

Maybank to focus on transaction banking, corporate lending & treasury services in Myanmar

Maybank has officially launched its Myanmar operations, aiming to focus on transaction banking, corporate lending and treasury services as part of its objective to establish itself as a leading cross-border bank in Myanmar.

The Maybank Yangon branch, which has a registered capital of US\$75 million, was officiated by the Deputy Governor of the Central Bank of Myanmar H.E. U Set Aung and Deputy Governor, Bank Negara Malaysia, Dato' Muhammad Ibrahim at a special reception held at the Sule Shangri-La Hotel, Yangon. Also present at the event were Maybank Chairman, Tan Sri Megat Zaharuddin Megat Mohd Nor; CEO, Maybank International, Pollie Sim; Myanmar Minister of Energy H.E. U Zar Yar Aung; Malaysian Ambassador to Myanmar, HE Mohd Haniff Abdul Rahman, as well as corporate clients, business partners and local government officials.

Tan Sri Megat in his speech said that Maybank has always believed in Myanmar and the region's potential. "We have been present in Myanmar for the last 20 over years and have extensive network in all 10 ASEAN countries. In anticipation of the formalisation of the ASEAN Economic Community (AEC), we have focused our efforts in the past few years to building up our capabilities to serve the enlarged communities of 600 million people. We are after all, ASEAN-based most diversified financial services group with operations in all the world's financial centres."

He said the coming into force of the AEC at the end of this year is going to change the economic landscape in Asia. "With the harmonisation and integration of the flow of goods, services, people and capital, there will be plenty of opportunities across the region. As well as the AEC, Myanmar's intrinsic advantage of its strategic location at the heart of Asia, backed by rich endowments of natural resources and supported by a growing labour force, creates an unprecedented growth potential to accelerate development."

Added Tan Sri Megat, "We are also ASEAN's top four in market values and assets amongst banking groups. These positions give us strengths to offer cross-border banking solutions and support our aim to become a financial solutions gateway for multinational clients from across our global network including ASEAN and Greater China, which have business and investment dealings in Myanmar."

Meanwhile, Pollie Sim said that Maybank was in a unique position to offer cross-border banking solutions by leveraging the Group's expertise and extensive reach.

"Our focus will be on supporting wholesale and corporate clients as well as domestic banks in Myanmar with services such as deposit accounts, working capital financing, transaction banking, cash management, treasury and capital market solutions," she said.

Pollie explained that Maybank would be able to offer clients in Myanmar a comprehensive range of end-to-end wholesale banking solutions that would also include advisory services, balance sheet financing and/or distribution, trade financing, as well as solutions to manage forex and interest rate risks.

She added that Maybank will leverage on its expertise in financing of power, utilities, oil and gas as well as the telecommunications sectors, which are also priority growth areas for Myanmar.

“We are well positioned to bring our experience and industry expertise to the table to develop project financing structures, or help raise capital via regional equity or debt markets. We will also be able to leverage our balance sheet and offshore financing capabilities to finance large scale projects and/ or distribute them across our network.”

Pollie noted that Myanmar is a fast emerging nation with a target economic growth of 9.3% for 2015, driven by an unprecedented amount of foreign investment and rapid expansion in its nascent telecoms sector.

“Myanmar’s economy has undergone a major transformation since 2012 and is now luring foreign direct investment (FDI) on a larger scale. For 2014/2015, the country received US\$8.1 billion in FDI which was 25 times higher compared with the US\$329.6 million received in 2009/2010,” she noted. “This will not only drive the consumer sector but also demand for financial services which in turn will be a major growth driver for the country.”

“We expect that within the next 5 years, lending and Transaction Banking will be major contributors to the revenue of our Myanmar operations. Lending will be driven mainly by working capital financing and Transaction Banking by Myanmar’s growing international trade and demand for cash management, especially as projects are completed and operationalised,” said Pollie.

“We believe that Maybank’s success in Myanmar hinges on the growth of Myanmar’s financial sector. To this end, we have been playing a significant role in supporting the development of the country’s financial services industry ever since we began operating as a representative office here in 1994,” she said. “We have hosted various training sessions for Myanmar banks to share our knowledge in banking and finance and we will continue to do so, especially across four key areas - namely interbank and capital market, international trade and capability building.”

In conjunction with the official launch of the Yangon branch, Maybank also organised a one-day “Capabilities Building in Myanmar” conference bringing together experts to share insights on banking and investments in the country. These included topics on the Legal Landscape as well as Accounting and Tax regulations for investors, as well as Risk Management and Project Financing for officials from the Central Bank and domestic commercial banks.

At the official launch reception, Maybank also announced its Corporate Responsibility initiative in Myanmar named Project HEART which aims to support rural communities through the provision of solar-powered light bulbs which would enhance their living conditions. The first rural community to benefit from this scheme is Hintada District, located some 160 kilometres from Yangon. Project HEART or Helping Every Asian Rise Together programme is a region-wide community-driven initiative in line with Maybank Group’s larger mission to “humanize financial services”.

Tan Sri Megat Zaharuddin presented a solar powered light bulb to Hintada District Governor, U San Htay as a symbolic gesture of Maybank’s commitment to support the community there with a contribution of 2,612 light bulbs to 1,328 homes and solar light system to 5 schools.

“Through our Project HEART, we hope to touch the lives of at least 5,000 people by providing light to households living within communities without access to electricity due to geographical or economic challenges,” he said.