

finance matters

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Integrated Platform, Global Services Private Banking is teamwork.

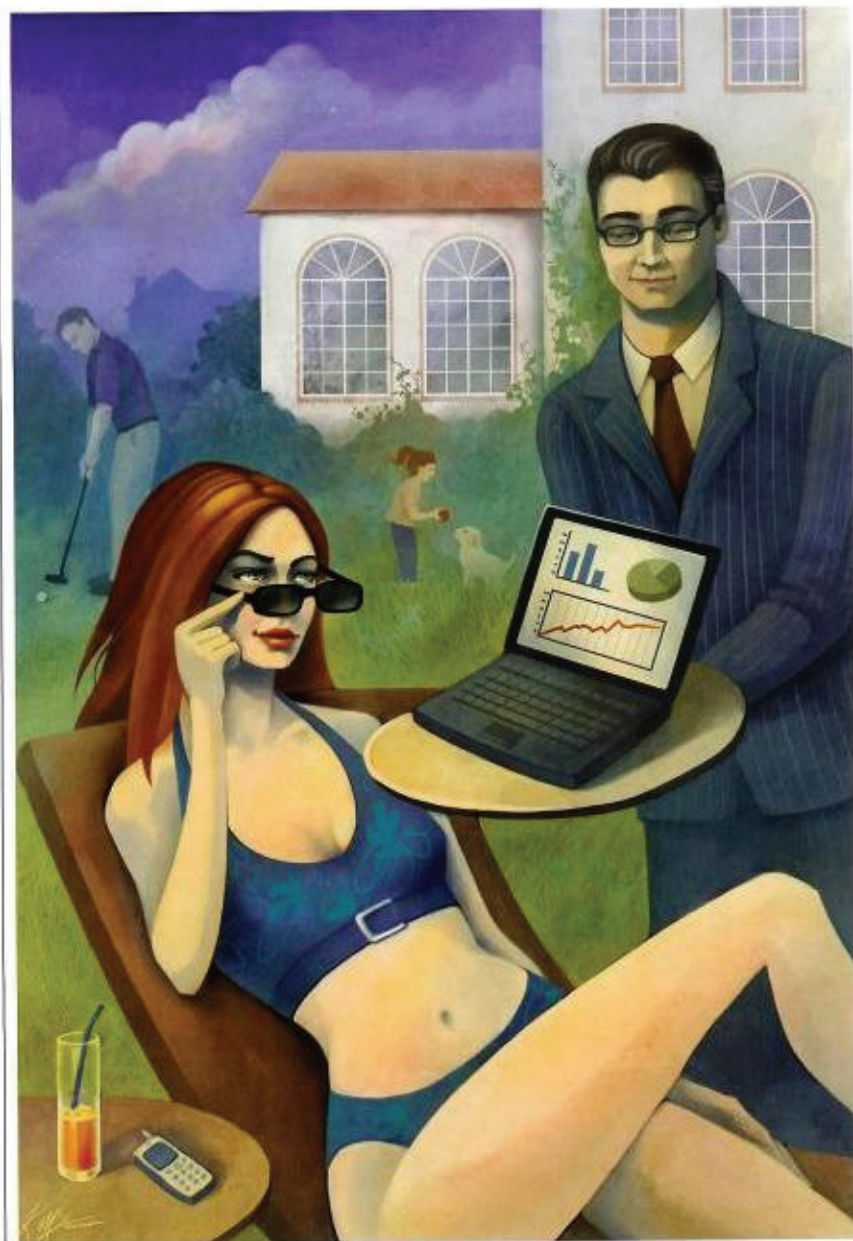
Bring up private banking in polite dinner conversation, and B-movie images of transfers to Swiss bank accounts, off-shore holdings in the Cayman Islands, or untraceable funds from questionable sources may come to mind.

Imagine, nay, dare to dream, that your net worth has reached seven figures or more; you need to figure out your investment options, how much money you want to leave your kids, the best tax solutions, or even where to bank in the middle of Singapore. A private banking solution may be able to answer these questions without you having to consult a slate of experts spread across the globe. Whether it's tracking down your kids or tracking down your money, private banking can give you peace of mind and easy access to investment advisors, estate professionals and retirement planners.

The term 'private banking', in recent years, has shifted from meaning 'confidential', to a brand of access to wealth management, largely for high net-worth individuals, coupled with high hopes for excellent service. Still in its toddler years at just about four-years-old, is HSBC's Global Private Client Services (GPCS), which aims to take private banking to another level by bringing experts under one roof and providing services around the world.

"It's much more than private banking, it's about pulling together a team of senior professionals which provides an integrated platform of global wealth management services," says Sarah Morgan-Silvester, Executive Vice-President, Personal Financial Services and Wealth Management for HSBC. The service caters to Canada's growing millionaire population, focusing on new money, "wealth that's freshly generated, usually through entrepreneurial activity."

Who are Canada's millionaires? According to studies, the typical Canadian money-



maker is 57-years-old, male, married, educated, with an annual income of \$250,000 and a net worth of \$3.4 million. Half of them play golf. As a group, they only make up 2.5 per cent of Canada's household population, but they control over half of all the financial assets in the country: a whopping \$725 billion in investable assets. And those assets are predicted to double in just over a year, at the end of 2005.

The client base for HSBC's private global service reflects this population, but, says Morgan-Silvester, "You can never find that person. What we've found is that there is no single picture of wealth, and there is no single right way to help Canadians manage wealth. There's tonnes of confusion about financial services." "Every client is different," echoes Linda Seymour, Vice-President, Personal Financial Services for HSBC. The team at GPCS examines each client with a different lens, taking time, sometimes a year or two, to look at the client's life goals and set out a plan to reach them. "Our number one goal is to identify the client's needs. That can sometimes be a long process until you fully understand what they require."

The common thread between all 1,500 clients in the GPCS realm in Canada is a demand for a high level of service, and an emerging trend, fitting in with the economic climate of business, is the need for global services. This is one way in which HSBC hopes their service will differentiate itself from the private banking pack. As one of the largest financial services firms in the world, doing business in 79 countries and territories, HSBC has its fingers across the globe and, in effect, can place a call almost anywhere in order to fulfill a client's request.

Seymour recalls two individuals who came to GPCS through HSBC's private banking channel, who had just come into a large sum of money, thanks to selling their company. In a few short years, those clients got to know HSBC's asset management group as they built their net worth and started doing business in the U.S., the Philippines, India, Singapore, Thailand and the U.K. Now, the clients have established accounts as well as relationships with the bank in each of those countries.

Clients for GPCS will often be introduced to the service by staff in HSBC's traditional private banking sector, or by investment or asset management advisors looking for colleagues to provide tailored services for clients. The relationship amongst a team of professionals, both in and out of HSBC, also makes the service unique. The team is located as one unit—in four centres in Canada: Vancouver, Calgary, Toronto and Montreal—with a private banker as a gen-



eralist, keeping a high overview of the client's needs, with a team of specialists in fields such as trusts and estates, investment counselling and discretionary fund management, lending and investment advising. "The team approach means that not only does the client have a good overview of what's going on ... they also have access to professionals and to different personalities," says Morgan-Silvester. "A lot of this is based on people and their personalities. The topics we're talking about are many times intensely personal, so you want to have somebody you feel com-

fortable with."

Coupled with this is an understanding that clients may have long term relationships with other institutions. "Let's say a client had a 25-year relationship with a competing bank. They would still be welcome in GPCS." The service will bring in external professionals, particularly when it comes to complex tax or legal issues, in order to ensure the best advice for the client. GPCS clients at HSBC can keep their previous advisors, while HSBC works to fill in any gaps in their wealth management strategies.

If you're reaching for the phone or about to Google HSBC online, be advised that GPCS is not for everyone. Specifically, it's not for the average-income Canadian. A typical client has a minimum of \$1.5 million to invest, which translates into an average net worth of \$5 million. Of course, some clients have much more, but for those on their way to wealth, the private banking industry offers a number of levels of service, based on an individual's net worth and needs.

Demand for private banking services has been growing, not only in Canada, but in many other countries where wealth is growing and HNWI's are looking for advisors who, by having a smaller, elite client base, can spend more time with them and provide personal, customized service. Clients are becoming more sophisticated, having spent years building wealth with the help of the financial industry, and are looking for new, forward-thinking ways to manage their money, engaging technology, such as the Internet, to keep track of their assets and stay in frequent

contact with their financial management team.

Ultimately, says Morgan-Silvester, private banking comes down to building trust, and working on a bank-client relationship that could last a lifetime. "You try to create a sense of comfort about the financial decisions that (the client) is making. It's not about the money. It's about them being able to sleep at night ... feeling that they're doing the right thing for their children (and) that the decisions they're making are having a worthwhile impact." ❖