, we are of the opinion that there is certainly no overcrowding in terms of size and that ETFs are not the driving force behind valuations,” said Sean Cunningham, APAC head of capital markets and fixed income at iShares.

Absolute size aside, Cunningham said that the gap in trading volume is all the more evident in testifying to the role ETFs play in price discovery. For every US$1 being traded in index funds, there exist some US$22 of trades by active security selectors in the markets.

“Not to mention: there is an active top-down decision being made by investors on asset allocation, whether the decision is to implement through a passive instrument or not, which is the true driver of price discovery and valuations,” Cunningham added.

Liquidity provider in distressed times

Further to the relatively small size of ETFs and their limited contribution to volatility, Cunningham said that the passive vehicle provides a balancing effect during distressed market conditions.

“Contrary to popular concerns about passive vehicles’ potential contributions to volatility, ETFs have in fact provided a cushion in certain distressed situations,” he explained.

Cunningham recalls a short-lived liquidity crunch for the US high yield market in 2015, amid falling energy prices and an uncertain Fed rate policy, which also affected redemptions from active funds. During this period, iShares closely monitored the market as well the corresponding passive exposure it provided through its own ETF.

“Effectively, over that period of time, the [exchanged-traded] fund traded four times [of] the average daily trading volume – at more than US$4 billion on the secondary market. People were using [the iShare ETF] for price discovery or offloading risk without any material impact on the underlying market. This is a classic example to demonstrate that ETFs not only do not contribute to volatility in distressed situations but, in fact, provide a cushion.”

Investors’ concerns on the risks in passive funds have been especially pronounced during the recent equity correction when exchange-traded products (ETP), invested in short volatility positions, exacerbated a drawdown that was triggered by renewed inflation expectations.

iShares said that, in the period between February 5 and 9, US-listed equity ETFs traded over US$1 trillion on the secondary market, yet only experienced US$30 billion of redemptions.

“We are well aware of the recent unwinding of ETP positions on the VIX and volatility, and it is crucial to understand that there is a very big difference between these exchange-traded notes and physically-backed ETFs,” Cunningham said.

“Especially in distressed conditions, ETPs do not necessarily behave in the same way as ETFs. Over that period (5-9 Feb), the ETFs that we have provided a source of extra liquidity and traded in a very methodical and structured way.”
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Over 100 investment experts attended Asian Private Banker’s Discretionary Portfolio Management Leaders Conversation, which concluded last week in Hong Kong and Singapore.

We would like to thank all the attendees and partners for making these events such a remarkable success. And, of course, special thanks go to our esteemed conversation catalysts for another year of fantastic discussion.
Francesco de Ferrari has overseen Credit Suisse’s APAC private banking business since 2012. He has also received, on behalf of the bank, Asian Private Banker’s Best Private Bank – APAC award for three consecutive years. But that’s history. Francesco sat with Asian Private Banker to discuss the future of wealth management in Asia and the decision by Credit Suisse to operate under an integrated model in the Asia Pacific.

Francesco, first, congratulations on a strong 2017 and on taking home the Best Private Bank — APAC award once again. Thank you. We have built a fantastic business, with the breadth of our platform, and especially the strength and stability of the team and the quality of our people — the award is theirs.

The industry as a whole posted record performances in 2017. That fact should not leave us complacent because, whether we like it or not, this industry is changing rapidly and there is a tendency to go back to some of the past hypes.

Record performances in one year can translate into tougher targets the next. Do you have the business momentum, and is the market environment right, to keep delivering record performances? The year has started positively with high levels of activity.

Beyond P&L, we need to start measuring investment performance and client satisfaction alongside revenues. This is going to be an interesting focus in the coming few years.

We have spoken about this before, and it is an important point. The difficulty is that client satisfaction is very personal and predicated on some ‘fuzzy’ variables that may be difficult to standardise. We must tie our overall performance measurement to our ability to satisfy clients’ investment objectives. This is a more complicated approach to operationalise because, essentially, satisfaction is specific to the individual client, but we are looking at different ways to do this.

I think this is going to be one of the biggest challenges for our industry over the next five years. Can we, as banks, start building more emotional connections with our clients that will allow us to retain the trusted advisor role, especially as new technologies emerge that are capable of dealing with the asset allocation piece of the business? This is a big change that we will all need to go through.

So is this notion that traditional wealth managers need to do more to emotionally connect with clients a direct response to the challenge posed by non-traditional players or has it always been part of the equation? Good RMs have always done this. They have always gone beyond being pure investment advisors by embedding themselves in clients’ lives, families and businesses.

To take this to the next level, we need to industrialise the process. The first bank that can do this will do very well for itself.

What is Credit Suisse doing to ensure that it is ‘first’? It’s early days. We have defined a high-level five-year vision for how we will transform our business, and we are now filling in various elements of that strategy with content. Connecting with clients emotionally around the business, investments and the personal side is clearly one element; measuring performance against those objectives is another, and then being able to reward our people based on how they fulfil these objectives is another part. And it all needs to fit together.

Will this make sense to shareholders? I think, ultimately, it has to make sense to shareholders.

Let’s take a step back and look at the private bank’s performance in recent years and what this tells you about the bank’s decision to run an integrated model in APAC. Has the gambit paid off? We compare ourselves with competitors that also publish results for...
Asia. Unlike in 2016 when we were up and others were down, most banks performed positively in 2017 given the market environment. What has been interesting for us is that we continue to retain some element of alpha even in a positive environment.

I think when you look at our revenue components, net interest income (NII) grew 3% YoY which is less than in the past. That reflects increased competition — we see a lot of liquidity from other banks. On the business side, that makes competing for balance sheet items slightly more challenging. On the risk side, it provides us with the ability to operate in a lot more liquid markets, which is good because it allows us to syndicate out the risk. So you will see that, at the Wealth Management and Connected (WMC) level, which includes Private Banking, Advisory and Underwriting and Financing, we were able to grow NII with almost the same level of RWA.

In other words, we have been able to increase our capital efficiency. Return on regulatory capital from WMC in Asia increased from 22% to 30% — that’s a huge number for any business. Together with International Wealth Management, we are the highest returning business in a world of scarce resources.

Looking a little closer at revenue growth, you have grown your recurring commissions significantly. How important is this?
The fact that we grew our recurring commissions and fees by 19% YoY is extremely positive, and our discretionary portfolios have been a positive contributor to this.

More benchmarking would be useful, but our discretionary mandates have doubled in volumes over the last three years, and 89% of our Private Mandates outperformed their internal benchmarks on a three-year period, which is important from a client perspective. So the fact that discretionary mandates are starting to deliver, and that CS Invest, while just starting, is starting to gain traction with clients [the solution had more than USD 3 billion in AUM in less than 10 months after launch], provides a lot of stability to the business, which then ultimately translates into higher returns.

But again, what does your outperformance in a variety of market conditions say about the bank’s decision to run an integrated model in APAC?
We have been able to deliver these results while undergoing one of the biggest organisational transformations that I have seen in my 30+ year career. We took a private bank that rolled up to a global division and blended it with investment banking into an Asia division. That is a huge change.

We did a Pulse survey with around 2,000 private banking employees in the region at the end of last year, for the first time in a few years. Interestingly, more than 90% said they have a good understanding of our divisional and Private Banking strategy, that they see our Entrepreneurs’ Bank strategy will really make a difference for clients, they are very confident not just in the leadership but also what our business is going to look like in the next three years, and how they can personally contribute to this strategy.

For me, it was a pleasant surprise as normally, considering the amount of change the bank and the industry have gone through, you might not get such high level of acknowledgement and support.

The fact that we have such a clear positioning, such a consequent strategy, and the numbers are delivering — we are a little bit in a magic spot at the moment, which is a very nice place to be.

What leaves me hopeful about the future and our ability to maintain this alpha and outperformance are the structural competitive advantages of our business which are very hard to replicate.

First, we have an empowered APAC division that is unlike what any other player has. What this means is that we allocate capital in the region and take big credit decisions in Asia with people who understand the volatility of these markets. We own our IT platforms here, which should allow us to be more nimble in capturing the diverse opportunities in the region. Meanwhile, some other players are investing substantially in global platforms, so there is clearly a big divergence in strategy among banks.

Second, we report one P&L together with Investment Banking and Capital Markets and have coordinated coverage between IB and PB, which enables us to leverage the hundreds of investment bankers we have in the region who, by the way, are licensed and sitting in domestic markets, for example in Manila, Kuala Lumpur and Jakarta, are interacting with clients on their corporate matters and refer them to private banking for their wealth management needs. Again, people underestimate this. The fact that we can jointly run the business together allows us to improve productivity: in 2017 revenues, assets and profit per RM all increased anywhere between 20 and 30%.

Third, and this goes back to your question before on capital and the velocity of capital, is the fact that we have a single financing group for all of Asia which is extremely important. Whereas before we could use the PB, IB or Markets risk books and arbitrage, now there is one structuring team. When the client comes in with a request, the structuring team can provide the best solution across the client’s private wealth and corporate holdings. This kind of service does not exist anywhere else on the street. And the potency of this one-team approach to structuring is already gaining recognition, even if we don’t have the biggest balance sheet.

To have a team that really looks across all these matters has helped us become a lot more diligent with our capital and risk. There are lots of banks that try to copy, but it’s hard to do so unless you have the setup.

The fourth point is that we took our PB sales and trading unit and integrated it into Markets, so increasingly we will be able to bring institutional quality investment advice to top private clients. This helps us with our revenue agility, as we now sit on top of institutional flows and are able to use those to guide our private clients and come up with creative new ideas.

Let’s talk about at your strategic priorities for onshore markets, especially Thailand and the Philippines. What are your targets for these onshore plays?
There are three markets where the AUM has to reach a certain threshold in the medium-to-long term and to have specific products tailored to the market. Thailand and the Philippines are two of them.

In the case of Thailand, we are very happy with our progress to date. We were a first-mover, and the regulator has been very supportive about opening up the market, which means that we were afforded access to a talent pool that was previously out of reach. We hope to achieve the same growth in the Philippines.
And the Philippines offering, more or less, will be a carbon copy of what you are doing in Thailand?

It is slightly different. In Thailand, we were able to put licensed people in our security entity and fully advise onshore while the client has a domestic account as well as an investment account in Singapore for international investments. In the Philippines, our plan is to have a representative office, though the local regulations allow for a wider in scope in terms of our activities.

Fair to say that the Philippines is a relatively challenging market to penetrate, considering its geographic, ethnic and lingual complexities?

In the Philippines, local banks have very big balance sheets and lend aggressively. In this sense, going into the Philippines and building relationships with entrepreneurs around just lending and doing the plain vanilla is more challenging. Our approach needs to be more advisory-led. In general, though, we cover each of the major Southeast Asian markets very well and are starting to branch out to second-tier cities, such as Cebu, which are proving to be very fertile grounds.

Is the Philippines market ready for Credit Suisse PB to meet its goals?

The market is absolutely ready. While entrepreneurs there are very domestically focused because there are so many opportunities in the country, some are coming outside of the country for global investments and business expansion, and that is really where we start to add value.

India is the other market that we feel is due for an update from Credit Suisse.

India is an interesting one. We have an onshore presence, of course, but overall we still need to decide how we can scale up significantly. This year we will reach a strategic resolution how to do that.

If you look at other international banks operating onshore in India, which in your view have found the ‘right’ formula?

I haven’t seen that, but then you could say the same about China, which is a very tough market to operate in. Getting the business model right is critical. We have the business model right in Japan and Australia. With regards to India, while other banks have exited, we made a conscious decision to maintain our onshore presence because we feel there is so much potential there. We have a full IB on the ground, a leading equities franchise, fixed income, a bank branch, so we have a lot of infrastructure that many of the local players do not, even though the cost of doing business is much lower for the local setups. We are slowly getting there.

You cite China as another difficult nut to crack, and we’ve spoken about this before, but do you feel you are getting closer to settling on a strategy and execution plan?

There are a number of things we are exploring. This new regulation that allows us to take a majority stake in a securities venture is a necessary first step in whatever we choose to do. We are taking (China) one step at a time.

Let’s look at some of the work CS is doing on the digital front. You continue to enhance DPB [digital private banking]; you launched CS Invest in APAC last year; and the Canopy deal, while not the first of its kind, potentially has interesting implications for the bank and the industry.

Generally, in terms of digital, you can develop the most fantastic technology, but you then need clients to actually use it. A lot of the work we are doing now is around driving adoption among clients and RMs and ensuring they are comfortable using the tools. So far, the results have been positive. We are starting to see a greater percentage of equities trading volumes go directly online. And, interestingly, when I look at CS Invest, roughly 80% of those clients are on DPB. So while there is still a lot of work to do to reach 100% client adoption, it’s all coming together.

Canopy is part of our five-year vision to connect emotionally with clients and to refine our purpose as a firm for clients in the wealth space — which is to make our clients better investors. This has to be our ultimate goal. Today, we are focused on helping clients become better investors with the assets they have with us – and CS Invest plays an important part in this regard, showing clients analytics on how they invest on their own versus how they would have done had they followed our recommendations more often or fully delegated to us.

With Canopy, we help our clients become better investors not only with assets that are under our custody but across all institutions. If you are honest and ethical about this business, there is no way you would tell a client to put all his assets with a single institution – that wouldn’t make sense from a diversification point of view.

Do you envisage any pushback from clients or rivals in terms of Credit Suisse systematically pooling this kind of information?

Good RMs are already doing it today. If you are able to position yourself as a trusted advisor, it’s natural for your client to ask for advice on portfolios across multiple banks. This is about taking something that happens perhaps sporadically and adding structure, process and value to it.

The real question is this: are you adding enough value for clients to be able to charge an advisory fee?

Finally, Francesco, you have run the private bank in APAC since 2012, which makes you one of the longer-serving CEOs in the region. Are you and your fellow leaders meeting your responsibilities as industry stewards?

Tough question and it’s personal, I would find it difficult to express an opinion on my fellow CEOs. We have spoken about this before; I buy every major product we launch. I hope that the fact we are trying to drive a more ethical business will resonate with clients and show through in better performance.

You have a belief that it is the right thing to do and you just do it. If I think about the mid-to-long-term, and if I look at the new generation and how they feel and talk, creating impact is very important. To some extent, this is where the future lies.
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J. Safra Sarasin: Add an ESG filter when investing in tech

J. Safra Sarasin is urging investors to add an investment filter for environmental, social and governance (ESG) considerations when investing in the technology stocks.

It said such a screening process might help them to mitigate risks, amidst the dangers for a potential correction in the sector after a recent surge in the markets.

The bank’s latest call to investors has come after the MSCI World Information Tech Index went up by 35.5% over the past twelve months, compared to the MSCI World’s 17.4% and MSCI ACWI’s 18.8% over the same period.

In particular, J. Safra Sarasin pointed out large-cap FAANG stocks (Facebook, Apple, Amazon, Netflix, Google) have a disproportionally high impact on the sector performance and account for the bulk of the recent surges in NASDAQ valuation.

"ESG skews our investment universe towards the quality factor," Tomasz Godziek, portfolio manager of sustainable technology disruptors strategy and senior investment analyst for equity research at J. Safra Sarasin, told Asian Private Banker.

"This is particularly relevant in industries such as IT, where firms often focus too much on top-line growth and forget about social and corporate governance aspects. In other words, in our technology investment approach, we focus on growth, but not [at] any cost. Such approach allows us to filter out the risky assets and focus on true, long-term winners," he added.

Godziek notes that, historically, most stock-pickers or portfolios managers have limited their analysis to traditional methods, such as the Capital Asset Pricing Model (CAPM) and Fama-French Three Factor Model. Less than 10% of them have been trained well to integrate the ESG Factor into investment processes.

"Just as behavioural economics contested neo-classical assumptions of economics, sustainable investing point[s] to the risks of ignoring non-financial factors," Godziek said, highlighting that, for the Swiss bank, sustainability is an integral part of the entire investment process.

"Business Information Modelling (BIM) is a specialised, cloud-based software, that allows all involved parties simultaneous, real-time access to the version of the building model and enables detailed cost control. Various countries, such as Norway and the UK, have made BIM mandatory for public construction projects," he added.

Additionally, Godziek said the automobile and maritime shipping sectors could be other beneficiaries of disruptive technology. The key to their uplift will stem from automation and blockchain solutions, in particular, he added.
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Conversation Partners: avaloq BearingPoint
Value Partners raises US$1.8 billion for Greater China high yield strategy from PBs

Value Partners, the asset management firm, raised US$1.8 billion for its Greater China high yield strategy in 2017. The funding came from private banking clients in Asia amidst investors’ persistent search for yield in a rising but still low-rate environment.

The strategy, named ‘Value Partners Greater China High Yield Income Fund’, launched in March 2012. As of the end of January 2018, it had US$5.2 billion in assets under management (AUM). The fund targets lower rated, less-researched and under-covered credits in Greater China.

Eric Poon, head of sales at Value Partners, confirmed the subscription volumes. He said that the US$1.8 billion of gross inflow was sourced from Asia’s private banks, with the annual net inflow sitting around US$1 billion.

“The demand from Asian private banking clients for solutions that focus on Greater China High Yield was very keen in the past 12 months,” Poon told Asian Private Banker.

“[The strategy] offer a regular and stable monthly income payout of around 8% p.a. (USD class), which was the highest among the peers.”

Opportunities in China bonds?
Although China’s debt issue remains a concern, the asset manager believes the situation is well under control, especially given the government’s deleveraging efforts.

“We have signs of stabilisation in the growth of nonperforming loans among major Chinese lenders,” Wallace Tsang, managing director, intermediary business, Value Partners, told Asian Private Banker.

“For China, consumer loan growth (also under government control) is much higher than business loan growth, and hence, at the company level, the issue is much less of a concern.”

In terms of bond picking, the asset manager favours the Chinese property sector and expects it to further stabilise in 2018 on the back of solid demand and policy controls.

“Leading developers will continue to benefit as mega-consolidation in the sector continues to fasten and deepen,” Tsang said.

“Among the Chinese property sector, we prefer names with good financing capabilities, good quality assets, and mid-to-small caps with better financial discipline.”

Although rising volatility over the past few months has made income investing even more challenging than before, the search for yield persists among the region’s wealthy.

In February, Asian Private Banker revealed that Bank of Singapore’s clients invested approximately US$1.5 billion into a high-income fund, with a focus on less mainstream income-generating assets.

The fund, named ‘BlackRock Dynamic High Income Fund’, aims to generate high income by diversifying into “complementary income sources with low correlation to traditional asset classes”. These include equity covered call writing, floating rate loans, preferred stock, non-agency residential, and commercial mortgage-backed securities and REITs.

On the topic of the future demand from Asian private banking clients, Value Partners’ Poon said the appetite of the region’s HNWIs is likely to change going forward.

“In the past years, investors had stronger interest in fixed income strategy as well as multi-asset strategy,” Poon said. “In [a rising rate] environment coupled with stronger Asian equity market performance, we believe portfolios with bigger equity exposure or even pure equity strategy would interest them.”
DBS’s private banking clients, in line with the wider HNW investor space, are exercising caution towards active investments amid a climate of rising market turbulence. This is in stark contrast to 2017, according to the Singaporean bank’s CIO, Hou Wey Fook, who told Asian Private Banker that Asian investors, in general, are becoming more risk-averse following recent trade tensions and February’s global equity sell-off.

In 2017, global equities shot up by 22% amid a historical low volatility environment. Yet, global equity markets experienced a significant turn-down in early February with VIX index surging to 37 from 11 in a week. It has since receded to 17 at the time of publishing.

“Private clients are typically more comfortable [taking] active positions when markets are trending while staying on the sidelines when volatility increases,” Hou said, highlighting a pickup in demand for equity structures with downside protection, including Minimum Redemption Notes.

However, the rise in volatility has yet to translate into demand for liquid alternatives, despite DBS’s positive view on such strategies.

“Over time, we’ve noted that portfolios with some degree of exposure to liquid alternatives have performed better on risk-adjusted terms,” he said, suggesting that client appetite may change as correlations across asset classes break down and market turbulence.

**Geopolitics impact significant**

Further, DBS expects geopolitics to play a “major role” in the trajectory of financial markets and to drive up volatility in 2018.

“There is no question about that,” Hou said.

“It has been evident in recent months that markets are reacting closely to the ebb and flow of US policies — from US-North Korea tensions to rising concerns over trade protectionism.”

With a US midterm election on the horizon, Hou does not expect President Donald Trump to tone down his rhetoric, especially as the president sets his sights on delivering on his campaign promises.

“An upheaval of longstanding global geopolitical frameworks could be economically detrimental if dialogues and negotiations fail to lead to a resolution,” the CIO said.
Lombard Odier today signed off on a strategic partnership with Indonesian lender, Bank Mandiri, further expanding the Swiss wealth manager’s ‘hub and spokes’ coverage of Asia, which includes partnerships with major onshore banks in select markets.

The agreement is similar in form and substance to those the bank already has in the region, including with UnionBank in the Philippines and Kasikornbank in Thailand. It hinges on a master-feeder fund arrangement as well as Lombard Odier’s supply of training and support on private banking advisory and family services. Bank Mandiri will offer a global discretionary portfolio management service and is the first to do so in Indonesia.

“This is not a product launch,” Vincent Magnenat, limited partner and CEO Asia, told Asian Private Banker.

“It is a new philosophy of wealth management that hinges on bringing together a strong onshore bank and a traditional wealth manager so that we can provide best-in-class wealth management services locally.”

Magenenat added the top 20 private banks in Asia manage less than 20% of HNW financial assets, with the remainder sitting with local banks, and that changes in regulation are likely to keep the balance onshore.

The Indonesian tax amnesty which concluded in 2017, while disappointing in terms of repatriation flows, ultimately resulted in the disclosure Rp4,881 trillion worth of assets, essentially locking in a substantial pool of declared wealth for domestic wealth management providers to tap.

However, Lombard Odier’s decision to ink a partnership with the Indonesian major was less about timing and more about the suitability of the partner, according to Magenenat, who said that talks had been taking place for some time, and that the two banks share a common, holistic understanding on the management of “core assets with a global, multi-asset and liquid approach”.

This extends to Lombard Odier’s views on asset allocation. The bank takes a risk-based approach, eschewing ‘traditional’ conventions around asset classes. In Asia, Lombard Odier has one of the highest discretionary portfolio management penetration rates, according to Asian Private Banker data.

“Our risk-based approach has always been a major point for us when defining a partner,” he said.

“To be recognised as a bank with over 200 years of experience is [also] a major part of our partnerships, but so is the fact that we apply our ‘rethink everything ethos’ on a day-to-day basis.”

This latest partnership adds to agreements signed with banks in Thailand, the Philippines, China, Japan, South Korea and Australia.

Lombard Odier has said little on the impact these arrangements have had on the bank’s regional financial performance, although Magenenat told Asian Private Banker on 16 April that their success, to date, has helped the P&L.

“We have done extremely well in Asia over the past two years and we are satisfied with our growth,” he said.

“Of course, the partnerships are at different stages, but to give an example, our partnerships with Kasikornbank [in Thailand] and UnionBank [in the Philippines] have proven extremely successful. But at Lombard Odier, we are not in the short-term game – we are focused on long-term strategic partnerships.”
Tarnished? Bill Winters says StanChart is still an ‘aspirational brand’ for Asia’s wealthy

Bill Winters, Standard Chartered’s reform-minded chief since 2015, said he still has faith in Standard Chartered as an ‘aspirational brand’ for Asia’s wealthy.

While the broader bank is still not performing under his transformation plan, the StanChart chief said he is counting on the bank’s wealth offering, particularly in the Asian region, as the main driver of growth.

This is while he admits the brand may have been ‘tarnished’ in select markets, such as in Singapore and India, following a string of money laundering scandals which laid bare business control lapses.

Speaking to Asian Private Banker after his appearance at the Credit Suisse Asian Investment Conference in March, Winters said: “I’m happy to say, Standard Chartered is still a very strong brand, and is an aspirational brand.”

“We do have a great business in Hong Kong in particular – Greater China more broadly. And we are very happy with that, and we are continuing to invest in it,” he continued.

Winters’ comments come after he admitted to investors on stage that the bank’s value proposition may have suffered following the string of regulatory probes and fines in recent years. The bank has been embroiled in a series of high-profile scandals, including those linked to Malaysia sovereign fund 1MDB and the dealings of the South African-based Gupta family.

“It’s been tarnished in some markets, truthfully. I would point to Singapore and India as two specific markets where we were a prestige brand for a growing, and affluent middle-class population, [and we] have lost a bit of that,” he said.

“But we are focusing on our customer service, cleaning up our brand, [and] getting some state of the art technology. I surpassed on own expectation in the progress we’ve made in our customers’ eyes.”

“Having gone from below average in the sense of our customers, we are now top-quartile or the number one in some cases, based on the investments we have made in the last couple of years.”

Meanwhile, he also told investors that StanChart’s wealth proposition still very much remains intact and that StanChart remains a ‘trusted brand’ in his eyes and the eyes of his clients.

“You have to have enough differentiation to keep [the proposition] different. Standard Chartered is still an aspirational brand for a growing and increasingly affluent population,” he said.

“We have a very good wealth management platform targeting affluent customers. We manufacture nothing of our own. So we are completely open architecture, so we are completely objective.”

“We have some key partnerships, like Prudential in bank assurance, with Allianz in general insurance, [and] we are a big distributor of many people’s funds. But our clients can rely on Standard Chartered for an objective set of processes and services, and a trusted brand that’s been local for a long time. And it’s very helpful we have an international suite of products together that we are fully local in some of these markets.”

“Each one of these things you can say someone else has as well. But the package is somewhat unique to Standard Chartered,” he added. In the bank’s latest annual report, StanChart revealed the bulk of the investments it made in its private banking business focused on Greater China, with some 50 out of 60 banker hires made out of Hong Kong.

Asked whether he is worried the bank may be over-focused on the Greater China market, given policy and regulatory uncertainty from China towards stemming capital flight, he told Asian Private Banker he is not over-worried.

“The Hong Kong market is fully developed market. So being an ‘aspirational brand’ in Hong Kong does not mean the same as being in some other markets. But the brand is very much intact. The clients’ objective sense of how they feel about Standard Chartered is very good. We are very happy with our positioning,” he said.

“We are also investing in other markets, and we continue to generate some growth across ASEAN, across South Asia, across the Middle East, and across South Africa. To be successful in those markets, in a sense, we will have de facto less concentration on Greater China. [This is] not because we are not keen on Greater China, but the growth opportunity elsewhere is also quite exciting,” he said.

Specifically, in China, Winters said he has faith in the new state leadership’s policies. “We are very constructive on China. We see a multi-year transition into a developed market economy, with a good balance on capital, consumption and services. We know that along the way there is going to be a substantial expansion of the debt cycle … Every indication is that the leadership in China has a very good understanding on nature of the debt risks, the nature of the capital drag, [and] the state-owned enterprises are particularly challenged in dealing with overcapacity.”

“They have a plan to deal with that underlying problem. They have the resources both at the national and municipal level. They obviously have the will. The leadership has announced there is a pretty strong reform-minded orientation that is coming into the country.”

“That combined with the ability that President Xi and others have to execute the strategy through an extended period – should that be what they ultimately decide to do – should be very good in taking some of the more difficult stuff that may be more difficult to take if you have a regular rotation of leadership,” he said.
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Crédit Agricole PB’s S2i platform undergoes digital revamp, signs on new Asia client

Crédit Agricole Private Banking Services (CA-PBS), a department of French wealth manager, Indosuez, has secured a new private banking client in Asia for its recently-revamped business process outsourcing (BPO) solution, S2i.

Bank of China Singapore Private Banking is the latest private bank to deploy S2i, having gone live with the solution at the end of January 2018, said Yves Saint-Marc Girardin, head of Asia operations – Crédit Agricole Private Banking Services, Indosuez Wealth Management.

CA-PBS has now five Asia-based clients using S2i, including Union Bancaire Privee (UBP) and Indosuez Wealth Management.

Saint-Marc Girardin said that an uptick in interest for the solution in Asia comes as at a time when the business process outsourcing (BPO) market in Singapore is maturing, with banks looking to cut operational costs and regulations tightening.

“Singapore’s BPO market is emerging, private banks have already made the move (for example, Bank of China Singapore) and we believe this market will grow significantly in the next few years,” he said, adding that banks can typically cut between 30% and 50% of operating costs when using BPO services like S2i.

A business that is pegged to reach US$691 million in Singapore alone by 2020, the BPO model involves re-assigning non-front office-related activities from the back and middle offices to a third-party vendor. These processes are repeatable and have no customer touch-points, such as client onboarding, account opening, know-your-client (KYC), anti-money laundering (AML) requirements and market prices and data.

Currently, CA-PBS serves 30 private banks in 11 countries, mainly in Asia and Europe, and manages a total of CHF 150 billion in assets globally.

Tech revamp

News of Indosuez’s new S2i client coincides with CA-PBS’ announcement today that it is partnering with IT and digital transformation services provider, Capgemini, to upgrade S2i.

“The new platform with Capgemini will guarantee transparency for all clients,” Saint-Marc Girardin said.

“The partnership will bring Capgemini’s IT services and digital transformation expertise, as well as value-added services for the customer, around the core banking service.”

Details of the agreement with Capgemini are expected to be finalised mid-year, and the bank will make another announcement shortly thereafter, Saint-Marc Girardin added.

BPO buzz

The BPO model continues to gain traction in Asia, with two private banks looking to roll out BPO services to other institutions in the near future.

Last year, both Credit Suisse and UBS Wealth Management were vocal about their views on the “rent a platform” industry in Asia. This is unsurprising given the investments and resources UBS Wealth Management and Credit Suisse Private Banking have dedicated to their respective digital platforms, One Wealth Management Platform (One WMP) and Digital Private Banking (DPB).

Meanwhile, Avaloq’s BPO centre in Singapore, Avaloq Sourcing Asia Pacific (ASAP), has also seen some success. Two years after Deutsche Bank Wealth Management agreed to outsource its back offices to ASAP, the core banking platform provider signed with virtual bank, Bank of Asia, last October.

Convinced of the relevance and potential of Indosuez’s BPO offering, Saint-Marc Girardin said that though CA-PBS is currently a department of Indosuez in Switzerland, it is in the process of becoming a subsidiary of Indosuez Wealth Management group.

“Operating as a newly established subsidiary, rather than a department, will facilitate the next phase of its growth and CA-PBS will be better placed to capitalise on market opportunities.”
With over 1,000 new clients, UBS Taiwan WM’s ‘smart wealth’ solution suggests clients are more willing to pay for advice

UBS Taiwan Wealth Management has attracted more than 1,000 new clients in less than two years, pointing to Asian investors’ willingness to pay for advice and interface with banks online.

The bank’s Taiwan-based digital active advisory offering, Hui Fu, which translates as ‘smart wealth’, is similar to its UBS Advice offering in Hong Kong and Singapore. However, Hui Fu communicates the bank’s advice directly to clients, rather than through a relationship manager, and has a lower minimum entry point and lower fees.

“In less than two years, we’ve opened more than 1,000 new client accounts for our new digital wealth management business, Hui Fu, and we are very encouraged by the usage rate,” Linyun Chang, managing director and deputy head of wealth management for UBS’s Taiwan unit, told Asian Private Banker.

Although Taiwanese investors are often stereotyped as trading-oriented – even by regional standards – UBS believes this is a misconception, as evidenced by the significant percentage of clients who adhere to the bank’s advice.

“Approximately 80% of our Hui Fu clients follow 100% of our advice, to varying degrees, and the 20% that didn’t underperformed,” Chang said.

House view aside, Chang said that clients are not using the solution simply for low-cost trading.

“Of the 1,000 clients we’ve onboarded for the Hui Fu offering, not one has abused the system for excessive trading at a low cost, which suggests that the clientele is not trading-oriented,” he said.

Opportunity for relationship managers to focus on non-core assets

To the casual observer, the emergence of fully accessible digital active advisory offerings in Asia may spell trouble for relationship managers. However, Chang said the ‘smart wealth’ system presents bankers with the opportunity to shift their focus from relatively plain vanilla core assets to non-core assets with more dynamic risk-return profiles – which is likely to encourage greater client engagement and deepen relationships.

The high adoption rate of UBS’s investment advice suggests an eventual consolidation of assets within a discretionary portfolio management (DPM) wrapper, which would bring greater scalability and better total returns. But Chang cautioned against an immediate introduction of DPM services.

“We don’t want to immediately promote [DPM] mandates because clients tend to redeem if the portfolio initially underperforms and may not give it a second chance,” he added.

“In contrast, Hui Fu is ‘stickier’ as it gives advice on individual trades and provides clients with a clear rationale for each trade, allowing them to have a more granular view on the robustness of the advice given rather than simply focusing on aggregate performance.”

At present, Hui Fu sends out one advisory e-mail each week and around 20 suggestions for portfolio adjustments per year. Clients are still required to call their relationship managers to confirm execution.

This is set to change, however, as UBS Wealth Management plans to develop an app with straight-through execution in the second half of 2018.
AppMap: The 2018 update

The first official update of Asian Private Banker’s AppMap – the region’s most comprehensive roundup of front-office digi tools deployed by the region’s wealth managers – reveals that banks remain committed to developing and rolling out mobile apps for clients and relationship managers, with ‘communication’ and ‘content’ emerging as key themes.

Communication: Messaging systems to curtail WhatsApp, WeChat

To create an official channel for clients and their relationship managers (RMs) to communicate, 12 banks in Asia have thus far implemented messaging functions on their mobile/tablet apps. Even so, COOs say that clients still prefer to use unsanctioned channels including WhatsApp and Wechat, creating compliance headaches. RMs, too, are using these ubiquitous platforms and their broadcast functions to circulate news and information.

Aiming to curb these practices, individual banks are pushing out their own chat platforms en masse. For example, BNP Paribas Wealth Management developed a complete app dedicated to client/RM communications, which has been progressively rolled out in Asian markets since August. Clients are able to hold conferences with their advisors in a recorded environment, providing RMs with a safely disseminate advice to their clients and for clients to place trade orders.

Content: Digital distribution of information remains strong

According to a 2017 survey conducted by Asian Private Banker, Asia-based COOs reported that 75% of bank apps already offered clients access to research and market reports. Investor and bankers’ predilection for digitally-distributed research and news is reflected in the fact that 12 private banks have developed 19 apps with the capability to distribute information directly to clients. Many of these apps provide information specific to a client’s portfolio holdings. Moreover, 3Q17 data from research portal, Statista, shows that two-thirds of internet traffic in Asia came from a mobile device.

Mobile launches and updates to continue

And there’s more to come in 2018. Deutsche Bank Wealth Management’s APAC head of technology, Sandipan Ray, told Asian Private Banker that the German lender has committed to “investing EUR 65 million to upgrade its digital platform aiming to improve systems, processes and clients/RMs’ experiences.”

Meanwhile, Indosuez Wealth Management has a “new app [which] will be launched over the course of the year”. Pictet Wealth Management is also working on an advisory extension for its client app “starting this year”.

Keep an eye out as we track the continued development of private banking mobile/tablet applications – and if you have something to add, please reach out to us as editor@asianprivatebanker.com.

<table>
<thead>
<tr>
<th>Private Bank</th>
<th>App Name</th>
<th>Platform</th>
<th>Asia Launch Date</th>
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<tr>
<td>Bank of Singapore</td>
<td>Bank of Singapore</td>
<td>iPhone/iPad</td>
<td>Dec 2016</td>
<td>- Tailored research &lt;br&gt;- Monthly statements/contract notes &lt;br&gt;- Portfolio navigation by sectors &lt;br&gt;- Geographical distribution &lt;br&gt;- Transaction history &lt;br&gt;- Asset and currency allocation &lt;br&gt;- Biometric login with facial recognition &lt;br&gt;- FX views: asset gains and losses</td>
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<td>BEA Private Banking</td>
<td>iPortfolio Analyser</td>
<td>iPad</td>
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<td>- Client portfolio date sliced by asset class, currency mix, transaction details &amp; historical performances &lt;br&gt;- Client portfolio &amp; predefined standard investment models comparison &lt;br&gt;- Inbuilt paperless risk assessment questionnaire to calculate client’s risk &amp; tolerance levels &lt;br&gt;- Built with IBM</td>
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<tr>
<td>BNP Paribas WM</td>
<td>Voice of Wealth</td>
<td>Tablet</td>
<td>Aug 2016</td>
<td>- Content library for investment, insights on financial markets, market trends, reports and research</td>
</tr>
<tr>
<td>BNP Paribas WM</td>
<td>myWealth</td>
<td>Tablet</td>
<td>Dec 2016</td>
<td>- One-stop digital banking platform &lt;br&gt;- Portfolio overview/details &lt;br&gt;- Notifications related to client account: equity research, recommendations, etc.</td>
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| BNP Paribas WM       | myWealth                          | Mobile       | Mar 2018         | - One-stop digital banking platform specifically for mobile  
|                      |                                   |              |                  | - Has all the features contained in the tablet version of MyWealth  
|                      |                                   |              |                  | - Secure messaging platform where clients can execute trades  
|                      |                                   |              |                  | - Personalised content newsfeed from internal/external sources that is catered to the client portfolio  
|                      |                                   |              |                  | - Investment management for clients with personalised advice  |
| BNP Paribas WM       | myConference Asia                 | iPhone/iPad  | Aug 2017         | - Dedicated channels for client/RM communication  
|                      |                                   |              |                  | - Video call and conferencing  
|                      |                                   |              |                  | - Instant order placement |
| BNP Paribas WM       | Leaders’ Connection               | Mobile       | Jan 2017         | BNP WM investors can:  
|                      |                                   |              |                  | - Contact each other  
|                      |                                   |              |                  | - View sell-side mandates from the bank  
|                      |                                   |              |                  | - Share and discuss investment ideas on co-investments  |
| Citi PB              | Citi Private Bank In View          | Mobile/Tablet| Feb 2014         | - View portfolio, including asset allocation, recent transactions, performance analysis  
|                      |                                   |              |                  | - Research, description of products & services  
|                      |                                   |              |                  | - Real-time communication with RMs specialists |
| Credit Suisse PB     | Credit Suisse PB APAC App          | Mobile/Tablet| 2017             | - Portfolio overview/details and transaction history  
|                      |                                   |              |                  | - Library of bank publications and market news  
|                      |                                   |              |                  | - Customisable watchlist of financial instruments  
|                      |                                   |              |                  | - Securities trading on major exchanges  
|                      |                                   |              |                  | - Execute spot FX and forward trades  
|                      |                                   |              |                  | - 12 month archive of electronic documents  
|                      |                                   |              |                  | - Secure RM communications with instant messaging, video calling and screen sharing  
|                      |                                   |              |                  | - Document sharing function  
|                      |                                   |              |                  | - Portfolio risk analysis  
|                      |                                   |              |                  | - Tailored investment advice and ideas through CS Invest  
|                      |                                   |              |                  | - Digital token and biometric login |
| DBS PB               | My Workbench                      | Tablet       | Nov 2016         | - RM dashboard: market news, appointments and conversation planner  
|                      |                                   |              |                  | - Real time view of client account, transactions, performance and analysis  
|                      |                                   |              |                  | - Prepare and deliver customer presentations |
| DBS PB               | DBS iWealth SG                    | Mobile, Apple Watch | Jan 2017 | - Biometric logins  
|                      |                                   |              |                  | - Insights & analysis customised to clients’ preferences & holdings  
|                      |                                   |              |                  | - Trade stocks in 7 markets  
|                      |                                   |              |                  | - Data and analysis for over 400 funds  
|                      |                                   |              |                  | - Price alerts for equity, FX, funds and fixed income  
|                      |                                   |              |                  | - Contact RMs/Advisor |
| Deutsche Bank WM     | Deutsche Bank WM Spotlight         | Mobile       | Jan 2017         | - Market news & updates across all asset classes for RMs |
| Deutsche Bank WM     | ECO Pricer                        | Mobile       | Feb 2017         | - Price discovery app  
|                      |                                   |              |                  | - “On-the-go” equity structured product solutions and live pricing for RMs |
| Deutsche Bank WM     | Deutsche Wealth Online            | Mobile       | Nov 2017         | - Portfolio overview/details and transaction history  
|                      |                                   |              |                  | - Daily/monthly statements  
|                      |                                   |              |                  | - Online messaging and advice  
|                      |                                   |              |                  | - Digital token and biometric logic  
<p>|                      |                                   |              |                  | - Available in Chinese |</p>
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</table>
| Goldman Sachs Private WM     | Goldman Sachs Wealth Management App             | Mobile/Tablet     | Sep 2012         | - Portfolio information: positions, asset allocation & recent transactions  
- Market information: news, data, quote search, alerts and watchlists  
- Secure messaging service and phone access to wealth management team  
- Content library: access to proprietary research and insights                                                                         |
| HSBC PB                      | HSBC Private Bank Mobile                        | Mobile            | Aug 2015         | - Accounts, portfolios, transaction history  
- Contact RMs/Advisor                                                                                                                     |
| Indosuez WM                  | Indosuez Insights                              | Mobile            | Feb 2017         | - Provides clients with access to the bank's latest economic and financial research  
- For clients                                                                                                                            |
| Julius Baer                  | Julius Baer Vision                             | Mobile/Tablet     | Sep 2013         | - Consolidation of previously separate “Gen-Y Investment Workshop” and “Next Generation - The Future” apps  
- Content library for next gen studies, investment publications/ ideas, research documents  
- Multi-format CIO research                                                                                                               |
| Pictet WM                    | Wealth                                          | Mobile            | Q1 2017          | - Portfolio holdings & summary overview  
- Secure messaging system between clients and portfolio managers  
- Content library for financial news and market data                                                                                     |
| Standard Chartered PB        | Portfolio View & Messaging                      | Mobile            | Mar 2016         | - Portfolio holdings & summary overview  
- Cash account transaction history  
- Form requests  
- Secure messaging service  
- Clear payment instructions                                                                                                             |
| UBS WM                       | UBS Mobile Banking                             | Mobile/Tablet     | 2015             | - Account balance and transaction history  
- Portfolio health check alert  
- Content library: investment news, research and commentary from the CIO office  
- Customisable notifications for: assets, payments, cards, budget/goal management  
- Secure messaging service  
- Cards: transaction history and management  
- Customisable interface with ability to ‘favourite’ functions                                                                         |
| UBS WM                       | UBS Morning Brief                              | Mobile            | 2017             | - Content library curated by UBS experts  
- Daily morning investment news and articles  
- CIO house views  
- Articles from ‘UNLIMITED by UBS’, a monthly curated newsletter  
- Accessible while offline                                                                                                               |
| UBS WM                       | Navigator                                       | iPad              | Apr 2014         | - Investment scenarios via interactive simulations  
- Advisors & investment specialists contact                                                                                               |
| UBS WM                       | Newsstand                                      | iPad              | Oct 2014         | - Research, analysis & insights from CIO office  
- Overview and control of portfolios and accounts  
- Detailed performance overview with individual time periods  
- Asset analysis by category and currency  
- Secured instant messaging center for real-time communication with RM  
- Recent market and company developments with the assessment of proprietary research specialists  
- Multi-format (video and podcast) information channels from Vontobel experts  
- Generate individual ad hoc reports, such as performance overviews, account extracts, etc.  
- Access to documents, receipts and statements                                                                                         |
| Vontobel WM                  | Vontobel Wealth                                | Mobile/Tablet     | Nov 2015         | - Investment scenarios via interactive simulations  
- Advisors & investment specialists contact                                                                                               |
Congratulations to the following winners:

- **Best Mobile/Tablet App Developer**: CREALOGiX
- **Best Integrated Front Office Solution**: Temenos
- **Best KYC and Client Onboarding Solution**: Appway
- **Best Data Analytics Solution**: Microsoft
- **Best Market Data Solution**: THOMSON REUTERS
- **Best Data Management Solution**: FACTSET
- **Best AML Solution**: LexisNexis Risk Solutions
- **Best Regulation Reporting Solution**: THOMSON REUTERS
- **Best Robo Advisor Solution**: QUANTIFEED
- **Best Trading and Execution Platform**: Numerix
- **Best IAM/MFO Platform**: privé technologies
- **Best Integration Advisor**: synpulse
- **Best Core Banking Platform**: Avaloq
- **Most Promising FinTech Startup**: Bond LINC
- **Most Innovative Solution**: AxiSoft
- **FinTech Changemaker of the Year**: CHARLES WONG (PRIVÉ TECHNOLOGIES)
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success all the time

With mandiri private, you can rest assured that your investments grow into wealth from one generation to the next.

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Julius Baer’s Angela Bow says Siam JV a “pioneering move”

Julius Baer’s new strategic joint venture with Siam Commercial Bank (SCB) is a “pioneering move”, according to Angela Bow, the pure play’s head of Japan, emerging Asia & intermediaries, who told Asian Private Banker that Julius Baer sees in SCB a “deep client base and a complementary set of values”.

The agreement, announced in March, will allow SCB and its clients to make use of the Swiss bank’s “full suite of international wealth management capabilities and advisory services” through domestic and international companies in Thailand and Singapore.

The venture will also provide Julius Baer with access to burgeoning onshore private wealth held by the Thai bank.

Julius Baer will initially hold 40% in the joint venture, with the option to increase to 49% going forward.

While not the first international private banking player to establish a partnership with domestic Thai lender – Lombard Odier has had a strategic tie-up with Kasikornbank since 2014 – Bow said that the Julius Baer-SCB joint venture is notable for its comprehensive nature.

“With this joint venture, we are providing an entire platform, across multi-asset, FICC, equity derivatives and mandates, rather than just one or two feeder funds, and will cater for Thai investors that are looking for a more holistic view in terms of asset allocation,” Bow told Asian Private Banker.

“We truly believe that we have to be close to our clients to understand their investment needs and have strong cultural relevance. Thai clients are becoming extremely sophisticated and are demanding global solutions and diversification.”

Thailand’s star, as an Asian wealth management hotspot, has been on the rise, with the country home to an estimated US$548 billion in HNW wealth in 2016, distributed between some 107,800 individuals, according to Capgemini.

A number of international banks are currently eyeing the domestic market. Julius Baer’s agreement to establish a joint venture with SCB had been rumoured for some time, and now Bow says the onus is on the two lenders – which have a “meeting of minds” – to “get [the] model right from the outset”.

Julius Baer and SCB have put in place a committed execution team to deliver on the plan.

SCB currently has US$23 billion in assets under management from wealth management clients, while Julius Baer in Asia (including Japan, India & Subcontinent) has over CHF 100 billion in AUM.

In a separate media release distributed today, Julius Baer said that it expects the joint venture to “significantly expand the combined growth prospects for both firms”.

Meanwhile, Julius Baer’s head of Asia Pacific, Jimmy Lee, said that the Thai client community “is increasingly seeking sophisticated advisory, investment demands and global solutions”.

“We believe that [the partnership] will offer a unique value proposition specifically tailored to the demands of Thai clients,” he said in the media release.

SCB’s president and chief executive, Arthid Nanthawithaya added that the agreement will allow the bank to “deploy [Julius Baer’s]” full international wealth management capabilities into the Thai market like never before.”

The partnership is SCB’s milestone in its ‘Going Upside Down’ strategy – a technology-led plan announced by the Thai lender in January.
Bank of Singapore’s NRI clients warming to DPM

Bank of Singapore’s non-resident Indian (NRI) clients are increasingly turning to discretionary portfolio management (DPM) solutions, in turn, contributing to the “directional growth” of the private bank’s DPM business, says Vikram Malhotra, global market head, South and Southeast Asia.

NRIs gravitate towards “aggressive strategies”

Malhotra explained that NRIs are interested in more “aggressive strategies” such as Asian mandates that, last year, focused on high yield fixed income.

“We are equally encouraged by] the top-ups in the form of US$5-10 million from NRI clients as allocations from self-managed portfolios into DPM mandates,” he said.

Yet he remains cautious about weaving DPM discussions into conversations with NRI clients, particularly due to the “nuances surrounding DPM”.

“[DPM] will never be [a] 100% allocation from day one,” he said. “It takes time and maturity from both the banker and the client to be more and more comfortable.”

Unlike some other players, Bank of Singapore has not set targets or KPIs for NRI DPM sales.

DPM drive

Bank of Singapore is not the only private bank in the region to notice an increased interest in discretionary solutions from the Indian diaspora.

South and Southeast Asian market heads have told Asian Private Banker that more NRI clients are requesting meetings with the bank’s CIO and DPM heads in order to understand strategic asset allocation strategies.

According to Asian Private Banker data, DPM assets at Asia’s private banks reached US$120 billion in 2016 — a 9.3% increase YoY. The latest DPM penetration rate for the region is pushing 9% of total private banking assets under management.

Current indications suggest that last year’s penetration rate will go beyond 9%.

NRI client assets parked in discretionary mandates at the private bank jumped around 40% between 3Q16 and 3Q17, driven in large part by top-ups. Overall, NRI DPM assets grew at a CAGR of 35% from 2014-2017.

Malhotra, who joined Bank of Singapore from Barclays Wealth as part of the private bank’s 2016 acquisition of the British wealth and investments franchise in Hong Kong and Singapore, said that he was “positively surprised by the uptick in demand for DPM solutions from NRI clients”, given their propensity to transact.

Typically, NRI clients in the region are known for being price-sensitive and highly demanding in terms of their product requirements. These clients typically gravitate towards foreign currency non-repatriate (FCNR) deposits, fixed maturity plans (FMPs) and India-based mutual funds.

Accordingly, private banks’ NRI businesses often depend heavily on transactional income.

“Recently, South Asia clients are realising the benefits of DPM and the consistent performance of Bank of Singapore’s DPM mandates,” Malhotra said.

The Singaporean private bank’s CEO, Bahren Shaari, told Asian Private Banker last October that “healthy inflows of fresh funds”, including a 30% YTD increase in funds managed by DPM, contributed to the bank’s AUM of US$95 billion at the time. Bank of Singapore has since achieved a US$100 billion AUM milestone.

By this measure, the private bank outpaced more than half of Asia’s private banks, which collectively grew their DPM assets by at least 10% as of September last year.
UBS Wealth Management and Zurich-based fund document platform, fundinfo, have launched a new content management service in a bid to improve investment communication with clients through the automated delivery of fund-specific news.

The platform they have jointly developed, News Dissemination, will allow UBS’s fund providers to share insights on recent market or political events – content not typically available in most standard fund documents.

The service will enable fund managers to create, edit and archive their news through a web-based content management system which allows them full control at all times.

Bryan Crawford, global head of investment funds and alternatives distribution at UBS, said that the service would help asset managers and distributors increase their efficiency and broaden their reach in aftersale services.

“This is a game changer,” Crawford commented in an announcement of the new service.

“It’s the first time fund providers have the opportunity to deliver ad-hoc and near real-time insights on their funds in an automated and structured fashion to all our client advisors and also to our clients.”

“We hope this sets a new standard for how after-sales for funds is conducted,” Philipp Portmann, CEO of fundinfo said.

Gender equality social bonds (gender bonds), a sub-segment within ESG investing, has potential to become a new driving force for future ESG growth, Indosuez Wealth Management told Asian Private Banker.

Gender bonds are viewed as one of the latest innovations in the ESG sector as companies seek diversified funding sources while, at the same time, aim to further ethical standards — particularly in the area of gender equality.

While the concept of gender bonds may be in the early stages of development, Maggie Cheng, senior credit analyst at Indosuez Wealth Management, noted that some particular client segments are showing increased interest in this concept. These investors, such as UHNWIs and millennials, tend to focus on longer-term social impacts.

“The argument for investing in gender bonds stems from the correlation between virtuous behaviour and sound returns,” Cheng said, adding that both the fundamental and technical sides are supportive on the potential outperformance of gender bonds.

Cheng cited the recent gender bond issuance from Australia-based QBE Insurance Group as an example.

Three months ago, QBE issued USD-denominated perpetual gender bonds. The bond proceeds will be used to invest in Australian companies eligible under the United Nation's Women's Empowerment Principles.

“When the bond was launched in November 2017, it had an overwhelming demand and was 20 times over-subscribed. It was mainly driven by market technicals as the Additional Tier 1 ESG asset class is rare. What is more, a coupon of 5.25% is certainly attractive for an investment — grade rated bond in a low-interest rate environment,” Cheng added.

While only a handful public organisations, and one insurance company, have issued gender bonds to date, the issuances from this segment will not be “confined within certain sectors”, Cheng said.

Meanwhile, she added that as investors see a greater social impact from their investments, an increase in demand could be expected from both private and institutional investors in the market.

However, despite the significant progress made by governments, regulators and corporates on sustainable investing, rating agencies have not yet come up with a specific framework for rating ESG bonds.

Instead, they continue to apply generic rating methodology when assigning a rating for ESG bonds, Cheng said.
With new ‘branch’ status, VP Bank Singapore looks to deploy Euro balance sheet

VP Bank, the Liechtensteinian pure play with a subsidiary presence in Singapore, intends to ramp up its regional credit business once changes to its legal structure in the city-state are implemented around July 2018.

The private bank announced earlier in March that it will upgrade to ‘branch’ status and will acquire a wholesale licence in Singapore. The changes will open the door for VP Bank Singapore to provide a wider range of financing services that are necessary for the bank to achieve its regional growth plans.

“One key rationale for upscaling from a subsidiary to a branch is that the broader private banking in Asia depends a lot on credit – whether Lombard lending or property and insurance financing,” Bruno Morel, chief executive of VP Bank Singapore, told Asian Private Banker.

“But when you are a subsidiary, you are limited in terms of the credit you can extend. Looking forward to what we want to achieve in Asia, what became clear is that our current approach to credit will no longer be sufficient.”

Morel, who previously said that Asia would play a key role in growing foreign target market revenues to 50% of total group revenues, would not be drawn on what the bank considers to be an appropriate leverage ratio in the region.

However, he pointed out that VP Bank’s European clients are less hungry for credit and, given the bank’s “massive balance sheet and very strong tier 1 ratio of 25.7%”, the bank will be more active about deploying its balance sheet in Asia.

Asia growth ambitions
VP Bank has been in Singapore since 2008 but only recently became vocal about its Asia ambitions, which include building out its intermediaries business. Intermediaries account for around 50% of VP Bank’s business globally.

“We see a lot of new intermediaries emerging in Hong Kong and Singapore which need an efficient platform and a partner they can trust, said Morel. “We treat them well, and we need them as clients.”

The pure play is also on a hiring drive and has filled a number of key positions since Morel took over as Singapore CEO in January last year, including a COO and head of business development in the region.

VP Bank Singapore also announced today the appointment of Kimmis Pun, formerly Standard Chartered’s market head for Greater China, as head of private banking. Morel said that he aims to double total headcount in Singapore over the next three years.

Thomas Meier board-bound
The proposed election of Thomas Meier – a household name in Asian private banking circles – to VP Bank Group’s board of directors, could also prove a boon for the regional business, with Morel calling Meier’s nomination “a strong signal”.

“Whenever we need decisions to be made on Asia, the requisite knowledge of the region will already be part of the body,” said Morel. “For me, it’s fantastic because I will have someone on the board who truly understands Asia.”

Globally, VP Bank rounded out 2017 with a 13.4% increase in net income and a net new money inflow of CHF 1.5 billion, bringing total AUM to CHF 40.4 billion, a 13% increase YoY.
Against the grain, UBS WM is holding onto its next gen clients in APAC

While studies suggest that some 92% of young adults globally part ways with their parents’ bank, UBS Wealth Management says that in APAC, and anecdotally, it has banking relationships with nearly 95% of its clients’ next generation.

Asian Private Banker sits down with the Swiss private bank’s APAC head of UHNW positioning, Jan Boes, to learn more about how the bank managed to achieve such a high success rate and what its next gen programmes achieved in 2017.

Jan, given that such a high percentage of ‘next gens’ still do not bank with their parents’ bank, what is UBS WM doing differently to buck this trend?

We are very much aware [of these] statistics. We [are] addressing this by strengthening our relationships with the next generation and their access to the bank as we believe this will give them the opportunity to make their own experiences with the bank.

For example, we see that younger client advisors tend to connect easier with the younger generation of clients. This helps match their interests, similarities and ways of communicating. It is a way of broadening our relationship with multi-generation families.

From a bank’s perspective, UBS Wealth Management has been enhancing its platform in Asia through various IT upgrades so that our clients are able to communicate [with] us more efficiently.

And, we are very happy with the way we ran our next gen programmes in 2017.

UBS WM launched a Hong Kong chapter for its next gen programme in 2017. What does this programme entail?

Yes, the 2GO programme is tailored to a group of young ‘next gens’ from prominent families. Launched in Hong Kong last year to cover North Asia, the programme originally started in Singapore in 2015.

The idea behind this programme is to create a group to talk about inspiring topics. [The concept] is to create a community club where next gen clients are comfortable sharing their views and mixing with others from different backgrounds. The topics we cover are co-decided with them. A recent suggestion was to explore blockchain and cryptocurrency.

How many next gen clients attended in Hong Kong, and do you plan to do it again?
Around 15-16 next gen clients attended in Hong Kong. And yes we plan to replicate this programme once a quarter. In fact, this programme has been so successful that our counterparts in Europe are looking to replicate it.

What other new programmes have proven popular with your next gen clientele?
In a similar fashion, our 20/20 social impact leaders programme gained interest from our counterparts in Europe, especially after a successful trip to Chiang Mai last year to learn about different sustainable initiatives.

How do you track the success of these programmes?
Anecdotally, we saw positive feedback from our clients. Anecdotally, close to 95% of next gens already have a banking relationship with us. However, it is not just about having your name on the account, it is about the quality of your relationship.

Anecdotal evidence aside, can you provide a breakdown of the net new assets and assets under management growth as a direct result of your next gen programmes?
We do not provide breakdowns of the tracked NNA and AUM growth based on events and programmes we organise for next gens. However last year, we had a successful year.

What is in the pipeline for UBS WM’s next gen clients in 2018?
Looking forward, in 2018 we [will] continue to look at how we can enhance our engagements to be their ‘sparring partner’ throughout their journey.
## Movers & Shakers

Asian Private Banker maps recent industry moves. For the bigger picture, click on People Moves at www.asianprivatebanker.com

<table>
<thead>
<tr>
<th>WHO</th>
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<th>PREVIOUS TITLE</th>
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<tbody>
<tr>
<td>Sally Wright</td>
<td>Union Bancaire Privee</td>
<td>Regional head of DPM</td>
<td>St. James's Place Wealth Management Asia</td>
<td>Partner</td>
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<tr>
<td>Julie Koo</td>
<td>UBS</td>
<td>APAC head of institutional distribution and head of HK, UBS Asset Management</td>
<td>Citi Private Bank</td>
<td>APAC head of Citi Investment Management (CIM) sales</td>
</tr>
<tr>
<td>Ellen Tsang</td>
<td>Standard Life Investments</td>
<td>Head of marketing, Asia ex-Japan</td>
<td>State Street Global Advisors</td>
<td>Marketing head for Asia ex-Japan</td>
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<tr>
<td>Anthony Chan</td>
<td>Alliance Bernstein</td>
<td>Senior vice president, Asian sovereign strategist, fixed income</td>
<td>Union Bancaire Privee</td>
<td>Chief investment strategist for Asia</td>
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<td>Aaron Cheung</td>
<td>BNP Paribas Wealth Management</td>
<td>Head of alternatives, Asia</td>
<td>BNP Paribas Wealth Management</td>
<td>Managing director, managed assets solutions business</td>
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<td>Simon Kastono</td>
<td>Credit Suisse</td>
<td>Market leader for Indonesia</td>
<td>Citi Private Bank</td>
<td>Global market manager, Indonesia</td>
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<td>Sundar Ramani</td>
<td>J.P. Morgan Private Bank</td>
<td>Head of NRI markets</td>
<td>HSBC Private Banking</td>
<td>Market head of international and NRI</td>
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<tr>
<td>Vikas Jaidka</td>
<td>Citibank</td>
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<td>BNP Paribas Wealth Management</td>
<td>NRI head</td>
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<tr>
<td>Peter Lo</td>
<td>Deutsche Bank</td>
<td>Chief country officer for Hong Kong</td>
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<td>Lok Yim</td>
<td>Deutsche Bank</td>
<td>Head of wealth management for Asia Pacific</td>
<td>Deutsche Bank</td>
<td>Chief country officer for Hong Kong and head of wealth management for Asia Pacific</td>
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<tr>
<td>Winston Teo</td>
<td>Bank of Singapore</td>
<td>Indonesia market client advisor</td>
<td>Julius Baer</td>
<td>Executive director, Southeast Asia market</td>
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<td>Laurent Chevalley</td>
<td>DBS</td>
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<td>Julius Baer</td>
<td>Managing director, senior advisor for international clients</td>
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<tr>
<td>Laura Cha</td>
<td>Financial Services Development Council, Hong Kong</td>
<td>Chairman</td>
<td>Hong Kong Exchanges &amp; Clearing</td>
<td>Board member</td>
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<tr>
<td>Anna Marrs</td>
<td>Standard Chartered</td>
<td>CEO for commercial and private banking, CEO of ASA</td>
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<tr>
<td>Judy Hsu</td>
<td>Standard Chartered</td>
<td>Head of Singapore and ASEAN markets</td>
<td>Standard Chartered</td>
<td>CEO of ASEAN and South Asia (ASA)</td>
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<td>Grace Barki</td>
<td>Pictet Wealth Management</td>
<td>Managing director and senior private banker, covering Southeast Asia</td>
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<td>Thomas Seiler</td>
<td>Julius Baer</td>
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<td>Russia team head</td>
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<td>Sermon Kwan</td>
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<td>Derrick Tan</td>
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<td>Hong Kong branch CEO</td>
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<td>Nakul Beri</td>
<td>J. Safra Sarasin</td>
<td>NRI banker</td>
<td>Standard Chartered Private Bank</td>
<td>Managing director, Global South Asian Community (GSAC) team</td>
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<td>Anthony Adriano Simcic</td>
<td>HSBC Private Banking</td>
<td>Head of private banking, Luxembourg</td>
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<td>Catherine Cheung</td>
<td>Citi Global Consumer Bank</td>
<td>Dual head of investment strategy and portfolio advisory</td>
<td>Citi Private Bank</td>
<td>Asia Pacific strategist</td>
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<td>Thomas Jost</td>
<td>Julius Baer</td>
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<td>EFG</td>
<td>Head of asset managers business development</td>
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<td>Thomas Meier</td>
<td>Julius Baer</td>
<td>Asia CEO</td>
<td>VP Bank</td>
<td>(Nominated to join the board of directors)</td>
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<td>Nicholas Kourteff</td>
<td>Credit Suisse Trust Group</td>
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<td>Tommy Leung</td>
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<td>How Seng Tan</td>
<td>Bank J. Safra Sarasin</td>
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<td>HSBC Private Banking</td>
<td>Team leader, Indonesia desk</td>
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<td>Kenneth Tan</td>
<td>UOB Private Bank</td>
<td>Market head for the Philippines and Malaysia</td>
<td>Bank of Singapore</td>
<td>Private banker, covering Malaysia and Singapore markets</td>
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<td>Rakesh Singh</td>
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<td>Private banking head and head of investment banking, capital markets &amp; financial institutions</td>
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<td>David Lim</td>
<td>Julius Baer</td>
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<td>Andrew Tjia</td>
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<td>Vincent Magnenat</td>
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<td>Limited partner, Asia CEO and Asia head of private banking</td>
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<td>David Benskin</td>
<td>Strabens Hall</td>
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<td>Partner</td>
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<td>Johnny Yu</td>
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<td>Head of public distribution – Asia equities derivatives sales</td>
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<td>Hong Kong team two desk head</td>
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<td>Adam Proctor</td>
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<td>Head of managed investments and advisory for Asia Pacific</td>
<td>Citi Private Bank</td>
<td>Global market manager, Singapore, Australia and New Zealand</td>
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## People Moves

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<td>Patrick Saurini</td>
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<td>Relationship management and business development head</td>
<td>Bank of Singapore</td>
<td>Managing director, ultra high net worth</td>
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<td>J. Safra Sarasin</td>
<td>CEO of UHNW Asia division</td>
<td>J. Safra Sarasin</td>
<td>Singapore CEO and CEO of UHNW Asia division</td>
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<td>Johnny Liu</td>
<td>HSBC Private Banking</td>
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<td>UBS Wealth Management</td>
<td>Managing director and client advisor for global UHNW coverage</td>
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<td>Swapnil Mishra</td>
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<td>Sagar Sapra</td>
<td>Standard Chartered Bank</td>
<td>/</td>
<td>Deutsche Bank Wealth Management</td>
<td>Senior managing director, NRI</td>
</tr>
<tr>
<td>Cindy Tan</td>
<td>EFG</td>
<td>Senior fixed income strategist</td>
<td>Union Bancaire Privée</td>
<td>Head of fixed income research, South Asia</td>
</tr>
<tr>
<td>Paras Gupta</td>
<td>Union Bancaire Privée</td>
<td>Asia head of portfolio management and for South East Asia</td>
<td>Union Bancaire Privée</td>
<td>Asia DPM head</td>
</tr>
<tr>
<td>Masroor Batin</td>
<td>BNP Paribas Wealth Management</td>
<td>International and NRI client head</td>
<td>BNP Paribas Wealth Management</td>
<td>Market head for Middle East Africa (MEA)</td>
</tr>
<tr>
<td>Faye Ong</td>
<td>/</td>
<td>/</td>
<td>Union Bancaire Privée</td>
<td>Managing director, head of wealth planning, South Asia</td>
</tr>
<tr>
<td>Alan Beattie</td>
<td>Capital Pitch</td>
<td>Chief funding advisor</td>
<td>HSBC Private Banking</td>
<td>Global head of private wealth solutions</td>
</tr>
</tbody>
</table>
Singapore, our home.
UOB Private Bank
Asian Private Banker looks forward to hosting you at one of our functions this year.

- Only senior industry speakers
- Only private banking and wealth management
- Only for qualified participants

Independent, Authoritative and Indispensable industry functions and summits.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Year</th>
<th>Event Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 May</td>
<td>Hong Kong</td>
<td>9th</td>
<td>INVESTMENT ADVISORY SUMMIT</td>
<td>The largest conference of senior private bankers held in Asia. Over 800 private bankers will participate in our flagship summits in 2018.</td>
</tr>
<tr>
<td>18 May</td>
<td>Singapore</td>
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<tr>
<td>12 Jun</td>
<td>Singapore</td>
<td>3rd</td>
<td>IAM LEADERS CONVERSATION</td>
<td>The founders, CEOs, CIOs, PMs and key leadership of Asia’s largest IAMs gather to examine the industry’s development, innovative products and future expansion plans.</td>
</tr>
<tr>
<td>14 Jun</td>
<td>Hong Kong</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>26 Jun</td>
<td>Hong Kong</td>
<td>3rd</td>
<td>RM NEXUS: WEALTH PLANNING, LEGACY &amp; PROTECTION</td>
<td>RM networking, learning and sharing around the growing role of wealth planning, structuring and insurance products in client portfolios.</td>
</tr>
<tr>
<td>28 Jun</td>
<td>Singapore</td>
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<tr>
<td>10 Jul</td>
<td>Hong Kong</td>
<td>1st</td>
<td>ESG DIALOGUE</td>
<td>Key families, product selectors &amp; private bankers who are leading the ESG, SRI &amp; impact investing change within Asia.</td>
</tr>
<tr>
<td>12 Jul</td>
<td>Singapore</td>
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<tr>
<td>11 Sep</td>
<td>Hong Kong</td>
<td>7th</td>
<td>FUNDS SELECTION NEXUS</td>
<td>The premier product gatekeeper function in Asia.</td>
</tr>
<tr>
<td>13 Sep</td>
<td>Singapore</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Oct</td>
<td>Singapore</td>
<td>2nd</td>
<td>DISCRETIONARY DIALOGUE</td>
<td>The most important thought-leadership conversation between and within the key discretionary leaders and gatekeepers at the private banks.</td>
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<tr>
<td>11 Oct</td>
<td>Hong Kong</td>
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<tr>
<td>24-25 Oct</td>
<td>Shanghai</td>
<td>1st</td>
<td>CHINA GLOBAL PRIVATE BANKING, WEALTH MANAGEMENT &amp; FAMILY OFFICE SUMMIT</td>
<td>New era in sustainable &amp; responsible wealth creation &amp; management</td>
</tr>
<tr>
<td>17 May</td>
<td>Singapore</td>
<td>4th</td>
<td>CHIEF OPERATING OFFICERS LEADERS CONVERSATION</td>
<td>Peer networking and experience sharing between COOs, CTOs and CDOs around their respective private bank’s technology and innovation agendas.</td>
</tr>
<tr>
<td>12 Oct</td>
<td>Singapore</td>
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<tr>
<td>27 Nov</td>
<td>Hong Kong</td>
<td>2nd</td>
<td>HIGH CONVICTION: 2019 INVESTMENT IDEAS AND THEMES</td>
<td>The most senior gathering of Asia-based fund selectors, CIOs, product gatekeepers from global and regional private banks in Asia, alongside established IAMs and family offices, examining 2019 investment ideas and product strategy.</td>
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<tr>
<td>29 Nov</td>
<td>Singapore</td>
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<tr>
<td>16 Jan</td>
<td>Hong Kong</td>
<td>2nd</td>
<td>CHINA INTERNATIONAL PRIVATE BANKING &amp; WEALTH MANAGEMENT LEADERS - PRIVATE DIALOGUE</td>
<td>The C-suite leadership of China-linked wealth managers and private banks convene for a leaders conversation to examine and debate the future of off-shore wealth management for Chinese clients.</td>
</tr>
<tr>
<td>2019</td>
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</tbody>
</table>

For further information on our functions please contact:

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www.asianprivatebanker.com/events