

# Insights

## Banking without Borders

If you are a corporate expatriate, have residences or invest in several countries or you have business relationships in numerous locations around the globe, you may be considered one of today's global citizens. When it comes to managing wealth, the global citizen is a unique group with specialised banking needs related to their cross-border ties.

According to a 2006 Capgemini report, at least 28% of the world's wealthiest individuals have residences in multiple countries. Approximately 37% of the world's wealthiest hold bank accounts outside their country. This group has grown rapidly over the past few years, with a reported 4.7 million expatriates alone living in Asia Pacific.

### An Intricate Financial Network

As your cross-border business and personal ties around the globe deepen and expand, your Private Bank must simultaneously evolve to handle the increasing complexities involved in managing your wealth. Your Private Bank should have an intricate financial network that can help ensure that all your financial bases—no matter where in the world—are covered.

This means a diverse banking and investment service, including access to your funds—wherever and whenever. Asset allocation models and investment products need to cater to the global citizen and Private Banks should be able to provide international remittance services, 24-7 account information online and access to Investment Centres around the globe.

For affluent global citizens, a bank that can manage more than domestic assets is a pre-requisite. For example, expatriate corporate executives require investment advice that recognises not just their specific needs and goals but also their global outlook yet local perspective. Private Bankers who assist these individuals need to understand their background and home origin. Having the specialist knowledge and understanding to appreciate the needs and aspirations that define this group is something you should expect from your Private Bank.

### Choosing a Wealth Manager

On the investment side, global citizens need to examine their investment portfolios and long-term wealth needs to ensure their approach to investing is truly diversified yet caters to both their home perspective and global outlook. When choosing a wealth manager, global citizens should focus on a few key points:

- **Base currency of investments.** Whilst a majority of investments would be held in the investor's local currency, base currencies should be available in other denominations. The variety and extent of diversification would largely depend on a client's risk appetite and investment needs.

- **Composition of investments.** Generally, for the global citizen there would be a larger component of regional/global investments than you would expect for the typical investor who would have more local investments.
- **Professional advice.** Advisors might introduce more sophisticated investments, broadening access to a wider range of products and investment instruments, including alternative investments, private equity, single-premium life insurance or customised structured products, depending on risk tolerance and suitability.
- **Change in investment style.** An expatriate who relocates is faced with the daunting and time-consuming challenge of balancing a new career, whilst adapting to a new country. Working with a Private Banker can help those looking for time savings and the convenience of professionally managed investments.
- **Retirement planning.** Cross-border planning and collaboration with your Private Banker is key to implementing all aspects of retirement planning. Generally, clients should not hold too high a percentage of an overall portfolio in cash. A longer-term investment strategy can give the benefit of compound investing, which can boost potential total returns.
- **Financial planning and insurance.** There are benefits to holding and managing assets in certain countries as part of estate management. In addition, portable health insurance is helpful to ensure continuous coverage irrespective of employment conditions and geographic locale.

### Ongoing Challenges, New Opportunities

In uncertain times, investors often find staying the course with a balanced, diversified investment strategy also allows them to take advantage of new opportunities. Particularly in this environment, global citizens should look for someone who understands their unique characteristics and has the ability to construct the optimal portfolio tailored to their local perspective and global outlook.

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