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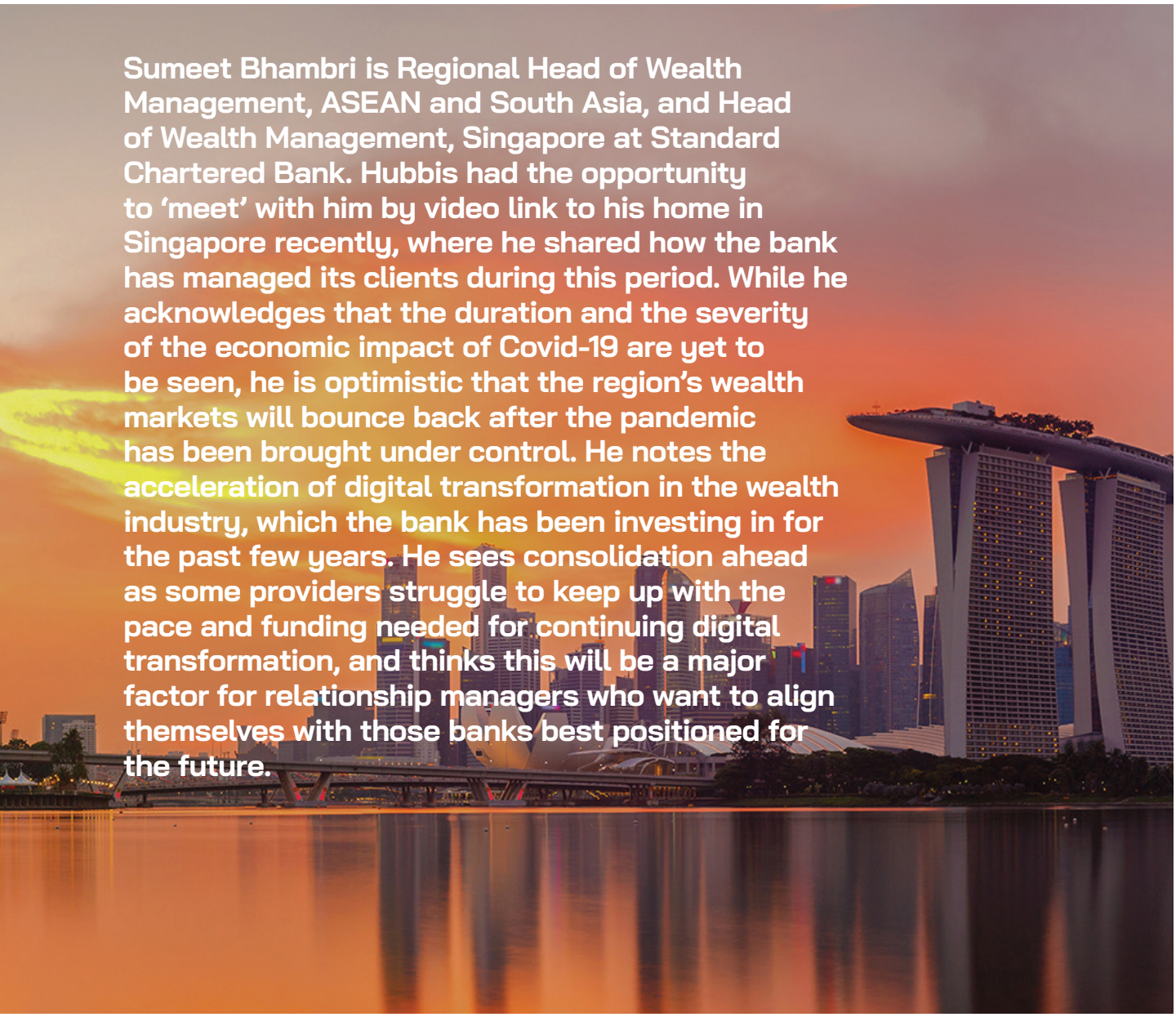
Standard Chartered's ASEAN and South Asia Head on Fast-Forwarding Wealth Management



Sumeet Bhambri is Regional Head of Wealth Management, ASEAN and South Asia, and Head of Wealth Management, Singapore at Standard Chartered Bank. Hubbis had the opportunity to 'meet' with him by video link to his home in Singapore recently, where he shared how the bank has managed its clients during this period. While he acknowledges that the duration and the severity of the economic impact of Covid-19 are yet to be seen, he is optimistic that the region's wealth markets will bounce back after the pandemic has been brought under control. He notes the acceleration of digital transformation in the wealth industry, which the bank has been investing in for the past few years. He sees consolidation ahead as some providers struggle to keep up with the pace and funding needed for continuing digital transformation, and thinks this will be a major factor for relationship managers who want to align themselves with those banks best positioned for the future.

Bhambri opens the discussion by delving directly into the post-pandemic outlook. "What will change?" he ponders. "We have done quite a lot of thinking around that, and an understanding of this is critical to how we approach the months and years ahead. But I want to first set the backdrop for all this against the view we have that the wealth management industry will remain hugely attractive, perhaps even more so as interest rates continue to disintegrate, creating more demand potential for high-quality investment advice. This is a dreadful hiatus, but the path remains clear, and the opportunities along that path will be immense."

Ever faster

He observes that the wealth industry had already been going through a transformation in recent years, and that this journey continues today. "What is different is the pandemic has accelerated the pace of change quite significantly, especially enhancing the importance of the ongoing migration to digital channels and the speed of adoption. In fact, we have seen more change in our policies and processes in terms of being able to deal with clients digitally in the last three months than we have in the last 10 years, probably in this industry. And that, we believe, is a good thing."

He explains that as the bank makes its transition to non-face-to-face capabilities, there is a greater realisation that business can indeed run smoothly without traditional face to face meetings and that e-seminars, investment advisory and client interface with the RMs can be effected successfully.

While investment advisory has always been the key, he elucidates, the shift to remote advisory using a variety of tools has become increasingly important. "As face-to-face meetings have not been possible, our investment advisors have shifted online to using an e-platform to engage clients and provide much-needed wealth advisory in the turbulent markets. The e-platform has seen great traction and clients have adapted well to the new digital way of advisory. This trend is likely to remain the case in the post Covid-19 world."

The bank's clients would also be looking at ease of access to market information, so providing them with timely and curated information on the go will prove to be essential to increase client stickiness for businesses, he maintains.

Digital execution

"We have also successfully enabled many clients to transact with us digitally, not just via direct-to-client channels, but also via RM-led capabilities," Bhambri elucidates. "A client today can now do most of their transactions with us digitally, without the need for physical documents. That is a massive change."

He adds that at the onset of Covid-19, wealth managers had to deal with remote operational support due to various movement restrictions. "Going forward," he comments, "the focus would need to be increasingly on managing any operational risks, keeping productivity up and focusing on resource allocation for growth."

All this, of course, means the clients themselves are undergoing a huge transition in terms of how they see future engagement with their bankers, so for the three pillars of client engagement, transactions and client servicing we are witnessing this transformational shift towards digital, and most importantly with considerable enthusiasm. That, in turn, is forcing us to think radically about future client engagement."

Changes galore

Bhambri also highlights other changes the bank has been putting in place in the past 12-18 months. "We launched our new equities platform in Singapore, that has been a huge success, and we have seen a huge amount of client interest in leveraging that platform, especially at this time. The unique feature for this platform, compared to those of competitors is the access to 15 exchanges. The result has been a quadrupling in transaction volumes between last year and the first few months of

Key Priorities

Number one priority, Bhambri reports, is rethinking the future of work in the wealth management business. Secondly, the bank will continue to invest significantly in digital capabilities to enable both the RMs and clients to continue, even if not meeting in person. And the third priority is to focus around the whole sphere of health, wellness and financial well-being."

SUMEET BHAMBRI
Standard Chartered Bank

this year, as well as a huge increase in new clients wanting to trade on that platform."

He reports the bank has also been doing a lot of work on its retirement proposition, collaborating with Fullerton Fund Management to launch a series of retirement-focused funds. "That has been very encouraging," he says, "we are on track to reach one billion Singapore dollars in assets in those funds, they are really well favoured by our clients in Singapore. Post our staggering success in Singapore, we rolled out retirement propositions in markets like Indonesia and Brunei, where we have identified a similar need and demand. We are looking to expand this further to other markets like Malaysia in the near future."

The bank also launched a LiveFX platform, the Bank's one-stop FX platform for retail clients, in mid-2019, Bhambri reports, which has seen a 245% increase in monthly trading volumes since early 2020. The online funds platform has been upgraded in terms of range and capabilities, also resulting in what he calls a massive uptick, in fact, a more than doubling of monthly digital transactions via that medium.

"In short, we see a significant improvement in activity as clients shift to digital both for advisory and self-execution," he states. "The path of activity, of course, this year has been volatile, as we saw a dramatic increase in sales volumes until about mid-March, then a big drop and then since roughly mid-April another huge rise in activity to levels actually at or higher than

Getting Personal with Sumeet Bhambri

Sumeet Bhambri is Regional Head - Wealth Management, ASEAN and South Asia, and Head – Wealth Management, Singapore for Standard Chartered Bank. In these roles, he is responsible for strategy, business and product development for the bank across ASEAN & South Asia (ASA) and Singapore. He also oversees the advisory services offered by the bank for investments, treasury and insurance products to the retail, private, business and commercial clients.

Bhambri has been with Standard Chartered for over ten years, and earlier roles include that of Regional Head of Wealth Management for Europe, MENA and UAE, Regional Head of Wealth Management, Middle East, and Head of Priority and International Clients, Middle East, Regional Head of Wealth Management Middle East, General Manager of Wealth Management, UAE, and Regional Head of Investments & Treasury Products, Wealth Management, Middle East and Africa, wherein in that role he was responsible for driving new product development, training and governance across the region.

Before joining SCB, he worked with ABN Amro Bank in the UAE in Van Gogh Preferred Banking, as well as with Alliance Capital Asset Management in India for five years heading up the institutional sales and distribution for North India.

He holds a CFA charter and a Master's degree in Finance from Delhi University. He is married with two children, a boy aged 14 and a daughter of 12 years old. In his spare time, he enjoys running and golf.

Lockdown has allowed him to get fitter, as well as spend more time at home with the family. "We have discovered that there is a whole lot more we can do when everyone is not running in different directions, so that has been very positive, in fact, it has been a wonderful experience for all of us in many ways in recent months."

before mid-March, and across all asset classes, whether equities, FX, funds, structured products, fixed income, all types. But what pleases us most is the client engagement aspects, as the circuit breakers around the world and the region I cover have been overcome by clients and by us very quickly leveraging the digital channels and processes."

Adopting every solution

He explains that since April, the bank has been conducting client seminars using a secure videoconferencing tool, since when they have handled almost 600 such smaller seminars of 10 to 15 clients each. "This has given our RMs and our advisors a lot more confidence in client engagement and continuity," he reports.

fund products in that market which will significantly strengthen our capabilities there."

In Indonesia, a market that he reports has been somewhat less dynamic in recent years; there is growing interest in insurance products and some better momentum around fixed income. However, the funds market remains slow. "All in all," Bhambri reports, "there is some optimism that volumes will start to improve there."

India, he explains, has clearly been going through a very difficult time with the pandemic, given the sheer scale of the country and its general economic and wealth levels. "But after considerable challenges in recent months," he says, "we are now beginning to see good momentum starting to return.

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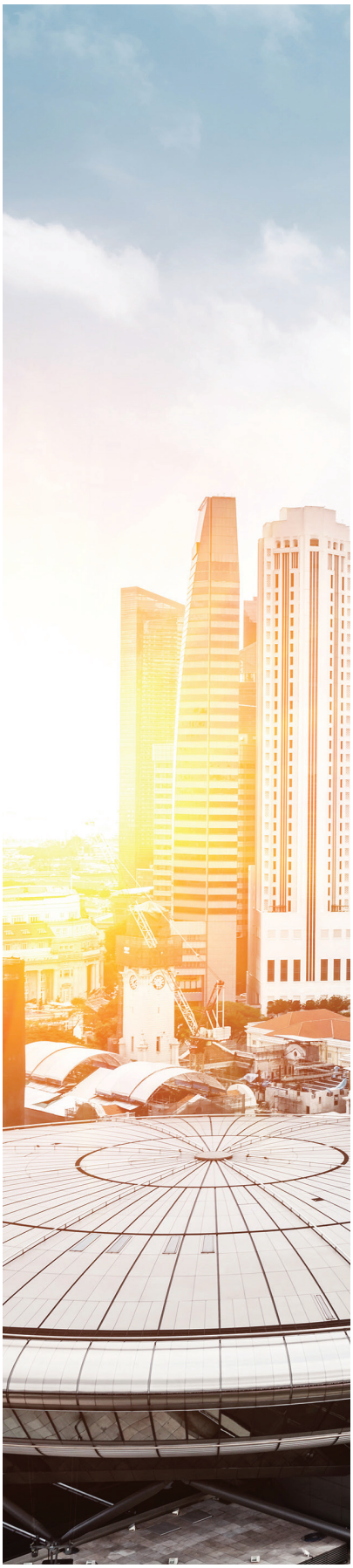
Regional ambitions

He scans some of the neighbouring and nearby markets. He reports that Malaysia is showing positive signs of recovery with the lifting of the movement controls. "We are strong in that market historically and today, and we are, for example, now replicating the FX platform we have in Singapore, building our proposition around retirement, strengthening our capabilities around structured products, as well as introducing a few more dedicated exclusive

And we are encouraged that as those clients begin to more actively reallocate their assets, they are looking at us favourably."

And in Vietnam, a country with some 100 million people and growing rapidly, the bank is eagerly working on a model to further expand capabilities to exploit what Bhambri describes as a huge opportunity. "The capabilities and offerings from most banks are quite restricted and largely limited to insurance," he reports, "but we



are looking to explore different asset classes to expand our remit. I can say 'watch that space', as it is quite exciting."

Data points to successful adaptation

Bhambri, at this point, steps back to offer some data to support all these views. In Singapore, the number of monthly digital transactions on the Online Mutual Funds (OMF) platform grew 238% and on Online Trading Platform 160%, since the start of the year.

Also in Singapore, the number of transactions and volumes on SCB's digital investment platforms grew over 200% year on year. In April, there was a 129% spike in client applications for access to the online trading platform compared to average monthly rate in 2019.

OMF transactions were performed online, up from 67% compared to April 2019.

In Singapore, the Bank had by mid-June conducted 534 webinars reaching over 7,400 clients conducted by the bank's investment specialist team since the circuit breaker started in early April, in order to keep clients abreast on market developments and share key investment strategies in line with the bank's house views. These include market-first virtual eSeminars in conjunction with partner fund houses. Moreover, he reports over 1,500 one-on-one digital sessions completed including 160 virtual appointments by the bank's insurance specialists discussing health and protection needs of our clients

Wellness and wealth

Bhambri also highlights how the pandemic has, understandably

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In Malaysia, online mutual funds transactions grew 150% since the start of the year. In India, digital volume as a percentage of overall investment volume reached an all-time high at 64%.

Meanwhile, in India 73% of all mutual funds transactions were performed online, up from 31% recorded in April 2019, and 86% of all Systematic Investment Plan (SIP)

focused more attention on wellness, as well as wealth generation.

"We have been focusing intently in recent years on health and wealth," he observes, "and clearly that is an even more robust discussion today, and we are already seeing more interest in conversations with us around health and wellness, alongside financial well-being. This is an area of key consideration

for us, in other words how we can boost our proposition in this regard, driven by client interest and expectations. Secondly, we have very clear evidence that digital capabilities are paramount to current and therefore, future engagement, so we need to keep focusing, keep investing, and keep improving our digital capabilities."

A third factor is the damage done to client portfolios during the market volatility. "We are seeing rising demand for quality advice," Bhambri reports, "and we hope the outcomes will be more diversified and robust portfolio construction for such clients."

Whither the markets?

Bhambri also comments briefly on the markets, noting that naturally, clients are anxious about many aspects of their finances and lives. He says there is the understandable fear that the market bounce is not sustainable. "Markets generally don't bottom on the first significant decline during a bear market," he remarks. "There tends to be at least one to or two 'dead cat bounces' in excess of 10% before markets hit a final bottom for the cycle."

This, he elucidates, was the case during milder recessions in 1969-70, 1973-74, 1980-82 and 1990-1991, while in the more severe recessions, there were as many as five such 'dead cat bounces', for example in 2000-2001, 2007-2009 and way back in 1929, before prices hit the final cycle bottom. "Should history repeat itself," Bhambri comments, "there could be more pain ahead for markets. However, the speed and depth of the sell-off suggest that a Covid-19-induced slump may play out differently than expected."

Challenges ahead

He closes the discussion by also highlighting some challenges for the bank. "Interest rates have collapsed further. Work practices are changing and more home working will persist, which will have a profound impact on the industry, and that in turn means a huge impact then on how we run our business, how we enable and support our RMs, and how we continue to run efficiently and effectively when often neither the clients nor the relationship managers are sitting in our premises.

The result, he reports, is that all these facets are under the microscope already, and adaptation to the new world will require agility and empathy. "We see major changes ahead in the coming year," he concludes. "Wealth continues to be a huge strategic priority for us at the bank and in many ways, the events of recent months have made us even more focused and determined to keep building this business within the bank."

Well-positioned

His final word is to look more broadly at the industry and imagine greater consolidation ahead. "Not every firm, not every bank would be able to keep pace with the investments that are required to make their businesses robust and dynamic in the future," he states. "Moreover, RMs will gravitate towards banks that are further along in the journey on the future of work, those banks and firms that can offer continuity and even expansion of capabilities; certainly, this will form a major part of the thinking from the RM's viewpoint in where they want to position themselves in the years ahead. In short, more consolidation is, therefore, inevitable." ■