

OCBC Sec to leverage on parent bank customers

By LESLIE YEE

OCBC Securities (OSPL) is stepping up efforts to sell its services to account-holders at its parent OCBC Bank — more than one million of them.

“Using customer analytics, we discovered that 50 per cent of our customers have banking relationships and these customers have long relationships with the bank and are more active,” said OSPL’s managing director, Hui Yew Ping.

Around one in five of OSPL’s 200,000 customer accounts are active, compared with one in eight for the industry, revealed Mr Hui.

While OSPL has long been part of OCBC, the securities arm and the bank used to do little cross-selling, a situation that is changing under Mr Hui, who came in as head of the unit in February. He wants to play up OSPL’s competitive advantage of being a bank-backed brokerage.

“We find that customers who have both banking and securities relationships not only have good cross product holdings, but they also tend to have long-term relationships with us,” he said.

The bank and the securities arm now focus on cross-referring customers. Mr Hui said he is excited by the potential for future growth in the securities industry, which he believes is far from being the sunset industry portrayed by some market observers.

OSPL is moving ahead with initiatives to understand its customers better, upgrade human capital, develop alternative investment products, and improve technology.

The unit, which draws a quarter of its revenue from activities other than bread



Cross-selling: Mr Hui plans to sell services to over one million OCBC Bank account holders

and butter brokerage, is actively working on developing investor understanding of structured notes and warrants. OSPL is investing over a million dollars to build a proprietary platform for traders and dealers to execute customer orders more speedily and efficiently, in a system intended to be operational by the end of the year. It will allow customers to access multiple markets, including Hong Kong and Malaysia.

To serve customer needs

better, Mr Hui wants to move OSPL away from the traditional transaction-based type relationships prevalent in the securities industry. The unit is developing a customer database so OSPL can improve its understanding of its clients’ investment profiles and needs.

To make dealing a more attractive career option for graduates, OSPL has started a three-month training programme for graduates.