

How DBS can help families prepare for greater scrutiny

With the wealth of many families generally widely diversified across asset classes and geographies, understanding the implications of Common Reporting Standards and automatic exchange of information is critical to careful planning, says Peter Triggs, managing director of wealth planning at DBS Private Bank.

In a rapidly-changing world of financial advice, the importance of wealth structuring cannot be over-emphasised. And in particular for families with children, assets and business interests dispersed globally, the potential impact of borderless initiatives such as Common Reporting Standards (CRS) and Automatic Exchange of Information (AEOI) is too great to be left unaddressed.

However, many clients seem to either not understand, or they under-estimate, the implications for their overall financial situation – both today and into the next generation.

This should give private banks a very clear and tangible way to position their offering to create a competitive edge.

“The real service that private banks can provide for their major families over the next five to 10 years is to put serious wealth structuring at the centre of discussions,” says Peter Triggs, managing

director of wealth planning at DBS Private Bank.

Yet this needn't be a complicated thing to achieve. It is about educating the banker to ask the right questions, he adds, and also explaining the implications clearly to clients.

NOBODY KNOWS EVERYTHING

At first, many families didn't think AEOI would have much to do with them. But, as Triggs points out, a lot of families in Asia already have strong ties with the US and Europe. For example, their investment portfolios are often spread across multiple jurisdictions.

They tend to hold residency permits or have citizenships of other countries. And they likely have business interests which span the globe. While it's not easy to get a clear picture, families ticking many of these boxes need to reconsider their investment plans, vehicles and structures.



PETER TRIGGS
DBS Private Bank

These wealth solutions rely on an approach that involves gaining advice from multiple parties, but is coordinated by one person.

“What private banks need is a kind of quarterback, who can make sure the family understands the big picture and addresses some of the personal issues,” says Triggs.

“That person has to be somebody who can direct the family towards the best advice in the different jurisdictions and can put together the whole map for them,” he adds.

It isn't realistic to expect an individual private banker to be able to advise on complex wealth structures in such cases, he adds. Instead, it is about getting them to ask the right questions.

will know all the answers, but so they will know the right questions to ask.”

CREATING LONG-TERM RELATIONSHIPS

It makes sense that one of the ways for banks and individual RMs to put themselves back into positions of genuine trust with their clients is by becoming cognisant of the issues, risks and needs of their clients amid the new world of complex financial regulation.

In addition to providing more targeted training for its bankers, DBS is planning to broaden and deepen the range of services and solutions it offers in rela-

For example, while offering trusts and similar solutions doesn't add hugely to the bottom line specifically, it helps the bank be able to keep client assets for much longer.

Further, these services improve a relationship by making clients feel secure, comfortable and open to in-depth discussion of their wealth and goals.

“If we take this approach, then we can add a lot of value to the families who are our clients, just at the time when they are most needed,” says Triggs.

DEFINED VALUE

Combining a long-term mind-set with products and services that solve problems for wealthy families is a key step in creating an appealing value proposition at a time when regulators and a more transparent market environment have cast so much doubt over the value many industry players offer.

“The value proposition is what it is all about,” says Triggs. “Increasingly, what clients are looking for is somebody who can talk to them about more than just investments, because actually they realise their problems now go far deeper than the rate of return on their portfolio.”

DBS Private Bank has found what it believes to be an important niche.

“We are the largest bank in Southeast Asia. We are the safest bank in Asia. We are seen as the national bank in Singapore. Our value proposition is safety and access to Asia,” he says.

“We can bring clients Asian opportunities with a degree of granularity that is deeper than a foreign bank which just happens to have an office in Singapore,” he adds. ■

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Knowing what these are, however, isn't as easy as it might seem to be from the outset or on the surface.

It requires experience, knowledge and understanding of different issues from one jurisdiction to the next.

Triggs proposes market-specific education for bankers that explains the scenarios, their possible implications and the related questions they need to ask their clients. This is on the cards for the relationship managers (RMs) at DBS Private Bank, in addition to their regular internal training programmes.

“We plan to roll out country-specific training,” he says. “It's not so the bankers

tion to wealth structuring. Triggs is spearheading capabilities to advise clients in areas like business succession and helping them meet their various philanthropic goals.

“Engaging with the patriarch on wealth planning issues is something which we are putting at the centre of the plate,” he explains. “We can also help clients on the retail banking side, the corporate side, or in the setting up of offices in Singapore. Being able to talk about everything that touches the financial interests of the family is a strength that we have over a pure-play private bank.”

These capabilities don't always map directly to profitability.