

‘Exciting times’ ahead for Maybank’s regional expansion plans

Alvin Lee, Head of Group Wealth Management and Community Financial Services at Maybank Singapore, tells Hubbis that the bank is committed to putting the right resources and investments into its plans for the expansion of its wealth management services in the region. Maybank sees the development of its wealth business as a multi-year initiative, and the business will be given time to build up so that it be well positioned to ride the upturns, given that we are in the late-stage of the business cycle.

Executive summary

Alvin Lee, Head of Group Wealth Management and Community Financial Services Singapore (CFS) at Maybank Singapore, says it makes sense that banks are growing their wealth platforms across the region, because demographically, the region is growing richer, and there is an innate demand for wealth management services here. Maybank is aiming to be a key player in Asia, and the incorporation of Maybank Singapore's CFS business comes as part of the bank's overall strategy to accelerate its growth plans and business presence, both in Singapore as well as across the region. Given the DNA of the bank and the kind of customer base that it already has, Lee says Maybank is focusing on the emerging-affluent and mass-affluent segments, which he believes will be the key to the success of its wealth business. In an extremely competitive industry, he also believes that a bank's product offering or technology platform can no longer constitute key differentiators or unique selling propositions to clients; rather, the success of a bank depends on 'who is smarter' about their standards of service, their costs, the business model and mandate for the long haul.



MALAYSIA'S MALAYAN BANKING BERHAD, OR MAYBANK, IS THE COUNTRY'S MOST VALUABLE BANK BRAND with a market capitalisation of over USD 26 billion and total assets in excess of USD 195 billion as at 30 June 2018. It is also one of Asia's largest banks, with a footprint in all 10 ASEAN countries and a worldwide network of 2,400 offices with over 43,000 employees.

The bank was founded in 1960 in Kuala Lumpur, and has maintained a presence in Singapore since that year. In October 2018, the Monetary Authority of Singapore (MAS) granted approval for Maybank Singapore Limited (MSL), Maybank's wholly-owned subsidiary in Singapore, which has a full banking licence with Qualifying Full Bank privileges, to incorporate its Community Financial Services (CFS) business in the republic. MSL's CFS encompasses its retail, private wealth, SME and commercial banking divisions.

Alvin Lee has been Head of Group Wealth Management at Maybank since 2013 when Maybank Group started its wealth management business, and now also heads its CFS business in Singapore. He says it makes sense that banks are growing their wealth platforms across the region, not just because affluence is continuing to rise in Asia, but because people in Asia tend to save more in relation to other regions in the world. "Demographically, the region is growing richer, and there is an innate demand for wealth management services," he observes. "So Maybank is aiming to be a key player in Asia."



ALVIN LEE
Maybank Singapore

Part of an overall strategy

The incorporation of Maybank's CFS business comes as part of the bank's overall strategy to accelerate its growth plans and business presence, both in Singapore as well as across the region. 2018 also marks the fifth anniversary of Maybank's private banking business.

"We have been doing this for the last five years," says Lee. "And we now want to make wealth management a more significant business, because I think we have done well enough for the group to recognise that if we invest in it a bit more, perhaps we can do a lot better."

Within this space, Lee says Maybank is focusing on the emerging-affluent and mass-affluent segments. "Given the DNA of our bank and the kind of customer base that we already have, I think that is going to be the key to our success," says Lee. "We created the Maybank Privilege for clients with a net worth of between USD 30,000 and USD 220,000, and this is something that we are very keen to focus on."

Lee firmly believes that Maybank has the wherewithal

Key Priorities

Over the next 24 months, Maybank's Alvin Lee, head of its Group Wealth Management and Community Financial Services Singapore business, will be focusing on building up the its technology platform in order to deliver products and services to its clients in the most seamless and efficient ways.

Alongside this, his other priority is attracting the right talent across the region, despite the increase in the automation of many transactions and banking processes. Maybank is also looking to hire talent in Hong Kong, in order to lead a charge into the China market.

"It's not going to be easy - the big boys have tried, and continue to face challenges," Lee acknowledged. "But being in Asia, you can't afford not to be in China."

As the largest Islamic financial services provider outside of the Gulf Cooperation Council member states, Islamic-style wealth management is another priority that Maybank is currently looking at.

"That would be a USP that most other banks would struggle to establish, but we have got already a fairly strong Islamic banking platform. So that is something that we are also exploring."

and the reach to grow its wealth platform in a meaningful way, "As long as we can overcome the potential perception that a Malaysian bank doesn't play well in the global space."

Attracting and retaining talent

The Maybank group is seeing the development of its wealth business as a multi-year initiative, and is committed to putting the right resources and investment into the process. Lee says the business will be allowed time to build up, in the hope that it will be well-positioned to ride the upturns once the present

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uncertainties in the market cycle have run their course.

He believes what will be most challenging will be attracting and retaining the right talents. “We have invested in a program to recruit young bankers into our emerging and mass-affluent businesses, train them and create a career path for them,” he says. “Hopefully, they will stay with us for longer than if we were to hire private bankers from the market.”

“So yeah,” he adds, “These are exciting times for us.”

Products are not differentiators

Lee believes that ultimately, a bank’s product offering could never constitute any real unique selling point (USP) for its business. “Of course, certain players will have access to some unique products, but generally, products will never be the key differentiators,” he says. “In this world, I think product is very easily copied.”

According to Lee, technology no longer constitutes a USP, either. “Technology is not a key differentiator,” he says. “It’s just

basic hygiene, without which you cannot offer services or solutions to the clients.”

“At a fundamental level, you need a system to be able to capture every possible transaction. And clients want all of that in the one system. They want a view of their portfolio, they want to know how well their entire portfolio has performed over time,” he elaborates.

“And, given the fact that clients are mostly well-travelled, the service should be accessible from everywhere, not just them on a phone talking to a RM, but also having digital access. So I think that is just basic.”

As for service as a USP, Lee says, “Every single bank will say

that, but the question is, how many of us actually practice it?” He admits: “I struggle, honestly, to create a USP, but if a gun were put to my head and I had to decide on one, it would be customer service.”

“The culture that we want to build for the Maybank wealth business will, hopefully, percolate towards our bankers behaving correctly with our clients, being very attentive to their needs,” he explains. “Again, the group’s business model plays a big part. We are not in this for the short term.

It will always be about how much we have done to help our clients make money in their investments, how well do we serve them, how attentive we are to their needs.”

Making consistent returns

Those needs, Lee continues, are all about making consistent returns on clients’ investments. “I think Asians typically are still very much about hard assets, real estate,” he says. “With cooling measures being implemented across more markets, I think investors will be hard-pressed to find double digit growth in that kind of asset class.”

Lee believes that those consistent returns on investments are to be found in the diversification of portfolios. “The conversation has to get around to the fact that every client needs to have a diversified portfolio,” he says. “It’s the classic case of not putting all your eggs in one basket.”

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“The key challenge for us is that a lot of our clients are business owners themselves,” he shares. “These clients will say to you that if you get me five percent above benchmark, I may as well invest that money in the business, and get returns in excess of that.”

An extremely competitive industry

Despite the tremendous growth of the wealth management sphere in the Asian region, Lee remains cognizant of the fact that it is an extremely competitive

Getting Personal

At Maybank, Alvin Lee wears two hats: he is head of the bank's Group Wealth Management business, which comprises its 'Maybank Private' for high net-worth clients, 'Maybank Premier' for the mass-affluent segment, and 'Maybank Privilege', for the emerging affluent segment. This business presently exists in eight countries.

He is also head of Maybank Singapore's Community Financial Services (CFS) business, which comprises its branch, retail, SME and business banking as well as its credit cards, auto financing and mortgage divisions.

Born and bred in Singapore, Lee attended secondary school at Raffles Institution (RI), where he first discovered a lifelong passion for rugby. At RI, he competed against the other rugby-playing boys' schools in Singapore, going on to become captain for the country's national Under-23 age group, playing in a Number 10 jersey as a stand-off.

A fan of New Zealand's All Blacks and the team ethos that they represent, Lee was club captain for his alumni association, the Old Rafflesians' Association, playing against other clubs in Singapore before retiring from the game at the age of 28 with a few broken bones and dislocations of the joints but otherwise no permanent damage. He held the role of the Raffles Rugby Union president for four years, and was also treasurer for the Singapore Rugby Union for two terms. He watches "a lot of rugby on telly," and plans to be in Tokyo next year for the Rugby World Cup.

Outside of rugby, Lee was active in Singapore's National Service, finishing his 20-year service with the rank of lieutenant colonel in the Singapore Army. He trained as an accountant at Nanyang Technological University, even though he never ever wanted to be an accountant because, he says, "I can't balance any books".

He began his career in investment banking at JP Morgan Securities Asia, supporting its securities business, and left after seven months to join Citibank's regional consumer banking treasury where he remained for 14 years moving through its divisions, from being a dealer to product to business development. "It was massive," he says. "Although you do the small tickets, but you learn the breadth of products." Over the course of his fourteen-year stint at Citi, he also spent a year in Hong Kong, starting up a treasury unit with some of the bank's senior management.

Thereafter, he left Citi with a group of colleagues and went on to join the Barclays group's retail and corporate banking division, with which he was based in London for four years from 2006 to 2010 as co-head of its foreign exchange and rates products. Of this time, Lee says, "The job took me to a lot of the countries in Africa, given the fact that Barclays had a huge presence back then in Africa. The Middle East as well, and a little bit of Asia."

In 2011, Lee accepted the role as the group treasurer for Kuwaiti regional bank Burgan, during which time he "experienced the events of Arab Spring first hand".

Lee is an avid reader but is not a fan of enrichment or self-help books. Rather, he says, "I prefer to read about global leaders, their lives and deaths." He enjoys biographies and autobiographies of world leaders such as Churchill, Thatcher, Mandela, Gandhi and even Hitler. Of the latter, he says, "Even with Hitler, you learn certain leadership qualities, the fact that he was able to sway an entire nation with his oratorical skill. I think that's something that we all need. I love to read the speeches of the great leaders, as well. So I've also got a collection of great speeches by Martin Luther King and Obama, among others."

He also keenly follows current affairs. "I'm always interested in what's happening on the global stage and follow the developments in the US quite closely, and I never cease to be amazed by what is happening."

On music, he is a fan of "anything before Madonna - so definitely Eagles, ABBA, Bee Gees. And Chinese songs as well."



industry in which many banks offer similar products to clients, while at the same time vying for a limited pool of talent and resources within the region.

“It all boils down to who is smarter about it,” he observes. “Who is more cost-conscious, who has the right kind of group business model or mandate to do this for the long haul, rather than for the short term.”

“For the players who are just in purely private banking, I think the cost-income ratio will always be a challenge,” he adds. “I think

we are luckier because we have got the balance sheet, we have got the customer footprint to bank the mass-affluent and the emerging-affluent. Collectively, our proposition is definitely a more cost-efficient one.”

As for the talent pool within the industry, Lee hopes that there will be some rationalisation on paying for skills, because he believes that present rates are “not sustainable”.

“Hopefully, there will come a point where a good banker will not jump ship just for an

extra thousand or two,” he says. “I think they should look at it as a long-term career rather than ‘how do I mark-to-market my salary’. So I hope that that realization comes along, and then perhaps the whole industry will be more sustainable.”

On a happier note, Lee adds, “I do see more clients being increasingly open to us for discretionary portfolio management, rather than being purely self-directed. So hopefully, going forward, that will give us more annuity income.” ■