

Enhancing trust

JULIO LOBO, CHIEF RETAIL BANKING OFFICER FOR KFH MALAYSIA TALKS EXCLUSIVELY WITH ISLAMIC BUSINESS & FINANCE ABOUT HOW IT'S FOCUSING ON INNOVATION AND CUSTOMER RELATIONSHIPS

What are the prospects of demands for retail and in the coming years?

We have evidenced higher growth in Islamic banking in comparison to conventional banking, especially on retail banking.

At KFH Malaysia Retail, our objective is to launch innovative Shari'ah solutions instead of launching products that already exist with our competitors. The key is to innovate both on the product and process areas to identify and meet market needs at a much faster pace. We are building a strong digital platform which allows us to reach customers via multiple channels and at the same time, empower them to apply for products and services through any channel of their choice.

How does KFH Malaysia aim to develop a business that corresponds towards customer based services that ultimately leads to the customer needs and satisfaction?

Outstanding service remains the cornerstone of success in every industry and at KFH Malaysia, it is no different. We strive to provide what we'd like to state as five-star service every time a customer walks into our bank or engages across any touch point within our network.

Every product or service initiative is carefully planned to ensure a superior customer experience which fuels positive brand identification and allows us to deepen customer relationships. One such example is our "We Care" initiative which fosters the spirit of building, nurturing and rewarding relationships be it within staff or to our customers.

In addition, with our digital banking initiative which is underway presently, we will be simpler, better and faster to address customer needs.

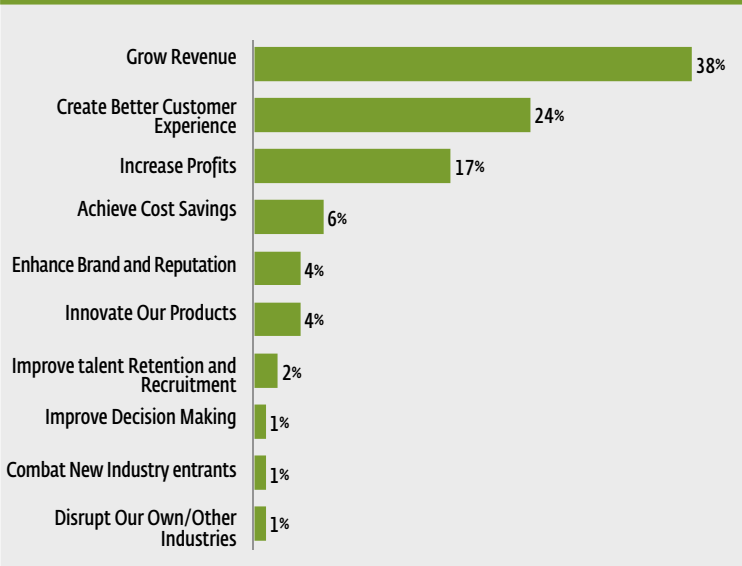
What are the trends that you expect to evolve in the Digital Landscape?

Banking is becoming more convenient thanks to the internet, and the future of the banking industry is growing digitally; but the penetration of smartphones in the recent years has truly caused mobile banking to go mainstream.

The smartphone is becoming the fundamental component of the future of digital banking, especially among younger customers who will wield financial influence in the coming decades. Consider the following data from a BI Intelligence survey (of businessinsider.com):

- ♦ 71 per cent of millennials say it's very important to have a banking app, and 60 per cent say it's very important to have an app to make payments.
- ♦ 51 per cent say that they have made a purchase through a mobile website or through an app in the last month.

EXPECTATIONS FROM DIGITAL INVESTMENTS



- 27 per cent say they have used their phone to make a payment at a checkout in a store in the last month.

Small businesses are also adopting technology and increasingly installing inexpensive mobile point-of-sale products in order to accept credit and debit cards when they previously could not. This technology further eliminates the need for cash.

What would be the Key strategies in moving towards digitalisation?

Our digital banking approach is aimed at achieving the below Key Result Areas:

- Removing friction from the customer journey for superior customer experience
- Increased use of big data, AI and advanced analytics to identify, track and evolve products and services to suit customer needs
- Offer an integrated omni-channel banking experience to our customers via mobile, web, ATM, call centre, etc.
- Use of open APIs in banking systems to enable efficient collaboration with third parties to generate more value to our customers
- Partnerships between banking and fintech to boost financial inclusion and reach.
- Expansion of digital payments via digital wallet, P2P payments, QR codes to support the BNK initiatives to reduce cash payments
- Innovation-led growth (digital banking, upgraded core banking, card management systems, etc.), participation in key BNM initiatives (MyClear, Sandbox, etc.)

What are the current products that KFH Malaysia has to offer?

KFH Malaysia's retail banking division has a suite of products to cover the varying needs of a diverse customer base both within the bank as well as those who are yet to initiate their banking relationship with us.

Apart from standard products such as Personal/ Auto or Home Financing, KFH Malaysia Retail also offers innovative products such as the Cashline which gives customers both the flexibility and peace of mind to meet unforeseen needs, an attractive SURE Current/ Savings account that rewards customers with an attractive profit rates, a first

JULIO LOBO, Chief Retail Banking Officer for KFH Malaysia



of its kind Gold Account that enables customers to transact in physical gold and is free of any hidden charges and other attractive deposit options offering rates as high as 10.88 per cent on deposit balances.

We are also in the midst of launching a payroll account replete with innovative features aimed at both employers and employees when they choose KFH Malaysia as their payroll partner

How these products aimed to represent KFH Malaysia as a formidable Islamic Banking Institution?

KFH Malaysia firmly believes in creating lasting value to our customers instead of just offering “me too” solutions which already exist in the market. As a result, our product portfolio is constantly being evaluated to help us effectively answer a simple question; “Why choose us”?

As a result, in addition to standard we are in the midst of launching several new products that will carry a compelling value proposition that will make us the bank of choice when it comes to Islamic banking solutions in the country.

What's the level of trust from non-Muslim customers to your products?

Islamic banking is not new to Malaysian customers. However for those customers who are not exposed to Islamic Banking products, it is imperative we explain the concept and the transparent way in which business is conducted under Shari'ah, which enhances trust among non-Muslim customers.

What are the vision for KFH Malaysia in promoting Shari'ah compliant banking for the consumers?

As a global leader in Islamic banking, we want to be known as a responsible lender who provides relevant solutions that benefit a wide range of customers and their financial needs in a transparent and fully Shari'ah-compliant manner.

We will continue to drive group synergy with the global transfer of knowledge and leverage the strength of the group to bring in more innovative products for our Malaysian customers.