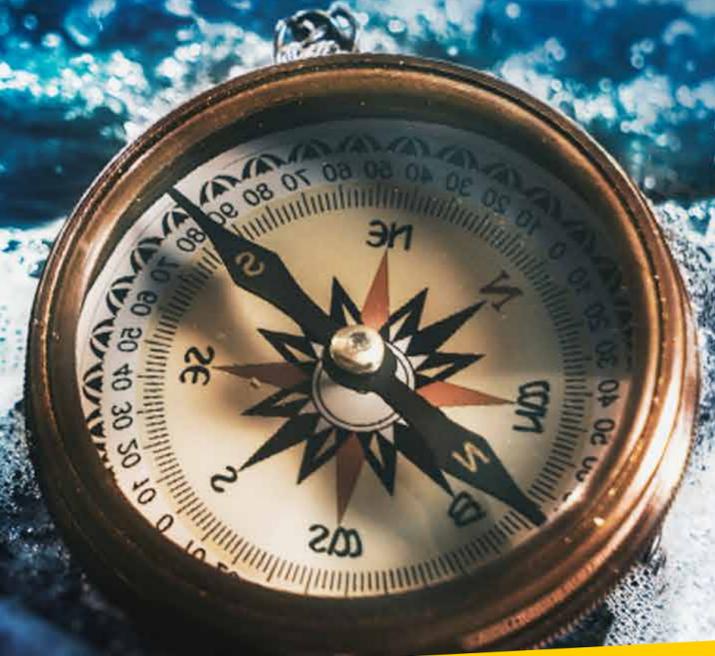


# Your Compass in Asia

we're  
here  
to talk **Maybank Global Markets**  
offer a suite of treasury services  
for your business growth.



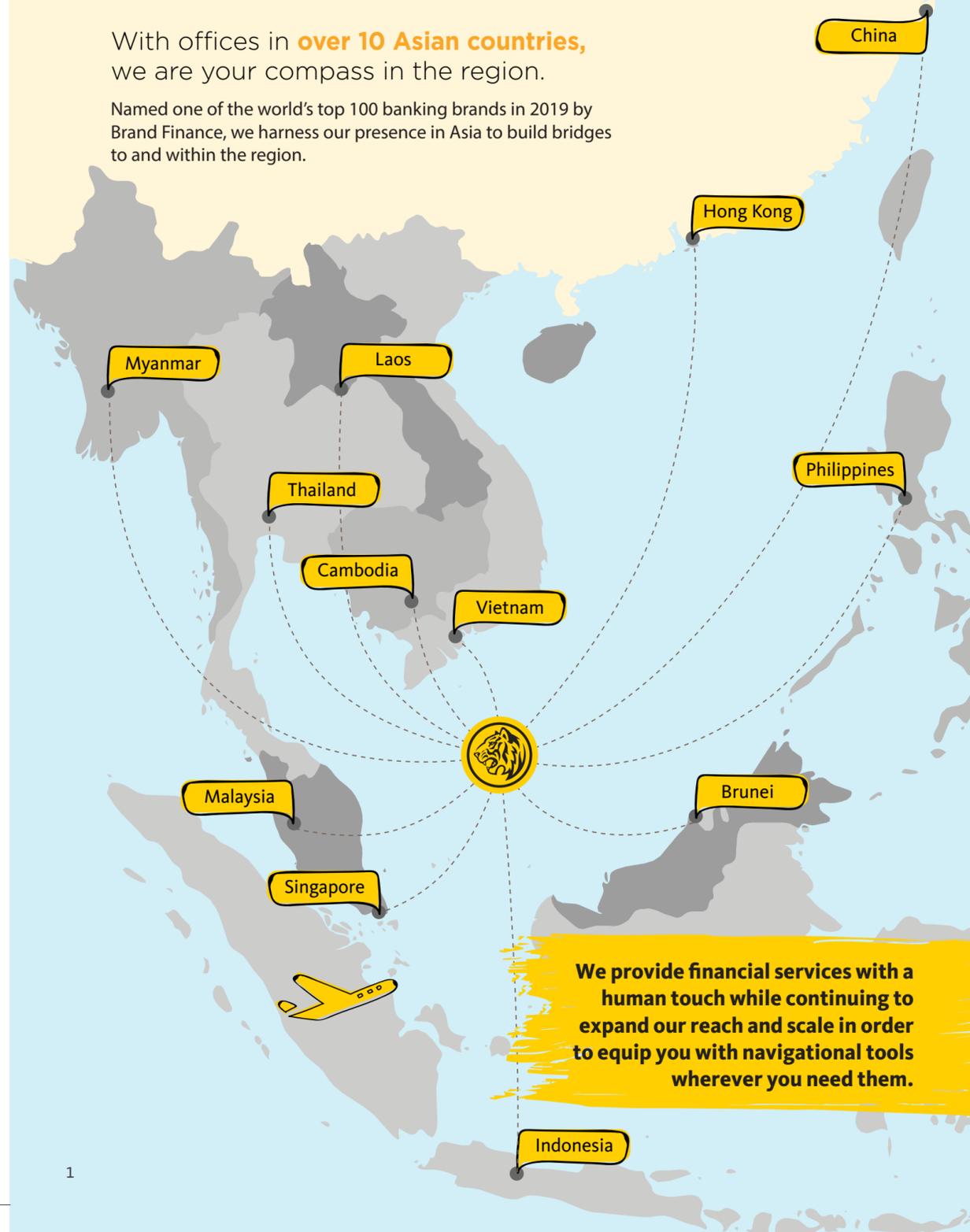
Humanising Financial Services.



## Navigating Asia for over half a century

With offices in **over 10 Asian countries**, we are your compass in the region.

Named one of the world's top 100 banking brands in 2019 by Brand Finance, we harness our presence in Asia to build bridges to and within the region.



We provide financial services with a human touch while continuing to expand our reach and scale in order to equip you with navigational tools wherever you need them.

## Our navigational instruments: Your Asian opportunities



### Hedging

#### Foreign exchange (FX) hedging

- Cash flow hedging
- Balance sheet hedging

#### Interest rate hedging

- Interest rate exposure hedging
- Combined interest rate and currency exposure hedging

#### Situational hedging

- Contingent cash flow management
- Tactical overlays for competitive purposes



### Investments

#### Short tenor investments (1 week to 1 year)

- Dual currency investments
- Fixed deposits
- Commercial papers

#### Medium term investments (< 2 years)

- FX-linked investments

#### Long term investments (2 to 20 years)

- Callable deposit
- Multi Callable Range Accrual (MCRA)
- Multi Callable Inverse Floater
- Credit-linked note
- Corporate/Supranational bonds
- Treasuries/Government bonds
- Credit-linked note swap



### Liquidity/Market Optimisation

- Exploit market dislocations to get better funding
- Exploit market dislocations for investments
- Exploit market dislocations to avoid negative funding interest rates



### Portfolio Analytics

- Holistic portfolio overview of your market risk exposures
- Overall risk picture with easy-to-understand metrics and schematics

# Hedging



Volatility in the financial markets can result in unintended losses and impact your profitability. We have the expertise and products to help you **navigate waves of market unpredictability, providing you with peace of mind** so you can focus on what is important – your business.

## Foreign exchange (FX) hedging

### Cash flow hedging

- Manage the risks posed by FX fluctuations on your cash flow

### Balance sheet hedging

- Protect the FX value of your assets, overseas or otherwise
- Manage liabilities resulting from adverse FX movements

## Interest rate hedging

### Interest rate exposure hedging

- Manage the impact of rising interest costs, or protect your floating coupon receivables from declining interest rates

### Combined interest rate and currency exposure hedging

- Manage exposure arising from both FX and interest rates using a hybrid or singular product, e.g. Cross Currency Swap

## Situational hedging

### Contingent cash flow management

- Hedge against risks that are contingent on outcomes of events that you cannot control, e.g. bidding for a project, approval outcome from a regulator, etc.

### Tactical overlays for competitive purposes

- Sharpen your competitive edge and moderate risk with strategic asset and account management

## Navigational experience: FX hedging

### Scenario

ABC Company is a business importing products from China. They agree to pay in Renminbi (RMB) to the supplier in 6 months' time and want to hedge against an appreciating RMB.

### Our solutions

#### FX forward

With Maybank Global Markets' help, ABC buys offshore Renminbi (CNH) at the forward rate for delivery in 6 months, thereby locking in the amount of RMB payable at the very start.

#### Structured FX options

Maybank Global Markets can also offer various structured FX option solutions tailored to ABC's FX view, flexibility and risk appetite.

### Advantages include:

- Strike rate can be more attractive than forward FX rate
- Can be zero cost
- Allows client to participate in favourable markets

### Example: Participating forward

- If spot fix < strike, client gets to buy the full CNH amount at strike rate
- If spot fix > strike, client can buy half of the CNH amount at strike rate and the remaining half at a better prevailing spot rate

The solution enables ABC to lock in their worst-case CNH hedge rate.

ABC also benefits from favourable CNH movement.

## Navigational experience: Interest rate hedging

### Scenario

ABC Company has drawn down a Euro (EUR) loan from Maybank to acquire a hotel in the United States. The company will repay the loan in the loan currency (EUR) while its revenue is denominated in US dollars (USD). ABC is concerned about the impact of rising interest rates and a depreciating USD against EUR on its profitability.

### Our solutions

#### Interest rate swap

In executing an interest rate swap, ABC exchanges its interest liability that is based on a floating rate for a fixed rate. This gives ABC certainty of its interest costs over the period of the loan, thereby protecting its cash flow especially in a rising interest rate environment.

#### Cross currency swap

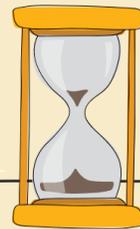
Combined interest rate and currency risk arises when ABC's floating rate loan liability is in one currency, but its income is denominated in another currency. The cross currency swap addresses this risk in its entirety, allowing ABC to pay a fixed interest rate over the life of the loan while at the same time matching the currency to the income it receives in USD. Hence, interest rate risk and FX risk are both eliminated.

# Investments

Grow your wealth by building an investment portfolio with our investment products tailored to your needs and desired timeframe.

## Short tenor investments

(1 week to 1 year)



### Dual currency investments

- Earn an attractive coupon in exchange for possibility to redeem investment in an alternate currency
- Conversion rates can be pre-determined at a more attractive rate than prevailing market rate

### Fixed deposits

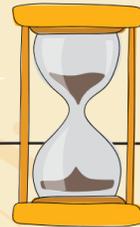
- 100% principal-protected investment yielding a fixed interest which is paid at the end of the period

### Commercial papers

- Short-term promissory note typically issued by companies that pay the face value of the note at the end of the period

## Medium term investments

(< 2 years)



### FX-linked investments

- 100% principal-protected investment
- Coupon linked to performance of underlying FX instrument
- Strategy and instrument can be customised according to your needs
- Coupon can exceed normal investment rate if instrument performs as expected
- Option to lock in minimum guaranteed returns

## Long term investments

(2 to 20 years)



### Callable deposit

- Interest-bearing investment with the option of early redemption
- More attractive coupon than fixed deposits

### Multi Callable Range Accrual (MCRA)

- Interest-bearing investment with the option of early redemption
- Coupon rises the longer the MCRA stays within a predefined range

### Multi Callable Inverse Floater

- Interest-bearing investment with the option of early redemption
- The lower the benchmark interest rate, the higher the Inverse Floater's coupon

### Credit-linked note

- Investment instrument with a customisable tenor
- Linked to the credit-worthiness of your desired counter

### Corporate/Supranational bonds

### Treasuries/Government bonds

### Credit-linked note swap

- Unfunded investment instrument with a customisable tenor
- Linked to the credit-worthiness of your desired counter



## Liquidity/ Market Optimisation

Market dislocations can be a source of opportunity. **We help you take advantage of them to give your finances a boost.**

We are always monitoring the markets to identify opportunities that can **lower your borrowing costs, boost your investment gains and help you avoid negative funding interest rates.**

Our solutions include borrowing in one currency and swapping to another, engaging in a bond swap **and so much more.**



### Exploit market dislocations to get better funding

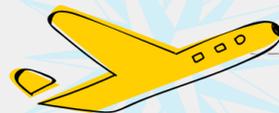
- Explore alternative funding solutions that may lower your traditional costs of borrowing

### Exploit market dislocations for investments

- Maximise your investment gains

### Exploit market dislocations to avoid negative funding interest rates

- Overcome the effects of negative interest rate currencies



## Navigational experience: Overcoming negative interest rate deposits

### Scenario

ABC Company has a negative-yielding deposit in Japanese Yen (JPY) but is required to hold onto the JPY and cannot sell it. ABC wants to avoid paying negative interest on its deposit.

### Our solutions

¥ A normal 6-month deposit would have a negative 0.25% yield

First leg of FX swap: ABC buys USD and sells JPY at spot rate of 100.00



Buy commercial paper

- 6-month USD commercial paper yield: 3.0%
- JPY equivalent yield: 0.45%

Second leg of FX swap: ABC sells USD and buys back JPY at forward rate of 98.50

¥ ABC gets a net yield of approximately 1%

With Maybank Global Markets' help, ABC swaps JPY into USD to buy commercial paper, taking on the credit risk of the paper issuer.

On the commercial paper's maturity date, the FX swap enables ABC to convert the paper's USD redemption amount back to JPY at a predetermined rate, thereby eliminating FX risk.

ABC gets a net yield of 1% versus negative 0.25% for a normal 6-month JPY deposit.



# Portfolio Analytics

A well thought-out portfolio is essential to achieving your goals. Based on your requirements, we help you manage risk and raise your portfolio's effectiveness.

### Holistic portfolio overview of your market risk exposures

- Analyse your overall portfolio requirements with our Risk Analytics tool
- Receive a holistic overview of your portfolio with easy-to-understand metrics and schematics
- Test the performance of your hedging strategies

### Overall risk picture with easy-to-understand metrics and schematics



[www.maybank.com](http://www.maybank.com)

#### Kuala Lumpur

Gmklsales@maybank.com.my  
+603 2173 4188

#### London

izani.s@maybank.com  
+44 207 382 2274

#### Singapore Sales

GM-Sales@maybank.com.sg  
+65 6320 1333

#### Indonesia

**Community Financial Services**  
retailsales@maybank.co.id  
+62 21 2993 6383

#### New York

GMNY@maybank.com  
+1 212 303 1351

#### Structuring

GM-Structuring@maybank.com.sg  
+65 6340 1078

#### Global Banking

Corporate-sales@maybank.co.id  
+62 21 2993 6399

#### Vietnam

maitrang@maybank.com.vn  
+84 24 3824 1788 ext. 139

#### China

gmsales.list@maybank.com  
+86 21 2893 2588

#### Financial Institution

FL\_Sales@maybank.co.id  
+62 21 2922 8888

#### Cambodia

thanabalan@maybank.com.kh  
+855 23 223 748

#### Manila

ph.gmsales@maybank.com  
+632 739 1778 to 79

Example of portfolio optimisation analysis



The Monte Carlo approach is one way of testing the efficacy of various vanilla and exotic hedging structures.

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Maybank Singapore Limited (UEN: 201804195C)  
Malayan Banking Berhad (incorporated in Malaysia) UEN S60FC1376L

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