

VP Bank Singapore's Private Banking Head on the Art and Science of Engaging with Clients and Building New Business

VP Bank, which has its headquarters in Liechtenstein and is listed on the SIX exchange in Switzerland, identified Asia as a core region for growth over a decade ago when the boutique private bank first opened a Singapore office. Then in September 2018, the bank obtained its wholesale banking license in Singapore, and growth has since been even more robust. As the Singapore-based Managing Director and Head of Private Banking, Karen Tan is one of the key group leaders who sets both the strategy and the tone for the development of the business in the region since the branch opened in the city-state. She joined a virtual panel Hubbis held in mid-April to discuss the evolution of client engagement and how best to connect in a virtual world, albeit one in which Singapore already offers more leeway for face-to-face meetings. We have consolidated some of her valuable insights into this Q&A report.

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KAREN TAN
VP Bank

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What has your approach been to client engagement since the pandemic hit last year, and how have you aimed to differentiate the bank, the offering and the character you portray?

“We have seen a growing fatigue with the sheer volume of online meetings and webinars. As such, we have taken a different approach to ensure we keep in close contact with clients even while they are unable to travel and meet us physically.

With the lines and virtual doors we’ve kept open for them to connect with their RMs at any time, we aim to continuously keep them engaged. Sometimes they chit-chat, sometimes they want to keep up with the market, and sometimes they just want to mine down into their portfolio and discuss ideas and strategies. It is all about keeping in constant touch. We even send them food, something we have done regularly since lockdown, just to let them know we care. We know what they like and are keeping them front of mind each day.

Singapore, luckily, is in a reasonably strong position amidst the pandemic, and we have, of late, been able to have face-to-face meetings with clients if they wish to. Many of our clients are more than happy to see us, including our Indonesian and Chinese clients who have remained in Singapore to enjoy the safety and relative convenience and comforts of Singapore during these difficult times.”

So, how have you reached out to really catch the attention of your clients?

“The bank has been working on tailored approaches to engagement, such as organising virtual events combined with a virtual wine pairing or whisky appreciation session, with the special wines and whiskies being delivered to clients’ homes. We can thereby combine information, communication, and the delivery of concepts and ideas in formal and informal types of engagement. We even tailored this in with a Feng Shui talk during Chinese New Year in February, to make our sessions more enjoyable and engaging for clients.”

And has this approach proved successful?

“The results have certainly shown, with a strong flow of client referrals since the pandemic hit. We really had a positive flow of clients calling us up, referring friends and acquaintances, and telling us that, as we look after them so well, it would be a pleasure to refer them to us. Through that, we have had doors opened to many of our clients’ friends, families and associates.

If private banks look after their clients well in a business and advisory sense, helping them with all aspects of wealth – including legacy and succession planning, multi-generational engagement, open communication and demonstrating that they care about them personally, and are worthy of trust, then the business will flow. Such an approach and commitment are the most powerful way of prospecting. That has certainly been the case for VP Bank in Singapore – and the best part of

this is that when we are referred to a new prospect, we hardly need to sell ourselves and the bank, because your client has 'sold' us already. It is a virtuous cycle."

How do you focus your RMs and advisors to fully engage with the clients so as to ensure there is value for both sides?

The flows of the RM/client conversations and information exchanges should be two-way.

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RMs should also always be arming themselves with the latest updates on what is happening around them and be able to enter a conversation that is as broad as they can. Most importantly, they have to always be open and interested in finding out what is important to the client – their risk appetites, what they are looking for – and avoid 'hot selling'.

The minute you hard-sell or over-sell, the client will be turned off because they have so many other bankers supporting them and servicing them as well. The engagement must be driven by

empathy with the clients, their needs, and expectations, tailored to these individuals accordingly. Build trust and grow with them."

How do you envisage client engagement taking place in the foreseeable future?

There is no doubt that private clients still like that personal touch and communication. Hence, I think everyone is going to jump back on the plane and start

meeting clients that are located out of Singapore as soon as possible. It's important as well to stay connected that way.

Digital finance is perhaps better suited for the retail and mass affluent segments, but less so to the private bank, as we know that clients still prefer the face-to-face relationship with us, beyond the type of communication you can achieve on the phone or in virtual meetings. Personal touch is simply something that you cannot do without in our world of wealth management and private banking, I would say."

Any other advice for how the RMs could be more effective when it comes to communicating with clients or having more impactful relationships?

"In the good old days, private bankers were just relationship managers; people would think that it's a glamorous job - you just wine and dine, meet your client and be with them. But today, it's a different role; the client needs information much faster. They need private bankers to be armed with very strong product knowledge, despite the fact that they may have a whole team of treasury or other product specialists behind them, as well as investment counsellors.

This means that RMs today must be multi-faceted and multi-skilled. They must be able to discuss ideas, markets, events, products, plans, strategies in depth and with real knowledge. The clients don't want to hear that the RM needs to consult with all his or her other experts - they want rapid responses and well-informed guidance and not wait for insights and replies. To be able to stay competitive, the private bankers must arm themselves with a lot of product and market knowledge, and be able to deliver that with speed and seamlessly." ■

VP Bank – A Snapshot

VP Bank Ltd was founded in 1956 in Liechtenstein, where it is today one of the larger banks. The bank currently has offices in Vaduz, Zurich, Luxembourg, Singapore, Hong Kong and Road Town in the British Virgin Islands.

VP Bank Group offers tailor-made asset management and investment advice for private individuals and for intermediaries. Thanks to its open architecture, clients benefit from independent advice, with recommendations

including both the products and services of leading financial institutions as well as proprietary investment solutions. The bank is listed on the Swiss SIX Exchange.

VP Bank secured the upgrading of its Singapore operation to a full branch status in September 2018, with Tan having joined shortly before that to take the reins as MD and Head of Private Banking for the operation.

VP Bank Singapore Branch is a boutique private bank with a client-centric business philosophy. It provides specialised wealth management solutions and family office services for high-net-worth clients and professional asset managers, explaining that the branch is dedicated to the protection and growth of its clients' wealth.

The branch offers comprehensive services for asset managers and other financial intermediaries. The service offering comprises a trading platform, banking services including e-banking and mobile banking, as well as operational support. Partnership arrangements with professionals include tailor-made investment advisory, discretionary management solutions and custodian services.

Singapore's location-specific advantages include a broad array of services relating to private banking, insurance and wealth management; a global reputation as an important forex trading hub; a stable and business-friendly government; a reliable legal system based on English (common) law; stringent banking secrecy rules; and a strong local currency.

Just as the bank's own private clients are central to the operation, so too the IAM/EAM segment is core to the business strategy for the bank in Asia, where the region's dynamic growth of private wealth has translated to a rapid increase in the numbers and scale of the players in the independent wealth segment.

VP Bank has been operating assiduously to build relationships in this sector, emulating the bank at large. Indeed, the VP Bank intermediary business has been at the heart of the bank's DNA since its inception at the time the bank was established more than 60 years ago by the founder, Guido Feger, who was himself one of the most successful fiduciaries in Liechtenstein.

Today, roughly half of the private bank's business is derived directly from private clients, and half from the independent wealth advisory sector, and each is just as important to the bank, to the Asian operations and to Karen Tan as Managing Director in Singapore.

