

# 2019 Risk Radar: Wealth Management Sector

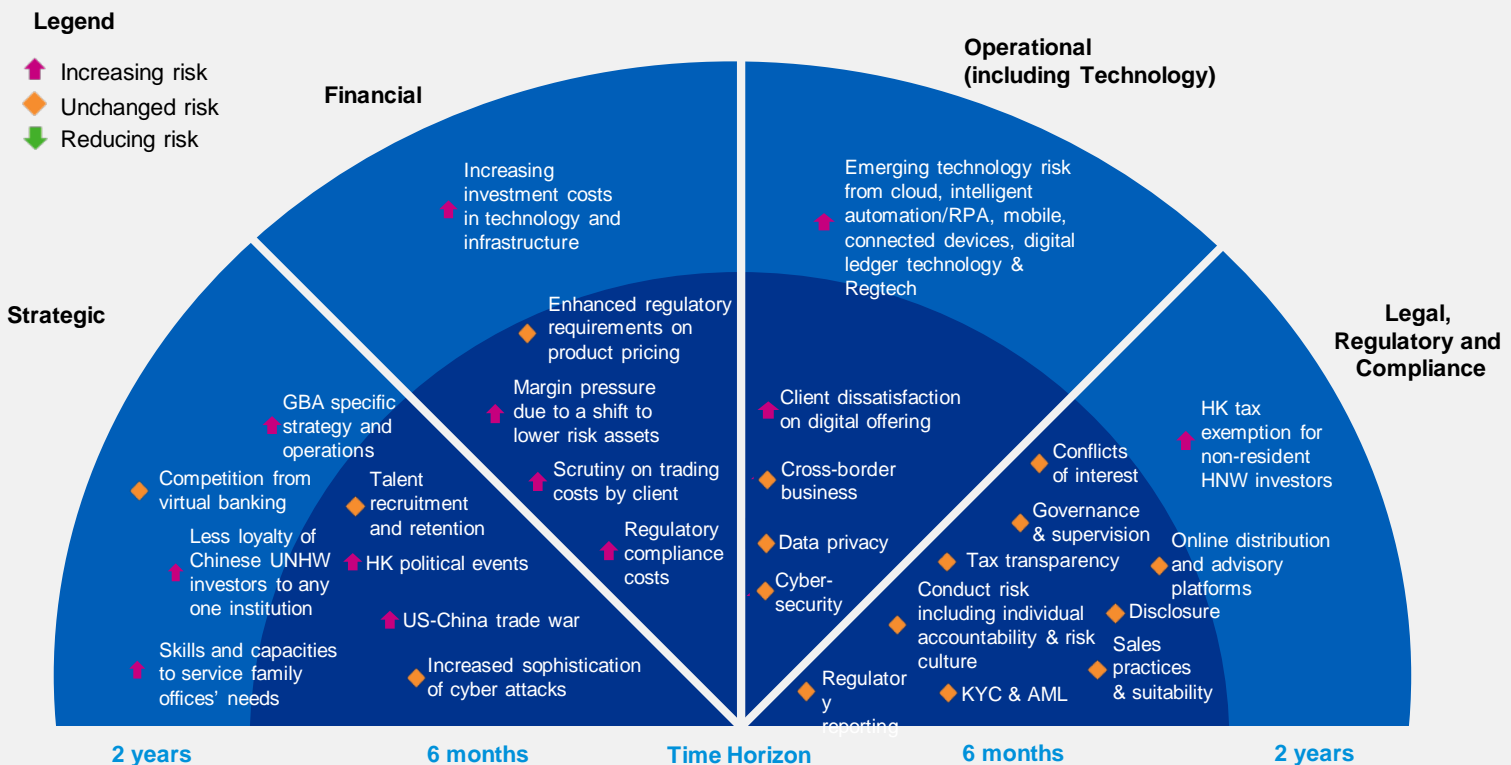
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Hong Kong's wealth management industry shows a more pessimistic outlook than last year with global and regional market uncertainty impacting assets under management in Hong Kong and the overall outlook on profitability. The on-going development of the Greater Bay Area, growth in wealth in mainland China and attracting family offices to Hong Kong are important to the growth of the industry in the region. Talent recruitment and retention, and investment in technology for client experience improvement, regulatory compliance and operations remain key focus.

Key trends impacting the industry in the Greater China region:

- Technology resources are diverting from client experience enhancement to regulatory compliance development leading to the widening of clients' expectations gap around digital offerings;
- Talent supply remains an urgent issue with the lack of relationship managers remains a critical and key talent gap;
- Challenging regulatory environment is the most significant constraint on Hong Kong's attractiveness as a wealth management hub with compliant in sources of wealth, suitability and disclosures as client's top pain points; and
- Development and adaptation of family office capabilities are key focus to meet the specific needs of 'new money' family offices primarily servicing Chinese entrepreneurial ultra-high-net-worth investors.



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