

High-flying in Hong Kong

Bank of Singapore is reaping rewards in the private banking sector by focusing on strengths and keeping a close watch on cost.

FROM ZERO TO HERO ISN'T QUITE THE WAY Sermon Kwan would describe himself, but it is fair to say that he has been involved in the growth of Bank of Singapore in the last eight years and becoming a leading private bank in Asia.

Kwan, CEO of Bank of Singapore's Hong Kong operation, has been involved in the bank's spectacular transition since it was acquired by OCBC Bank in 2009.

Formerly known as ING Asia Private Bank, it was acquired for USD1.46bn and at that time had AUM of USD22bn. Now, its AUM is USD95bn covering the core markets of Southeast Asia, Greater China and the Middle East, namely the Gulf Cooperation Countries. Even more impressively, Bank of Singapore is rated Aa1 by Moody's.

Kwan is upbeat about the future. "I think over the course of the last eight years [from the acquisition and rebranding as Bank of Singapore] we have grown from strength to strength to become a top ten player, and, to be precise, it was top seven last year. Costs have been a lot to do with that.

"Our approach to managing cost has been key to our success. We are very focused in terms of the markets that we want to focus on and the areas that we want to invest in. This has allowed us to maintain a healthy cost-to-income ratio."

Another huge contributing factor to the soaring success story in Singapore is the ability to attract high quality bankers and having a research team that provides the quality advice that feeds down to the client base, according to Kwan.

"We are able to attract really good bankers given who we are and how we have performed. The inception of Bank of Singapore coincided with the withdrawal of a number of European players from this region. Asian private banks were viewed positively by not just bankers but high net worth individuals as well. This trend continues today. Our acquisition of Barclays' wealth and



SERMON KWAN
Bank of Singapore

investment businesses in Singapore and Hong Kong further strengthened our value proposition.

“We have invested a lot in our research. I would say we have one of the largest research teams in Asia with more than 30 analysts. We have specialists who deal with clients, and others whose objective is marketing, but our research people are dedicated to just doing research, and that becomes a driver for our products.”

Kwan also highlights the range of products available as another contributing factor to the success story, adding that big names have helped bring kudos to the fold.

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“We operate on an open architecture platform, choosing the best-in-class partners to provide our clients with relevant solutions. Because of our track record, our partners more often than not will provide us with first-to-market solutions. Demand for these solutions has been very high. In some cases, they were oversubscribed.

The other area that we have done very well is in the space of discretionary portfolio management. Just this year alone, we have seen a 30% growth in the assets placed under this service.”

Kwan also gives credit to its roots and the parent that keeps the train firmly on the success track.

“Being part of the OCBC Group gives us the extra edge in offering our clients with solutions beyond their private banking needs. We are able to tap on our parent company’s commercial banking capabilities to extend to our clients a broad array of consumer and corporate banking services. Our clients who are largely successful entrepreneurs appreciate this value-add that gives them the comfort that we are able to serve them holistically.

“When clients think about diversifying from Europe where can they go? I think Asia is a very obvious choice. In Asia, having the track record and also knowing how to do private banking, there is little competition, so we become the obvious choice.” ■

