

Credit Suisse's Head of Wealth Management for Asia Pacific on Seizing the Many Opportunities in the Region's High-Growth Wealth Markets

Asia Pacific remains the fastest growing wealth market in the world, according to Credit Suisse's latest Global Wealth Report, and Benjamin Cavalli, Head of Wealth Management for Asia Pacific, Hong Kong CEO & APAC Sustainability Leader, believes the giant Swiss bank has the right region-wide infrastructure and strategies in place to seize the many significant opportunities ahead. Hubbis was fortunate to recently touch base with Cavalli to learn more about his perception of the current trends shaping private banking and wealth management in Asia Pacific and to understand more about the bank's own offering and value proposition for its typical high-net-worth (HNW) and especially ultra-high-net worth (UHNW) clientele. He also highlighted key aspects of Credit Suisse's strategy for engaging with - and delivering their proposition to - these very wealthy clients, including, of course, through smart technology solutions and digitalisation, for which the bank has been considered a cutting-edge proponent for many years already.

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BENJAMIN CAVALLI
Credit Suisse

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Getting Personal with Benjamin Cavalli

Benjamin Cavalli is a Managing Director, Chief Executive Officer Hong Kong, Head of Wealth Management Asia Pacific, and APAC Sustainability Leader at Credit Suisse.

In his senior leadership role, Cavalli leads the Wealth Management business in Asia Pacific. He also focuses on collaboration opportunities within Credit Suisse to capitalise on the synergies and business opportunities in the region, to thereby drive profitable business growth and to advance market share.

He is also the APAC Sustainability Leader, Co-Chair of the APAC Sustainability Committee, and Trustee of the Board of the Credit Suisse APAC Foundation. As APAC Sustainability Leader, Cavalli works across businesses to establish Credit Suisse as a global leader in Environmental, Social and Governance (ESG).

He initially joined Credit Suisse in November 2009 as Head of Private Banking in Singapore. His most recent appointment prior to his current roles was as Head of Private Banking South Asia from August 2018 to December 2021. In addition, he also served as Singapore Chief Executive Officer from January 2017 to December 2021. Prior to that, he held the role of Head of Private Banking Southeast Asia and Head of Singapore from October 2014 to August 2018.

Before joining Credit Suisse in 2009, he was previously with UBS Wealth Management, where he was a Managing Director and the Head of Key Clients for Singapore. He started his career in the Export Finance department at UBS in Switzerland in 1992, and headed Commodities, Structured Trade and Export Finance at UBS Investment Bank in Hong Kong from 1997 to 2000, before beginning his career in wealth management.

Today, Cavalli has over 26 years of experience in both Investment Banking and Wealth Management across Switzerland and Asia, twenty of which were based in Singapore and in various senior management capacities. He is also accredited under IBF Advanced (IBFA) by the Institute of Banking and Finance (IBF) in Singapore.

What are the trends and developments we are seeing within private wealth management in Asia? What enhancements have we see to your value proposition, products and service offering recently? What’s your strategy to engage ultra-wealthy clients?

“Asia Pacific (APAC) is and remains the fastest growing wealth market in the world. According to Credit Suisse’s latest Global Wealth Report, the number of millionaires is expected to grow phenomenally by 58.4% between year

2020 to 2025. These indicators fuel our belief that we have a very compelling franchise in which we have continuously invested over the years.

Our priority is on systematically growing our strong franchise in the UHNW segment while accelerating the growth of our HNW client franchise, including in APAC. With differentiators such as sophisticated wealth management advice and a leading House View, we are looking to expand our HNW-focused coverage model in existing markets while extending to Hong Kong and Singapore.

Looking closely at the main trends in wealth management within APAC, we believe that we are well positioned to tap these opportunities to drive further growth.

The first trend is that **wealth in Asia is driven largely by first- and second-generation entrepreneurs**. A key focus for us is to continue strengthening our position as the “Bank for Entrepreneurs” and deliver solutions tailored to what our clients want, across both private banking and investment banking. Moving forward, we will continue to evaluate opportunities to leverage our well-established investment banking footprint across the region, where it has a decades-long history in most markets, which is also our key differentiator in our onshore strategy.

The second trend relates to **wealth transfer to the next generation**. Wealth planning and family office services are key focus areas as more of our UHNW clients are entering the mature phase of their wealth

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lifecycle in the coming years, and they are starting to think about long-term wealth management and succession planning and need advice on structuring their wealth and managing liquidity for the next generation.

We are also focused on equipping the next generation with the necessary knowledge and tools so that they are well-positioned to take over the management of their family wealth one day, and to grow and preserve their wealth for future generations. We are also engaging UHNW families through SymAsia Foundation, an umbrella platform set up in 2010 to make it easier for clients to give in a structured way, enabling them to create greater, more sustainable social impact.

The third trend sees **sustainability as a key factor behind investment decisions**. In Asia, we are seeing increasing interest from clients for innovative solutions in this space. Their investment appetite is becoming more sophisticated and now goes beyond traditional exclusionary strategies. We are committed to playing our part in achieving a more sustainable global economy by engaging with our clients, bringing them with us on our journey, and also innovating

to create sustainable investing solutions that achieve our clients’ preferences and goals, alongside our own.

Together with a robust and innovative sustainable product offering, we also aim to integrate sustainability reporting into our standard investment reporting, increase transparency on our clients’ portfolio sustainability profile, enabling our clients to make better-informed investment decisions and helping them align their investments with their personal values.

The fourth trend concerns **digitalisation**, which has become the new normal for our clients and for us as a bank. We see client experience and data capabilities as two critical drivers of success in the new age.

Our technology and platform strategy puts the client at the center, with three key objectives: **Empower, Connect, and Protect**.

To **Empower**, we have been making significant investments to be able to deliver Direct to Client actionable and holistic advice, investment ideas, and product content, in a relevant, personalised, and timely manner. Given the ever-growing amount and complexity of content and

data, the only way to approach this challenge is with technology.

For example, using advanced data analytics and machine learning models, we can leverage our House View content, research insights, and market events, to deliver personalised and actionable reinvestment ideas, sustainability offerings, take-profit/loss alerts, portfolio quality reports, etc., to our clients. We believe the real opportunity is in being able to offer a flexible hybrid service model, responding to our clients' needs and preferences.

To **Connect** with our clients anytime and anywhere, we continue to invest in an omni-channel client experience. Credit Suisse Chat and Digital Private Bank (DPB) are our award-winning digital solutions, used by our clients and RMs for secure messaging and collaboration, portfolio and investment insights, research, news, trading, and other self-service capabilities.

Furthermore, we are investing in building connectivity with the wider ecosystem, enabling us to accelerate organic and non-organic opportunities with intermediaries, new onshore markets, new client segments, and develop new monetisation opportunities. As an organisation, we actively participate in the wealth ecosystem through partnerships and collaborations.

To **Protect** our clients, we are investing in advanced RegTech capabilities across AML, KYC, customer protection, and regulatory and tax reporting. We consider compliance as a competitive advantage as

transparency and adherence to regulation are crucial to building lasting relationships and trust with our clients. Investing in such capabilities allow us to adapt quickly to changing regulations and focus on improving client and RM experience.

One notable example for us is iSAP, a technology platform we designed and built in-house to address the complex set of Investment Suitability processes across the client lifecycle - from the client's investment profile, through to product due diligence, suitability and cross-border rules, pricing, as well as the automation of personalised pre-trade risk disclosures. With such technology, we are able to move and adapt faster, with full transparency across the advisory journey. We can now unlock exciting opportunities such as Direct to Client advisory at scale, combining content with advanced analytics and predictive machine learning models to offer personalised insights and actionable advice to clients - while being fully transparent and compliant.

Onshoring also continues to be a strategic focus for our wealth management activities in Asia. There are tremendous wealth opportunities in the region, and we want to be in the right places to capture growth especially in wealth accumulation. It is also important for us to access onshore wealth across Asia due to its varied and at times complex regulatory and business environment in different markets. We have been rigorously expanding our regional footprint



into onshore markets over the years and now have the most diversified onshore and offshore footprint in the industry. This positions us well to capture opportunities in the region.”

Credit Suisse’s APAC private banking business is now integrated into the bank’s global wealth management division. How does this work in practice? How is this beneficial for clients?

“Credit Suisse’s strength and our key value proposition has always been the ability to serve our clients effectively throughout their entrepreneurial life cycle by bringing together our strong wealth management, investment banking and asset management capabilities.

In order to deliver lasting value for our clients, we are **strengthening our core and simplifying our operating model** so that we can **leverage the broad spectrum of global capabilities across our business divisions**.

With a globally unified Wealth Management division, we are able to deliver a differentiated value proposition and gain a larger share of our clients’ business through collaborating with Investment Banking, Asset Management, and partnering with our four regions Switzerland, EMEA, APAC and Americas.

The integrated global Wealth Management operations will also enable us to accelerate growth by leveraging our distinct strengths in each region; effectively deploying sizeable assets and investments; and running global

processes and technology more efficiently while ensuring strong risk management and controls.”

What are some of your priorities for the next 12-months?

“To be a global Wealth Manager that delivers value for clients, we are focusing on **six strategic levers to strengthen, simplify and invest for growth**.

One, it is about integrating our Wealth Management division and simplifying the organisation. We are also establishing ourselves as a single integrated investment solutions and financing one-stop shop for our clients. We have about 30% penetration in Managed Solutions, which is higher than other competitors in the market.

Two, it is about deploying a more systematic client-centric approach to how we deliver services to clients. We are focusing on refining the value proposition for UHNW, as well as developing the HNW wealth channel and enhancing the approach targeted at this client segment.

Three, it is about optimising our footprint with a focus on priority markets. Four, it is about leveraging our centralised lending and investment platforms to drive a different mix of revenues. Five, it is about enhancing client and RM experience through technology and automation. Lastly, we are focusing on driving consistent risk management to enable sustainable growth.

We reached an important milestone this year: the release of CHF3 billion of capital allocated to the Investment Bank in order

to shift it primarily to Wealth Management in the future.

2022 will be a transition year for us, during which we will lay the foundation to drive progress towards our key aspirations by 2024. We aim to progressively deploy resources in wealth management to accelerate growth.”

What are the biggest challenges today as you grow the business in the Asia Pacific region?

“Wealth Management had a slower start to the year, with adjusted PTI adversely impacted by lower transaction activity, further reduced lending volumes, Russia-related impacts, APAC Financing Group mark-to-market losses and the cost of the Supply Chain Finance Funds fee waiver. Still, we increased investments, including in talent, and saw solid net new assets across key regions reflecting our client franchise strength.

We have already made meaningful progress in laying the foundations for the integrated Wealth Management division and defined and initiated execution priorities that reflect the changing geopolitical climate. These include client segments, priority markets, products and solutions, simplification, and people.

We are building all the right things to drive long-term results. Some of these actions are more tactical and would deliver quickly, while some of the more foundational ones will take time. For now, our focus is on consistency and execution, because that will drive growth and sustainable returns over time.” ■