

Vietnam Wealth Management Forum 2019 Video Highlights



At the Hubbis Vietnam Wealth Management Forum 2019 in Ho Chi Minh city on September 12th, we asked leading industry experts - what are the opportunities and challenges for the year ahead?

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We hope you enjoy this summary – it’s packed with content from the forum. Click on the [Speakers Name](#) to view their BIO. You can also read the transcripts in this document - and click on Watch Video to view their exclusive interview.

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Who did we interview?

[Sanjay Chakrabarty](#)

Deputy CEO, Head of Retail Banking
Orient Commercial Bank

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[Gaurav Srivastava](#)

Head of Affluent Banking &
Wealth Management
Vietnam Prosperity Bank

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[Simon Lints](#)

Chief Executive Officer, Singapore
Schroders Wealth Management

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[K R Raju](#)

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Financial Planner
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[Bao Nguyen](#)

Country Director Vietnam
GoBear

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[Dominic Gamble](#)

Head of Asia Pacific
Wealth Dynamix

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[Abhijeet Singh Hazare](#)

Head of Sales for Financial
Services - South East Asia
3i Infotech

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[Kenneth Atkinson](#)

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[Nguyen Ha Ouyen Hoang](#)

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[Rainer Michael Preiss](#)

Executive Director,
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Taurus Family Office

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[Lawrence Brader](#)

Co-Portfolio Manager
PXP Vietnam Asset Management

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[Dominic Volek](#)

Managing Partner,
Head Southeast Asia
Henley & Partners

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[Sanjay Chakrabarty](#)
Deputy CEO, Head of Retail Banking
Orient Commercial Bank
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In Vietnam, we have seen tremendous growth in wealth in the last few years, and that is sort of reflected in every number across banks. The challenge in this market is essentially the lack of alternative investment options. A lot of money is flowing into real estate. A lot of money sits in savings banks. So, the next real shift in this industry will come from opening up the investment options. The fact that banks are selling bonds now; a lot of bonds means that the next evolutionary step would be for them to sell mutual funds. We are seeing a lot of movement in investment link policy coming from insurance companies. So, the growth will probably be accelerated significantly by the product continuum that we will see, by the support of technology that

will come through in the next few years, and that's where the market is really going here.

[Gaurav Srivastava](#)
Head of Affluent Banking & Wealth Management
Vietnam Prosperity Bank
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Opportunity first: I think that Vietnam is moving quite fast in terms of wealth creation. There are multiple reports looking at, that frank report that we looked at last. Talking about USD1 million customers - there are some 26,000 customers (in this bracket) in 2017, expected to be about 35,000 by 2022. So, (when) you talk about the ultra-high net worth segment - big clients, huge money. Talking about mass affluent segment, 45 million people are in the middle income (bracket), young demographics present a huge opportunity for the banks or other organisations, backed with digital, to reach out to these customers. They can bring

a lot of strength to our wealth management industry. So, I think both from a mass affluent and a private banking client perspective, the market brings huge opportunity.

[Simon Lints](#)
Chief Executive Officer, Singapore
Schroders Wealth Management
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There's been a lot of stimulating and eye-opening discussion today during the course of the conference. I think there's a real underlying demand and desire to really drive things forward here in Vietnam. I think regulations are obviously an issue, but that's on everyone's mind. But I think there's this huge wealth being generated here - we all accept that. There's a keenness to internationalise things. There's a growing talent pool here; quite a young audience, quite an interested audience. So, I think overall, absolutely: I think there's great opportunity, it might take



a while to come through and there's some pretty big challenges, regulatory certainly, but there's a keenness to make that happen.

[K R Raju](#)

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The financial literacy level seems to be increasing, from what I hear, when I get feedback from the people here. A lot of advantage, I feel, has been created in terms of the banks getting involved, participating in this event. So, I feel the number one thing is the awareness level, the literacy level, compared to three years ago when I came, seems to be very favorable as far as this particular market is concerned.

[Bao Nguyen](#)

Country Director Vietnam

GoBear

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One of the key challenges as we discussed earlier this morning is financial education. It's making sure that people understand what they're buying. I think right now people, when they get into capital markets, they think of it still as a bit of a gamble, a bit of game, gamifying it. So, I think if we can educate people that this is a long-term investment, 7, 8, 9, 10 years, I think that would go a long way, number one. Number two, opening up for the banks, for the private banks to come in and offer products and services as, quite frankly, Vietnamese products are not as sophisticated as other markets. So, I think that would help. But I think one of the things that is a challenge for the private banks as they come in is: can they compete with the high interest rates that are

offered here, up to 8%? I think it's challenging, whether it's equity or a corporate bond.

[Dominic Gamble](#)

Head of Asia Pacific

Wealth Dynamix

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It's been very interesting spending the day here in Ho Chi Minh. A lot of the banks and securities firms have been talking about digital transformation and their priorities for next year. That buzzword, digital, is really on everybody's lips, should we say. The interesting thing for us as a business that's focused on the affluent and the high net worth is how the wealth management industry in this country is really going to start to expand over the next couple of years. We're pretty excited by the prospects for wealth management in Vietnam. Admittedly, it will take some time. The journey so far has been fairly slow for some of the banks to adopt wealth management divisions, but that is changing, and today really, for us, gets us pretty excited about the prospects of many of the banks, and there are a lot in this country, starting to grow their wealth management divisions. They need software for that, which is good.

[Abhijeet Singh Hazare](#)

Head of Sales for Financial Services

- South East Asia

3i Infotech

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What we have seen in the industry, what's happening here, is the customer segment is actually growing from being a retail banking customer to actually demanding and investing in much more mature asset classes. We have also seen that in other



customer are moving from traditional deposits, and they are exploring investing options and mutual funds, and fixed income securities and even exchange traded funds. And with the best smartphone penetration in Vietnam, it is more than 57%, customers are also looking at how they can do these investments using a do-it-by-yourself model, wherein they use mobile phones, chat bots or tablets to actually use information available on the internet, information available from the banks, in order to learn about the products, in order to learn about the market conditions and the stock prices, and then make those investments. We see that the market is at a stage where it is going to start growing, and at the same time adopt more digital and digital tools to cater to the various mass affluent as well as retail investors.



[Kenneth Atkinson](#)
Founder & Senior Board Adviser
[Grant Thornton](#)
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Let's start with the challenges, because I think building up the relationships and the trust of Vietnamese individuals and families, particularly to foreign wealth advisors, can be quite challenging because they want to deal with people they know, thus building that trust. So, if you're flying in and out every two or three months, that's not going to be a really effective way to build that trust. Then there's the issue, domestically, of trying to build a profession and have it regulated because there are some good wealth advisors here from overseas that are working for companies that are regulated, but there also a lot of people that are here working for companies



which are based in unregulated environments and they haven't exactly showered themselves in glory over the years. So, I think we need to start developing a local profession of wealth advisors; that regulated people get proper training and realise that the importance and the fiduciary responsibilities that they are actually taking on.

[Nguyen Ha Ouyen Hoang](#)
Founding Partner
[LNT & Partners](#)
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We see a tendency for a lot of people to move their funds out of Vietnam for investment. And actually, there is a tendency for wealthy families to want to look for opportunities to invest abroad, just to find out the best option. We see a lot of opportunity for





service providers, because the government of Vietnam is improving the process; one of the signals of this is that they are considering removing the certificate for investment. So, that certificate will be abolished. That is now a debate stemming from the MOG and MPI, but in the future this may be considered by the government.

[Rainer Michael Preiss](#)
Executive Director,
Investment Advisory
Taurus Family Office
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Vietnam is a very interesting opportunity currently for a couple of reasons. Number one, I think it's now the sweet spot in the global economy because of the US-China trade war. And secondly, I think the country

has reached a maturity in terms of the banking industry and capital markets that potentially could mean that we could see an upgrade from frontier markets status to emerging markets status.

[Lawrence Brader](#)
Co-Portfolio Manager
PXP Vietnam Asset Management
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The issues for the wealth management industry in Vietnam are: We need to see continued increase in both the strength of the macro economic outlook, and we do so as a result of the trade war between China and the US at the moment. But that needs to be backed up by growth in depth and liquidity in the market. Access for foreigners needs to improve for a greater number to be looking here, and

transparency and standards of governance on the whole need to improve as well.

[Dominic Volek](#)
Managing Partner,
Head Southeast Asia
Henley & Partners
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One of the biggest challenges wealthy families, of course, face in Vietnam is the (fact that the) passport itself is very restrictive from a travel perspective. Vietnam has a lot of promise, locally, but a lot of that is only realised with access to global markets, as the world has become more globalised. So, we assist a lot of the families here with obtaining a second alternative citizenship, and therefore passport, which gives them visa free access to global markets and they for greater opportunities. ■