



## **Press Release**

### **IFPHK Survey: Improving sentiment positively impact on client wealth and financial planning business**

*IFPHK is looking to capitalize resurging interest and spur further growth with strong show at Education and Careers Expo.*

(1 February 2010, Hong Kong) – The Institute of Financial Planners of Hong Kong (IFPHK) has released the latest findings of the Member Sentiment survey that aimed to gauge the impact of market conditions on the financial planning and wealth management industry. The results showed a dramatic increase in financial planning activities and improved business climate, making the financial planning industry attractive for new investors, business owners and those looking to build their careers as financial planners.

The survey collated information from IFPHK members over the period between March and August 2009. It complements a previous Member Sentiment survey that was carried out between September 2008 and February 2009. A total of 284 submissions were received for latest survey, with 63% from financial planning firms with over 500 financial planners and around 18% from small and medium sized firms.

The majority of respondents indicated that the improved market conditions had a positive impact on their client's wealth, with 35% reporting that the economic rebound has meant more clients for their firms. This showed a dramatic turn in market sentiment and climate when compared with the earlier survey that saw 95% of respondents reporting that clients' wealth had been reduced and 58% reporting that losing their clients because of the financial crisis.

The latest survey showed that optimism is on the rise. Compared to 29% from the earlier survey, 48% said that they are optimistic on the outlook for the financial planning industry and 37% anticipated that the market will be able to return to sustained growth in 12 months' time.

As a result of growth and optimism, financial planning firms are back to hiring, with 79% indicating that the company they work for have increased their staff count. This is noteworthy when comparing with the earlier survey results that saw 33% respondents reporting reductions in staff count. Remunerations are also on the rise with 49% respondents indicating increases. This is especially significant when compared to the earlier survey that saw 75% reported a decrease in remuneration.

"What we need to understand is that we are now undergoing an unprecedented market downturn. As the market looks toward recovery, it is important that we keep a close watch of the industry and understand market trends through a continuation of these surveys. Through this survey we can understand how the market is now recovering and assists financial planning firms to build their own recovery plans," said Ms. Angeline Chin, CEO of IFPHK.

Despite the positive outlook, Ms. Chin advised that challenges still lay ahead. "Rebuilding trusts between planners and their clients will remain the foremost concern for industry practitioners in the coming months," she added.

It is a sentiment that surveyed respondents echoed with a majority highlighting building trust with clients being a major challenge in the upcoming six-month period (September 2009 to February 2010). Increased regulation was another top concern for respondents with 32% identifying this as a challenge for financial planners in the coming six months.

### **Education and Careers Expo**

IFPHK is looking to build on increasing positive market sentiment in financial planning and spur further growth by participating in the upcoming Education and Careers Expo.

To be organized by Hong Kong Trade Development Council (HKTDC) and to be held from 4 – 7 February 2010, the industry event brings together career builders, new market entrants and employers.



“For the sixth consecutive year, IFPHK is looking to raise interest in pursuing its career-enhancing certifications and helping its industry members to raise their profile, build confidence and recruit new potential employees at this event,” said Ms. Chin.

The large effort will see IFPHK partnering with seven of its corporate members to form a special pavilion called Financial Planning Industry Pavilion. The Pavilion has been a constant feature for the past five years and helped to drive interest in financial planning.

Key corporate members participating in the Pavilion include American International Assurance Company (Bermuda) Ltd, AMTD Financial Planning Ltd, Cash Wealth Management Ltd, Convoy Financial Services Ltd, ING Life Insurance Company (Bermuda) Ltd, The Bank of East Asia Ltd, and the Prudential Assurance Company Ltd.

In addition, HKTDC has named 6 February 2009 as Professional Accreditation Theme Day. IFPHK and its members will organize a series of topical financial planning seminars to commemorate the special occasion.

#### **About IFPHK**

IFPHK was established in June 2000 as a non-profit organization for the fast-growing financial industry. It aims to be recognized in the region as the premier professional body representing financial planners that uphold the highest standards to benefit the public.

The Institute is the sole licensing body in Hong Kong authorized by Financial Planning Standards Board Limited (FPSB) to grant the much-coveted and internationally-recognized CFP certification to qualified financial planning professionals in Hong Kong and Macau.

It represents more than 10,000 financial planning practitioners in Hong Kong from such diverse professional backgrounds as banking, insurance, independent financial advisory, stockbroking, accounting, and legal services.

Currently there are over 126,000 CFP professionals in 23 countries/regions; the majority of these professionals are in the U.S., Canada, Australia and Japan, with more than 3,800 CFP professionals in Hong Kong.

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