

# Bank of East Asia: expanding its wealth management offerings at home and in China

Bank of East Asia's private banking arm, BEA Private Banking, is making further inroads into the competitive Hong Kong market and further afield to Mainland China and elsewhere in the region. Hubbis recently met with two of the bank's leading bankers, Grace Chow and Jessica Ng who are building the bank's private banking and wealth management presence and competitive edge.

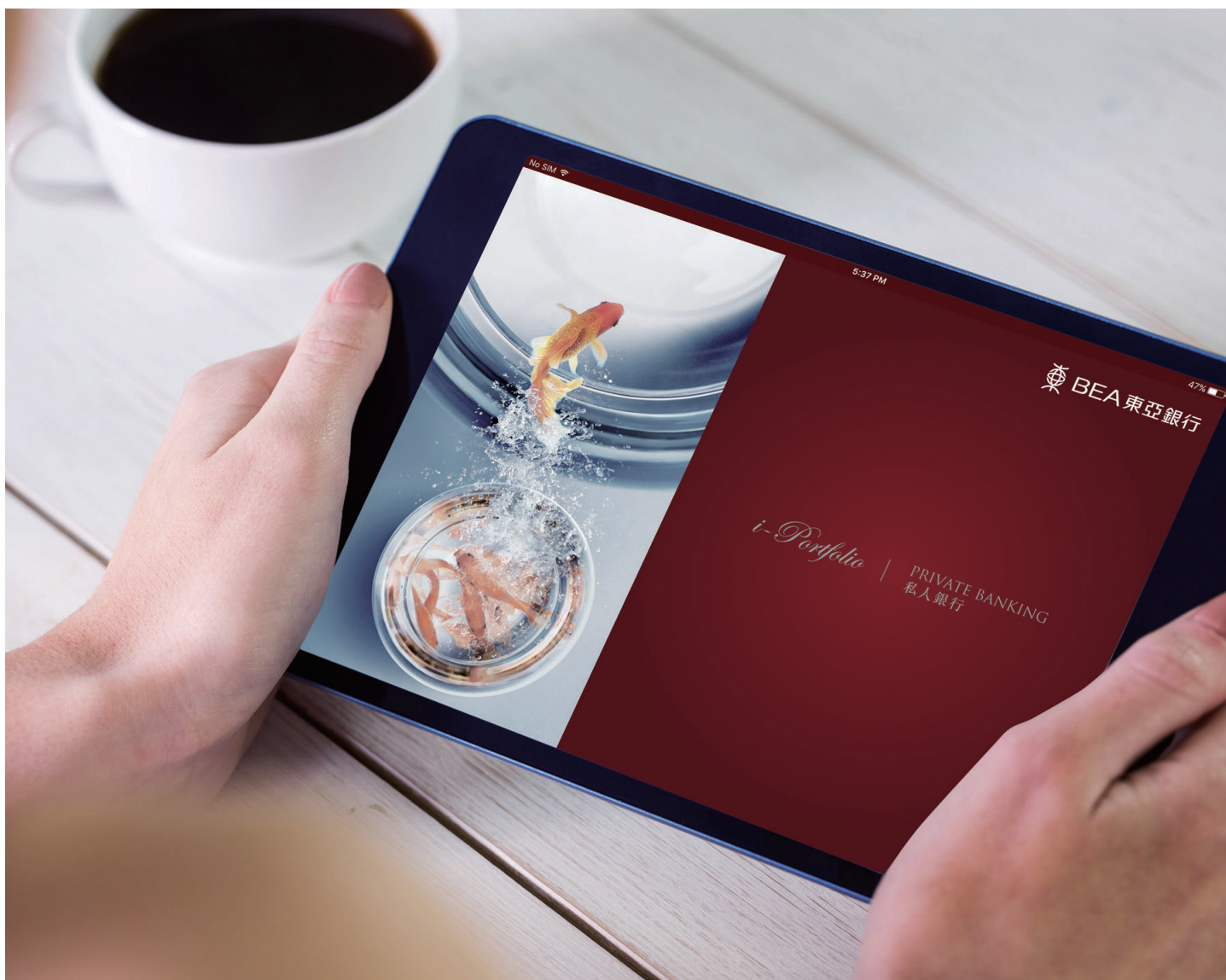


## Executive summary

Bank of East Asia (BEA) has been steadily building its wealth management business, with a keen focus on Hong Kong's high-net-worth-individuals (HNWIs), as well as the growing ranks of HNWIs in mainland China, where the bank has 100 outlets in 44 leading cities.

Hubbis recently met with Grace Chow, BEA's general manager and head of wealth management and with Jessica Ng, head of BEA Private Banking (BEAPB). They both believe that the bank has a strong future in wealth management, building on its long history, the strong brand name, the broad range of corporate and personal banking services and a deep commitment to HNWI clients.

There are challenges, not least the expansion of onshore financial services expertise in China and the growth of Singapore as perhaps the region's leading wealth management centre. However, Hong Kong has a vast range of corporate and capital markets expertise and is also a comfortable first port of call for Chinese HNWIs looking to invest their wealth abroad.



## **G**RACE CHOW IS GENERAL MANAGER AND HEAD OF THE BEA'S WEALTH MANAGEMENT DIVISION,

while Jessica Ng is a long-serving BEA banker who heads up BEA Private Banking (BEAPB).

Both have a deep corporate and personal perspective on the growth of wealth in Asia and the expansion of BEA's range of skills and services to cater for this growth, especially in the massive mainland Chinese market on Hong Kong's doorstep.

### **BEA's long history in Hong Kong and China**

They believe BEA has the history, the brand, the management drive and the skills to compete with some of the bigger global and regional players for the growing numbers of high-net-worth (HNW) clients in Hong Kong, China and further afield, for example, Taiwan and other countries in the region.

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“Drawing on our complete range of financial and banking services,” says Chow, “we can provide HNW clients with highly customised solutions, including specific structured products, investment funds, or insurance. Our clients know that we have been here working with businesses and families for generations and that longevity is certainly a key added-value we offer.”

BEA's suite of banking and wealth management services includes corporate and commercial lending, trust and other wealth management

services. This comprehensive suite of solutions allows the bank to cater to its clients' personal and business needs. In mainland China, BEA operates one of the most extensive networks of any foreign bank. “Our strong presence in mainland China enables us to establish relationships with the fast-growing number of wealthy and super-wealthy clients there, many of whom are entrepreneurs,” says Ng.

### **A broad range of services and solutions**

“We offer both managed solutions and financial planning, or we support clients who prefer to handle their investments themselves,” Chow explains. “We also provide a wide array of corporate finance and integrated business, corporate, and investor services to support just about every business need imaginable. And for HNWI's we provide estate planning as well as trust and fiduciary services to

help clients structure and manage their estate based on your particular requirements and changing personal circumstances.”

BEA is adapting its range of services to match the demand, especially for outward investments and offshore asset allocation by mainland Chinese clients. The bank has been building out its numbers of relationship managers and what it calls service ambassadors to cater for this growth, especially in the Greater Bay Area comprising Guangdong, Hong Kong and Macau.

### **Key Priorities**

“Our most important mission is to hire the right people to keep our momentum going,” Chow explains. “Talent brings business. In particular, we need to expand our China reach by building a bigger and stronger team. Part of this is moving people internally to exploit their talents and their career objectives.”

The second of Chow's priorities is to grow the assets under management (AUM). “If we can increase our headcount by about 20% a year as well as our AUM, that would represent a good balance,” she reports. “The mission is to win more AUM from both existing clients and also from new clients. Moreover, we are now at roughly 50% China and 50% Hong Kong in terms of clientele, whereas before the business was almost entirely Hong Kong based. I think if we can achieve 70/30 in favour of China that would be a good balance, moreover this is achievable as we have such a strong physical and brand presence in China.”

The third priority is further digitisation. “The more clients can do online, the better for them and for the bankers, but as we explained we need to balance the digital and human connections for the benefit of the firm and the clients.”

Ng explains that the China card is a considerable advantage for the bank, as BEA has 100 outlets in 44 cities throughout the mainland and a concentration of about 30 outlets in the key mainland cities in the wealthy Greater Bay Area.



GRACE CHOW  
Bank of East Asia

### Expansion in China

“For our mainland China clients,” she notes, “we offer a broad range of banking options locally as well as wealth management from Hong Kong, so we can today offer a total range of banking and advisory services. We have a long history in China, almost 100 years, and we have a deep understanding of the regulations on cross-border flows. Additionally, we have strategic overseas locations, such as London, where many Chinese tycoons like to buy properties. Singapore as well, of course.”

Chow adds that BEA is committed to wealth management as the fee income from wealth management services naturally balances off the interest-generating income of the bank. “And for the clients,” she says, “if we can help them achieve a better return than the plain vanilla interest income and advise them on opportunities, structures and so forth, then we have clients we can build with for the future.”

While there are naysayers who argue that Hong Kong’s star is waning as a centre for China - due to competition onshore and offshore from Singapore - Chow and Ng both remain confident about BEA’s role in the development of wealth management in Hong Kong.

### Getting Personal with Grace Chow

Grace Chow was born in Hong Kong and educated at home and in the US, earning her BA from Yale University and MBA from the University of Southern California. Her early career in Hong Kong was with Bank of America and Citi in corporate and commercial banking, and after the first six years of working she moved into private banking.

Chow explains her enjoyment in her role has been getting to know the clients as well as building the business. “These two elements are well balanced in private banking,” she observes, “as satisfied clients make for good business.”

She has a sound word of advice for someone building a career in this business. “If I were to give advice to someone starting out and building their career in this or another industry,” she comments, “it would be to be truthful to your colleagues and your clients, respect the role and the institution, be fair and be sincere in all you do. If so, you will win long-term clients and have long-term friends.”

### Hong Kong as a conduit

“The mainland Chinese clients will continue to come through Hong Kong as they accumulate wealth at home and then invest their surplus assets globally, first coming through Hong Kong, which offers a portal to the world of mainstream and alternative investments,” says Ng. “Hong Kong is familiar to them and safe.”

Ng also expresses concern that Hong Kong’s competitive position as an offshore centre is being weakened in comparison with Singapore. “Clients have choices, and money can move in accordance,” she says. “If a market becomes over-regulated, the clients can move jurisdiction to a more balanced environment, or they might put money into less-regulated areas, such as

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Nevertheless, both bankers voice concerns that regulators might be playing too strong a hand. “We want the regulators to recognise that while safety is very important, so too is Hong Kong’s competitive position in the region and globally,” says Chow.

property, alternative investments such as hedge fund, private equity, precious metals and so forth, all of which have very few regulatory restrictions. Neither are positive for a market such as Hong Kong for the longer-term.”





JESSICA NG  
Bank of East Asia

**Digital to enhance relationships, not impede them**

Moreover, Chow has concerns that digitally-enabled, low-cost competitors can enter the market with far fewer regulatory or cost impediments. “While it becomes ever more difficult for clients to do things through the banks,” she says, “digitally there are so many opportunities arising for speedy, efficient, low-cost transactions. Of course, the banks are becoming ever more digital, but in the world of private banking we need to be cautious on the regulatory and compliance side so it all takes longer.”

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Chow also recognises that the newer generations of clients, especially those from China, want to do more and more digitally.

“There is far greater demand for digital advisory and execution,”

she notes, “but we must be careful not to rely on digital entirely, as it becomes more difficult to build a relationship with the clients. We must balance these two needs, so

we are building our digital capabilities for clients, for example offering clients the opportunity by later this year to fully review their portfolios on mobile applications but making sure that we keep the relationship

**Getting Personal with Jessica Ng**

Jessica Ng was also born in Hong Kong and studied at the University of Hong Kong, before moving on to complete her MBA at City University. Her first job was at Chekiang First Bank Limited, which was then a subsidiary of Dai-Ichi Kangyo Bank from Japan and which was later acquired by Wing Hang Bank.

“I began as a management trainee in the corporate banking department, and then, later on, moved to Daiwa bank, also in the corporate banking area, before joining First Pacific Bank, which was later acquired by Bank of East Asia. It was at First Pacific Bank that I moved into the wealth management arena.”

Her career flourished, soon becoming deputy head of private banking at BEA, at that time also taking charge of two marketing teams and HNWI clients in China, Taiwan and Hong Kong.

“I am somewhat unusual these days,” Ng notes, “as I have been with BEA for more than 18 years. I have found the bank to be very compatible with my objectives, offering opportunities for advance and diversification. The bank is entrepreneurial and flexible, if they see potential we are encouraged to go out and make those opportunities become reality. I have had opportunities to move around, work in different countries in the region, it has been challenging and interesting, so I have not felt the need to move to other banks.”

Ng is married with one son aged 16 and has a broad range of interests outside work and family, including amateur theatre and sports.

managers as close as possible to the clients. We have to make the client experience more enjoyable and more fruitful on both the digital and personal levels.”

The digitisation Chow refers to is an extension of the iPortfolio Analyzer launched by BEAPB in 2017. The iPortfolio Analyzer was co-developed with IBM and is a secure mobile solution that enables BEA’s relationship managers to access and display portfolio information for clients at any location from their iPad. The next step, as Chow explained, is to offer this facility directly to end-clients.

“We are in the business to serve our clients for the long-term,” Ng concludes. ■