

# Bank of Singapore: Refining its Proposition, Enhancing its Added-Value

Since 2015, Bank of Singapore CEO Bahren Shaari has overseen the growth of the bank's assets under management (AUM) to USD102 billion – two years ahead of its target. But Bahren is not resting on his laurels; he believes the bank must evolve extensively to meet the future needs of private banking clients. He gives Hubbis his insights into the bank's current path and future evolution.



## Executive summary

Bahren Shaari has a wealth of experience in the corporate and banking world of Singapore. As CEO of Bank of Singapore since 2015, he has been building the private bank's strategy, its people, its systems, the platform and has achieved assets under management of USD102 billion two years ahead of its target.

A veteran private banker, Bahren knows that the bank must keep evolving and re-inventing itself to continue its success in the wealth management universe of the future. And in that future, the younger generations in their 20s to 40s are either building or inheriting vast tracts of Asia's private wealth.

Bahren has therefore been working with his teams to combine the bank's traditional skills, products and delivery methods with new data accumulation, delivery and communication technologies to offer the private banking services of the future. In that new world, the bank will, if successful, enjoy a far more dynamic and productive relationship with the client in the future. But to do so, the bank must be forward-looking and receptive to these new skills, concepts and modes of communication.



**B**AHREN BEGAN BY explaining that his ‘big picture’ viewpoint that the role of the private banker needs to be redefined as the concepts of private banking evolve, especially in light of the emerging digital era and the growing proportion of wealth in the hands of those younger generations, those either making new wealth or inheriting Asia’s vast and rapidly-growing ocean of privately-held assets.

“What exactly do bankers provide to clients in the digital age and how exactly do they provide that?” Bahren asked, rhetorically.

**Redefining the proposition**

“Like other private banks, we have not hit the sweet spot on this,” he answered, “but what we do know is that we must evolve. We need to define outcomes, approaches, skills, methodologies, all these areas need to advance. We need to improve our psychology skills to better understand customer behaviour. We must shape our skills and behaviour to ensure that



Bahren Shaari  
BANK OF SINGAPORE

technology helps us as private bankers. We need to understand the user experience and expectations and therefore incorporate these into the platform and other delivery methods.”

keywords for the differentiation we offer clients. A bank might have the same products or solutions, but client communication and the client experience are vital factors in our proposition.”

**“The core understanding of investments, financial markets and other fundamental skills are essential as a base, but the banker of the future must offer much more than that.”**

Bankers, Bahren observed, cannot remain as they were in the past; in short, they need to reinvent themselves. “Of course,” he noted, “the core understanding of investments, financial markets and other fundamental skills are essential as a base, but the banker of the future must offer much more than that and must deliver in ways the clients expect. Perhaps we will not be called private bankers in the future; actually, I am not sure what we will be called, but what is certain is that we must evolve in order to be successful. At Bank of Singapore, we are focusing our minds and energies on exactly that.”

Bahren mined further into the relationship between banker and client. Being able to understand the appetite, the willingness, and the capacity of the clients to take risk are all essential facets of the relationship.

**Emphasising the differences**

“Seeing the actual behaviour of the clients against their stated risk appetite is also important,” Bahren explained. “A good banker will be able to prepare the client for the ups and downs of the markets. Education and understanding are

Bahren explained that in a recent conversation he had with an UHNWI, the client had commented that the most important element he expects of his bank includes the connections seen in the business, the family, the challenges of succession, planning, and so forth. “To provide specialised advice across these areas is vital,” he observed, “even if we need to direct the client to different advisers or service providers for some of these elements.”

**Looking beyond simple solutions**

Private banking, therefore, must reach far beyond investing. “We need to have as complete a dialogue as possible,” he explained. “We should be able to help clients in their business activities, business expansion, connections with other clients for their business, connections with private equity investors and so forth. We should be able to refer them to external experts or to other arms of our banking group. These are all the connections that a bank like ours can and should be able to provide our clients, it is the additional value add we can offer,

and without first thinking of what fees we are making from it. It should all be part of the holistic approach to the relationship.”

Additionally, Bahren explained that the bank and the relationship managers (RMs) should be able to promote, and engage in, high-level discussions with families and family offices on succession planning.

“Family relationships,” he elucidated, “the next generations, education, estate planning, all these are areas where the bankers should be able to convey knowledge and experience. If the RMs can engage the clients in these conversations that they are building trust and expanding their range of solutions.”

### **Keeping the (bank’s) eyes open**

Bahren explained that the bank must keep an eye open for a broad range of revenue and fee opportunities, from providing mortgage financing to clients for property investments to private equity, start-up opportunities, the establishment of family offices, referral of clients to sister banks for things such as commercial loans. “All these areas,” he said, “help us smooth out revenues, especially in a period when mainstream financial market activities might slow down.”

Turning more directly to the digital era, Shaari observed that as in other industry sectors, technology is impacting the private world of private banking. “The private bank of the future will need a sophisticated and expansive platform,” he remarked. “The role of the RMs will also change, so we

### **Key Priorities**

Bahren’s seniority and extensive experience allow him to take a wide-angle perspective on the role of Bank of Singapore and of private banking in general. This far-sighted vision shines through the three main priorities he is setting for the bank for the next 12 to 18 months.

“We need to redesign the way we deliver services,” he explained. “We must really understand and refine how we embed private banking in the lives of our clients. For example, people are becoming more familiar with asking Google, or Alexa or Siri for answers, and that could be refined to investment and financial goals-based questions and answers in our sphere.”

He believes the bank will enjoy a far more dynamic relationship with the client in the future, with more regular and more immediate and more incisive communication. “It will not be about filling in forms and profiles and so forth,” he added, “it will be centred on a technology-driven enhancement of the human skills and relationships. We will, for instance, be able to project and provide answers based on a client’s financial history and investment patterns. In short, it is about our delivery becoming a part of the client’s life.”

The second priority, he reported, is to encourage Bank of Singapore’s staff to be forward-looking, to build for the future, rather than just fixing issues and solving problems in the more immediate time frame. “We need to adapt and to be proactive,” he noted. “We must use technology to our advantage, we must have a digital mindset. As an organisation we need to transform, we need to evolve and to do that we need to invest, to re-train and upgrade our teams’ skills and their approaches and their outlooks.”

The third priority, he said, is to balance the different protocols and demands of the new digital journey with the legacy systems and internal mentalities. “We have to balance people and psychologies and behaviours, managing the delicate relationship between the newly transforming organization and the legacy system, processes and people.”

need to assess how the RM fits into the whole ecosystem. Some, or perhaps many, of the activities of the RMs and their assistants, will be replaced by technology. Accordingly, the RMs must move higher up the scale of value-added advice, from onboarding at the outset, which is a highly critical

element in the formation of the relationship of trust and advice.”

### **A journey in the making**

Bahren added that the bank’s understanding of the younger, millennial generation in their 30s and perhaps early 40s is still a journey. “This is a discovery

Getting Personal

Bahren is a born and bred Singaporean who has spent all his working life in the republic. He attended the National University of Singapore, where he qualified as a Bachelor for Accountancy. He has also completed a senior executive programme at Columbia University in New York in 2014 and, before that, at the University of Pennsylvania, The Wharton School, where he completed the Advanced Management Programme in 2002.

Bahren’s long experience in the corporate and banking world in Singapore has armed him with a world of knowledge and deep insights into business and people. He has been with Bank of Singapore for 8 years, first as Managing Director and then as CEO for the past four years.

Since 2012, he has also been an independent director of Singapore Press Holdings and before that, was on the Maritime and Port Authority of Singapore’s board, holding positions as a Board Member and Chairman of the Audit Committee. From 1988 to 2008, he worked in private banking with American Express and then UBS in Singapore.

With three grown-up children now based in the UK, Singapore and Hong Kong, Bahren has time to enjoy golf on his favourite Serapong course. He also enjoys cycling in Singapore, as well as on trips with colleagues and friends to places such as Japan or Taiwan.

"We head off for four, or five, days at a time and we cover about 100 kilometres a day," he reports. "My favourite locations are Fukuoka and around the Kyushu island. Great exercise, great air, good food, nice company, it is a real pleasure."

process for us," he elucidated, "but we know we need to understand what they really want."

Whether these actual, or potential, clients are in their 30s or 40s, Bahren explains that the bank first needs to understand them better and then adapt communication and delivery methods to their expectations, whether this is in the form of short messages, voice messages, short videos, choosing the right channels. "But," he noted, "as I said this is a work in progress that we need to resolve to build the

bank for the future."

Bank of Singapore’s relationships with other banks in other markets, even other countries, is another way of expanding the business. Earlier this year, Bank of Singapore inked a MOU with Japanese Bank SMBC Trust Bank that will significantly raise its profile amongst Japanese ultra-high and high net worth individuals.

"Private banks are looking at accelerating the AUM revenue growth and lowering the cost of client acquisition," he explained.

Doors also open to the B2B model

Accordingly, looking at the economic model of client acquisition using the RM model, the training, the attrition rates, the management of the long-term performance are all costly and time-consuming. "The other question," Bahren added, "is whether the RM model is a fully scalable model. Relationships derived from the B2B model provide a lower cost of client acquisition and then these clients have full access to the services or platform that Bank of Singapore can offer. We look at the IAMs as a client segment; the IAMs and other non-bank financial institutions including the multi-family office offer solid access to onshore clients."

Singapore, Bahren remarked, has many key elements that will encourage the expansion of wealth management, including a strong legal system, the strong financial and services and technology ecosystem, the stability of the country, high levels of education, safety and security. "Banking does not stand alone," he observed, "and it must be in a supportive ecosystem, precisely as we have here in Singapore."

Walking the journey with the client

The Bank of Singapore website emphasises the client journey, right from understanding the client, his or her priorities, needs, goals, risk appetite and preferences. "We are then able to propose bespoke solutions and before implementation we guide the clients through a defined and

systematic process,” Bahren explained, “as well as later

client’s unique circumstances and hopes.”

strong investment strategy and research team,” Bahren added.

**“We support the bankers with our team of portfolio managers and trading specialists, as well as with the resources of our 50-strong investment strategy and research team.”**

To conclude, Bahren reiterated the importance of the evolution of the business model and of the bank’s expertise and personnel. “We must blend the traditional model and legacy systems of the bank with the new world of technology-enhanced private banking. This is the journey we are on and one that is already producing some of the results we seek.” ■

conducting regular reviews of the portfolio and client expectations in order to refine the solutions as accurately as possible to the

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