

AmInvestment Bank

“Despite operating in a challenging business environment, AmInvestment recorded a commendable performance during the period under review, growing our total income by 13.3% YoY from RM305.5 million to RM346.1 million. The strong performance was mainly driven by higher contributions from our flow businesses, i.e., our Equity Markets, Private Banking and Fund management divisions, which benefitted from the low-interest-rate environment. Our Equity Markets continued to benefit from the surge in traded volumes in line with the spectacular performance of the Malaysian stock market last year where both traded volumes and traded values hit record highs, mainly due to increased participation from retail investors. Our fund management business, AmInvest, also turned in a sterling performance, closing the year with a record fund size of RM47.9 billion. In Private Banking, clients benefitted from our recommendations in light of consistent rebound in capital markets from the second half of the year. Our discretionary mandate during the calendar year 2020 had outperformed the MSCI ex-Japan index by 4.0%, delivering a performance of 27.0% for the year. Corporate Finance and Capital Markets Group, however, saw COVID-driven uncertainties leading to corporate deals being put on hold or cancelled with companies conserving cash in anticipation of a protracted recession. Despite these difficulties, we managed to maintain our Top 3 ranking amongst local banks in the Malaysia M&A league table and are ranked 4th in the Malaysian Overall Bond/Sukuk league table. The pandemic also tested our agility and ability to quickly roll out various digitalisation initiatives such as remisier mobility to stay on top of the game. Overall, our positive performance amid unprecedented challenges, supported by a string of awards and accolades won, serve as a testament to AmInvestment’s strategic focus in building a sustainable high-growth business model.”



TRACY CHEN

Chief Executive Officer
AmInvestment Bank Berhad



**TOTAL
INCOME**

RM346.1 MILLION

RM305.5 MILLION IN FY2020



**PROFIT AFTER TAX
(PAT)**

RM135.5 MILLION

RM98.4 MILLION IN FY2020



**ASSETS UNDER
MANAGEMENT (AUM)**

RM57.9 BILLION

RM50.9 BILLION IN FY2020

ABOUT US

We are amongst the most prominent investment banks in Malaysia with a strong market presence. We provide a full range of integrated solutions and services, which include corporate finance and M&A advisory, equity and debt capital markets, fund management, private banking and stockbroking services. These services cover both conventional and Islamic financing.

Our key areas of expertise include:

- **Capital Markets Group (CMG):** Delivers market-leading and customised financing solutions via the debt capital markets to our entire spectrum of clients, ranging from corporate and institutional to government-linked entities. The team leverages its debt origination and structuring expertise built from a comprehensive market and product knowledge in providing clients with integrated financing solutions.
- **Corporate Finance (CF):** Delivers an extensive range of corporate and advisory services comprising mergers and acquisitions (M&As), take-overs, restructuring, initial public offerings (IPO), issuance of equity and equity-linked instruments, valuations and independent advisory services. CF is dedicated to providing our clients with the highest levels of deal execution and service.
- **Equity Capital Markets (ECM):** Leverages on a well-established distribution network and close relationships with fund managers, retail investors and research analysts; providing timely market intelligence in the origination of primary market transactions and the structuring and managing of the marketing and distribution of both primary and secondary equity offerings.

- **Equity Markets (EM):** Provides a comprehensive range of products and services, including futures broking, share trading and share margin financing. EM offers share trading facilities to retail and institutional investors, as well as share margin financing facilities to retail and corporate investors. Customers can trade or invest in companies listed on Bursa Malaysia and selected overseas exchanges.
- **Fund Management (AmInvest):** Manages a broad range of investment mandates and unit trust funds across the risk-return spectrum for individuals, corporates and institutions, and provides fund distribution support services for institutional distributors. AmInvest also manages Private Retirement Schemes (PRS) and Exchange Traded Funds (ETFs).
- **Private Banking (AmPrivate):** Provides high net-worth clients with investment solutions, both discretionary and non-discretionary, to fit their risk profiles (both in Malaysian Ringgit and foreign currencies).

KEY INITIATIVES & OUTCOMES

Key Initiatives	Outcomes
<p>Capital Markets Group (CMG)</p> <ul style="list-style-type: none"> • Road to Capital Markets ("RTCM"): Provided debt and project finance advisory to corporate clients in Business Banking and MidCorp segment to tap capital markets for funding. • To advise and arrange sustainability funding. 	<ul style="list-style-type: none"> • Ranked No. 4 with 10.7% market share for Overall Malaysian Bonds/Sukuk for 2020. • Acted as a Principal Advisors/Lead Arranger for major Sukuk and Syndicated Financing deals, including: <ul style="list-style-type: none"> – RM3.0 billion Sukuk Wakalah Programme for Dialog Group Berhad. – RM700.0 million Asset-Backed Medium Term Notes Facility for Swirl Assets Berhad. – RM1.7 billion Sukuk Murabahah for Pengerang LNG (Two) Sdn Bhd. – RM100.0 million Islamic Commercial Papers Programme and RM500.0 million Islamic Medium Term Notes Programme for George Kent (Malaysia) Berhad. – RM71.0 billion Government-Guaranteed Islamic Commercial Paper & Islamic Medium Term Notes Programme for Danainfra Nasional Berhad. – Syndicated Revolving Credit-i Facility of up to RM3.0 billion guaranteed by the Government of Malaysia for Lembaga Pembiayaan Perumahan Sektor Awam. – Multi-Trade Finance-i, Revolving Credit-i and Cash Line-i Facilities of up to RM231.0 million for Swift Haulage Sdn Bhd. • Secured a few ESG Sukuk mandates e.g. up to RM700 million ESG Sukuk for 2 mini-hydro projects.
<p>Corporate Finance (CF) & Equity Capital Markets (ECM)</p> <ul style="list-style-type: none"> • Road to Capital Markets: Provided investment banking advice to corporate clients in Business Banking and Mid-Corp sectors to access capital markets. • Raised clients' awareness and interest in investment banking products via webinars. • Place greater focus and enhanced marketing on Initial Public Offering (IPO) and listing of companies on Bursa Securities. 	<ul style="list-style-type: none"> • Gained strong interest for the Road to Capital Markets Webinar with over 160 attendees that led to higher deal enquiries. • Achieved repeated investment banking mandates for corporate clients, including origination of several general offer/privatisation deals. • Maintained a healthy IPO deal pipeline with a significant number of potential transactions. • Acted as Principal Adviser for key deals such as: <ul style="list-style-type: none"> – RM823 million acquisition of property assets by Lagenda Properties Berhad. – RM714 million acquisition of property assets by GSB Group Berhad. – RM590 million takeover offer of Eastern & Oriental Berhad by Amazing Parade Sdn Bhd. – RM423 million acquisition of property assets by Grand-Flo Berhad. – RM340 million divestment of property assets by Naim Holdings Berhad. – RM89 million takeover offer of Euro Holdings Berhad by SPA Furniture Sdn Bhd. – RM37 million takeover offer of Grand Hoover Berhad by Aim Tetap Teguh Group. • Acted as Placement Agent for <ul style="list-style-type: none"> – Lagenda Properties Berhad – raised RM134 million through Primary Placement. – Kerjaya Prospek Property Berhad – raised RM102 million through Primary Placement.

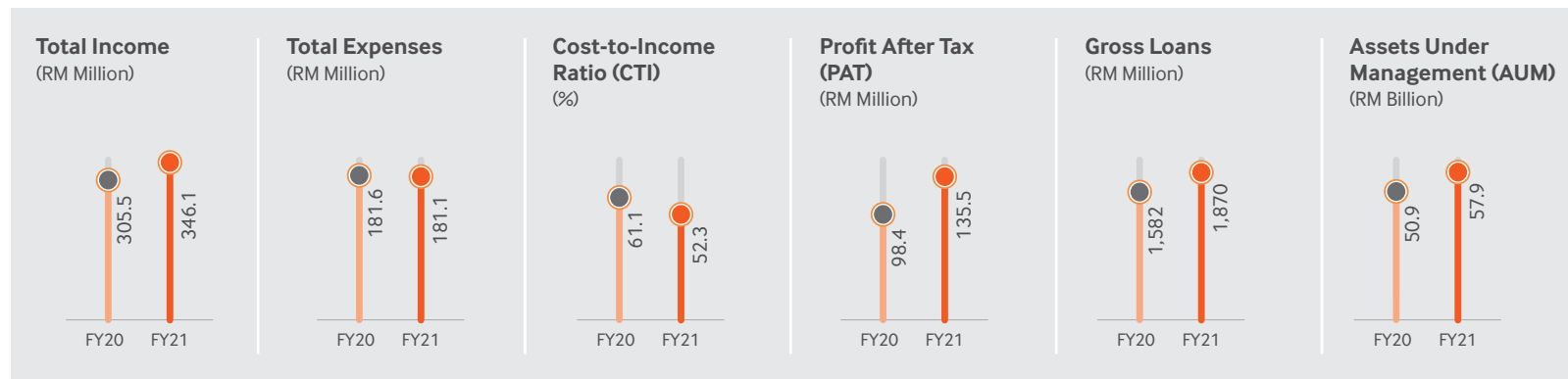
AmInvestment Bank

KEY INITIATIVES & OUTCOMES (CONTINUED)

Key Initiatives	Outcomes
<p>Equity Markets (EM)</p> <ul style="list-style-type: none"> Implemented a Retail Business Broking System for remisers to further enable dealer mobility and improve client servicing efficiency. Optimised our delivery channels and operations with the closure of the Johor Bahru branch. 	<ul style="list-style-type: none"> Ranked No. 3 (amongst investment banks) in Institutional Trade Value in 2020 with a market share of 7.0%. Created a seamless experience for customers through facilitating trade settlements and crediting of sale proceeds by linking clients' trading accounts with their AmBank banking accounts. Online transactions constituted nearly 70% of total Retail traded value.
<p>AmInvest</p> <ul style="list-style-type: none"> Reinforced our investment team with regional/offshore and ESG/SRI expertise. Continued to build better brand recognition and public trust with our expertise and performance track record. 	
<p>AmPrivate</p> <ul style="list-style-type: none"> Strengthened our team of Private Client Managers to continue serving the needs of high net worth clients. Increased the number of Private Client Managers at identified locations, serving both new and next-generation high net worth clients. 	
	<ul style="list-style-type: none"> Top five market ranking by fund size in the Lipper Unit Trust League Table. Best Bond Group by Refinitiv Lipper Funds Awards Malaysia 2021. Strengthened our brand as an investment solution provider with 40 years of award-winning experience.
	<ul style="list-style-type: none"> Achieved decent growth in AUM to reach RM10 billion in FY2021.

OUR PERFORMANCE

Continuing on our growth momentum, we contributed positively to AmBank Group's performance, with a 13.3% YoY increase in total income. This growth is a result of a higher net income from the flow of business, which consequently offset the drop in IB origination and lower write-back of impairment.



CMG retained its dominance in the Malaysian debt capital markets. Its market share in the Malaysian Ringgit Islamic Sukuk space expanded from 10.7% to 12.2% while maintaining its market share in the overall Malaysian Bond category at over 10%. Amongst the top four investment banks ranked in Bloomberg's Malaysian Bond and Malaysian Ringgit Islamic Sukuk League Tables, CMG is ranked 1st in total deal volume versus single counterparty exposure limit (SCEL). This performance stands as a testament to the close collaboration with our client coverage colleagues, deep-seated relationships

with our client base, and an unwavering commitment to providing innovative market-driven solutions.

CF's strategy continues to align with the aim of Wholesale Banking Coverage (WBC) and Business Banking (BB), where we provide integrated financial solutions to our corporate clients to help them achieve their business objectives. Top-notch advisory solutions coupled with high levels of execution excellence has enabled CF to remain as a Top 3 adviser in Malaysia.

ECM contributed to our growth through equity fundraising activities that primarily focused on mid-cap sized companies listed on Bursa Malaysia. It was another milestone year as ECM raised more than RM600 million via numerous equity fundraising deals. In addition, despite the challenging market environment, ECM completed two notable property fundraising deals: Lagenda Properties Berhad, in which ECM successfully raised RM134.0 million through Primary Placement; and Kerjaya Prospek Property Berhad with RM92.0 million also raised via Primary Placement.

EM recorded a 65.0% YoY increase in revenue, contributing RM109.4 million to total Group revenue in FY2021. Additionally, profit before tax (PBT) grew by nearly three-fold to RM64.0 million, while total share margin financing outstanding rose by 56% YoY to RM1.03 billion. This strong growth performance is attributed to a surge in traded volumes and traded values due to increased participation from retail investors.

AmInvest achieved another record in terms of total funds under management. We closed the year with a fund size of RM47.9 billion, breaking last year's record of RM42.1 billion. Our total funds under management have been growing steadily over the past three years with a 10.0% cumulative annual growth rate (CAGR). We also maintained our top five Fund Size Market position in FY2021. AmInvest's growth came from capturing a rise in demand for investment funds by institutional and retail investors while applying robust client retention strategies amidst uncertain times, offering appropriate products to our investors and growing the investment portfolios by capitalising on the volatility of the capital markets.

AmPrivate achieved a double-digit return on capital employed (ROCE) in FY2021 due to strong growth in assets under management (AUM), improved quality of idea generation by our Product Specialists, as well as significant outperformance by AmPrivate's Discretionary Mandate team.

AWARDS & RECOGNITION



CMG

- **RAM League Awards 2020**
 - Lead Manager Award by Programme Value 2019 (3rd Place)
 - Lead Manager Award by Number of Issues 2019 (Joint 2nd Place)
 - Lead Manager Award (Sukuk) by Programme Value 2019 (3rd Place)
 - Lead Manager Award (Sukuk) by Number of Issues 2019 (Joint 2nd Place)
- **The Asset Triple A Islamic Finance Awards 2020**
 - Best Bank Capital Sukuk (MBSB Bank Berhad's RM1.3 billion Tier 2 Sukuk Wakalah Issuance)
 - Best Non-Bank Financial Institution (NBF) Sukuk (MNRB Holdings Berhad's RM320 million Subordinated Sukuk Murabahah)
- **The Asset Triple A Asia Infrastructure Awards 2020**
 - Petrochemical Deal of the Year (Regional) (Pengerang Refinery and Petrochemical's USD9.5 billion Debt Facility)
 - Petrochemical Deal of the Year (Malaysia) (Pengerang Refinery and Petrochemical's USD9.5 billion Debt Facility)
 - Telecom Deal of the Year (Digi Telecommunications Sdn Bhd's RM900 million Sukuk Murabahah)
 - Water Deal of the Year (Pengurusan Air SPV Sdn Bhd's RM1.6 billion Multi-Tranche Sukuk)
- **14th Annual Alpha SEA Deal and Solution Awards 2020**
 - Most Improved Bond House in Southeast Asia 2020
 - Best FIG Islamic Finance Deal of the Year (MBSB Bank Berhad's RM1.3 billion Tier 2 Sukuk Wakalah)
 - Best Islamic Syndicated Loan Deal of the Year (Serba Dinamik Holdings Berhad's RM1.2 billion Syndicated Term-Financing i)
 - Best Islamic Finance Project Finance Deal of the Year (Pengerang LNG (Two) Sdn Bhd's RM1.7 billion Sukuk Murabahah)
 - Best Local Currency Sukuk (Dialog Group Berhad's RM500 million Perpetual Sukuk Wakalah)

CF

- **14th Annual Alpha Southeast Asia Deal & Solution Awards 2020**
 - Best Equity Deal of the Year, Malaysia (Joint Underwriter for Mr D.I.Y. Group Berhad's RM1.5 billion IPO)
- **14th Annual Alpha Southeast Asia Best Financial Institution Awards 2020**
 - Best Small to Mid-Cap Corporate Finance House in Malaysia

EM

- **Global Banking & Finance 2020**
 - Best Securities Brokerage Malaysia 2020
- **Bursa Malaysia Top Brokers 2020**
 - Top Broker in Highest Traded Value For ETFs Category

AmInvest

- **Refinitiv Lipper Fund Awards Malaysia 2021**
 - Best Bond Fund Family Group Over Three Years (2nd consecutive year)
 - AmDynamic Bond, Best Bond MYR Fund Over 3 Years (2nd consecutive year)
 - AmDynamic Bond, Best Bond MYR Fund Over 5 Years (2nd consecutive year)
 - AmDividend Income, Best Equity Malaysia Income Fund Over 3 Years
 - AmDividend Income, Best Equity Malaysia Income Fund Over 10 Years
 - AmMalaysia Equity, Best Equity Malaysia Fund Over 5 Years
 - AmMalaysia Equity, Best Equity Malaysia Fund Over 10 Years
- **Asia Asset Management Best of the Best Awards 2021**
 - Best Bond Manager, Malaysia
 - Best Institutional House, Malaysia
 - Best Pension Fund Manager, Malaysia (3rd consecutive year)
- **World Finance Investment Management Awards 2020**
 - Best Investment Management Company, Malaysia

AmInvestment Bank

COVID-19 IMPACT & RESPONSE

COVID-19 Impact	Our Response	Outcomes
<p>Cashflow disruptions of corporate clients led to suspension or cancellation of M&A deals.</p> <p>Higher traded volumes and values by retail investors due to moratorium and low-interest-rate environment.</p> <p>The MCO adversely affected the processing of new share trading account applications by retail customers.</p> <p>Volatility in capital markets due to economic and market disruptions.</p>	<ul style="list-style-type: none"> Maintained close contact with clients to understand their objectives and provide sound advice on deal strategy. Invested in digital capabilities to improve deliverables, minimise errors during trading, and maximise customer experience. Implemented electronic account opening application forms (e-AOF), enabling online account applications through our trading platform (AmEquities). Regularly communicated with distributors and customers to better understand and meet their needs. 	<p>Effectively managed the timing of M&A deal execution with the provision of necessary funding when markets improved.</p> <ul style="list-style-type: none"> Recorded an all-time high total revenue and pre-tax profit from Retail Business. Increased retail investors' share of traded volumes and value to 50% of all equity trades transacted by/through AmInvestment. <p>Achieved a record number of new account opening applications with online trades exceeding 70% of total trades.</p> <p>Increased overall fund size and effectively managed withdrawal concerns.</p>

RISKS & MITIGATION

Key Risks	Mitigation Strategies	Results
<p>Fee Compression Increased competition may lead to fee compression for advisory revenues.</p> <p>Traded Volumes & Value Lower traded volumes/value by institutional investors impacts overall performance.</p> <p>Product Withdrawals Tax incentives may lead to withdrawals from some of our unit trust products.</p>	<ul style="list-style-type: none"> Closely collaborate with client relationship teams, offering financing to execute the deals. Provide a comprehensive one-stop financial solutions to defend key client relationships. Diversify our reliance on government-linked investment corporations (GLICs) and foreign institutional clients. Offer alternative solutions and new products that better meet clients' needs. 	<p>Ranked Top 3 by deal value amongst Malaysian advisers in Bloomberg M&A League Table 2020.</p> <p>Successfully opened new-to-Bank Non-GLIC accounts and reactivated some dormant or inactive Non-GLIC accounts.</p> <p>Increased fund demands and growth in this category.</p>

PROSPECTS & OUTLOOK

The post-pandemic recovery may be uneven, with some sectors recovering faster than others. This dynamic will drive investor demand initially for assets in those ahead in the recovery curve and navigate AmInvestment through growth resumption in FY2022. CMG will continue to adopt a dynamic approach in the pursuit of innovative and optimal financing solutions. The CMG team will leverage its debt origination and structuring expertise, built from a comprehensive market and product knowledge in providing clients with integrated financing solutions. At the same time, CF continues executing its strategic initiatives such as the Road to Capital Markets programme for clients in Business Banking and Mid-Corp sectors, as well as, build on the M&A and IPO pipeline in FY2022. For ECM, we expect a significant increase in equity fundraising deal volume, with FY2022 projected to be an 'IPO Year' supported by a robust pipeline.

A key strategic initiative for EM in FY2022 is to introduce new products such as Securities Borrowing & Lending and Global Futures to diversify its revenue and increase its market share. Additionally, EM endeavours to grow its share margin financing book by tapping the growing number and increased participation of retail investors.

Similarly, AmInvest's FY2022 focus area is to increase the digitalisation and in-sourcing of its platform to grow its distributors and client base. AmInvest will also enhance its innovative product offerings, particularly in terms of sustainable and offshore funds. Meanwhile, AmPrivate will continue to focus on the emerging high net-worth millennials.