

# RBC Wealth Management Growing Apace with Sights Set on Asia's Global HNW and UHNW Families

RBC Wealth Management is the private banking arm of the global Canadian banking giant that's stock price in mid-March was trading at an all-time high, driving the market capitalisation to over USD165 billion, itself driven by some bumper group numbers for the first quarter of 2021. It might come as somewhat of a surprise to some current and potential clients in Asia that RBC Wealth Management in Singapore and Hong Kong alone boasts around 70 relationship managers, making the firm a sizable competitor in the industry and also one that has been growing robustly by dint of its keen focus on what the firm's leaders call Asia's Global Families, those HNW and UHNW clients who have connectivity to the US, Canada, and the UK and whom the bank believes it is ideally placed to serve. Hubbis had the opportunity to meet up with two of the firm's leading lights in Asia, both of whom are based in Hong Kong. Terence Chow is Head of RBC Wealth Management – Asia and Juan Aronna is the Head of Investments for RBC Wealth Management in Asia and the British Isles. Both are excited by the growth the firm has been enjoying and confident that there is plenty of untapped potential in the region.

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**JUAN ARONNA**  
RBC Wealth Management

**Royal Bank of Canada** on February 24 reported some bumper numbers for the quarter ended January 31 2021, with a net income of CAD3.847 billion, up 10% from the same period last year. Not only is the bank producing some excellent figures, but it remains very solid, with a Common Equity Tier 1 ratio of 12.5% and a strong average Liquidity Coverage Ratio of 141%.

Royal Bank of Canada positions itself as a leading global financial institution with a purpose-driven, principles-led approach to delivering leading performance. As Canada's biggest bank and one of the largest in the world based on market capitalisation, RBC has a diversified business model and has more than 86,000 employees across Canada, the US, and 34 other countries.

### Strength and stability

"The strength and size of RBC surprise some who don't know us well," says Chow. "We are the Asian arm of a truly global organisation, exporting our strengths and our best capabilities into Asia, and we can

### Getting Personal with Juan Aronna

Juan Aronna is the Head of Investments for RBC Wealth Management in Asia and the British Isles. He joined RBC Wealth Management Asia in 2014 from UBS Wealth Management, Asia Pacific, where he held the role of executive director and head of Asia Portfolio Management Hub and head of Investment Solutions Singapore for 12 years.

He is also chairman of the Asia Investment Committee (AIC) at RBC and is responsible for the portfolio strategy. He holds an MBA degree in Economics from the University of Fribourg, Switzerland, with a specialisation in macroeconomics and monetary policy. He was born in Argentina and educated in the French speaking part of Switzerland.

He says his career began to really blossom when he went to Singapore in 2002, then working for UBS, with an explosion in activity in wealth management starting around that time there. "I loved my time in Singapore," he reports. "I moved to Hong Kong in 2019 and it has been a real positive to support clients here and across Asia through the recent market turbulence."

He plans to soon move to the UK given his expanded investment responsibilities to include RBC Wealth Management in the British Isles. He has two children aged 12 and seven, and enjoys hiking when not working the long hours to cover both the European and Asia time zones. When based in the UK, he looks forward to skiing in Europe, with his favourite destination a small village resort named Laax near Davos. "A bit expensive as you might imagine," he says, "but truly fabulous."

When lockdowns are lifted in Asia, he also plans to take more dive trips to Indonesia, Malaysia, and the Philippines. "I do miss the dive trips," he says, "but for my birthday I will treat myself to a dive here in Hong Kong. It is not a substitute for my favourite dive destination of Cubadak in Sumatra, which is remote but remarkable, but these days we have to enjoy what's available, and make the best of it."

add a great deal of value with this global expertise. Strength and stability are especially valued in times like these, but we also take a highly personalised approach with our clients and have an extremely collegiate culture of collaboration among teams worldwide."

According to the bank's literature, RBC Wealth Management serves affluent, high net worth (HNW) and ultra HNW (UHNW) clients globally with a full suite of banking, investment, trust, and other wealth management solutions, from key operational hubs in



**TERENCE CHOW**  
RBC Wealth Management

Canada, the United States, the British Isles, and Asia. The business also provides asset management products and services directly and through RBC and third-party distributors to institutional and individual clients, through its RBC Global Asset Management business (which includes BlueBay Asset Management).

RBC Wealth Management has CAD1.1 trillion of assets under administration, CAD836 billion of assets under management, and more than 4,800 financial consultants, advisors, private bankers, and trust officers.

### Asia’s Global Families

Given the bank’s global presence, RBC Wealth Management has slightly repositioned itself in Asia in recent years as serving the HNW and UHNW market in the region, but in particular focusing on what the bank calls ‘Asia’s Global Families’. “These are families in Asia with connectivity to Canada, the US, and the UK, markets we know well and where we have a real edge,” Chow explains.

### Getting Personal with Terence Chow

Terence Chow is Head of RBC Wealth Management – Asia, based in Hong Kong and responsible for the business in the region. He worked with the bank early in his career and re-joined RBC Capital Markets in Canada in 2005, where he held a variety of different roles across strategy, operations, and project execution.

In 2015, he was appointed Vice President and Head of Wealth Management Operations Canada, a role which expanded to include Asia in 2017. Most recently, before taking the ‘Head’ role for the region, he was COO, Wealth Management – Asia.

He was born in Toronto and studied Economics at the University of Toronto, before completing his MBA from the Ivey School of Business.

He says his current role is the highpoint of his career, but he also has great memories of his time in New York during and after the global financial crisis. “Actually, in those years the RBC Capital Markets operation elevated itself from a second-tier player to a primary dealer and one of the top 10 investment banks. I later moved to the Wealth Management business, which has been another good growth story for the bank.”

He lives in Hong Kong with his wife. “It was a great opportunity to come here,” he reports, “and it takes me full circle as my parents grew up in Hong Kong, so the place really resonates with me.”

He loves watching Canadian ice hockey and basketball on TV, and enjoys the outdoor life in Hong Kong. “Those who don’t know Hong Kong are surprised to hear that most of the SAR is not built up, that is it very natural and beautiful,” he comments. “And when travel resumes, we look forward to exploring further afield in Asia.”

His final comment is that he always tries to stick to his own advice about ‘getting comfortable with being uncomfortable’. “When you grow, it’s when you have stretched yourself,” he says. “If you always stick to what is comfortable, you will not challenge yourself or be so open to new experiences and learning. I believe in new challenges, and hopefully this means that I add more value to colleagues, partners, and clients.”

He concedes that the firm took some time to determine its strengths and where it could best add value and compete. “We have learned some lessons over the past three

to four years, as we looked in depth at the evolution of the clients in the region and at our competitive strengths,” he explains. “We are now really comfortable and confident

that we have the right business model for the region.”

He explains that the bank has fared particularly well during times of stress when clients migrate towards strength and stability amidst great volatility and uncertainty. “I would say that we have become even more relevant and impactful over the past year to eighteen months,” he reports.

**“A key feature these days is what is akin to a race to sustainability, and RBC is well ahead in terms of our reputation for and commitment to sustainability. We refer to ‘SusTech’, a term that integrates sustainability and technology, highlighting the importance of technology when it comes to addressing sustainability challenges. We are focused on bringing SusTech ideas and products to clients that fit the megatrends in this area, and helping them position themselves for the future.”**

### The HK and Singapore axis

Chow explains that the bank maintains both Hong Kong (from where he operates) and Singapore as its two booking centres for the region. “Actually, I’m based in Hong Kong because my parents grew up here, so it’s a great place for me to be,” he reports. “It is also a great place to be for the type of clients we focus on, and an excellent base from which to reach out to the second and third generations of these wealthy families across Asia.”

### Connectivity and community

He adds that so many of the second and beyond generations of these families are Western

educated, making it easier for RBC to engage with them. “The generations of these families have a strong affinity to the US, Canada, and the UK, and we are ideally positioned to support their international wealth needs and lifestyles with RBC’s reach and expertise,” Chow reports.

RBC as a group also has a strong thrust to working within the communities where it operates,

and the same is true in Asia. “We are dedicated to working with communities worldwide, for example through events and volunteering here in Asia, in line with our purpose, which is to help clients thrive and communities prosper,” Chow explains.

### Leveraging via digital

Aligned with the firm’s sharp focus on its client base, the bank has also been boosting its digital capabilities. Chow recounts, for example, that when he moved to Hong Kong two years ago, he soon found that onboarding was very slow in the region compared to other RBC markets.

“We took a really close look at where the pain points were and quickly started to deploy

tactical technology solutions such as robotic process automation,” he elucidates. “We have been actively working on that, and making meaningful improvements to the lead times.”

He reports the bank is also working on revamping the client digital banking platform, investigating the capabilities of a number of different service providers and their propositions, as well as exploring alternatives for a new customer relationship management (CRM) system.

“Once we have upgraded our CRM system” he explains, “the goal is to not only improve relationship manager and advisor productivity, but also to give us a much more holistic view of our clients so that we can start to deepen those relationships and enhance their experience.”

### Committed to Asia

Chow says RBC today is fully committed to Asia, where the bank sees immense growth potential. “RBC has been a very successful bank for the past 150 years, and to continue to achieve this in the future, we must have a footprint in Asia, where the economic momentum has been so strong. We will grow, but we will do so in a manner that is consistent with RBC and hence our focus on Asia’s Global Families, and carefully executing that strategy.”

### Where there is money...

Investment expertise is at the core of the firm’s success in the region. Juan Aronna is the Hong Kong-based Managing Director, Head of Investments for

RBC Wealth Management in Asia and the British Isles. He joined RBC in 2014 from UBS Wealth Management, Asia Pacific, where he held the role of executive director and head of Asia Portfolio Management Hub and head of Investment Solutions Singapore for 12 years.

In his role at RBC today, he is responsible for the discretionary portfolio management unit as well as all products, risk, governance, and execution. His remit also now includes investment responsibility for RBC Wealth Management's British Isles business and its teams based in London and Jersey. Aronna will move to London later this year, while also continuing to spend several months of the year in Asia.

**“In Asian culture, it has historically been difficult to open dialogue on matters of mortality, legacy, succession, inter-generational wealth transfer, and so forth. But with our wealthy clients having spent more time grounded in one place, not flying here and there (due to the pandemic), family members seem to be more open to such conversations with us and between family members.”**

### **Elevating the investment proposition**

“Portfolio allocation and risk management are our areas of expertise, and delivering that to clients as part of our value proposition,” he reports. “A key feature these days is what is akin to a race to sustainability, and RBC is well ahead in terms of our reputation for and commitment to sustainability. We refer to ‘SusTech’, a term that integrates sustainability and technology, highlighting

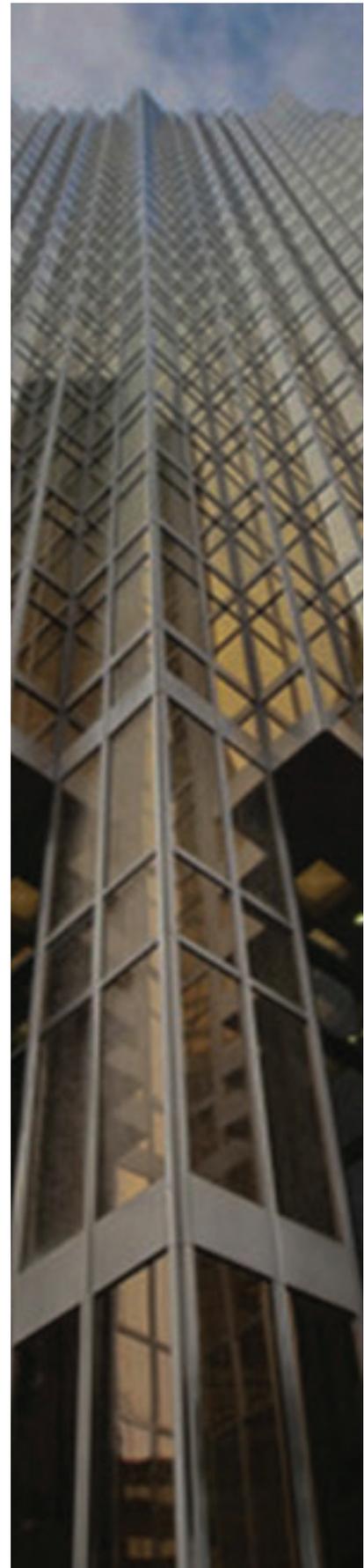
the importance of technology when it comes to addressing sustainability challenges. We are focused on bringing SusTech ideas and products to clients that fit the megatrends in this area, and helping them position themselves for the future.”

The firm's investment expertise is far from limited to the public markets. Aronna highlights the December announcement by RBC Wealth Management that it had extended its alternative investments offering through partnership with iCapital Network.

### **Alternatives go mainstream**

“This,” he says, “is an example of our continuous innovation and drive to cover all areas of investments

more comprehensively. The partnership is designed to further enhance our alternatives offering for clients globally, starting in Asia. iCapital will provide a customised technology and service solution allowing RBC Wealth Management's clients to more easily access alternative investing opportunities such as private equity, private credit, hedge funds, and other alternative investments.”



He adds that this fits ideally with RBC's work with Asia's Global Families, providing insights and advice to ensure that their investment portfolios are resilient and geared towards the long term.

"Our partnership with iCapital complements our existing investment solutions and global banking capabilities and provides clients with intuitive, digital, and secure access to alternatives – a beneficial diversification tactic amid volatile markets and global events," he enthuses.

### Riding a wave

Chow observes that such a move is helping capitalise on the Bank's momentum in the region, which accelerated throughout 2020, as clients saw the virtues of stability, security, and consistency in a clearer light. "Clients have learned more of the RBC culture over the past year, and the personal approach we take when working with clients," he explains.

"We focus on the deeper, more introspective types of conversations with our clients," he elucidates. "In Asian culture, it has historically been difficult to open dialogue on matters of mortality, legacy, succession, inter-generational wealth transfer, and so forth. But with our wealthy clients having spent more time grounded in one place, not flying here and there [due to the pandemic], family members seem to be more open to such conversations with us and between family members."

### Deeper and more meaningful

The result, he says, is the firm has often been able to deepen

these relationships, opening the door to more discretionary mandates. "Clients today are more focused than ever on long-term asset allocation related very closely to their needs and hopes, and considerations around wealth planning," he reports. "It has been a very positive experience actually, as we drive this discovery-led process that, in turn, helps drive relevance in all facets of RBC's advice and solutions."

Aronna concurs, adding that RBC's value-add has shone brighter during times of stress since the pandemic hit. "We believe we are adding great value," he says. "Our expertise, solid advice, communication, and commitment through the storms of the past 12 months or so have gained us more and more respect from clients."

### DPM excels

As a result, he reports that discretionary portfolio management (DPM) and fee-based advice stands at a remarkably high 30% of AUA. "That is far higher than average in Asia," he states. "More and more clients trust us to manage their money in an objective, professional manner, so I am pleased to say that we have maintained our growth even through these difficult times."

Chow reports that the impetus has helped the firm grow rapidly from 56 relationship managers across Asia in early 2020 to roughly 70 today and that he hopes to hire another 10 to 15 bankers by the end of 2021.

### Talent and culture combined

"But of course, they must fit our culture," he states. "Firstly,



we are a highly collaborative organisation and at our best when constructively and transparently working together. We very intentionally move talent across different teams and business segments, so that we can work fluidly with each other across regions and parts of the bank. So, when we seek talent, we look for team players more than anything. Even if somebody is a super high producer at a different organisation, they might not fit in with our culture here."

### Key Priorities

Chow says a core mission is to raise visibility further in order to capitalise on the firm's clear strategy and the momentum it has been building.

"We have traditionally been a little bit more understated in Asia, notwithstanding being one of the biggest banks in the world," he explains. "Actually, it could be argued that we don't tell our story enough. A key priority now is to build our brand, be more proactive in communicating our expertise and our culture, and to thereby help clients and industry partners in Asia get to know us and appreciate the strength and the breadth of RBC."

The second mission, Chow adds, is to build talent and grow the client base. "We need to stay true to who we are and where we add value," he explains. "We are not trying to compete with the biggest incumbents within the region; we are going to stay focused on our target market."

The third objective is to build further on the RBC proposition internally by increasing efforts

to develop even stronger links to the rest of the organisation. "We have immense scale and digital capabilities in our Wealth Management businesses in North America, and we need to leverage that scale and those capabilities more effectively in this part of the world as well."

Aronna adds his own priority as further enhancing the connectivity between Asia and the British Isles, for which he now has responsibility.

"We want to achieve greater integration between the two regions, as there are many under-exploited opportunities for working and collaborating together around resources, knowledge, idea generation, capital markets, and so forth," he reports. "For example, we have very strong businesses in Europe such as RBC Capital Markets and RBC Global Asset Management, which includes BlueBay Asset Management, which is probably the best fixed income manager in Europe. Equally, there is also a growing appetite in the UK for Asian, and especially China investments, so there are plenty of synergies. My biggest priority is to leverage the strength of both regions."

The conversation closes with both expressing their optimism about the business in the foreseeable future, but both also expressing their hopes that the pandemic can be reined in. "The opportunities ahead are significant for our business," Chow says. "We have the platform and the focus, and we now just have to hope that better times are ahead for the world." ■

