

# Digital banking in Malaysia



## Why did digital banking emerge and is gaining prominence?

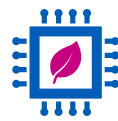
Just as many businesses have evolved over the decades, financial services industry has also experienced changes on how it operates and serves its customers. The following are the key themes that have given rise to changes in the financial services sector.



### Customer-First

Common customer pain points:

- Products do not meet their needs
- Inflexibility
- Transaction costs
- Addressing Financial Inclusion



### Technology and the Environment

- Evolving products and consumption patterns due to technology
- Availability of technology to support organisations and meet customers' needs
- Moving towards a cashless society



### Culture and Conduct of financial services providers

- Conduct perception of banks due to misconduct issues



### Interaction Speed

- Less manual process, e.g. onboarding, credit approval process
- Responsiveness to customers

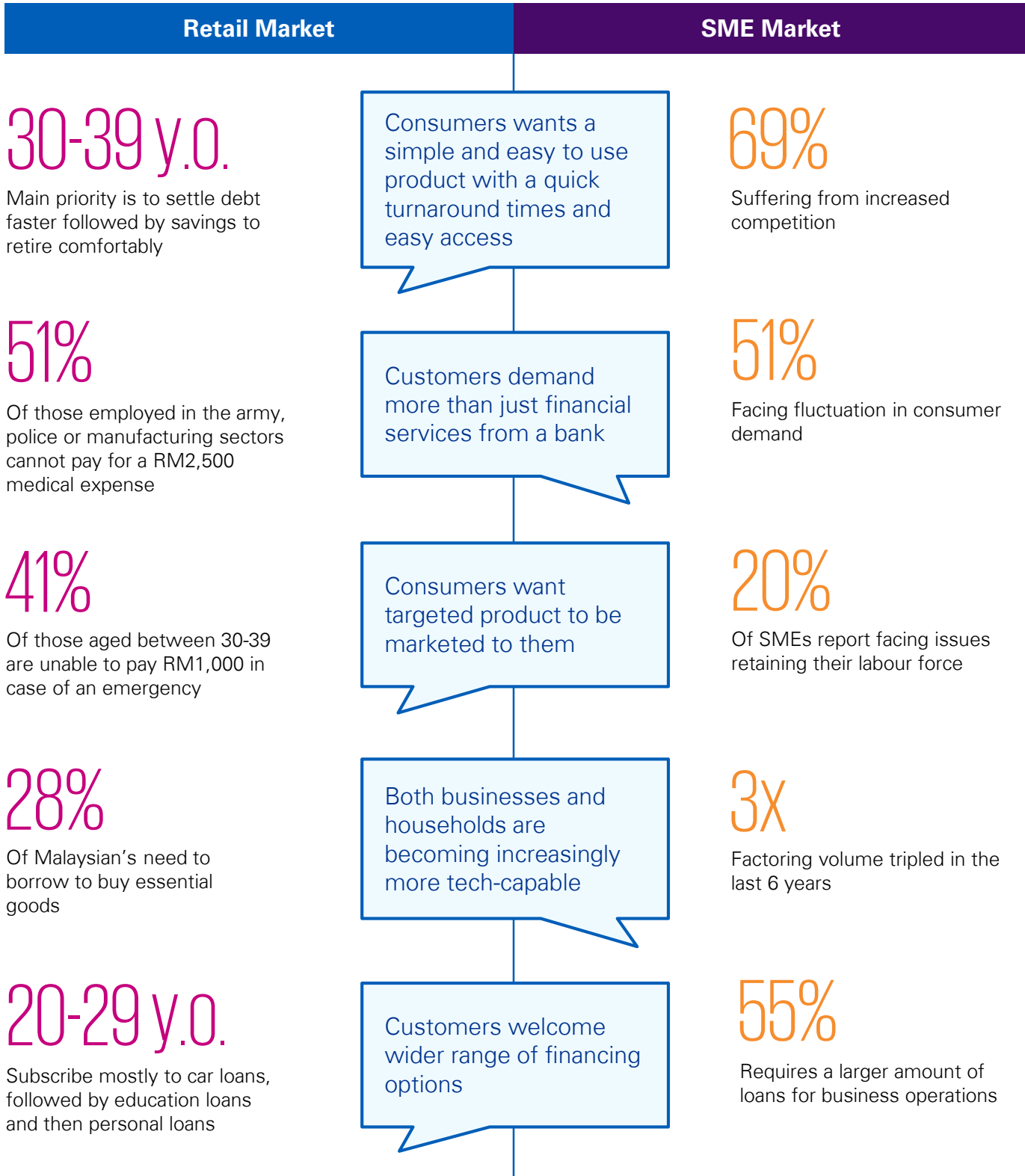


### Cost

- Lower operating costs expected from zero branches, less people resources
- Improved efficiency and productivity

# A Malaysia digital bank can be the platform to reach unserved and underserved markets

A BNM survey found that only 8% of the Malaysian population did not have a deposit account or were 'unbanked' (2018: 96%). Whilst 92% of Malaysians feel that they may have access to banking services in the conventional sense but may be unserved or underserved in terms of suitability and affordability of the financial products and services that are currently being offered.



Sources: 1. AKPK Financial Behaviour Survey (2018) 2. BNM SME Survey – FSPS Report 2018

# How KPMG can help?

Our professionals have a ready execution plan that can help you throughout your digital banking journey. With access to regional and global expertise in the financial services sector, we can provide the following services:

**NOW**

## **Business Plan and Partnership Assessment**

### **A. Business strategy development**

- Develop business strategy (covering technology advisory support) that includes clear business model, right target segments and product offerings; and in line with BNM financial inclusion agenda
- 5-year financial projections including assumptions and output

### **B. Partnership assessment**

- Facilitate discussions and negotiations between potential partners
- Advising on the consortium structure and terms

## **Digital Bank License Application Support**

### **A. Preparation and submission of application pack**

- Assist in the preparing application documents
- Review submission documents
- Facilitate submission to BNM

### **B. Rounds of Q&A and clarification with BNM**

- Assist in the preparation and compilation of presentation slides under the direction of your company
- Assist in any BNM queries arising, for up to when BNM approval is obtained

## **Independent External Validation Services for License Application**

- Review on the comprehensiveness of the business plan
- Provide assurance on the pro-forma financial statements and commentary on the key assumptions of the pro-forma financial statements

## **Operationalization Project Management**

- Develop project charter including business impact and level of effort, business owners and measurable milestones/metrics
- Core platform technology vendor management
- Advisory services during operationalization



We also have a committed team of specialists in strategy & partnership, regulatory and compliance, technology, operations, risk management, AML/CFT, governance & sustainability and data analytics that are ready to provide you with comprehensive advisory guidance.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

**Contact us for a consultation today.**

# Contact us



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