

Business Review



JAMZIDI KHALID (JK)
Managing Director

Wholesale Banking

WHO WE ARE AND WHAT WE DO

In Wholesale Banking, we cater to corporates, government-linked companies, government-linked investment companies, financial institutions, and agencies across all sectors. Our offerings from both conventional and Islamic banking are designed to meet the broad spectrum of our client’s financial needs, each dedicated to enhancing financial outcomes while supporting the sustainable growth and economic development of our stakeholders.

WHOLESALE BANKING COVERAGE/CORPORATE BANKING

We deliver a range of services including corporate lending, investment banking, and offshore banking solutions to meet the diverse financial needs. The coverage team spans across all industries, supported by research and product specialists.

TRANSACTION BANKING

We specialise in providing a wide range of working capital solutions as well as personalised digital and cash management solutions that enable clients to optimise their trade and cash flows. Our services are tailored to each client’s unique requirements.

GROUP TREASURY AND MARKETS

We offer products and services across asset classes, including fixed income, interest rates, currencies, equity, and commodities. Our activities cover sales and trading, as well as financial market and hedging solutions for both individuals and businesses.

We are also responsible for managing funding and liquidity for the banking group and overseeing the investment portfolios of the banking book.

OUR KEY FOCUS AREAS

Refining our services through three key focus areas:

01 Business and Relationship Development

- Deepens client-centricity by gaining insights into their businesses and risk preferences
- Remains abreast of industry-specific trends and local economic shifts
- Broadening our client network to drive income diversification

02 Products and Services

- Offers working capital solutions that cater to the specific needs of different industries and supply chain requirements
- Delivers innovative cash management solutions through Application Programming Interface (API) development and digital partnerships
- Expands hedging and investment product suite to meet clients’ financial goals while building sustainable revenue streams

03 Operational and Funding Efficiency







- Continuous improvement on customer experience and process efficiency via automation and digitalisation
- Active management of overall funding requirements of the Group

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HIGHLIGHTS OF 2024





BUSINESS HIGHLIGHTS

In 2024, Wholesale Banking continued to drive innovation and market expansion, emphasising tailored solutions and strategic client engagement to meet the evolving needs of corporations and institutional clients.

Innovation and Technology	<p>➤ Launched the first agnostic virtual display application for Dynamic DuitNow QR, facilitating cross-border collections.</p> 	<p>➤ Conducted the first successful rollout of Indirect Non-Bank Participant Issuer for WavPay e-Wallet.</p> 
Client Engagement and Expansion	<p>➤ Collaborated closely with internal stakeholders to increase the wallet share of existing clients and explore avenues to reach new clients.</p> 	<p>➤ Hosted client engagement sessions with economic outlook presentation by AmBank Chief Economist.</p> 
Market Expansion and Product Development	<p>➤ Increased market share of index warrants and structured product investments through collaboration with wealth channels.</p> 	
Funding Management	<p>➤ Maintained focus on diversifying funding sources and actively managing the cost of funds.</p> 	

SUSTAINABILITY HIGHLIGHTS

Wholesale Banking integrates sustainability into its core operations, aiming to create positive environmental and social impacts. Through strategic collaborations and responsible investment practices, we underscore our commitment to sustainability.


Partnerships for a Cause	<p>➤ Partnered Avaland Berhad with green financing for Alora Residences, phase 1 of the green-inspired masterplan of 2Fifth Avenue, and Amika Residences in Subang Metropark.</p> 	<p>➤ Collaborated with Pantas to equip customers with tools to determine GHG emissions, offering preferential financing rates for those meeting reduction goals.</p> 	<p>➤ Participated in Yinson Production Offshore Pte Ltd's USD500 million syndicated 5-year corporate financing to refinance debts, used to invest in carbon emission reduction technologies for FPSOs, and support general corporate purposes.</p>
Integrating ESG Principles	<p>➤ Adhered to Climate Change and Environmental, Social & Governance Risk Assessment (CERA) Guideline for the assessment of client's business and activities from a sustainability perspective.</p> 	<p>➤ Incorporated ESG considerations before trading/investment in financial assets, avoiding negative list investments.</p> 	

Championing ESG Initiatives

Registered participant for the **Bursa Carbon Exchange** to facilitate the trading of **carbon credits**.



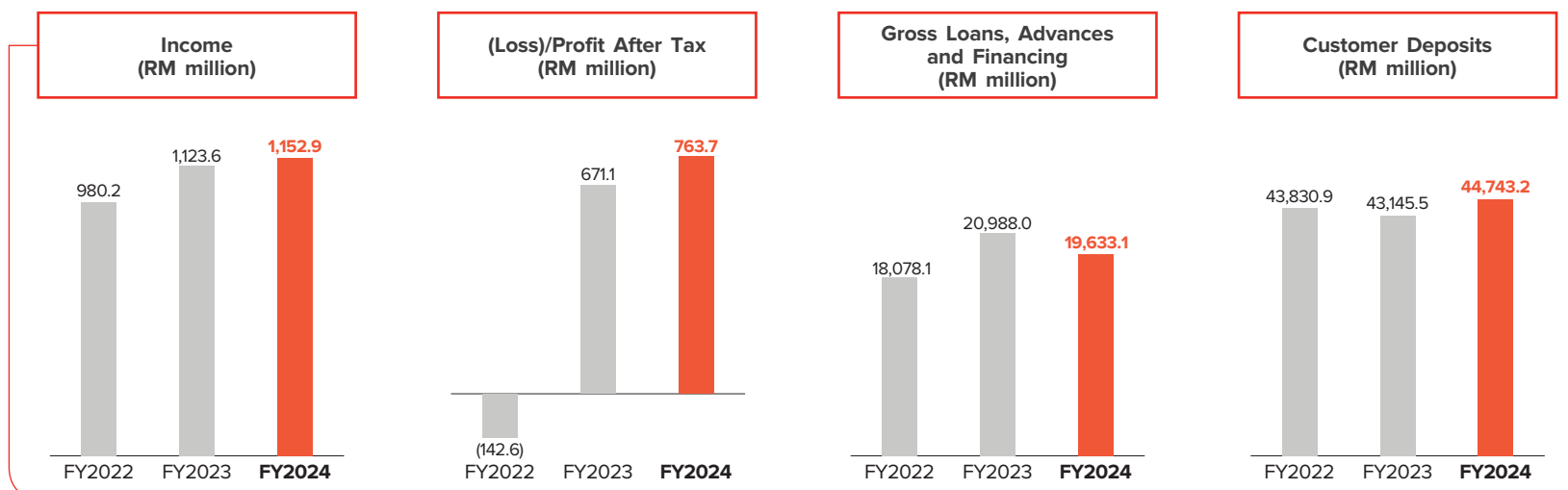
Hosted client engagement event to raise awareness on **ESG trends and development**, focusing on **Green Energy & Carbon Market**.



FINANCIAL HIGHLIGHTS

We drive profitable growth in Corporate Banking, Transaction Banking, and Group Treasury and Markets. Our offerings and personalised solutions serve the dynamic needs of our customers across these divisions, ensuring maximum impact for our business.

Wholesale Banking Coverage/ Corporate Banking	<p>7.2% increase in income year-on-year (YoY).</p>	<p>Over 100% YoY growth in Profit Before Tax (PBT).</p>	<p>Stable YoY loans growth, including unrated bonds (UB).</p>
Transaction Banking	<p>More than 20% growth YoY in Current Account/Savings Account (CASA) balances.</p>	<p>7% YoY growth in trade assets and contingent balances.</p>	
Group Treasury and Markets	<p>Income growth driven by robust sales and proactive funding management despite market volatility.</p>		<p>Foreign currency exchange sales volume grew 11.3% YoY and structured investment AUM grew 146.2% YoY.</p>



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BUSINESS PERFORMANCE REVIEW 2024

Strategic Focus	KEY INITIATIVES	ACHIEVEMENTS
<p>Sharpening Our Segment Play</p>	<ul style="list-style-type: none"> Identified industry/sector champions among the coverage team to channel thorough concentration and build industry-specific knowledge and advisory capabilities. Deepened relationships with existing clients whilst forging new ones. 	<ul style="list-style-type: none"> Supported recovery in trade following the diversion of investments from China to the Southeast Asian region by providing financial solutions to clients in the transport and storage sectors. Secured financing and merger and acquisition opportunities in the bullish oil and gas sector from ongoing investments in the upstream segment and strong momentum in offshore developments and activities: <ul style="list-style-type: none"> Mandated Lead Arranger in Yinson Production Offshore Pte Ltd's Syndicated Equity Finance. Principal Adviser for the unconditional mandatory take-over offer of Icon Offshore Berhad by Liannex Maritime Sdn Bhd. Participated in the recovery of inbound tourism with hotel financing. Grew foreign exchange (FX) volume of large exporter clients to complement the existing importer flows, generating higher FX volume and revenue to the bank. Onboarded 39 new clients, reducing reliance on existing clients and concentration risk.
<p>Delivering Holistic Customer Value Proposition Leveraging a Collaborative Culture and Partnerships</p>	<ul style="list-style-type: none"> Collaborated with the investment banking team, leveraging their expertise in origination and corporate advisory services. Delivered bespoke digital solutions to Fintech companies and partners. Collaborated closely across FX Sales, trade finance, and FX trading teams to stay competitive. Worked closely with relationship managers (RMs) and wealth channels to onboard and deepen client relationships. 	<ul style="list-style-type: none"> Partnered investment banking specialists in the listing of Alpha IVF, the Largest ACE Market initial public offering (IPO) in Malaysia's history by market capitalisation. Participated as Joint Lead Manager in BGSM Management Sdn Bhd's RM200 million Sukuk Programme issuance. Launched multi-model PeGeFlash platform-agnostic virtual display application integrated with Dynamic DuitNow QR that accepts payment in MYR and selected cross-border currencies. 11% YoY growth in FX volume, allowing clients to benefit from trade finance and hedging solutions.
<p>Pushing Capital Light Revenue</p>	<ul style="list-style-type: none"> Grew digital CASA to improve banking efficiency. Increased non-interest income (NoII) revenue while providing value to customers through foreign currency hedging and investment solutions. 	<ul style="list-style-type: none"> Increased sponsor bank CASA average balance by 44% YoY. Launched new digital cash products, leveraging API solutions for payments, collections and reconciliation. 22% increase in revenue YoY in a consistent FX flow franchise. 168% surge in structured investment sales volume, generating a 261% increase in revenue, driven by new investment products. Achieved a 15% market share for FTSE Bursa Malaysia KLCI (FBMKLCI) index warrants introduced last year.

Strategic Focus	KEY INITIATIVES	ACHIEVEMENTS
Ramping Up the Next Wave of Digital Initiatives	<ul style="list-style-type: none"> Managed projects and develop business strategies. 	<ul style="list-style-type: none"> Initiated Murex Patch Upgrade to facilitate product automation (Auto-callable). Digital eFX volume accounts for 7% of the total volume, marking a 2-percentage-point rise from FY2023.
Integrating Environmental, Social and Governance (ESG) Considerations into Our Business	<ul style="list-style-type: none"> Improved staff and client knowledge through training programmes, such as ESG Risk and Global Value Chain (GVC) training. 	<ul style="list-style-type: none"> Approved RM469.7 million of green financing. Provided mentorship and guidance addressing social issues in Malaysia through partnership with SEEd.Lab, a sustainability initiative by PETRONAS and Tata Consultancy Services (TCS).

CHALLENGES AND MITIGATION

CHALLENGES

Rise in Interest Rates:

Uncertainty in interest rate outlook leads to volatility and higher borrowing costs for corporates.

Operational Efficiency:

Manual or semi-manual operational processes.

Market Conditions:

- The local equity market was mostly bearish throughout the year, as were the Hong Kong and China equity markets.
- Higher funding cost arising from higher deposit rate environment.

MITIGATIONS

- Assisting eligible clients to access the capital market for more competitive funding.

- Streamlining front to end processes through digital solutions, reducing turnaround time.

- Expanding structured product suite and introducing new variations to meet clients' investment needs.
- Reducing reliance on expensive deposits via operating accounts acquisition enabled by digital cash propositions.

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AWARDS AND RECOGNITION

WHOLESALE BANKING COVERAGE/CORPORATE BANKING

Transport Deal of the Year – The Asset Triple A Sustainable Infrastructure Awards 2023
 Amanat Lebuhraya Rakyat



Alpha SEA 17th Deals and Solution Awards 2023
 Yinson Holdings Berhad



TRANSACTION BANKING

Malaysian e-Payments Excellence Awards (MEEA) 2023
 Best Industry Partnership, Special Recognition Award



The Digital Banker: Global Transaction Banking Innovation Awards 2023

- Best API Initiative
- Best Bank for Payments & Collections in Malaysia



GROUP TREASURY AND MARKETS

13th Alpha Southeast Asia Treasury & FX Awards 2023



- Best FX Bank for Corporates and Financial Institutions
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX, and Multi-Assets



The Asset Benchmark Research

- The region's best local currency bond individuals in research, sales and trading for 2023
- Best local currency bond individuals 2023 | Asset Benchmark Research (theasset.com)
- Sales: Ho Su Farn (Ranking 3rd out of 15)
- Trading: Akmal Zaid Mansor (Ranking 1st out of 8)
- Trading: Darren Lee (Highly commended)
- Top sell-side firms in Asian Currency Bonds 2023
- Top sell-side firms in the secondary market – Government bonds – MYR (Ranking 3rd in 2023 from 7 in 2022)
- Top arrangers – Investors' Choice for Primary Issues – Government bonds – MYR (Ranking 3rd in 2023 unchanged from 2022)

OUTLOOK

With Malaysia's economic growth projected to rebound to 4.5% in 2024, up from 3.7% in 2023, we are well-positioned to support major government initiatives like the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan 2030 (NIMP 2030). With the general outlook that interest rates have peaked, we anticipate deposit rate competition to ease, relieving the pressure on our Net Interest Margin (NIM). Nonetheless, driving CASA balances remains our top priority. We aim to optimise our cost of funds and diversify funding sources to support loans growth, leveraging our award-winning API services and sponsor bank initiatives.

Group Treasury and Markets will focus on growing sustainable customer flow income through foreign currency transactions arising from the increase in cross-border trade flows and sales of wealth/investment products, particularly in equity derivatives. Strong collaboration with wealth channels is essential as we enhance our product suite, both conventional and Shariah, to match market conditions and customer risk appetites. To future-proof our operations, we will adopt digitalisation in our processes by investing in new system modules to support product rollouts and warehousing.

We commit to embedding ESG considerations into our lending practices and expanding sustainability-linked financing, supporting our clients' progress towards net-zero emissions and meeting evolving market needs while promoting sustainable economic development.