

Standard Chartered Malaysia Head of Consumer, Private and Business Banking on a Future-Proofed and Fully- Digitised Business Model

Malaysia is nowhere near as populous as its ASEAN neighbours such as Thailand, Vietnam, Indonesia or the Philippines. But the economy and the financial markets are well advanced, and there is immense private wealth, much of it historically managed through Hong Kong, Singapore or further afield in Europe. Accordingly, the wealth management model is more advanced than in neighbouring countries. However, there is far more to be achieved - Malaysia has the potential to evolve further into what will eventually be a mature and truly thriving wealth management market, emulating in an onshore model many of the successes of neighbouring Singapore and Hong Kong. But to achieve these goals, to compete with the established offshore financial centres, Malaysia needs to continue offering favourable regulatory environment, boost the array of investment products, solutions and advice, make sure the incumbents balance the needs of the current holders of wealth with the future generations' needs and expectations, and also continue to develop the Islamic finance wealth market. So too the incumbents are seeking diversification of the revenue generation opportunities available, for example skewing their operations more towards advisory, retirement planning, life insurance solutions and broader estate and succession planning, as well as sustainable and alternative investments. Wealth managers are also striving to boost the fee-paying advisory and Discretionary Portfolio Models, to fight back against the tide of lower product fees, which are consistently being driven down by both competition and regulatory demands. Digitalisation to address both cost-savings and the needs and demands of increasingly savvy customers across different wealth segments is also essential. To learn more about Standard Chartered's approach to many and perhaps all of these issues and opportunities, Hubbis 'met' recently with one of our go-to experts on the market, Sammeer Sharma, Country Head of Consumer, Private and Business Banking, based in Kuala Lumpur. Insightful as always, Sammeer painted a vivid picture of the many opportunities and also some of the challenges ahead.

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Sammeer opens the

conversation by zooming in on Standard Chartered's approach to innovation, elaborating on how the bank has been investing in new business models and digitalisation of existing ones to better serve clients in the affluent and personal banking space. "We see technology as our partner in what we do and are ambitious in how we can use it to offer best-

discussion, he would centre more on the affluent segment, where his teams cover the entire spectrum of clients, following a segmentation approach to ensure the right products and services are delivered through channels optimised for different client segments. As to products, the teams also cover a wide spectrum from mainstream equity and fixed income

launched in Hong Kong, which has already acquired more than 100,000 clients. "We see this as fundamental to our future, taking the challenger mindset to say we need to innovate to continue growing, and Mox is that, even though we have a huge flagship presence in the traditional space in Hong Kong."

Another pillar in the overall approach to innovation is 'Partnering for scale' where Standard Chartered recently announced a partnership with Atome, which is the biggest partnership in the FinTech space the bank has announced so far – a 10-year partnership with an investment in excess of half a billion dollars in the BNPL space, standing for Buy Now Pay Later. "That is all about offering clients an array of retail products, which are bite-sized, at scale, using the platform and alternate methods of assessing client's risk profile," he explains. "Malaysia is one of the markets where we'll be going live with them in the early part of next year."

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in-class products and services to our clients," he asserts. He then talks about his strategic priorities for next year and also some of the emerging trends in the Malaysian wealth management industry.

investments, structured products, treasury or capital market products, FX, and also insurance solutions, and even general insurance for SME clients.

Across the wealth segments

Sammeer was appointed as the Head of Consumer, Private and Business Banking for Standard Chartered Malaysia in September this year. Prior to this, he was Head of Wealth Management where he led wealth and affluent advisory business in the country. He has two decades of experience across diverse markets and segments at the bank, where he has worked since 2002, with the past 14 years spent in Malaysia, although he is an Indian national.

Three-pillar approach to innovation

He gravitates first to what is clearly an area of greater personal and corporate interest, namely the bank's global and local approach to innovation. He says innovation and digitalisation are prime and centre in their global strategy today, annually spending more than USD1 billion on three core pillars, namely inventing new business models, partnering for scale and transforming their core. "And all of this has been done with a strategic view that in the medium term, 50% or more of our revenues will come through these digital models or digital channels," he explains.

He then focuses on the transformation of the bank's core. "This is the bread and butter of our current business," he says. "From a channel standpoint, we are consistently upgrading our infrastructure to facilitate friction-free access for clients right from the traditional branches to online touchpoints, mobile, phone, and email."

Ubiquitous coverage for Malaysia

What it means, in essence, he says, is that they are moving from being a traditional bank with omnichannel offerings to being omnipresent. "An example here would be the launch in 2020 of the new FX platform, which is one of its kind in Malaysia. It offers

He begins the discussion in earnest by explaining that although his remit is very broad across retail banking, for this

He cites the example of Mox, Standard Chartered's digital bank



SAMMEER SHARMA
Standard Chartered

features such as Price Alerts that will notify clients when their target FX rate has been achieved and Limit Order placement that allows for automatic conversion once the currency reaches the desired level. We believe both these features are truly unique especially in an extremely fast-moving and dynamic financial market.”

He says that to his knowledge, Standard Chartered is also amongst the first banks in Malaysia to have launched the online mutual fund platform and has also digitised the entire insurance journey, making it 100% paperless today.

“All of this helps drive productivity for our relationship managers who are now more empowered to focus on what really matters, which is engaging the clients with good quality advice, helping them with the execution as well as focusing on helping them grow, preserve and distribute their wealth instead of worrying about mundane transactional and administrative challenges. Meanwhile, we have made sure

Getting Personal with Sammeer Sharma

Sammeer originally comes from India. He was born near Chennai in the south of India, where his father was a government employee, then moved to the north of India and finished his education in central India at the University of Jabalpur, where he studied management. He then moved to Delhi, where he began his career.

He has worked with Standard Chartered for almost 20 years, starting off with six years in India and then for more than 14 years in Malaysia, working in different locations across the country and in different departments, before taking his current role in September 2021.

“It has been an enjoyable ride,” he reports, “at different times covering ASEAN and South Asia markets from here for insurance at one point and working in all the key areas of retail banking, including gaining significant traction in the overall drive towards digitalisation. “My wealth management journey started in 2015, first in insurance and then the overall wealth business and in September this year I took over the retail business for Malaysia. Jokingly people say I am more Malaysian than Indian, indeed even my food habits are more Malaysian than Indian. My two children were born here, so for them, they see Malaysia more as home than any other place.”

Sammeer moved to Malaysia with his wife who works for the International Federation of Red Cross. “We married in 2004 and she then left India to help with the tsunami recovery operations in Indonesia, and then Red Cross decided to set up an Asia office in Malaysia. It was then natural for me as a loving husband to follow my wife and the bank was most accommodating; we have never looked back since, we really love it here, so do the children, they are now 13 and 8.”

Unusually for an Indian, he barely follows cricket, preferring sports such as scuba diving. “With permission granted from my wife, I try to head off for two diving trips a year, I am really passionate about diving and also underwater photography. Besides that, I enjoy any kind of adventure sport, such as paragliding, rafting, you name it and I’ll do it. I’m kind of an adrenaline junkie. On a regular weekend, it’s more about cycling, running, some stuff to stay active and spending time with the family.”



Key priorities

The top-most priority Sammeer identifies is strengthening product and platform capabilities for the affluent client segment further, delivering the right solutions as well as the right kind of digital platforms.

Another priority is to expand the advisory framework to help clients in areas which are critical in the global as well as Malaysian context, such as helping to solve their retirement needs. “The Covid-related EPF withdrawals over the past two years have had a massive impact on people’s savings and we want to help them get back on track vis-à-vis their retirement and other financial goals.”

His third objective is to leverage the global digital partnerships at scale, which is where Atome comes in. “The last of these does not fall within wealth management per se but is very important for the retail bank to drive future growth for us by achieving scale at low cost by working with digital partners.”

“We have taken several initiatives globally, and we are investing significantly in these areas, including Accelerating Net Zero, so we are investing in education, both for our own frontline advisors as well as clients. And we are doing this in a structured approach, since early 2021 with our own curated programmes on sustainable investing for teams at the bank and for our clients.”

the execution is seamless, so today a client could execute investments worth millions over the phone or email or online, or even if they wish, face to face.”

A tasty recipe for clients

Sammeer reports that the ‘proof of the pudding’ is in terms of adoption rates and the benefits brought to and by the relationship managers. “We have seen an uplift of about 20% in productivity per relationship manager this year,” he says, “and from a client adoption

standpoint, some 70% of our transactions now are happening through non-face to face channels, whereas in early 2020, that figure was just 15%. Another major advance is in the field of advisory, with the highly personal and traditional engagement model having migrated to virtual. Since the pandemic hit, we have been running advisory sessions for our clients every weekend, which includes our global market outlook events, and you get an average attendance of anywhere between

500 to 1000 clients. We have the same 11am slot each Saturday, open for anyone and everyone.”

For clients who so wish, individual or personal engagement is also available, with a virtual one-to-one session with the relationship managers taking place regularly. “This is about being client-centric,” he reports, “and it is up to the client whether they want an entirely virtual or face-to-face engagement or a combination of the two approaches.”

More upgrades to come

Sammeer cannot divulge too much details at this stage, but he also refers to further elements of platform upgrades for 2022, based on client feedback. “We are on this journey, and we keep going further in order to refine the proposition,” he says. “Our key missions ahead include the upgrade of some of these platforms, particularly the funds platform, to make it even more responsive to client requirements in terms of the UI/UX,” he reports. “Secondly, and this is more in the public domain already, we will be leveraging and launching the Atome partnership, which will start with the BNPL product and then we’ll expand the scope from there. We are also excited about some new launches next year, including a new client-facing digital platform that will bring to Malaysia the type of capabilities we have today in Singapore and Hong Kong. The details remain

confidential, but that would be a very, very significant launch for us in this market.”

Aiming for best-in-class

He also refers to the bank’s stated ambitions of offering best-in-class solutions and advisory in line with what the bank offers in global markets such as Singapore and Hong Kong. “Clearly there are regulatory limitations,” he says. “For example, an international fund will need a wrap with a local fund manager, but the mission is certainly to boost the range, diversity and quality of the offering. Today, we already offer solutions in eight currencies in the fund and fixed income space. We offer leverage in those eight currencies as well, just as we do in our global hubs like Singapore. For insurance, we are the first bank in town to offer solutions in local currency as well as foreign currencies. But whatever we have achieved so far, we will keep innovating in this market and bringing more best-in-class solutions.”

Positioning for the key emerging trends

Sammeer draws the conversation towards a close by referring to some key trends in Malaysia that Standard Chartered plans to take advantage of. “The whole sphere of retirement is a key area and a significant challenge, particularly for the mass affluent segment,” he reports. “There were policies rolled out in the last year or so where salaried clients were

allowed to withdraw from their savings plans to manage their major expenses, and there were significant withdrawals, indicating concerns about the ability of Malaysians to be able to save up for their retirement needs. So, we are targeting advisory education as well as solutions, and ascertaining whether their glide path will allow them to land when and where they want. We want to bring a new smart approach to all this, which will certainly be well received, as there is a great need at this time.”

Another area he identifies is around sustainable investments, which is also in line with their global agenda of Accelerating Net Zero. “We have taken several initiatives globally, and we are investing significantly in these areas, including Accelerating Net Zero, so we are investing in education, both for our own frontline advisors as well as clients. And we are doing this in a structured approach, since early 2021 with our own curated programmes on sustainable investing for teams at the bank and for our clients.”

And finally, he points to global offerings and solutions that the bank promotes that they can offer to clients locally. “We are bringing in the global expertise and solutions from our open architecture platforms,” he explains. “All in all, we think we are very well positioned today and also fit for the future.” ■

