

RHB refines wealth strategy to grow top segment

The Malaysian bank is pursuing small- and medium-sized businesses as part of an expanded mandate to help grow its affluent base. The potential synergy will be beneficial amidst this challenging period, explains Calvin Goon of RHB Banking Group.

Industry observers of Malaysia's wealth management landscape believe the next decade will be increasingly challenging for HNW individuals who are constantly seeking yields while grappling with an uncertain economic outlook.

issues, namely: inheritance, global economy and tax.

In turn, banks are looking to introduce new strategies, products and solutions to address clients' concerns respectively.

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Factors such as the growing complexity in China's credit space; Brexit and the Euro uncertainty; and central banks shifting gear from accommodative to tightening, are posting more challenges for the markets moving forward.

HNW individuals, from Malaysia and globally, are concerned with three main

Looking at the small- and medium-sized enterprise (SME) space, there is so much untapped opportunities for institutions to work on.

Considering this type of SME, as well as HNW investors, a more specialised and personalised approach is required. In line with this, RHB Banking Group



CALVIN GOON
RHB Banking Group

has created another segment – Private Clients and Business Services – specifically for those customers who hold assets worth USD1 million and above.

“These clients are much more sophisticated and will demand customised products and solutions, and also prefer more attentive services due to their nature of business,” explains Calvin Goon, head affluent division, at RHB Banking Group.

WORKING HARDER FOR THE CLIENT

The engagement between the bank and these clients is vital, as it boils down to the overall client experience and also the impression the bank hopes to present.

“The rule of thumb, most of the time, is manage the risk to avoid losses of their capital while seeking some returns,” says Goon.

one from putting too much risk in a single basket.

BIGGER AMBITIONS

Goon began his career with Maybank, and later moved on to UOB, followed by HSBC, before joining RHB in 2015. He has been involved in the HNW space since 2009.

He is currently prioritising a few key items for this year’s agenda as his portfolio expands.

“One of my top priorities is to grow the customer base as well as increase investment product penetration,” he explains. “There are exciting opportunities for us to explore backed by favourable synergies to help us expand our

STREAMLINING

One of the hurdles that Goon – and RHB – faces, is to address the different requirements of various clients.

In other words, the theory of ‘one-size-fits-all’ is no longer applicable in the current environment. In addition, the common perception is to choose foreign banks over Malaysian institutions where wealth management is concerned.

Goon explains that RHB is moving away from the traditional approach to selling, or rather ‘product pushing’.

“As such, we are now providing a goals-based solution, taking into consideration the client’s financial situation, investment time horizon, and risk-return appetite,” he says.

This solution is achievable through a portfolio, comprising various products including insurance, unit trusts, treasury products and others.

There is clearly much work to be done behind the scenes to create the model portfolios, but it doesn’t stop there. “We also conduct regular portfolio reviews with our clients, keeping them updated on what is going on around the world, what are the potential impact towards their portfolio and how they should strategise their investments accordingly,” says Goon.

The end-goal is to enable a client to log-in to the bank’s internet and mobile banking platforms, and to transact at any time, from any location, while enjoying very competitive rates.

“Soon our clients will be able to enjoy DIY investing, aided by technology,” adds Goon. ■

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With the inflation surge becoming a global phenomenon, it is also eroding the real income of Malaysians, who are unfortunately facing challenges as a result of the depreciation of the Ringgit over the last few years.

“The solutions that clients are looking for are often linked to foreign currencies nowadays,” adds Goon.

Such investments are becoming more and more important in client portfolios as they provide the benefit of diversification, hence preventing

client base and also improve the product penetration rate.”

Recognising the shortfall, especially the low awareness of RHB’s offerings, the bank knows it will need to update its clients constantly on what it can do, and how it can assist them on their daily needs, adds Goon.

With that, clients will gain more confidence and feel comfortable with RHB as a whole, in turn leading to a healthy growth of AUM and improvements in customer loyalty.