

The Future of Asian Private Banking & Wealth Management – Views from VP Bank

Kimmi Pun, Singapore-based Head of Private Banking at VP Bank has a remarkable perspective on the world of wealth management in Asia, given her history of working with some of the region's leading banks. She recently gave her insights to the delegates at the Malaysian Wealth Management Forum.

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Executive summary

Kimmi Pun, Singapore-based Head of Private Banking at VP Bank, has a unique pan-Asian perspective on the world of private banking and wealth management in Asia, having worked for some of the world's leading banks and having covered South East Asia as well as Greater China for more than 25 years. Pun sees the evolution of a more discerning, more intellectually demanding high net worth clientele in Asia, one that is also becoming younger and more digitally-savvy and more understanding of the balance between risks and rewards.

Pun believes that to succeed in the years ahead, wealth management firms need to combine digital and human interface protocols and that both elements need to be highly responsive and sophisticated.

The Asian HNW families and the businesses and assets they own or acquire are increasingly globalised and the clientele is ever more receptive to a wide range of ideas and solutions. The wealth management firms must provide their services in a fully discrete and utterly compliant manner, with transparency and professionalism a necessity and no longer a luxury.

The growth of the Asian economies and of wealth is remarkable. To cater to this growing marketplace, a core challenge for VP Bank and others is to find and nurture the best talent.

LIECHTENSTEIN-HEADQUARTERED VP Bank has been expanding its footprint in Asia and a key step in that direction was to hire Pun as its head of private banking in Singapore in March this year. She moved from a top role at Standard Chartered Bank in Singapore, where she was Managing Director and Head of Private Banking for the Greater China region and had earlier built her career at BNP Paribas, UBS Wealth Management and HSBC Private Banking.

With her wealth of experience spanning more than 25 years Pun is one of the few top private bankers in the region with such a wide-angle perspective on the evolution of wealth management in Asia. Her choice of VP Bank was driven by wanting to work in a more personalised, boutique firm where she can focus on the more individualised client-centric approach she believes will be even more vital in the future.

VP Bank believes that VP Bank's corporate culture and client experience generated over the past six decades is in strong demand amongst Asia's high net worth clientele as they focus more consistently on transparency, personal and family governance and on new areas of investment, such as those based on ESG principles.

VP Bank has been operating in Asia for roughly 10 years and provides investment consulting, asset management, wealth planning, custodian banking, private label fund, e-banking and family office services.

Pun told the delegates that her focus for the talk would be prime banking, wider than purely wealth management but inclusive of it. "The first highlight I would point to," she reported, "is the proliferation of automated processes at the



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VP Bank

banks and the drive towards interactive digital client services. This is especially important as wealth is transitioning to the younger generations of 40 years and under and they are more digitally demanding."

The human and digital combined

Pun explained that these clients also want the human connectivity, so communication should be enabled both via robo-advisory and the relationship managers in a hybrid approach.

"Investment ideas are one thing," she said, "but the clients want an emotional connection, to know that they are being helped by trusted advisors that value their relationship. They also want transparency and they want to feel as if they are receiving wise advice from

people that their peers would also listen to."

Pun also noted that clients increasingly want more depth of perspective and a broader range of advice than just investments. For example, she said Chinese clients often like to think about other citizenship options. "One client took me in his private jet to look at Cyprus and their passport or residency options," she noted. "The relationships between private bankers and the client should be increasingly personal and multi-faceted and the private banker must be trusted to be discrete and sensitive to help provide trust structures or other solutions for the often-complex family lives of wealthy clients."

Creative solutions from experienced professionals

Pun noted that solutions can be

imaginative. For example, she is working with a Chinese client to whom Pun proposed a reverse takeover of a Singapore mainboard-listed company. “This client has huge wealth and wants to diversify to Singapore for investment and lifestyle choices,” Pun explained. “He was excited about the idea and sees it as an ideal solution.”

As a more boutique private bank, Pun recognises that VP Bank needs to work with other wealth management firms and other service providers. “We have close and trusted partnerships that are both secure and compliant,” she explained. “In the new era of regulatory exactness, this is ever more essential.”

Pun also highlighted how the current HNW and ultra-HNW clients are ever more receptive to structures, structured investment solutions and have a keen understanding of the interaction of risk

and return. “Clients today see things from a wide variety of angles and nowadays they want a holistic solution, especially in the transition of wealth.”

The holistic perspective and approach

Families and the businesses they own and the assets they hold all require many different ideas and solutions, so the private banker needs to be able to advise the customer with a solid overview knowledge of mainstream assets, industry sectors, corporate finance businesses, geographical and jurisdictional perspectives, as well as alternative assets whether that is a hedge fund, private equity or collectibles.

Pun then briefly highlighted the many complexities of HNW families and the structures and solutions that can be employed to help protect this wealth and also

to help transition assets to other family members and future generations. This might, for example, include private trust companies established in Singapore, or possibly charitable foundations.

Pun concluded her presentation by remarking on the incredible growth of wealth in Asia, as well as the expansion of mainland Chinese wealth via FDI or other investments into regional Asian markets, including Singapore, Malaysia, Thailand and so forth.

“A surprisingly large percentage of wealth is still in deposits in this region, so there are enormous opportunities for private banks and wealth managers to provide advice, ideas and solutions,” she observed. “To achieve the best results, bringing on board the best relationship management and other banking talent available is essential and one of our key challenges.” ■

