

Maybank's Singapore CEO on Ambitions to be a Global Leader in Islamic Wealth Management

In a recent discussion with Hubbis, Alvin Lee, Maybank's CEO for Singapore since January this year, shares his insightful perspectives on the evolution of the Malaysian wealth market, underscoring the strategic direction and innovative offerings that Maybank brings to the fore, particularly its strategic and committed expansion into Islamic wealth management. The concerted drive towards Islamic wealth management offshore through Singapore as the central hub is gaining momentum, reflecting the objective to reach out across Indonesia's huge population, to other clients in Asia drawn to the value-based offering, and also further afield to the Gulf Cooperation Council (GCC) countries. The end goal is to widen the base of investors, including non-Muslims, who find the appeals of Islamic Finance's five key pillars appealing and ethically compelling as parameters for some of their investments. More broadly, Alvin articulates how the bank is turning other key operational challenges in wealth management - such as around regulation, technology and talent - into key advantages.

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ALVIN LEE
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Maybank's Strategic Venture into Islamic Wealth Management

Alvin opens the conversation by focusing on how the bank, the biggest in the country by assets, is taking a broadly bullish stance on the wealth management segment, demonstrating a strong commitment to innovation and customer-centric offerings. He highlights Maybank's major drive in extending its Islamic Wealth Management beyond Malaysia into Singapore and Indonesia, a move that promises to bring a fresh perspective to wealth management in the region, and new momentum to the bank.

Strategic Emphasis and Alignment

"The key," Alvin reports, "is aligning the five pillars with our strong strategic emphasis on helping clients in generating and preserving wealth within the bounds of Sharia guidelines and compliance. Additionally, we promote the advisory role in guiding clients on purifying and distributing their wealth according to Islamic principles, highlighting

The Essence of Islamic Wealth Management

Maybank's Islamic Wealth Management proposition comprises five pillars, from wealth accumulation to distribution, as described below:

Wealth Creation: Creates wealth through Shariah-compliant banking, savings and financing products in line with Islamic principles. It seeks to achieve sustainable and ethical growth over time.

Wealth Accumulation: Generates and accumulates wealth through Shariah-compliant investment products, and is focused on values-based investing principles.

Wealth Preservation: Protects the accumulated wealth as aligned with Islamic principles through risk management and takaful (Islamic insurance).

Wealth Purification: Purifies wealth through the concept of zakat. Zakat is the giving of alms to the less fortunate, and it is obligatory upon every Muslim who meets the requirements to pay zakat.

Wealth Distribution: Distributes wealth for future generations, which involves the transfer of wealth or assets (estate planning) through wasiat (will writing), waqf (endowment) and hibah (gift).

the holistic approach Maybank takes in aligning its services with the comprehensive pillars of Islamic wealth management."

He adds that this 'service' is designed not only to adhere to Islamic values but also to appeal to a broader audience interested in ethical investing. "Our Islamic Wealth Management offering is built on the foundation of ethical principles. It's tailored not just for Muslims but for anyone with an interest in ethical investing," he explains. "This inclusive approach aims to differentiate Maybank in a crowded market, offering a unique proposition to those seeking investments that align with their values."

A Strategic Move for Maybank

The decision to focus so intently on developing Islamic Wealth Management services stems from a desire to meet the evolving needs of investors, offering them products that are not only Shariah-compliant but inherently ethical. "The potential to capture a significant market is tremendous as the ASEAN region has a vast Muslim population of 250 million Muslims – a number that is set to grow. We have also seen an increasing shift to alternative and purpose-driven investments such as sustainable investments and Islamic wealth;

and we can expect to see double digit growth in Islamic finance. Moreover, Maybank is positioning Singapore as a hub for attracting regional investments, with aspirations to expand into the GCC markets.”

Catering to Domestic and Offshore Markets

While the focus is on creating a robust offshore hub in Singapore, Maybank is also mindful of the importance of catering to onshore domestic markets in Malaysia and Indonesia. This dual approach allows the bank to offer tailored solutions that resonate with both local and international clients, leveraging its wealth management expertise to serve a diverse clientele.

“By integrating Islamic principles with broader wealth management services, we are not only expanding our proposition, but also to some extent redefining the landscape of wealth management in Asia, catering to a wider audience seeking investments that reflect their religious and also ethical convictions. There’s a substantial investor base keen on Shariah-compliant products, and with limited options available in the market, so we are meeting real demand head-on.”

Delving even deeper into the Islamic Wealth Management initiative, Maybank has placed a significant emphasis on education and understanding, both for its relationship managers (RMs) and clients, to fully grasp the intricacies of Islamic finance. Recognising the gap in conventional wealth management training, Maybank has implemented a two-tiered educational approach.

Key Priorities

Over the next 12-18 months, Maybank sets its sights on several strategic priorities designed to bolster its position in the competitive landscape of wealth management. These priorities reflect a blend of internal strengthening, product innovation, and regulatory agility, all underpinned by the overarching goal of profitability.

Strengthening the Relationship Manager (RM) Bench

A primary focus for Maybank is to enhance its RM bench strength. Recognizing the critical role that Relationship Managers play in client engagement and satisfaction, Maybank is committed to attracting and nurturing top talent in this area. “Increasing our RM bench strength is essential. We’re looking to bring on board individuals who not only have the expertise and experience but also align with our commitment to providing exceptional service to our clients,” Alvin comments.

Expanding Product and Solution Offerings

In response to the evolving needs and preferences of clients, Maybank aims to diversify its portfolio of products and solutions. “Given the increasingly sophisticated demands of our clients, we’re dedicated to finding innovative alternatives, solutions, and products that not only attract clients to bank with us but also enable them to achieve their financial goals,” he elucidates. “This initiative is geared towards enhancing client satisfaction and loyalty by offering tailored, cutting-edge financial solutions.”

Preparing for Tighter Regulatory Requirements

Anticipating a shift towards stricter regulatory requirements, Maybank is proactively preparing to navigate this changing regulatory environment. “We expect regulatory requirements to tighten, and it’s imperative that we’re fully equipped to meet these challenges head-on. Ensuring compliance without compromising on service quality will be crucial,” he comments.

Driving Business Growth.

At the core of Maybank’s priorities is the fundamental objective of creating a win-win for both Maybank and clients. “Ultimately, our goal is to make money for our shareholders and generating excellent returns to clients,” Alvin reports. “Achieving profitability is essential for sustaining our operations and continuing to invest in areas that enhance our value proposition to clients,” the spokesperson concluded. This straightforward yet fundamental priority highlights the importance of financial performance in supporting Maybank’s strategic initiatives and growth aspirations.”

Educating the Educators and Clients

At the forefront is the training on the Islamic characteristics of individual products. "Every RM undergoes rigorous training and certification to ensure they comprehend the workings of our wide range of wealth offerings, including the values-based principles to effectively communicate their benefits and distinctions to clients," Alvin reports. "This commitment to product-level education is pivotal as it is important for us to help clients' achieve their wealth management goals to align their ethical and financial objectives."

Beyond product knowledge, Maybank strives to uncover some of the broader aspects of Islamic Wealth Management, encompassing the five pillars crucial articulated earlier to help with understanding Islamic finance's holistic approach.

He adds, "This comprehensive approach ensures that advisers are knowledgeable and certified to offer advice on Shariah matters, reinforcing the bank's commitment to authentic Islamic wealth management."

Expanding Beyond ASEAN: The GCC Opportunity

This approach will help the bank expand into the GCC markets in the future. While Maybank's initial focus has been on ASEAN countries, recognizing the significant demand in Malaysia and Indonesia, the bank is keenly eyeing expansion into the Gulf Cooperation Council (GCC) region.

Alvin shares, "Acknowledged as a major centre for Islamic wealth

Getting Personal with Alvin Lee: Rugby, Reading, and Reflections on Global Affairs

Alvin Lee, a prominent figure in the wealth management sphere, not only stands out for his professional acumen but also for his rich tapestry of personal interests and insightful reflections on global matters.

Surprisingly perhaps, he reports he is a fervent rugby enthusiast, and shares a deep connection with the sport, tracing back to his school days in Singapore, where the Kiwi Cup - an annual match between his school and a rival institution - cemented his admiration for New Zealand's rugby culture and passion for the game. "I think that's the heritage part," Alvin reminisces, highlighting the influence of the All Blacks' ethos on teamwork and legacy, which he deeply admires.

A Rugby Aficionado's Favourite Team

When asked about his current rugby preferences, Alvin doesn't hesitate to express his support for the Canterbury Crusaders. His passion for the game is evident in his keen following of club sides, with the Crusaders standing out for their exemplary performance and team spirit.

A Diverse Reading Palette

Despite a stated aversion to self-help books, Alvin says he finds himself engrossed in Jordan Peterson's "12 Rules for Life," a testament to his open-minded approach to reading and learning. "So, that's a self-help book that I am reading, so I'm contradicting myself," Alvin admits, showcasing his willingness to explore different genres and perspectives. Alongside Peterson's work, he often revisits the strategic depths of Sun Tzu's "The Art of War," delving into its Mandarin version for a richer understanding of its timeless strategies.

Observations on the Global Stage

His keen interest in current affairs, especially US politics, provides a window into his thoughtful contemplation of global dynamics.

He observes a shift from globalisation to polarisation, with rising nationalistic sentiments leading to a more fractious world. "I think the world needs a bit of appreciation and humility to accept that there are different points of view," he suggests, advocating for a more nuanced understanding of international narratives. His analysis extends to the potential implications of geopolitical tensions, including the role of the US in Taiwan and the broader impacts of populism on democratic processes.

Alvin's multifaceted personality, encompassing a love for rugby, a diverse reading list, and a nuanced perspective on global affairs, aligned with a very successful career path to date paints the portrait of a thoughtful character who thrives on challenges and thoroughly enjoys his diversions.

management, the GCC represents a substantial opportunity for Maybank to extend its offerings to a wealthier clientele. We have a Dubai International Financial Centre (DIFC) branch, and we hope to leverage Singapore's robust infrastructure to offer Shariah-compliant wealth management solutions."

The Evolution of Maybank's Wealth Management Offerings

Alvin steps back to take a bigger picture view of the evolution of Maybank's wealth management offering, which underscores a broader strategy to maintain momentum in a highly competitive landscape.

But there are key challenges he acknowledges, such as attracting talent, regulatory complexities, and the shifting dynamics of the financial sector.

"Attracting top talent is crucial for us, and it goes beyond just financial incentives. We're focused on creating an environment where professionals can thrive and contribute to our growth,"

he explains, acknowledging the ongoing hurdles in talent acquisition and retention.

Seizing Opportunities Amid Market Shifts

He remarks that recent upheavals in the banking sector, including Citibank's and Credit Suisse's strategic realignments, present unique opportunities for Maybank to capture a greater market share. "While we've welcomed clients and Relationship Managers (RMs) from these institutions, we are very mindful that we need to have offerings that are competitive against these regional giants, but something extra and unique to Maybank," he explains. "We are constantly elevating our appeals and our standing in the wealth management community."

Turning Obstacles to Advantages

Alvin says navigating the complex landscape of regulations, particularly in the realm of onboarding and Know Your Customer (KYC) processes, remains a significant challenge for financial institutions operating across multiple jurisdictions. But he remarks that Maybank's approach

to this issue reflects a focus on customer experience without compromising on compliance, especially given the varied regulatory environments across ASEAN countries.

Regional Onboarding: A Unified Approach

Acknowledging the diversity in regulatory requirements, Maybank strives to streamline the onboarding process regionally. "In countries like Malaysia and Indonesia, the KYC requirements may differ slightly from those in Singapore, which tends to have more stringent regulations. Our goal is to make the onboarding experience as seamless as possible, by addressing the additional requirements in Singapore without reiterating what's already covered in the client's home country," he explains. "This process not only simplifies onboarding for clients but also ensures that Maybank adheres to the highest regulatory standards across the board."

Leveraging KYC as a Competitive Advantage

The emphasis on efficiency and client convenience is pivotal in Maybank's strategy to transform

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KYC from a regulatory necessity into a competitive advantage. “By optimizing our onboarding process to be quicker and less cumbersome, while still maintaining rigorous control, we aim to set ourselves apart from other banks. With internal targets to tighten our Service Level Agreements (SLAs) for onboarding, we’re focused on asking the right questions rather than being purely procedural,” Alvin states. “This approach underscores Maybank’s commitment to enhancing the client experience, recognizing that speed and ease of onboarding can significantly impact a client’s decision to choose Maybank over competitors.”

Strategic Adaptation to Regulatory Challenges

Alvin elaborates on these points, noting that Maybank’s

proactive adaptation to the evolving regulatory landscape exemplifies its commitment to delivering superior service while navigating the complexities of international finance regulations. By harmonizing its processes across different jurisdictions and prioritizing efficient, client-centric onboarding, Maybank is poised to remain a leading player in the region, leveraging regulatory challenges as opportunities to enhance its value proposition to clients across ASEAN and beyond.

Singapore as a Core Hub for International Expansion

Concluding the discussion, Alvin focuses on the future role of Singapore in the realm of private wealth management. He says that Singapore’s emergence as a premier wealth management hub is set to continue, buoyed by its appealing fiscal policies and stable economic environment.

“Singapore has a multitude of pull factors that make it an attractive destination for foreign investments. Despite the introduction of a wealth tax, it remains a competitive option compared to the heavier tax burdens in many European countries,” he observes, fairly.

He adds that the evolving dynamics within Asia also play a crucial role in shaping Singapore’s wealth management landscape. “Given the current challenges facing other regional centres, notably Hong Kong, Singapore is poised to become an even more significant hub for wealth management in the coming decade. It’s likely that we’ll see a considerable influx of investments, not just domestically but also from across the region, projecting a robust growth trajectory for Singapore’s wealth management sector.” ■

