

# DBS Indonesia's Keng Swee Koh on Expanding the Bank's Brand, Proposition and Connectivity

Keng Swee Koh is Executive Director and Head of Investment Product and Advisory, PT Bank DBS Indonesia, a role he has been relishing since moving to Jakarta in April 2019. But while firmly entrenched in Jakarta, he has had the time to contemplate the direction of the DBS Indonesia (DBSI) business in Indonesia's hitherto rapid growth private wealth market, where retail and mass affluent assets have been growing apace, and where there is a very considerable depth of HNW and UHNW families. Having been in Jakarta almost two years building DBS Indonesia's wealth management business which includes DBS Treasures Private Client and DBS Treasures, he has assembled considerable experience of the market's evolution and believes that if the vaccines soon to be available can be rolled out efficiently, there will be some considerable potential for the market to resume its robust growth of the recent past years. Hubbis caught up with him in late 2020 to hear what prospects he sees for 2021, and to hear how much he was relishing the thought of visiting family in Singapore over the festive season.

**Keng Swee begins** with a comment that the year 2020 had turned out better than might have been expected when the pandemic first emerged, and markets plummeted. "Business has actually been remarkably good in the last few weeks of the year," he reports. "There were some record numbers achieved as the Jakarta Composite Index had been recovering robustly, leading to a resurgence in demand for unit trusts, one of the key wealth products that we sell. We have also seen increasing appetite for corporate bonds as risk aversion abates. We also did well with a product called the CPF, or Capital Protected Fund, which is a closed-ended fund with corporate bonds as underlying issued mainly by local asset management firms."

### Build the revenues

As to prospects for 2021, he reports that the priority continues to be maximising the revenue potential of the business with some rather 'aggressive' growth targets for the year. "With interest rates so incredibly low globally, clients locally and internationally are actively looking for yields. Indonesian government and corporate bonds which pay 6%+ for IDR-denominated and 2%+ for USD-denominated can fill this gap. At the same time, we note that clients who were previously die-hard depositors are now more open to investing, since CASA and FD rates have both fallen significantly. All these spell opportunities for us, and of course our management is looking closely at investment business as one of the significant income drivers for 2021. Reflecting on last year, 2020 was of course very challenging, so theoretically 2021 can only be better, assuming the positive news

regarding vaccines becomes a reality soon enough."

He explains that against this backdrop, and with global sentiments towards Indonesian market improving, the aim is to pivot back to local investments and assets. "In 2020 there was a lot of focus on foreign assets, accessed via Shariah-compliant structures because the local market had been so uncertain," he explains. "We sold our private clients many such funds focussing on the US, on China, on Hong Kong and more broadly Asia, but for 2021 the focus will be back on domestic assets, especially IDR mutual funds and debt issued by local corporates. The improving local currency of course adds to the overall attraction."

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### Driving digitisation

His second priority for the business is the continuing digitisation drive. "That for us is the future," he comments, "It is how we can truly scale our business across a large country like Indonesia without massive capital investments and opening of branches. We have put FX and bond products, primary and secondary on our Digibank platform in 2020, and in 2021 we will add unit trusts, which will be interesting to clients of all segments."

He explains that DBSI is also aiming to introduce a robo-advisory service,

which will help clients buy into a portfolio of funds. "That is something that has been launched in Singapore and we are planning to bring it to Indonesia, so we are talking to the regulators, and determining the best way to offer it locally, and what to offer exactly," he elucidates. "The challenge for Indonesia - and I would say it is a 'good problem' to face - is that although lower than before, yields on government bonds are high compared to many other assets, so whatever we offer needs to be beat that, which of course is not always easy. It is possible, but it won't be a walk in the park."

### Engaging through advice

The third priority for 2021 is to expand the advisory service that

DBSI offers for its highest segment of clients, namely the Treasures Private Client or TPC - such clients typically have 10 billion Rupiah or roughly SGD1 million or more with the bank.

"For this market segment," he reports, "we want to offer more in-depth guidance and advisory expertise, and thereby to engage clients in a more dynamic manner and to be able to really engage them every step of the way, and not just at the sales stage, but also post-transaction to maintain a regular dialogue and build the relationships."



**KENG SWEE KOH**  
DBS Bank

### Going local

Keng Swee also explains that the bank will introduce a domestic asset allocation strategy for clients in 2021, which will allow RMs to compare what the clients have to what might be a more optimal portfolio allocation across equities, fixed income, and cash according to DBSI.

“That will open the door to some valuable conversations with the clients,” he explains, “rather than continuing on the basis of what is the norm in this market of single trades that are often driven by reactions to market or other developments. We want to take the whole conversation to a higher level, which is to look at it from what the bank thinks the market is going to look like in the quarter ahead, and beyond.”

### The holistic view

This drive to take a more holistic, comprehensive perspective will, he comments, play to DBS’ strengths. “We want to elevate the dialogue and the approach, to offer best-in-class products, ideas, advice and to really bring the clients closely into how the bank is thinking,” he says.

### Getting Personal with Keng Swee Koh

Keng Swee is Executive Director/Head of Investment Product and Advisory, PT Bank DBS Indonesia, and joined DBS group in Singapore in May 2008, working in various locations before moving to Jakarta in April 2019. He is responsible for developing DBS Indonesia’s wealth management business which includes DBS Treasures Private Client and DBS Treasures. His remit covers both offline and online strategies for investment products and advisory.

Prior to relocating to Jakarta, Keng Swee worked in Hong Kong, where he oversaw DBS Hong Kong’s offline and digital investment business and where he launched the award-winning iWealth, a best-in-class desktop and mobile app that allow clients to trade Equities, FX and Funds round the clock.

Prior to moving to Hong Kong in 2015, Keng Swee worked in Singapore, where he headed up DBS Private Bank’s FX business, and before DBS he had worked with Citi in Singapore and London.

Keng Swee has been on the fast track from what he paints as a normal, middle class background in Singapore, earning a government scholarship from the Singapore Economic Development Board to study abroad, winning a place at Cambridge University to study mechanical engineering, and later becoming a CFA charterholder.

“I spent four wonderful years in the UK in Cambridge and London, which were truly memorable years,” he says. “The Singapore government must be commended for the help it extends to ordinary Singaporeans like me. It was a humbling and wonderful experience.”

Keng Swee enjoys life in Indonesia and visiting domestic tourism destinations, the closest of which is Puncak, a roughly 1-hour drive from Jakarta at the weekends. “It’s ideal for the pandemic situation as it is one of those places where you don’t have to fly, you can just grab a car and you can go up there and you can come back at night and lots to see and has fresh air, nice venues and some excellent Chinese restaurants.”

Golf is another pastime he has returned to during lockdown, armed with a little more time for R&R than usual when travelling extensively. “And of course, the food here is outstanding,” he reports. “I am a committed foodie and Asia as a whole is remarkable for that. When out of lockdown but not travelling, I had time to check out new places and I can attest to the fact that the food scene in Jakarta is actually really interesting from high end restaurants to just stalls in North Jakarta, where Chinatown is, or close to the area called PIK – Pantai Indah Kapuk - where there’s a great range of Chinese food available.”

Keng Swee was just about to return home to Singapore for the first time since early 2020 to spend time with family and friends. “Life and work are great here,” he said, “but it will be wonderful to see loved one and enjoy some time over Christmas and New Year at home in Singapore, recharging my batteries for what will surely be an interesting and challenging year ahead.”

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### ESG and other themes in focus

He adds that DBSI will soon launch a new ESG fund with Batavia, an offering created in collaboration with BlackRock, a leading global proponent of ESG. “We are also looking at launching a China and India fund with Manulife, which is a variant of BRIC strategy, as those 2 stock markets have weathered the

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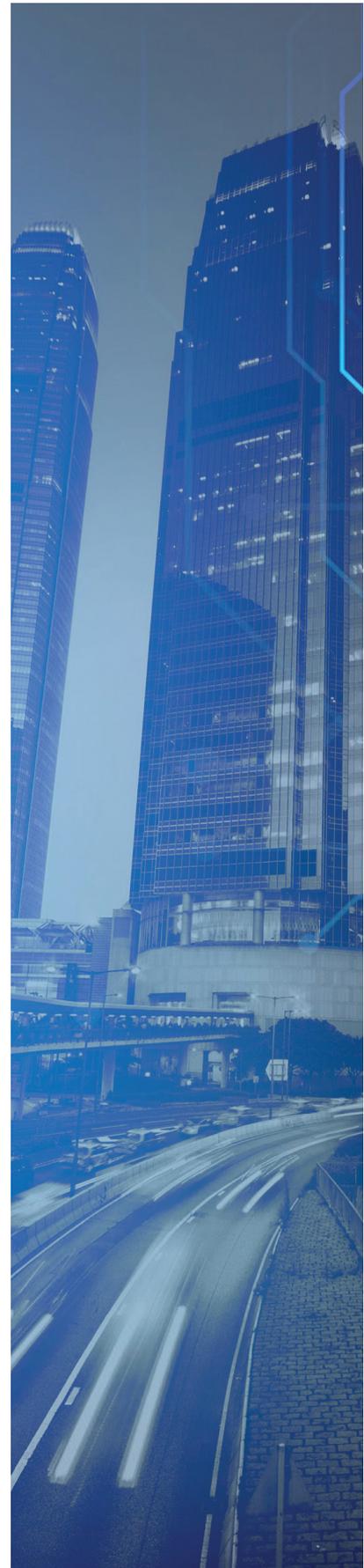
### Building the offering

Keng Swee observes that while there is still a relatively limited supply of products allowable in the onshore market, regulators are opening the door ever wider. “There are more Shariah-compliant funds for example. And for the high net-worth, they can invest through the KPD route, which allows them to invest in a range of offshore equities, bonds and mutual funds which need not be Shariah-compliant. And in terms of funds, there is a growing range of providers that we work with here including Mandiri and Batavia, as well as international names such as BNP and Manulife. And the funds they offer plays to very relevant themes such as technology, healthcare, ESG and geographies such as US, China, HK and India.

crisis well,” he reports. “These are examples of the types of ideas and solutions that we are exploring and rolling out.”

### Digital natives

Keng Swee is also optimistic about the development of the Digibank offering. “We launched the bulk of our digital wealth products in July 2020,” he reports, “and we have enjoyed significant double-digit growth in customer transactions and usage. We expect more growth ahead, as we have witnessed in Singapore and Hong Kong, where there had been a snowball effect as more users come in and that in turn generates more interest, more referrals which results in an explosion of activity. We are very optimistic



Indonesia will follow a similar sort of trajectory.”

He also comments that there is a natural growth from the digital native generations who have more wealth to invest and who are increasingly interested in investing in a more self-directed and sophisticated manner.

“They want to dabble more in investments and are more interested in financial planning and wealth management,” he observes, “so we will offer more webinars and hopefully live seminars in 2021 to boost interest and education. And then Digibank can deliver these products and solutions seamlessly and remotely. We are,

therefore, building a sustainable online wealth management service with critical mass.”

He reports that the growth of Digibank is not only in the number of customers, but also the number of transactions, the AUM. “People of all wealth categories are taking up the Digibank offering, it is not simply at the lower retail level but also at the Treasures and TPC segments, buying bonds, FX, and so forth. Of course, those higher-wealth clients could very easily call an RM to serve them, but they are increasingly gravitating to the app, as this offers such an easy route for them to transact at night and over the weekends.”

Keng Swee concludes by elaborating on DBS’s unique positioning in the Indonesian market. “The types of clients, often in their 30s to 50s and within our ‘Treasures’ segment, are typically wealthier, urbanised, career-driven people with an international outlook and open to engaging with a foreign bank such as DBS, and enjoying access to our wide range of onshore and offshore products, sophisticated advice and of course unparalleled digital engagement. We can service these clients remarkably well through our superior product set and comprehensive advisory.” ■

