

accenture

Future of Asia Wealth Management Series 2023

Hubbis Digital Wealth Forum
Re-imagining the Role of the RM

October 2023



TABLE OF CONTENTS

- 01 THE 2023 FUTURE OF ASIA WEALTH SERIES
- 02 GROWTH OPTIMISM, BUT CONSTRAINTS TO ACHIEVING
- 03 UNLOCKING RM VALUE-ADD CAN ENABLE 2X REVENUE
- 04 ACCENTURE'S WEALTH INSIGHTS NAVIGATOR

INTRODUCTION: Accenture's Asia Wealth Insights Navigator (WIN)

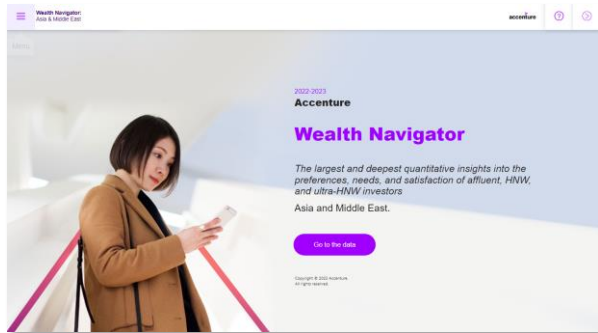
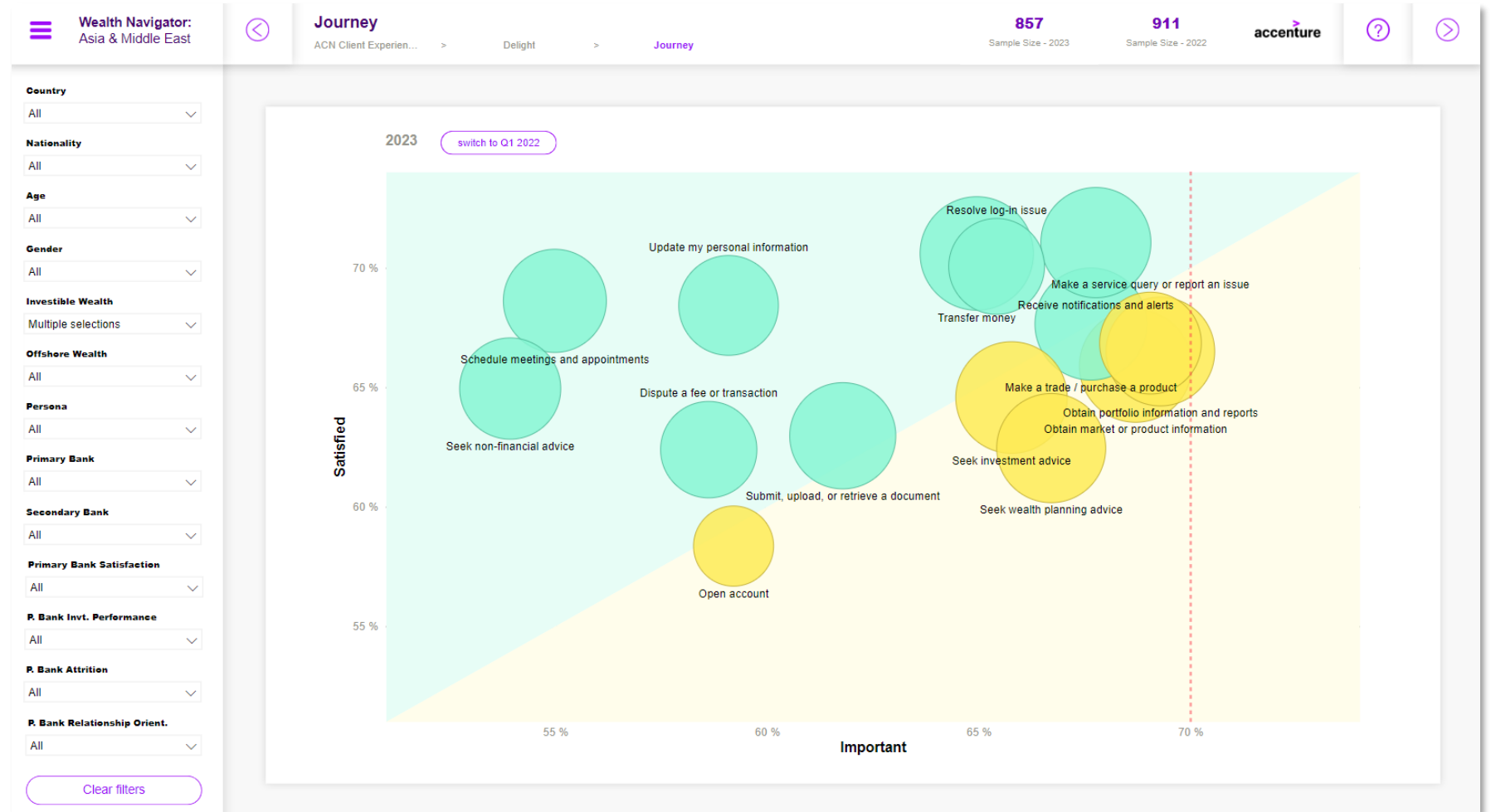


Illustration of Wealth Navigator PowerBI tool

Right-side: Asia investors (\$2.5m+ net worth) satisfaction versus expectation on wealth journey

To augment RM role re-design and identify CX and growth interventions for wealth firms to peers and market

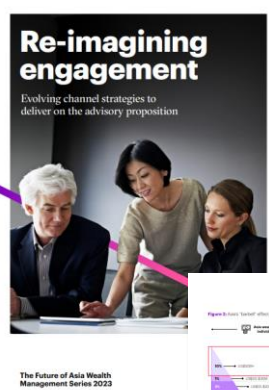


Accenture produces Asia wealth industry's most comprehensive thought leadership

Three strategic topics...

... with increased data sample and market coverage...

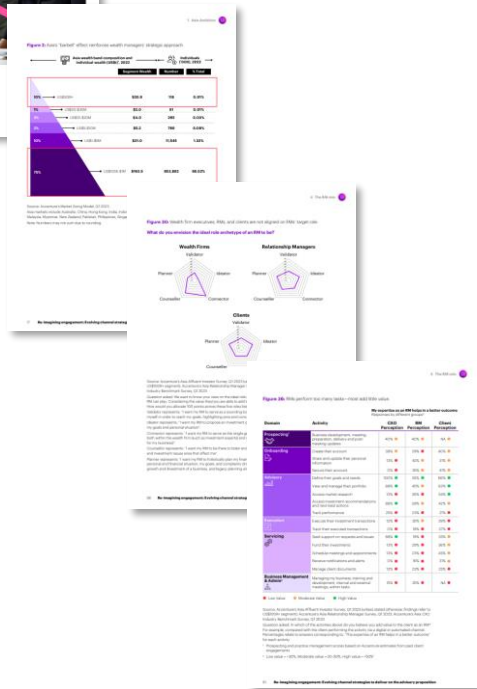
... and supported by senior advisory board



INDUSTRY PERFORMANCE

MOBILE WEALTH EXCELLENCE

RE-IMAGINING ROLE OF THE RM



INVESTOR SURVEY
2 new markets for 2023

3700 Clients

12 Markets
(2 new markets – Australia, Vietnam)

40% affluent / 60% HNW/UHNW

RM SURVEY
2 new markets for 2023

655 RMs

12 Markets (as Investor Survey)

CXO interviews

>20 discussions with CXOs of wealth firms

Accenture expertise

Leverage of global SMEs and Accenture project experience

Asia Advisory Board



Marc Van de Walle, CFA
Global Head, Wealth Management, Deposits and Mortgages
Standard Chartered



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Executive Officer, Wealth Management Unit
MUFG Mitsubishi UFJ Financial Group



Wealth CXOs expect RMs to be key drivers of asset and revenue growth in the affluent segment...

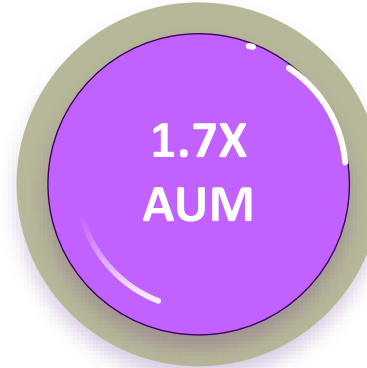
... But revenue per RM is heading in wrong direction

Ambitions for growth overall are nearly 2X, with the RM channel expected to drive almost all this growth

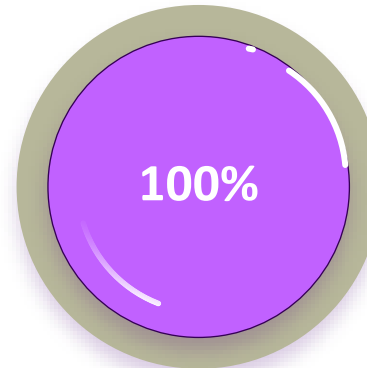
PRIVATE BANKING RM PRODUCTIVITY CONTEXT

● — RMs Are Key Asset Growth Driver — ●

What is your firm's **expected growth in AUM** over the next five years? (2022 to 2026)









What percentage of this growth in your firm will be **RM led?** (vs Digital channels led)



RMs perform too many tasks, most do not add value

● Low Value ● Moderate Value ● High Value

| DOMAIN | ACTIVITY | My expertise as an RM helps in a better outcome Responses by different groups ^{2,3} | | |
|--|---|---|---------------|-------------------|
| | | CXOs Perception | RM Perception | Client Perception |
| Prospecting¹  | Business development, meeting preparation, meeting delivery and post-meeting updates | | | |
| Onboarding  | Create client account Share and update client personal information Secure client account | | | |
| Advisory  | Define client goals and needs View and manage client portfolio Access market research Access investment recommendations and next-best actions Track performance | | | |
| Execution  | Execute investment transactions Track executed transactions | | | |
| Servicing  | Seek support on requests and issues Fund client investments Schedule meetings and appointments Receive notification and alerts Manage client documents | | | |
| Business Mgmt. & Admin¹  | Managing my business, training and development, internal and external meetings, admin tasks | | | |

My expertise as an RM helps in a better outcome
Responses by different groups^{2,3}

CXOs, clients and RMs agree that the key area of RM value-add is in advisory

Reallocating the other low-impact tasks, subject to regulation and identifying solutions, would free up RM time to focus on more value-adding activities...

... without negatively impacting the coverage expected by clients

1. Prospecting and Practice mgmt. scores based on Accenture estimates from past client engagements
 2. Question asked: In which of the activities above do you believe you add value to the client as an RM? For example, compared with the client performing the activity via a digital or automated channel. Percentages relate to answers corresponding to, "The expertise of an RM helps in a better outcome" for each activity
 3. Low value = <30%, Moderate value = 30-50%, High value = >50%
 Source: Accenture analysis, 2023; Accenture's Asia Affluent Investor Survey, Q1 2023; Accenture's Asia Relationship Manager Survey, Q1 2023; Accenture's Asia CXO Industry Benchmark Survey, Q1 2023

Most firms are planning to empower RMs, which will help

This is a key step, but Disruption is required to truly solve pressures on RM productivity and service quality

RM evolution models illustrated

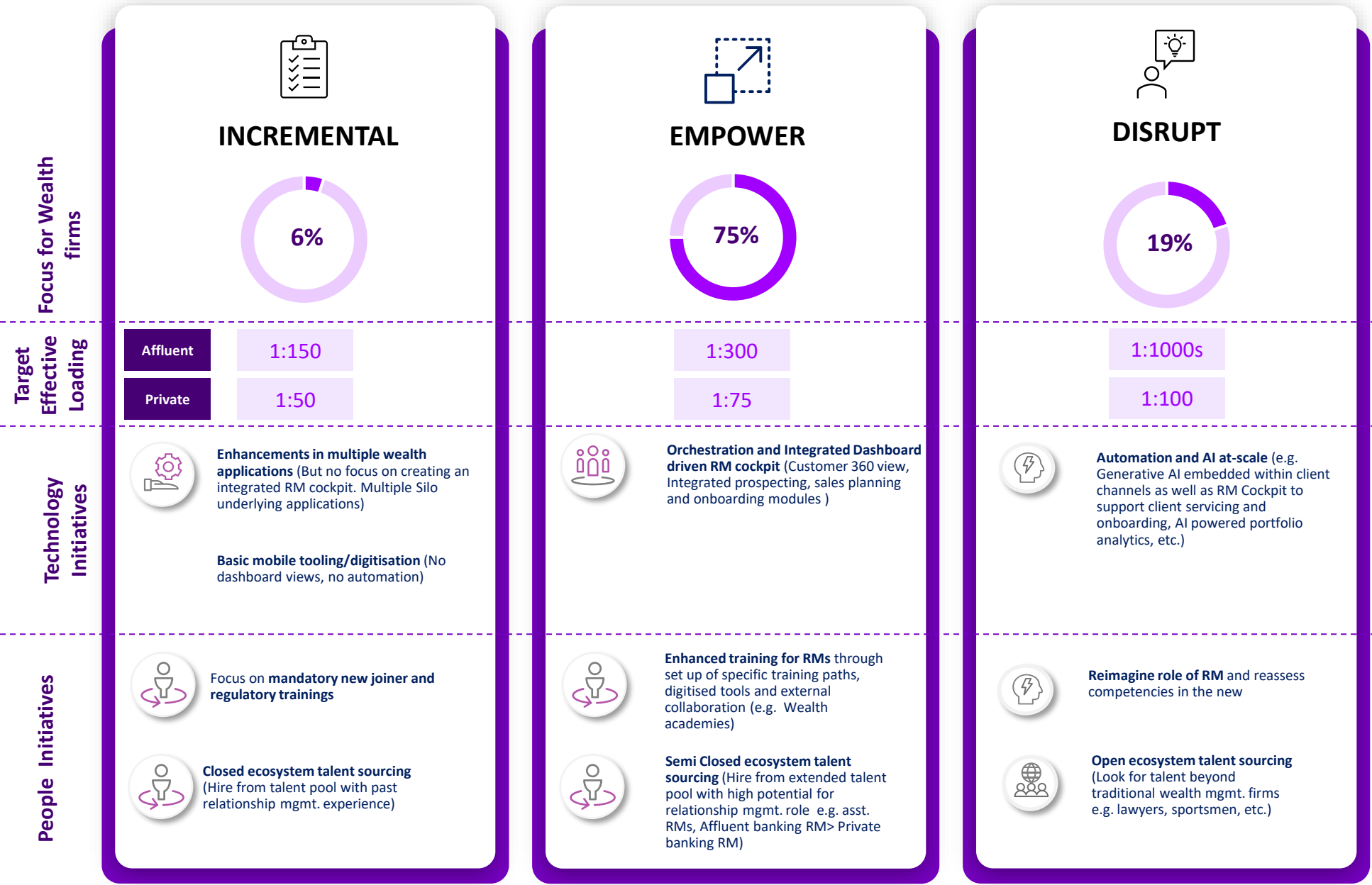


ILLUSTRATION OF REVENUE & PROFIT UPLIFT FOR LARGE WEALTH FIRM MOVING TO DISRUPT MODEL

Firm Profile

Number of Relationship Managers

1,300

Average annual compensation (USD)

120k

A “Disrupt”
evolution
model could
lead to
substantial
benefits

Especially important given
the need to achieve
significant cost-income
ratio reductions

Beyond technology, RM role re-design also shifts required skills of successful RMs towards **behavioral traits and innovation**

| Skills in the new | Description | <u>Non-Exhaustive</u> |
|---------------------------|---|-----------------------|
| Communicating with Impact | Communicating ideas and insights that are accessible, meaningful, persuasive, easy to understand and tailored for the audience | |
| Connectivity | Maximizing the impact of building new and effective working relationships across international borders. | |
| Conflict Management | Identifying and managing negative aspects of interactions, between individuals and groups; while subsequently improving positive aspects of these interactions. | |
| Critical Thinking | Identifying how to break down complex problem or issue into smaller components, using right questioning techniques to identify root causes and arrive at solutions. | |
| Data and AI Literacy | Ability to interpret, understand and communicate data, to derive insights and actions. Ability to leverage AI tools to improve productivity and client relationship mgmt. | |
| Design Thinking | Ways of thinking outside the box that focus on the needs of people , for e.g. introducing new and innovative ideas to solve a problem or bring in efficiency while targeting user experience. | |
| Growth Mindset | Growth mindset describes a way of viewing challenges and setbacks. The growth mindset is based on the belief that your basic qualities are things you can cultivate through your efforts. | |
| Cognitive Load Management | Improving our ability to filter and focus on essential information. | |
| Collaboration | Establish and maintain open, enduring, trust based, collaborative professional relationships with people at all career levels, internally and externally. Engage with individuals in a virtual & non virtual environment. | |
| Negotiation | Preparing, exploring, proposing and bargaining to achieve win-win outcomes for everyone involved | |
| Personal Impact | Being flexible in the approach to meeting and interacting with diverse people, colleagues and clients and being skilled enough to leave them with a positive impression through personal energy, actions and language. | |
| Storytelling | Influence audience with engaging narratives with the aim of supporting your views, performing actions or to teach and inspire a particular topic; with the support of data and/or information reports | |

Why is this relevant?

Our workforce is shifting:

Roles are being impacted by increasing automation and more emphasis on skills such as relationship building and collaboration.

Acute talent shortage in wealth mgmt.:

Competition for RMs is strong. If growth is tied to RM capacity, even with some productivity improvement, we will need more RMs

Evolving client base and expectations:

Wealth clients are diverse and our workforce needs to pivot to reflect this in order to empathize and meet their needs.

Evolving Market Dynamics

Delivering business value to clients in a empathize market where increase in client awareness and abundant access to digital broking and trading calls for a hyper-personalized and inclusive relationship management.

To succeed, wealth firms need to

- **Reassess RM skills across a new domain of behavioral traits and innovation skillsets.**
- **Take the stance of being a net skills creator, not a talent consumer subject to the price points and constraints of a constrained labor market.**

