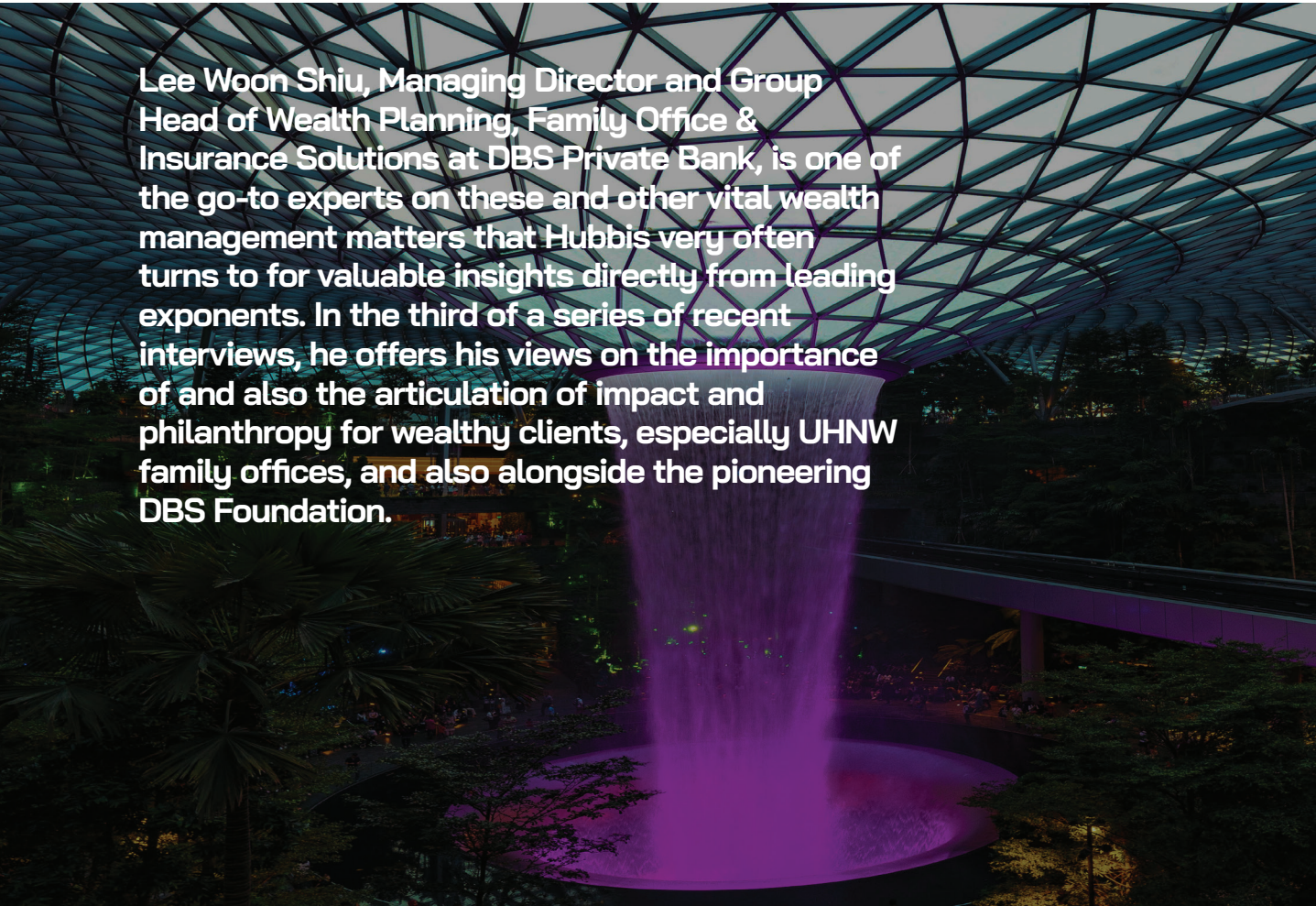


The Growing Importance of Impact and Philanthropy amongst Asia's Wealth Families



Lee Woon Shiu, Managing Director and Group Head of Wealth Planning, Family Office & Insurance Solutions at DBS Private Bank, is one of the go-to experts on these and other vital wealth management matters that Hubbis very often turns to for valuable insights directly from leading exponents. In the third of a series of recent interviews, he offers his views on the importance of and also the articulation of impact and philanthropy for wealthy clients, especially UHNW family offices, and also alongside the pioneering DBS Foundation.

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Woon Shiu opens his observations by noting that wealthy families have been moving their assets, control and human capital to Singapore at an increasing rate in recent years, but the mission for many is also to amplify their presence in the region. Often driven by the founder generation, but also increasingly by the next and younger generations of very rich families, there is a drive to identify and then demonstrate a more meaningful purpose in Singapore, apart from just managing or making money, and philanthropy is now more often high up on their agendas.

Meaningful and committed

“This is usually more than simply writing out a cheque to some institution, it is about building connectivity to and support for the community, evolving their businesses as well to project a more social enterprise presence,” Woon Shiu explains. “We support all such initiatives through the DBS Foundation, the narrative for which is gaining a lot of popularity among the families we serve in our six core markets of Singapore,

Indonesia, China, Taiwan, India, and Hong Kong.”

He explains that DBS Foundation is Singapore’s first foundation dedicated to growing innovative social enterprises and businesses for impact, and was launched in 2014 with a SGD50 million fund, in conjunction with Singapore’s 50th birthday, to mark the bank’s commitment to championing social entrepreneurship in Asia.

Repairing and improving

With the pandemic upending livelihoods and casting a spotlight on a wide range of social and

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environmental issues, the bank announced in February 2022 an additional SGD100 million of commitment to further DBS Foundation’s efforts to improve lives in Asia and creating an impact beyond banking, as well as support other philanthropic and crisis relief measures by the bank.

Woon Shiu explains that there are new Singapore incentives to help push this type of agenda, with forthcoming changes to the tax regime in Singapore, where family offices will obtain tax exemptions for regional philanthropic work. “The objective is to make this family office and social commitment journey easier to navigate and more holistic for the family members of these family office,” he reports. “We are seeing a major

thrust in these areas amongst Singapore family offices.”

Woon Shiu offers the example of a UHNW family from Indonesia, who some years ago ventured into Singapore to open bank accounts, spend more time and start some investments, and who, as they became more deeply entrenched expressed an interest in a more active role in shaping the community and social construct.

Joining the journey

They might do that by joining DBS Foundation on the journey to help some of our local social enterprises such as Bettr Barista,

Boxgreen, and others. Then armed with positive experiences and seeing encouraging outcomes, they think they will then support similar efforts back in Indonesia, to encourage more such activity and enhance their home countries, even though they might now be formally resident in Singapore.

“With us as a catalyst, some of the Indonesian social enterprises and other entities that DBS Foundation serves today are finding new support from their fellow countrymen and women that really never existed before without our connectivity,” Woon Shiu explains. “The type of bridging role is immensely rewarding for us and gives us a new purpose and great encouragement all around for the journey we are on.”

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Connecting to the next generations

He remarks that this combination of financial, human and social capital is also a great avenue for growing the relationships with the next generations, who are, he says, increasingly ‘wired’ into the broader role that capital can serve in the local communities of Asia. “It moves wealth beyond the family, beyond the family’s monetary security and objectives, and far into core values and meaningful or impactful contributions to society.”

And as this takes place, there is somewhat of a snowball effect, as other family offices see this type of activity amongst their peers, and join in this type of venture philanthropy,” Woon Shiu adds.

Working with purpose

He is proud to be working with what he considers to be one of the most purposeful banks in the region, and possibly the globe. “This is not propaganda; we really believe in it,” he states. “We want to be the best bank in a better world.”

He also explains that this is not a fee-generating operation for DBS, as they are delivering grants to social enterprises, from their own pockets, from profits. “We have so far committed about SGD150 million of our profits through the DBS Foundation, and we do not make fees out of the commitments of these family offices to such missions.”

One of the Foundation’s most successful facilitations involved the arrangement of a million-dollar grant by a Singapore-resident family office to domestic Indian social enterprises.

He gave another example where just some months ago, DBS announced a successful first close of its Asia Impact First Fund – which the bank co-launched with Heritas Capital – at over USD 20 million, which will help drive impact-first investing and support promising social enterprises (SEs). As its anchor investor, DBS committed half the amount, alongside other like-minded and impact-focused parties such as

Tsao Family Office, IMC Group and Ishk Tolaram Foundation.

There are associated commercial opportunities, however, such as DBS offering trust services if a family wishes later to create a charitable trust. And some of those investments committed by the families prove to be very successful, even later heading to IPOs or other capital markets activities, where a different division of DBS can step in seamlessly to provide corporate & investment banking advisory services.

Looking to a better future

“The key however,” Woon Shiu reports, is that this is a long-term and impactful approach with social values and missions in the sights, and not a transactional, ‘what’s in it for us?’ type of practice. Impact means exactly that - really making a difference to the lives of people that care and people in the wider communities we serve.”

He closes by commenting that Asia is on the cusp of a far greater commitment to these types of endeavours. “We really hope that by taking the lead we can show the way forward in impact investments and venture philanthropy,” he reports. “We are at the early stages but more and more will join this journey, we are sure.” ■

