

# Carolyn Leng's Vision of an All-Encompassing Proposition for Success in Malaysia's Wealth Management Market

There is so much happening in the Malaysian wealth management market, as incumbents and new entrants jostle for position, from new leaders coming to take the reins at some of the bigger name local and global banks and firms, to the arrival of new strategic partnerships, new strategic visions being launched to propel Islamic wealth management, so on and so forth. A core challenge for Malaysia has been to boost its onshore proposition and diversify the products and advisory offering in order to draw more of the HNW and UHNW AUM back onshore, but also to make sure that as much of the newer wealth remains under management in Malaysia, and that the growing ranks of younger wealthy inheriting so much of the founder/first-generation, even second-generation wealth are also properly serviced onshore. And of course, there is the ongoing drive to digitisation to cater to the newer demographics and the remote working environment, and to drive the client experience and enhance team productivity and satisfaction, all of which are vitally important to the wealth market's development. Hubbis was fortunate to have Carolyn Leng join our panel of experts on November 2 for our Digital Dialogue event looking at the development of wealth management in Malaysia. As Head, Maybank Private Malaysia, Group Wealth Management, Community Financial Services, Malaysia, for the country's largest bank, Maybank, and as a real pioneer of Malaysia's private banking scene with over 20 years of experience, Carolyn has long been a friend of Hubbis, helping us and our readers and event delegates with key insights and analysis of the evolution of what has become an increasingly diverse and dynamic Malaysian wealth market. We have summarised some of her very valuable views from the event in this report.

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**Carolyn is a** recognised pioneer of Malaysia's private banking scene, with over 20 years of experience. As a leading authority in the country's wealth management industry, she has seen the sector evolve and has a clear vision of where the industry might develop and the key challenges and hurdles ahead. She knows that to further develop the onshore private banking proposition, she needs to help propel Maybank Private further along the road to being ultra-competitive with the banks operating from Singapore, and that means expanding the array of talent, boosting the open architecture to embrace more products and solutions, and

ment to digitisation. "Maybank has always been a traditional financial institution, and we continue to service customers at the branches; we continue to rely on our people on the ground, but the pandemic has driven a shift in our positioning and outlook, and we have embraced thinking outside the box. Accordingly, we have been making some interesting and valuable advances to our platform."

She added that before the pandemic, the bank had a good platform already in the form of the Maybank2u or M2U app, which has been very successful since launch in 2017. "When the pandemic set in, we noticed many of the small businesses we work with were really suffering, that they had no

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enhancing the bank's digital capabilities to drive relevance and the client experience. She has been rather successful this far – having joined only in 2019, she managed to grow the bank's AUM and built the RM force, with plans to refine and expand ahead.

### **Driving digital transformation**

Carolyn opened her comments at the November 2 event by focusing in on a key aspect of Maybank's development, namely its major commit-

ment to digitisation. "Yet with Maybank having close to 12 million users, and leveraging connectivity such as M2u, we saw an opportunity to use the platform to connect small businesses together, helping many such simple businesses pay their suppliers, transaction, connect to their customers and so forth. We even did a bit of CSR for these clients, paying for some of the deliveries for these small businesses, to give back to our communities. That is a simple example in the



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**CAROLYN LENG**  
Maybank

retail space, of how digital really elevated our proposition.”

### Food for thought

More directly in her core wealth space, the bank also took the higher road on digitisation, reaching out to clients and making sure they felt involved. “In the worst of the lockdowns and gloom, we even did things like getting nice food delivered from the St Regis hotel, organising a call with clients to coincide with the deliveries,” she reports. “We therefore managed to engage with them in a more interesting and convivial manner, as perhaps we might over lunch or coffee, away from times of pandemic.”

She said these are two simple examples of how technology was playing a bigger role, and how much more important it will remain in the future.

### Staying connected 24/7 and globally

“We even see more and more of our wealthier clients going global, so the ability to connect across time zones and across the world is increasingly vital if we want to

keep in touch and service them properly,” she said. “Technology has become a far larger part of our lives and will continue to play a bigger role as we continue to go along. We have to learn to keep connected and continue to transact accordingly because revenue will continue, the demand for us to deliver revenue will always be there for as long as we are under the employment of an organisation. We just have to make sure that we know how to get it done.”

### Liquidity planning (life solutions)

Carolyn then shifted her attention to life insurance solutions, which she explained Maybank prefers to call liquidity planning. “I think that’s a more appropriate word plus as it helps explain to clients how they should incorporate that

them address key risks such as keyman risk. And you might have an SME with two founders, one of whom passes away and you need to cover yourselves for that risk. And so forth.”

Tax efficiency is also part of this liquidity planning. “As I mentioned, families are increasingly global and looking for ways whereby the life insurance payout can be transacted in jurisdictions where their children or other family members can receive the money in the most optimised manner. Accordingly, given all these different needs, we make sure we spend as much time and effort as possible to get our clients to sit down and encourage them to run through the checklists and make sure they have the right products and coverage in place, and that they are fit for purpose for today.”

**“Our approach is not only focusing on investments, but we also try to look at the totality of the clients’ situations. As we see it, many client advisors do not take that approach, as they are too afraid, it doesn’t generate revenue. But as we see things, the mission is to be the trusted advisor, and to become that trusted advisor we need to prove to clients that they should give us their trust.”**

into their overall wealth planning,” she said. “Insurance is in a form of a payout to help you offset your liabilities and provide the family liquidity at difficult times. We all have liabilities, and we need to make sure that at the end of the day, we’re very efficient in managing those and with tax optimisation. As so many of our wealthy clients are involved with or own SMEs, we also want to see

### Staying relevant and focused

She added that the mission for the Maybank RMs and advisors is to ensure their clients are continually focusing on these issues, constantly updating their circumstances and their coverage and of course their portfolios. “Our approach is not only focusing on investments, but we also try to look at the totality of the clients’

situations. As we see it, many client advisors do not take that approach, as they are too afraid, it doesn't generate revenue. But as we see things, the mission is to be the trusted advisor, and to become that trusted advisor we need to prove to clients that they should give us their trust."

Carolyn also then zoomed briefly in on investments, identifying the key areas such as technology, innovation and disruption as areas of ongoing interest, and also highlighting the semiconductor business in Asia as offering significant value.

### Brighter days ahead at home

"And there is the onshore opportunity here in Malaysia," she reported. "Having gone through three prime ministers in a year here, and heading into the next election by 2023, we actually see good opportunity for Malaysian equities, and we want to start riding that wave. In such a low interest rate environment, where lending is so cheap, we are also helping clients monetise the assets. Some 35% of Asian wealth is in property, and we can help with

lending against those properties, potentially in foreign currencies, allowing the clients liquidity and the opportunity to participate on other investments. For Malaysians, we can thereby help them diversify from their local currency assets and invest in equities and other assets, potentially in foreign currencies as well."

### Blended yields

Another opportunity, she reported, is in the fixed income space, taking advantage of a significant amount of collateralised short-term paper that had been issued and that yield in the region of 4.5% to 5%. "We look at blending exposures for clients, helping them assembled deposits, those pay around 1.5% today, then some short-term paper, some other fixed income and then buy into some REITs that are paying about 7.5%. The blended result is fairly good cash flow with low risk. And on the equity side, they can buy into technology and innovation, and even the consumer sector as well, to give them some good alpha. This type of blended approach to the portfolios is a good way forward for our clients."

Carolyn closed her commentary by pointing to a key priority for the bank of improving their client onboarding and their user friendliness. She said it is far from easy to ensure the right approach to documentation, to client user-friendliness combined with regulatory and legal compliance.

### Compliance with the client first

"The most important thing is the processes and ensuring that everything is properly documented," she said, "but more importantly the end game must be for the client to spend the least amount of time having to sign documents, having to worry about all the administrative elements, as those simply get in the way of the communication on investments, wealth planning and so forth, and that's the priority on the productivity side. To achieve all that, we also need to improve our talent, so we are keenly focused on our advisors becoming more rounded and more skilled, as well as more empathetic with clients. If we can, then we will propel ourselves to become more of a world-class player." ■

