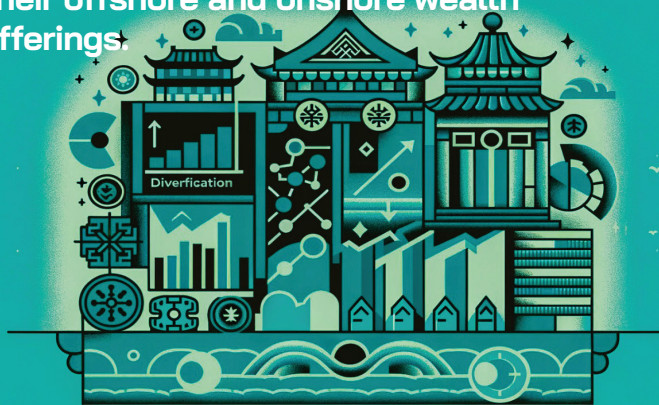


# Diversification is the Key to Success in the Dynamic Markets of North Asia

Avaloq is a global leader in digital banking solutions, core banking software and wealth management technology, helping over 160 financial institutions to digitalise and scale their operations. Recently, we met with Pascal Wengi, Managing Director for Asia Pacific, the Middle East & Africa and member of the Group Executive Board at Avaloq, as well as Eliza Chang, Sales Director for North Asia. Together, they shared their views on North Asia's wealth management sector, highlighting the recent success stories of Taiwanese and Mainland Chinese banks and brokerages in developing their offshore and onshore wealth management offerings.



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**PASCAL WENGI**  
Avaloq

### Growth in North Asia

Eliza highlighted the many changes she has witnessed in the past ten years in North Asia. “Growth in Hong Kong and Taiwan has been impressive, with increasing liberalisation by regulators to encourage the development of a more advanced wealth management industry,” she reports.

She notes that in recent years Taiwan has been working to attract more money back onshore, with many financial institutions keen to establish private banking services for mass-affluent and high net worth individuals, providing them with a much deeper product and service range in their home market.

“Although the island’s wealth management sector is not yet

as mature as in Hong Kong and Singapore, we are confident that Taiwan will continue moving in the right direction,” she predicts. “Our focus is on providing Taiwanese financial institutions with the technology and expertise to establish a comprehensive and sophisticated wealth management offering.”

For financial institutions in Taiwan, the natural route for Avaloq is to support their offshore business first, helping them to establish or upgrade their Singapore or Hong Kong platforms. “That gives us the credibility and relationships to then help them onshore in Taiwan, where the wealth management market is now becoming more sophisticated and diverse,” says Pascal.

### Broad-based solutions

Pascal notes that one of Avaloq’s key advantages is its ability to provide solutions across the full spectrum of financial products.

“As regulations continue to liberalise in Taiwan, local banks find they do not always have the technical capabilities to offer the range of investment advice and financial products the market needs, so they come to Avaloq for our expertise and specialised technology.”

Another opportunity for financial institutions is the shift towards investment advisory

and discretionary portfolio management services. Pascal explains that “some Taiwanese banks have previously been transaction-driven, and that has led to a lot of discounting. But to grow lasting client relationships focused on trust and expertise, these firms need to transform their business to one centred on tailored advice for high-net-worth clients, with recurring fee-based services that align with the needs of individual investors.”

### Strong activity in Hong Kong

When asked about Hong Kong, Eliza describes the financial market as mature, well-regulated and diverse. The city is experiencing a groundswell of investment, with financial institutions focusing on enhancing their capabilities by providing their front office staff with new digital tools while upgrading the client experience on digital banking channels. This is also partially in response to growing competition in the market.

“The successful implementation of these systems and tools requires close alignment of the technology with the firm’s business processes and offerings,” Pascal adds. “Financial institutions have vastly different needs when it comes to software depending on whether they are establishing or scaling

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**ELIZA CHANG**  
Avaloq

their operations – and how digitally attuned their clients are.”

### Foundation for future success

Pascal says Avaloq can rapidly deliver solutions as part of a “bank in a box” approach, i.e. a pre-configured software as a service (SaaS) setup to help financial institutions of all sizes, including smaller firms, to build the operational capability to compete effectively well into the future.

“Our SaaS deployment models enable firms to focus on their core business of managing money, while entrusting Avaloq with maintaining, updating and scaling their systems,” Pascal explains. “Furthermore, with our banking operations offering, our clients can outsource parts or all of their back and middle office processes. This strategic approach streamlines our clients’ operations, trims their overhead costs and bolsters compliance across jurisdictions.” ■

« *“As regulations continue to liberalise in Taiwan, local banks find they do not always have the technical capabilities to offer the range of investment advice and financial products the market needs, so they come to Avaloq for our expertise and specialised technology.”* »

#### For further reading on Avaloq from Hubbis pages, see these recent articles:

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