



Focusing on the affluent

Standard Chartered Bank Malaysia expects its consumer, private and business banking segment to contribute more to its earnings, says MD Sammeer

FINANCE

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PETALING JAYA: As competition heats up in the banking arena, Standard Chartered Bank Malaysia Bhd is beefing up its consumer, private and business banking (CPBB) segment, which it views as a significant revenue contributor.

The affluent client and wealth management business segment makes up a large chunk of its business and is the key driver for the bank.

Speaking with *StarBiz*, Standard Chartered Malaysia managing director and head of CPBB Sammeer Sharma said: "The CPBB is significant to the bank, with the segment contributing more than 50% of total client income within the Malaysian franchise, and within the next five years, we expect to grow that share to 60%."

"Within the Standard Chartered group CPBB footprint globally across 28 markets, Standard Chartered Malaysia's CPBB business is the seventh largest by revenue."

"We aim to double the size of our client base by 2025 and support a sustainable future, anchored on the potential of the growing affluent market via our best-in-class affluent and wealth platforms, and partnership-led business through digital tie-ups in embedded finance, such as our regional partnership with Atome Financial, and Banking-as-a-Service (BaaS) models."

"Digital wealth is a key differentiator in providing flexibility to our clients to transact seamlessly."

Sammeer Sharma



Atome Financial is a Singapore-based digital consumer financing platform, which operates the buy now pay later platform in South-East Asia and the Indonesian digital lending platform Kredit Pintar.

BaaS models refer to sustainable low-cost models, where financial products and services are offered via third party distributors or partners, typically large ecosystem players such as eCommerce or e-wallet players with large user bases, to scale up a financial institution's client base and reach.

Sammeer said the wealth and affluent business is the bank's largest growth engine, as Standard Chartered Bank Malaysia expects to grow the affluent segment's income and client base by 50%

and 55% respectively over the next five years.

"Our integrated banking model allows us to serve a continuum of client segments, ranging from individual clients who can grow with us and benefit from more comprehensive products and services as they become wealthier, to cross-referrals of affluent clients from the small and medium enterprise (SME) and corporate client segments," he noted.

As a multinational bank, clients can leverage on the bank's unrivalled international network across Asia, the Middle East, and Africa, allowing its clients to manage their wealth effectively across borders.

Standard Chartered Malaysia also has an open architecture philosophy towards

product management, which enables the bank to offer superior and unbiased investment advice and solutions to clients.

"This is complemented by our comprehensive suite of wealth offerings to help clients grow, preserve and distribute their wealth."

"Our range of solutions cover all client segments from individuals to SMEs, across investments and insurance, in up to 11 currencies via an omnichannel approach."

"Digital wealth is a key differentiator in providing flexibility to our clients to transact seamlessly, and is an area where we have an edge in the market through our sophisticated platforms such as SmartStocks, our equity trading platform, and My RM, a secured communication and execution tool for both clients and relationship managers," he said.

In addition to being the oldest operating bank with leadership position in the wealth and affluent space, it is also driving innovation on digital partnerships in the personal banking space, according to Sammeer.

At a regional level, Sammeer pointed out that the bank has formed a 10-year multi-product strategic partnership with Atome Financial, combining their respective strengths in finance and technology to deliver a wide range of financial services to consumers and merchants across key markets in Asia.

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"In Malaysia, we are on track to launch three more strategic partnerships within next year. Aside from partnerships, we are investing in our digital capabilities to provide more convenient access to our clients, with around 80% of servicing for our personal banking clients happening digitally, such as account opening and placing a term deposit.

"Our ambition is to take this to more than 90% over the next few years," he noted.

With scrutiny on sustainability increasing in recent times, how is Standard Chartered navigating this uncharted path?

Sammeer said sustainability is a key pillar and the bank, both globally and locally, aims to reach net-zero carbon emissions in its own operations by 2025 and in its financing activities by 2050.

He said sustainability, while widely prevalent, is still evolving at a very rapid pace, adding that due to this, one of the focus areas is to build capability and knowledge, both internally and externally.

"Fundamentally, we have created, and are constantly upgrading, our knowledge base and content for upskilling and upgrading the capabilities of our team members in CPBB, as well as our clients.

"In terms of product capability, sustainable investments is an area that we lead in, as we embrace this in our advisory framework and solutions to help clients embrace net-zero and environmental, social, and governance (ESG).

"This cuts across the spectrum of funds, fixed income and equities, where we work

with rating agencies like Sustainalytics to provide us with independent ratings for sustainability-linked investments," he said.

Sustainalytics is a company that rates the sustainability of listed companies based on their ESG performance.

Since the beginning of 2020, he said Standard Chartered Malaysia has seen a 10-fold increase in ESG-integrated assets under management (AUM), and 15% is currently ESG-integrated AUM. The target is to triple the bank's sustainable investment AUM between 2021 and 2025.