

Mapping the wealth management landscape in China

In a video interview, Ray Chou of Oliver Wyman explains the evolution in wealth management players and offerings in Mainland China, as the market continues to grow and offerings develop.



RAY CHOU
Oliver Wyman

CHINA'S WEALTH MANAGEMENT MARKET has been growing rapidly - at over 15% per year - mainly due to the significant amount of investable assets.

Yet the key underlying factor that is driving the opportunity overall is the potential for managed assets within this pool, explains Ray Chou, partner and wealth management and asset management practice lead for Oliver Wyman in China.

While the profile of Chinese investors in other markets is based on self-directed behaviour, there are challenges in managing risks and delivering returns via this approach.

As a result, Chou sees China's wealthy looking for professionally-managed services. And in turn, this enables traditional institutions plus new entrants to offer relevant products and investment advisory.

Banks, as the key wealth management players at the moment, can build on the 'stickiness' of their account relationships along with their vast online and offline networks, he believes.

Yet non-banks such as securities firms, have been leveraging the traditional trading relationships with retail customers to transform their businesses to deliver broader wealth management and capital markets services, he says.

Digital platforms are also penetrating the wealth space, adds Chou, as they strengthen their capabilities.

All these firms need to continue to enhance their products and offerings. But rather than continuing to be a 'push' market, Chou says the capability to service the wealth preservation, asset allocation and risk management needs of customers is increasingly essential. ■