

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5185
COMPANY NAME : AFFIN BANK BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (the Board), ensures collective synergy within the Group to achieve Affin's strategic goals and sustainable growth by realising short-term as well as long-term shareholders' values.</p> <p>In continuing AFFIN 2025 Plan (A25 Plan), which focuses on three primary strategic objectives - Unrivalled Customer Service, Digital Leadership, and Responsible Banking with Impact, Affin has implemented new transformation journey looking beyond 2025 which is called AX28 Plan.</p> <p>The Board, led by an experienced and competent Chairman, had established the Bank's "Vision" and "Mission" as follows:-</p> <p><u>Vision</u></p> <p>To be the most creative financial company in Malaysia</p> <ul style="list-style-type: none"> • Creative in terms of innovation and technology. • Creative in terms of unrivalled customer service. • Create value for our shareholders, customers and our people. <p><u>Mission</u></p> <p>Products & Services To become an innovative organisation with unrivalled customer service</p> <p>People Our commitment and passion touches the hearts and minds of everyone in our world</p> <p>Value To always create value for our shareholders, customers and our people.</p>

Affin Core Values

A : Always innovating and adopting.

F : Forever working as a team as we are one family.

F : Fair treatment, diversity and sustainability.

I : Integrity is our foundation.

N : Never – ending customer centricity

The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Bank, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Bank and its customers, officers and the general public.

In fulfilling this role, the Board must:-

- (i) approve the Bank's risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Bank's risk profile;
- (ii) oversee the selection, performance, remuneration and succession plans of the President & Group CEO ("PGCEO"), control function heads and other members of the Key Senior Management Officers ("KSMO"), such that the Board is satisfied with the collective competence of KSMO to effectively lead the operations of the Bank;
- (iii) oversee the implementation of the Bank's governance framework and internal control framework, and periodically ascertaining whether they remain appropriate in light of material changes to the size, nature and complexity of the Bank's operations;
- (iv) promote, together with KSMO, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour;
- (v) promote, together with KSMO, ensure governance of sustainability in the Bank through appropriate environmental, social and governance considerations in the Bank's business strategies, priorities and targets;
- (vi) oversee and approve the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress;
- (vii) promote timely and effective communication between the Bank and Bank Negara Malaysia ("BNM") on matters affecting, or that may affect, the safety and soundness of the Bank;

- (viii) undertake various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time; and
- (ix) ensure the establishment and implementation of group-wide policies and procedures to ensure Group's compliance with the various regulatory requirements and guidelines issued by BNM, the Securities Commission Malaysia ("SC"), Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Companies Commission of Malaysia ("CCM").

Strategic Discussion

The Board and Management hold an annual strategic meeting to set the Bank's strategies and review the strategic direction of the Bank as well as the Group. The Board Charter stipulates that annual budget, business plan and strategic directions are Board's reserved matters.

The progress and implementation of the Group's strategic initiatives is monitored and supervised by the Group Board Information Technology Committee ("GBITC" – Board level Committee) as well as Group Management Committee ("GMC" – Management level Committee).

The effectiveness of the implementation as well as results in meeting the objectives and goals of the Company reflects the Board's review of the Management's performance.

Support by Group Board Committees

To support and assist the Board in discharging its fiduciary duties and responsibilities, the Board delegates certain functions to the Board Committees namely, the Group Board Nomination and Remuneration Committee ("GBNRC"), Group Board Audit Committee ("GBAC"), Group Board Credit Review and Recovery Committee ("GBCRRC"), Group Board Risk Management Committee ("GBRMC"), Group Board Compliance Committee ("GBCC"), GBITC and Group Board Sustainability Committee ("GBSC").

The abovementioned Board Committees are established on Group basis with fair representation from each banking entities (Affin Bank Berhad, Affin Islamic Bank Berhad and Affin Hwang Investment Bank Berhad). This is to ensure holistic oversight and effective communication on Group matters as well as Group synergy, alignment of business plans and strategic direction. However, Affin took cognisance that Board of each entity is to discharge its own legal and governance responsibilities as a separate entity, notwithstanding the Group-wide arrangements.

Further, the Group Board Committees' reports and their recommendations are tabled to the Board on monthly basis. The

	<p>ultimate responsibility for the final decision on all matters, however, lies with the Board. The Board is fully accountable for any authority delegated to the Board Committees.</p> <p>The Board, in carrying out its functions or duties, shall have regard to the interests of depositors or policy owners of the Bank and Participants as defined in the Financial Services Act 2013.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>Dato' Md Agil bin Mohd Natt (the Chairman or Dato' Agil Natt), an Independent Non-Executive Director ("INED"), was appointed as the Chairman of the Bank effective 8 November 2019.</p> <p>As the Chairman of the Apex entity, Dato' Agil Natt is responsible for leading the Board in its collective oversight of management. He ensures the smooth functioning of the Board and that procedures and processes are in place to facilitate effective conduct of business by the Board.</p> <p>The key roles of the Chairman includes, amongst others, the following:-</p> <ol style="list-style-type: none">(i) The smooth functioning of the Board, the governance structure and inculcating positive culture in the Board;(ii) Guidelines and procedures are in place to govern the Board's operation and conduct;(iii) All relevant issues are on agenda for Board meeting and all Directors are able to participate fully in the Board's activities;(iv) Board debates strategic and critical issues;(v) Board receives the necessary information on a timely basis from the Management;(vi) Provides avenues for all Directors to participate openly in the discussion and allow dissenting views on the matters deliberated at Board meetings.;(vii) Provides leadership to the Board so that the board can perform its responsibilities effectively;(viii) Responsible for the developmental needs of the Board;(ix) Leading the Board in the adoption and implementation of sound corporate governance practices within the Bank and Group as a whole;(x) Together with the PGCEO, representing the Bank and/or Group to external parties: Shareholders, creditors, consumer groups, local communities, and federal, state, and local governments to ensure effective communication;(xi) In conjunction with the PGCEO, playing a leading role in:-<ul style="list-style-type: none">• Formulating the Board's strategic direction and planning process;• Encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation;• Fostering high corporate ethical standards and positive

	<p>relationships with the Group’s stakeholders; and</p> <p>(xii) Working with the GBNRC, actively participating in the selection of Directors and ensuring the membership of the Board is properly balanced.</p> <p>The Chairman ensures that proceedings of the Board are conducted in an orderly manner. He encourages healthy discussions and ensures any concerns or dissenting views are being discussed, addressed and recorded accordingly.</p> <p>In addition, the Chairman promotes a positive working relationship between the Board, PGCEO and Management. He is an advocate of good corporate governance practices in setting the tone from the top.</p> <p>The Chairman’s profile can be found on page 39 of the 2023 Annual Report and Section B of this Report.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Agil Natt, the Chairman, in leading the Board, is responsible for the effective overall functioning of the Board, while Datuk Wan Razly Abdullah bin Wan Ali (Datuk Wan Razly), the PGCEO focuses on the business and day-to-day management of the Bank.</p> <p>Datuk Wan Razly was appointed as the PGCEO of the Bank effective 2 April 2020 and he is not a Board member (non-board position).</p> <p>The Bank aims to ensure balance of power and authority between the Chairman and the PGCEO with a clear division of responsibility between the running of the Board and the Bank's business respectively. The positions of Chairman and the PGCEO are separated and clearly defined.</p> <p>The key role of the PGCEO includes the following:-</p> <ul style="list-style-type: none">(i) Developing the strategic direction of the Bank.(ii) Ensuring that the Bank's strategies and corporate policies are effectively implemented.(iii) Ensuring that Board's decisions are implemented and Board's directions are responded to.(iv) Providing directions in the implementation of short and long-term business plans.(v) Providing strong leadership that effectively communicates sound and viable vision, management philosophy and business strategy to the employees.(vi) Keeping the Board fully informed of all important aspects of the Bank's operations and ensuring sufficient information is distributed to Board members.(vii) Ensuring the day-to-day business affairs of the Bank are effectively managed. <p>The PGCEO's profile can be found on page 45 of the 2023 Annual Report.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	As Chairman of the Bank, Dato' Agil Natt is not a member of either the Audit Committee, Nomination Committee or Remuneration Committee. To-date, none of the Chairmen of the banking entities are members of GBNRC and GBAC. The composition of the GBNRC and GBAC can be found in Section B of this report.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>Puan Nimma Safira binti Dato' Khalid ("Puan Nimma"), has more than 28 years of experience in Legal and Secretarial and was appointed as the Company Secretary of Affin since 2005. She currently holds the position as Group Chief Legal Officer and Company Secretary.</p> <p>She graduated with Bachelor of Laws (Hons) in 1992 and Bachelor of Laws (Shariah) (Hons) in 1993; both from the International Islamic University, Malaysia. In 2017, she attained her Professional Postgraduate Diploma in Governance, Risk and Compliance from the International Compliance Association (ICA), UK. Puan Nimma holds Certificate of Mediation and Advanced Mediation by The Accord Group, Australia. She is an Affiliate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Fellow Member of the ICA.</p> <p>As the Company Secretary, she plays an advisory role to the Board and is qualified under Section 235(2) of the Companies Act 2016, experienced and competent in performing her duties.</p> <p>The Company Secretary ensures that all governance matters and Board procedures are in place. The Company Secretary is responsible in supporting the effective functioning of the Board and the Board has direct access to the Company Secretary's advice and services. The Company Secretary attends the Board, selected Board Committee meetings as well as Management Committees' meetings.</p> <p>Amongst the support provided to the Board and Management for FY2023, as the Company Secretary, were as follows:-</p> <ul style="list-style-type: none">• Prepared the CG Statement and CG Report for FY2022 for the Board's approval.• Conducted a review on the Board Charter to ensure alignment with the latest regulatory framework.• Review of Affin Group Corporate Governance Framework.• Assisted the Board in streamlining the Board governance across the Group.• Assisted GBNRC in conducting internal Board Effectiveness Evaluation and Independent Directors Evaluation 2023.

	<ul style="list-style-type: none"> • Assisted GBNRC in the appointment and re-appointment of Directors. • Coordinated Board induction session for newly appointed Directors • Assisted GBNRC in conducting Fit and Proper assessment of Directors. • Assisted the Bank in establishing the Group Board Sustainability Committee. • Assisted GBNRC on the review of the composition of Board Committees. • Conducted a review of Affin Group Directors Remuneration Policy. • Convened and managed meetings of the Board, Board Committees and Management Committees under her purview for FY2023. • Arranged internal trainings for Directors. • Co-organised and convened fully virtual AGM. • Co-organised Affin Group Board of Directors and Management Offsite-meetings and strategy session. <p>To ensure that only qualified and suitable individuals are appointed as Company Secretary, the appointment and /or change of Company Secretary are subject to the Board’s approval.</p> <p>The Company Secretary’s profile can be found on page 51 of the 2023 Annual Report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied
Explanation on application of the practice	<p>The Board has full and timely access to information on Board matters via materials and engagement with Management to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed prior to the meetings.</p> <p>Prior to each Board meeting, Directors will be provided with the agenda together with the respective reports/papers and other board meeting reference materials for each item to be discussed in order for them to be apprised of the topics and to be prepared accordingly. These materials are disseminated in a paperless manner via meeting application software, a solution which stores meeting documents digitally in a secured manner.</p> <p>The Bank adopts a standard format of meeting papers to ease the Board's review and deliberations as provided by the Secretariat. The format consists of the following:-</p> <ul style="list-style-type: none">• the objective(s) of the paper and action required by the Board (e.g. for approval or notation)• background of the proposal which includes details on the purpose of the proposal, targeted outcome/completion, requirements and issues.• comments/feedback by Board or Management Committee(s) if the paper had been presented at other Board or Management Committee(s)• conclusion/recommendation for the Board's consideration. <p>The agenda of the meeting consists of banking business related aspects such as financials, strategies, operational, Information Technology, Human Resource, Credit as well as Audit, Risk Management and Compliance.</p> <p>The Chairman with the assistance of the Company Secretary ensures that clear and accurate minutes of board meetings which include the key deliberations, rationale for each decision made, and any significant concerns or dissenting views are maintained. The Company Secretary ensures that the decisions of the Board and Board Committees are undertaken by and acted upon by Management and updated to the Board/Board Committee vide Matters Arising, where applicable.</p>

	<p>The minutes of Board/Board Committee meetings are circulated to all Directors for their review and perusal prior to the confirmation of the minutes at the following Board/Board Committees meetings. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation. Upon receiving confirmation from all the members at the Board meeting, the minutes will be signed by the Chairman of the meeting as a correct record of the meeting proceedings.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board established a Board Charter which demarcated the mandate, roles and responsibilities, and procedures of the Board and Board Committees (both individually and collectively), in setting the direction, management and control of the Bank in accordance with the principles of good corporate governance set out in the policy documents and guidelines issued by BNM and relevant regulatory authorities.</p> <p>The Board Charter outlines the issues and matters reserved for the Board as follows:-</p> <ul style="list-style-type: none">(i) Approval of financial results.(ii) Declaration of dividends.(iii) Risk appetite setting.(iv) Annual budget and business plan.(v) Appointment of key responsible persons.(vi) Mergers and Acquisitions.(vii) Policy Manual.(viii) Connected Parties Transactions.(ix) Strategic Directions.(x) Investment in capital projects. <p>The Board Charter is available on the Bank's website at https://affin.listedcompany.com/others.html.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank has put in place a Code of Ethics and Standard of Professional Conduct.</p> <p>The Bank adopts the Code of Ethics for the Financial Services Industry developed by Financial Services Professional Board (FSPB) as the standard of conduct expected of its Directors and employees.</p> <p>The Code of Ethics is to ensure that staff consistently adhere to a high standard of professionalism and ethics in the conduct of business and professional activities.</p> <p>The Standard of Professional Conduct is to ensure that staff is fully committed to uphold, maintain and demonstrate a high level of integrity and professionalism at all times. The Bank upholds the ethical principles which outlines the ten (10) core minimum Standards of Professional Conduct that staff is expected to adhere and abide.</p> <p>The ten (10) standards are:-</p> <ul style="list-style-type: none">(i) acting in the best interest of the customer;(ii) complying with laws and regulations;(iii) keeping information confidential;(iv) maintaining market integrity;(v) managing conflicts of interest;(vi) having openness and transparency;(vii) operating responsible business;(viii) acquiring professional knowledge and skills;(ix) giving respect and fair treatment; and(x) taking responsibility and accountability. <p>The Bank's Standard of Professional Conduct has been adopted by the Board to support the Group's objectives, vision and values which reflects the Group's vision and core values of integrity, respects, trust and openness. The basic principles have been carried out by having appropriate regard to the interests of the Bank's customers,</p>

	<p>shareholders, business partners and the broader community in which the Group operates.</p> <p>The Bank encourages its employees to provide feedback with any concerns regarding misconduct and/or wrongdoing by the employees. Any non-compliance and failure to report non-compliance to the Code may lead to consequence management.</p> <p>All Directors and employees of the Bank are expected to exercise caution and due care in safeguarding confidential and price-sensitive information of the Bank and its business associates from being misused including for personal benefits, at all times. In managing the exposure of such misuse of price-sensitive information for trading of shares or other securities, the Directors and Key Senior Management Officers are reminded periodically of the prohibition of insider trading and the dealings in securities during closed periods in accordance with the relevant provisions of the MMLR.</p> <p>The Code of Ethics is available on the Bank's website at https://affin.listedcompany.com/code_of_ethic.html.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Group Whistleblowing Policy and Procedures is developed to promote whistleblowing in a positive manner that provides an avenue for employees and members of the public to escalate concerns on improper conduct. The said Policy is in line with the fundamental objectives of Whistleblower Protection Act 2010.</p> <p>This includes the following:-</p> <ul style="list-style-type: none">(i) Safeguard the Bank's reputation by minimizing unfavorable surprise events in relation to improper conduct.(ii) Encourage Whistleblower to divulge pertinent information on improper activity occurring within the Bank and its subsidiaries subsequently to curtail possible detrimental impact.(iii) Exhibit better corporate governance on managing whistleblowing issues, which is to be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability of whistleblowing. <p>Complaints being channeled through the available avenues stated in the said Policy and are addressed and dealt with by the Group Whistleblowing Committee in strictest confidence. The Group Whistleblowing Committee reports to an Independent Non-Executive Director (INED) who provides oversight for the whistleblowing process. The INED is the Chairman of the Group Board Compliance Committee.</p> <p>The Group Whistleblowing Policy and Procedures is available on the Bank's website at www.affingroup.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>As part of Affin Bank's commitment in driving the Environmental, Social and Governance (ESG) initiatives, GBSC was established on 1 November 2023.</p> <p>Prior to the establishment of GBSC, ESG related matters were under the purview of GBCC whilst ESG risks are under the oversight of the GBRMC.</p> <p>The GBSC's primary purpose is to assist the Board by providing ongoing oversight of the development and implementation of the Group's Sustainability matter including Value based Intermediation Financing and Investment Impact Assessment Framework (VBIAF).</p> <p>The Committee shall, among other things:-</p> <ul style="list-style-type: none">• provide oversight, advice, and direction in the development, implementation, and monitoring of the strategies, framework, and policies with respect to sustainability, VBIAF and climate change of Affin Group.• review and make recommendations to the Board on the suitability of the Group's climate, VBIAF, and sustainability strategy, position statements, frameworks, ambitions, metrics, and targets.• report to the Board on the climate, VBIAF, and sustainability matters for which it is responsible, escalate issues, and make recommendations to the Board where appropriate. <p>The Board has also incorporated Sustainability Key Performance Indicators (KPIs) as part of Senior Management's scorecards for FY2023.</p>

	Under Affin Bank's AX28 Plan, the Bank will continue to strengthen its 4 pillars of ESG Framework namely Sustainable Financing, Sustainable Operations, People & Culture and Support the Community by accelerating the adoption of digitalisation.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	: Applied
Explanation on application of the practice	<p>In 2023, Affin Bank took significant steps to enhance sustainability governance and integrate sustainability principles into its operations. These initiatives included:-</p> <ol style="list-style-type: none">1. Establishment of GBSC:<ul style="list-style-type: none">• The GBSC was formed to oversee and drive sustainability efforts across the organization.• Its role includes setting strategic directions, monitoring progress, and ensuring alignment with sustainability goals.2. Launch of the Affin Sustainability Framework:<ul style="list-style-type: none">• The Bank introduced the Affin Sustainability Framework, outlining its strategy integrate sustainability principles in its operation. <p>These initiatives aligned with Affin's strategic priorities - Responsible Banking with Impact within the A25 plan. The ESG focus areas include:</p> <ul style="list-style-type: none">• <u>Sustainable Financing</u> To drive the transition to a sustainable economy by providing sustainable products and financing support to customers and clients• <u>Sustainable Operations</u> To minimise the negative environmental and social impacts of our operations while maintaining economic viability• <u>People & Culture</u> To create a diverse, inclusive and sustainability-focused organisation united by shared values across all levels• <u>Support the Community</u> To reach out and give back to communities, improving the livelihoods of their residents through impactful CSR activities <p>Looking ahead, the Bank aims to expand its sustainable objectives further under the AX28 Plan to fulfil its sustainability commitments.</p>

	<p>To ensure transparency and accountability, Affin maintains close engagement with both internal and external stakeholders to communicate and monitor the progress of its sustainability strategies, priorities, and performance targets. Any business activities updates related to ESG matters are disseminated to all employees through the Bank's intranet. A dedicated Sustainability Statement is published for external stakeholders' reference in accordance to the Bursa Malaysia's Sustainability Reporting Guideline.</p> <p>Additionally, the Bank conducts training sessions and forums to connect with internal stakeholders and directors, fostering awareness and collaboration on sustainability matters.</p>	
Explanation for departure	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	<p>:</p>	
Timeframe	<p>:</p>	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognized the importance to stay abreast in sustainability matters to ensure Affin’s sustainable growth. In 2023, the Board had attended various training for various topics including sustainability.</p> <p>The list of trainings attended by the Board is set out in Part B of this report.</p> <p>The Board acknowledges that by taking appropriate action to stay abreast of and understand sustainability issues, including climate-related risks and opportunities, the Board could help ensure that Affin is well-positioned to manage these risks and capitalize on opportunities, leading to improved financial performance and long-term sustainability. For FY2023, the Board adopted the following approach, amongst others, to ensure it is able to effectively discharge its roles under sustainability:-</p> <ul style="list-style-type: none">(i) Training and Development – Based on the outcome of Board Effectiveness Evaluation 2022, Climate Change and Sustainability which are the subsets of ESG forms part of the focus area in Board Continuing Education and Development. The ESG trainings attended by the Board during FY2023 are set out in Part B of this report.(ii) Business Consideration - Climate-related risks and opportunities are considered in all business targets and operations. This would help the Board to stay ahead of any risk exposure and adopt appropriate mitigation measures.(iii) Stakeholders’ expectations – To maintains its social license to operate and continues to attract and retain investors and customers, Affin develops financing solutions that support sustainable development which is in line with the Bank’s ESG key focus, namely, in providing responsible financial services.(iv) Governance, Legal and regulatory requirements – The Board keep abreast on any legal and regulatory updates in relation to sustainability, including any viewpoints raised by sustainability experts.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p><u>Board</u></p> <p>The Board’s performance and contributions are assessed through the Board Effectiveness Evaluation (“BEE”). A section of Board Sustainability was included in the BEE questionnaire to measure the Board’s competency to tackle/evaluate matters related to sustainability.</p> <p><u>Management</u></p> <p>PGCCEO, CEO of subsidiaries and top management carry ESG KPIs as part of their performance evaluation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>In 2023, the Board had formalised for sustainability to be under the purview of Group Chief Strategy & Sustainability Officer (“GCSSO”).</p> <p>The GCSSO is the Chairman of the Group Management Committee - Sustainability and reports to GBSC.</p> <p>GCSSO is responsible for overseeing and driving the sustainability strategy and initiatives within Affin Group. This role will lead efforts to integrate sustainability principles into all aspects of the business, aligning with Affin Group’s commitment to responsible and ethical business practices. Champion of the Affin Group’s strategic objective i.e. Responsible Banking with Impact.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>Affin Group's Board composition are continuously reviewed by the GBNRC. This is to ensure that the composition of the Board of Affin Group consists of Directors with suitable skill sets to discharge their duties effectively as well as to ensure compliance with the applicable regulatory requirements and internal practices.</p> <p>The Board, vide Board Charter, had established the Policy on Tenure of Directorships and has adopted the following principles for Non-Executive Directors:-</p> <p>(a) Tenure of an Independent Director</p> <p>The maximum tenure of service for Independent Directors shall be a cumulative term of nine (9) years within the Affin Group. (Note: After serving for nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine years, the board should provide justification and seek annual shareholders' approval through a two-tier voting process)</p> <p>(b) Age Limit</p> <p>The maximum age of Directors shall be seventy-five (75) years old, unless under special circumstances duly justified.</p> <p>Appointment of new Director is subject to any vacancy due to retirement, resignation or completion of Directorship tenure; including the nomination by Shareholder(s).</p> <p>Re-appointment and re-election of Directors are contingent on satisfactory evaluation of the director's performance and contribution to the Board. Directors' performance is reviewed based on the outcome of the BEE exercise as well as the fit and proper assessment by GBNRC.</p> <p>The proposal of Directors' appointment, re-appointment and list of Directors' standing for re-election at the next AGM are tabled to GBNRC for recommendation and thereafter to the Board for approval, subject to BNM (for appointment and re-appointment) and shareholders'</p>

	approval (for re-election).	
	As part of the Board refresh exercise, GBNRC reviewed the Board's desired skillsets and established an internal Board Candidate Registry which consists potential candidates with various desired skillsets to be considered for appointment to the Board from time to time.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2023, the Board comprises eleven (11) Directors, eight (8) are Independent Non-Executive Directors (“INEDs”) and the remaining three (3) are Non-Independent Non-Executive Directors (“NINEDs”) (shareholders’ representative) which exceeds the level of independence prescribed under the MMLR and BNM CG.</p> <p>The presence of a majority of INEDs provides effective check and balance in functioning of the Board to safeguard the interest of the Bank and stakeholders.</p> <p>The existing size and composition of the Board promotes effective deliberation, encourages active participation from all Directors and allows their roles and responsibilities to be discharged without giving rise to an over-extension of Directors who are required to serve on multiple Board Committees. The diverse and broad range of experience, skills and knowledge of the Directors effectively facilitate the discharge of the Board’s stewardship.</p> <p>Based on the results of the assessments/evaluation undertaken in FY2023, the Board is satisfied that all INEDs have met the independence criteria and are able to act in an independent and objective manner.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>											
Application	: Adopted										
Explanation on adoption of the practice	: <p>As enumerated under Practice 5.1 above, the Board, vide Board Charter, had established the Policy on Tenure Directorships and has adopted the following in relation to the limit of Directorship tenure for all Non-Executive Directors:-</p> <p>(a) Tenure of an Independent Director</p> <p>The maximum tenure of service for Independent Directors shall be a cumulative term of nine (9) years within the Affin Group.</p> <p>(Note: After serving for nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine years, the board should provide justification and seek annual shareholders' approval through a two-tier voting process)</p> <p>(b) Age Limit</p> <p>The maximum age of Directors shall be seventy-five (75) years old, unless under special circumstances duly justified.</p> <p>As at December 2023, the tenure of INEDs are as follows:-</p> <table border="1"><thead><tr><th>Tenure</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Less than 1 year</td><td>1</td></tr><tr><td>More than 1 years and up to 3 years</td><td>1</td></tr><tr><td>More than 3 years and up to 6 years</td><td>4</td></tr><tr><td>More than 6 years</td><td>2</td></tr></tbody></table> <p>Therefore, as at 31 December 2023, none of the INEDs had exceeded the nine (9) years tenure.</p>	Tenure	Number of INEDs	Less than 1 year	1	More than 1 years and up to 3 years	1	More than 3 years and up to 6 years	4	More than 6 years	2
Tenure	Number of INEDs										
Less than 1 year	1										
More than 1 years and up to 3 years	1										
More than 3 years and up to 6 years	4										
More than 6 years	2										

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	: Applied																												
Explanation on application of the practice	<p>The Bank strongly promotes diversity in Board and KSMO as it recognises the values and the unique contribution from Directors and KSMO with diverse individual background, skills, experiences, perspectives, nationality, age as well as gender.</p> <p>For the Board composition, the Board and GBNRC continuously reviews the appropriate mix of skills, experience, age, gender, cultural background and knowledge required of its members, in the context of the needs of the Bank's businesses and strategies.</p> <p>The following sets out the Board Diversity matrix of the Bank:-</p> <table border="1"> <thead> <tr> <th>Areas of Skills/Experience/Expertise*</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>Risk Management (banking, credit, IT)</td> <td>7</td> </tr> <tr> <td>Chartered Accountant/Accounting</td> <td>7</td> </tr> <tr> <td>Human Capital/People Management</td> <td>2</td> </tr> <tr> <td>Business Administration</td> <td>11</td> </tr> <tr> <td>Information Technology</td> <td>2</td> </tr> <tr> <td>Operations, Strategic and Corporate Advisory</td> <td>11</td> </tr> <tr> <td>Marketing and Sales</td> <td>4</td> </tr> <tr> <td>ESG, DEI, Sustainability</td> <td>1</td> </tr> </tbody> </table> <p>Note * Directors may fall into more than one category</p> <p>Age</p> <table border="1"> <thead> <tr> <th>Age*</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>40 - 49</td> <td>1</td> </tr> <tr> <td>50 - 59</td> <td>0</td> </tr> <tr> <td>60 - 69</td> <td>7</td> </tr> <tr> <td>70 - 75</td> <td>3</td> </tr> </tbody> </table> <p>Note * age of Directors as at March 2024</p>	Areas of Skills/Experience/Expertise*	Number of Directors	Risk Management (banking, credit, IT)	7	Chartered Accountant/Accounting	7	Human Capital/People Management	2	Business Administration	11	Information Technology	2	Operations, Strategic and Corporate Advisory	11	Marketing and Sales	4	ESG, DEI, Sustainability	1	Age*	Number of Directors	40 - 49	1	50 - 59	0	60 - 69	7	70 - 75	3
Areas of Skills/Experience/Expertise*	Number of Directors																												
Risk Management (banking, credit, IT)	7																												
Chartered Accountant/Accounting	7																												
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ESG, DEI, Sustainability	1																												
Age*	Number of Directors																												
40 - 49	1																												
50 - 59	0																												
60 - 69	7																												
70 - 75	3																												

Nationality

Nationality	Number of Directors
Malaysian	9
American	1
Chinese	1

Gender

Nationality	Number of Directors
Male	7
Female	4

The following sets out the KSMO Diversity matrix of the Bank:-

Age

Age*	Number of KSMO
40 - 49	4
50 - 59	10
60 - 69	Nil
70 - 75	Nil

Note * age of KSMO as at March 2024

Nationality

Nationality	Number of KSMO
Malaysian	14
Others	NIL

Gender

Nationality	Number of KSMO
Male	9
Female	5

Board Commitment

Affin's Board Charter stated that the Non-Executive Director ("NED") of the Bank must not hold more than five (5) directorships in listed and ten (10) directorships in non-listed companies (Pursuant to paragraph 15.06 (1) of the MMLR and Practice 5.5 of MCCG 2021). This is to ensure that the Board is able to provide full commitment and sufficient time for Affin.

The Board Charter also stated that prior to acceptance of external commitment Directors should first consult with the Chairman of the Board and Chairman of GBNRC on such proposed appointment to ensure that the external commitments do not:-

- (a) cause potential conflict of interest for the Director;
- (b) impair the Director's independence;

	<p>(c) be in competition with the business interest with the Bank or Group;</p> <p>(d) have potential reputational consequence to the Bank; and/or</p> <p>(e) affect the Directors' time commitment and ability to attend Board/Board Committee meeting(s) as well as discharge their responsibilities to the Bank.</p> <p>If the external appointment falls in any of the category above, the matter will be escalated to GBNRC for deliberations and recommendations.</p> <p>Thus far, the Directors of Affin Bank does not hold more than five (5) directorships in listed and ten (10) directorships in non-listed companies.</p> <p><u>KSMO Appointment and Removal</u></p> <p>KSMO appointments and removal are governed by the standards in BNM CG which stipulates that member of KSMO must fulfil the minimum requirements at the time of appointment and on a continuing basis.</p> <p>The Bank acknowledges that persons in these key positions must have the necessary qualities, competencies and experience that will allow them to perform their duties and carry out the responsibilities required of their position in the most effective manner.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The GBNRC is responsible for assessing the candidate(s)' qualifications and experiences and whether he/she fulfils the minimum requirements as set out in the BNM CG, BNM Policy Document on Fit & Proper Criteria, internal policies and any other relevant regulations.</p> <p>In identifying candidates for appointment of Directors, the GBNRC does not solely rely on recommendations from the existing Board members, Management or major shareholders. The GBNRC has the right to utilize independent sources at the cost of the Bank to identify suitably qualified candidates.</p> <p>GBNRC may also consider utilising the following sources:-</p> <ul style="list-style-type: none">(i) Director's registry [e.g., Institute of Corporate Directors Malaysia (ICDM) and Financial Institutions Directors' Education (FIDE)];(ii) Industry and professional associations;(iii) Open advertisements; or(iv) Independent search firm. <p>GBNRC has in place the following processes for nomination of Board candidate:-</p> <ul style="list-style-type: none">(i) Identifying on the desired skills set of the Board(ii) Sourcing of candidates from Director's registry, Industry and professional associations, Independent search firm and recommendations by Board members.(iii) GBNRC reviews and select potential candidates(iv) Engagement session conducted between GBNRC and candidate(v) Fit and proper assessment on the shortlisted candidate(vi) GBNRC to assess the candidate(vii) Recommendation to the Board for approval(viii) Submission to BNM for approval.

	As a basic principle, the Bank shall not make an application to BNM to appoint a Director unless the Board is wholly satisfied, based on its objective assessment, that the candidate meets the minimum requirements of the BNM CG and MMLR, understands the expectation of the roles and is able to meaningfully contribute to the Board.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	: Applied
Explanation on application of the practice	<p>Details of each Directors are disclosed in the Annual Report and Section B of this report is sufficient for shareholders to make an informed decision on the appointment and reappointment of a Director. Amongst the information provided, but not limited to the following:-</p> <ul style="list-style-type: none">(i) Directors' profiles (current Directorship, shareholding and conflict of interest, if any);(ii) Statement of Accompanying Notice of 48th Annual General Meeting with:-<ul style="list-style-type: none">(a) Confirmation on fulfilment of the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria.(b) Confirmation on fulfilment of the criteria of an independent director as defined under MMLR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders. <p>GBNRC has conducted an assessment on the Directors that are seeking re-election at the 48th Annual General Meeting based on the criteria set in the Board Charter. The Board has made their assessment and is satisfied with the Directors seeking for re-election and the Directors have maintained their independence in the financial year ended 31 December 2023.</p> <p>For the 48th Annual General Meeting, four (4) Directors standing for re-election under the following articles of Affin's Constitution:-</p> <ul style="list-style-type: none">(i) Article 118 (retirement by rotation)<ul style="list-style-type: none">1. Puan Marzida binti Mohd Noor2. Mr. Gregory Jerome Gerald Fernandes3. Ms. Chan Wai Yu

	(ii) Article 124 (retirement due to casual vacancy) 1. Puan Emeliana Dallan Rice-Oxley	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the GBNRC is Dato' Abdul Aziz bin Abu Bakar (Dato' Abdul Aziz), an Independent Non-Executive Director.</p> <p>As the Chairman of GBNRC, Dato' Abdul Aziz ensures that the Committee provides a formal and transparent procedure in respect of the following:-</p> <ul style="list-style-type: none">(i) Leads the Board composition Refresh Exercise for Affin Group including but not limited to reviewing the desired matrix skillset, Board Candidates Registry and Board Committees' composition.(ii) The selection and appointment of all new Directors and Chief Executive Officer as well as assessment on effectiveness of individual Directors, Board as a whole, Board Committees and performance of Chief Executive Officer and KSMO; and(iii) Develop remuneration policy for Directors, Chief Executive Officer and KSMO and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies. <p>Dato' Abdul Aziz's profile can be found on page 40 of the 2023 Annual Report and part B of this Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Out of the eleven (11) Directors, four (4) are women Directors which constitute 36% of the Board composition of the Bank, as follows:-</p> <ul style="list-style-type: none"> (i) Dato' Rozalila binti Abdul Rahman; (ii) Puan Marzida binti Mohd Noor; (iii) Ms Chan Wai Yu; (iv) Puan Emeliana Dallan Rice-Oxley <p>The Board will continue to uphold the principle of boardroom gender diversity per the recommendations of the MCCG of having at least 30% women representation on the Board. Apart from gender diversity, the Board also consider diversity in skills, experience, age and cultural background.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board continues its commitment to maintain diversity and inclusion in its composition. In this regard, the Board's diversity ranges from various aspects namely gender, age, ethnicity, nationality, experience, skills and length of service. Currently, the Board's gender composition is 64% male and 36% female. As for KSMO, their gender composition is 66% male and 34% female.</p> <p>The Board acknowledges the recommendation of the MCCG 2021 pertaining to the establishment of boardroom gender diversity policy. The Bank has revised its Board Charter to include gender diversity as part of the Bank's effort to strengthen its stance in ensuring that gender equality is being enforced in the community.</p> <p>The Board has maintained 36% women representation in the Board, out of the eleven (11) Directors, four (4) are women Directors, as follows:-</p> <ul style="list-style-type: none">(i) Dato' Rozalila binti Abdul Rahman;(ii) Puan Marzida binti Mohd Noor;(iii) Ms Chan Wai Yu;(iv) Puan Emeliana Dallan Rice-Oxley
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>GBNRC with the assistance of the Secretarial team conducts Board Effectiveness Evaluation (BEE) on the performance and effectiveness of the Board, Board Committee and Individual Director. The outcome of the annual assessment will be deliberated at GBNRC and presented to the Board.</p> <p>In line with the recommendation by MCCG 2021, the Board is committed to appoint an external expert to carry out the BEE exercise at every three (3) years interval.</p> <p>The Bank had appointed an external expert to conduct the BEE exercise for the Bank as well as for its banking subsidiaries in 2022. The results of the BEE 2022 as well as the considerations for improvement were as disclosed in the Annual Report 2022. The action plans developed by the Board together with GBNRC and the external expert involved, amongst others, the following:-</p> <ol style="list-style-type: none">1) Engagement between the Board and Senior Management to understand the expectations moving forward;2) Appointment of a new Director with ESG background;3) Establishment of Group Board Sustainability Committee; and4) Conduct Bespoke Development programme for the Board and Senior Management. <p>In view that the BEE 2022 was conducted by an external expert, the Board decided that the BEE 2023 to be carried out internally with the assistance from the Company Secretarial team based on the framework which was designed and concurred by the GBNRC and the Board of ABB. The BEE 2023 was conducted via an online platform.</p>

Themes and processes enumerated for the evaluation of the Board, Board Committees and Individual Directors can be found on page 158 of the 2023 Annual Report.

Pursuant to the BEE exercise for FY2023, the main highlights of the results are as follows:-

<p>Areas of Strength</p>	<p>1) Board Dynamics & Culture – Earned one of the highest ratings from the Board and Management for creating a suitable culture for the organization to accomplish long-term strategy.</p> <p>2) Board & Management Relationship – The Board and Management have an effective and supportive working relationship. They can express their views, communicate their opinions, exchange their perspectives and engage in respectful dialogues. They can settle any disagreements or differences in opinion in a cordial manner.</p>
<p>Considerations for Improvement</p>	<p>1) Agenda, Meetings, Information and Decision Making – There have been improvements in the quality of information to the Board. However, the Board and Management continue to find areas for enhancement in terms of information that are being supplied to the Board. The Board would like to see relevant data that forecasts the future to build stakeholders’ value. The Board appreciates that they can share their opinions and weigh different alternatives in making an informed decision.</p> <p>2) Board Sustainability Matters – The Board is committed to sustainability/ESG issues and recognizes that it needs to focus more efforts to meet stakeholders' expectations. The Board anticipates that the ESG initiatives would be fully integrated into the Group’s business plan and risk management, with the support of the newly established Group Board Sustainability Committee.</p>

The Board and GBNRC will work on development plans to address the areas of improvement based on their priorities, with the support from respective Board Committees.

	The results of the Individual Director's Assessment are shared with the Chairman of the Board who will together with the Chairman of GBNRC engage with each Director individually to discuss on their performance for FY2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied																			
Explanation on application of the practice	:	<p>Board</p> <p>The GBNRC recommends structured remuneration packages for the Non-Executive Directors (NED) which is competitive and consistent with the Bank's culture, objectives and strategies. It commensurate with the level of responsibilities and contribution by the NED in ensuring the effective functioning of the Board as well as driving the Bank's long-term objectives.</p> <p>The Directors Remuneration for FY2023 is as follows:-</p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="2">Holding Company</th><th colspan="2">Subsidiary Company</th></tr><tr><th>Chairman</th><th>Member</th><th>Chairman</th><th>Member</th></tr></thead><tbody><tr><td>Director's Fee (per annum)</td><td>RM265,000</td><td>RM165,000</td><td>RM195,000</td><td>RM145,000</td></tr><tr><td>Board Committee Fee (per annum)</td><td>RM50,000</td><td>RM35,000</td><td>RM50,000</td><td>RM35,000</td></tr></tbody></table> <p>The Directors Remuneration for FY2023 was approved at the 47th Annual General Meeting.</p> <p>KSMO</p> <p>It is the Bank's basic compensation philosophy to provide a competitive level of total compensation to attract and retain qualified and competent staff. The Bank's variable remuneration policy will be driven primarily by a performance-based culture that aligns staff interests with those of the shareholders of the Bank.</p> <p>The Bank's remuneration policy considers the role of each staff, and has set guidance on whether they are under Senior Management, Other Material Risk Taker (OMRT) or other employees category.</p>		Holding Company		Subsidiary Company		Chairman	Member	Chairman	Member	Director's Fee (per annum)	RM265,000	RM165,000	RM195,000	RM145,000	Board Committee Fee (per annum)	RM50,000	RM35,000	RM50,000	RM35,000
	Holding Company			Subsidiary Company																	
	Chairman	Member	Chairman	Member																	
Director's Fee (per annum)	RM265,000	RM165,000	RM195,000	RM145,000																	
Board Committee Fee (per annum)	RM50,000	RM35,000	RM50,000	RM35,000																	

	<p>The objectives of the Remuneration Policy is to ensure that the remuneration system of the Bank:</p> <ul style="list-style-type: none"> (i) Rewards individuals for the achievement of the Bank’s objectives and motivates high levels of performance; (ii) Rewards exceptional performance by individual through the Performance Management System; (iii) Allows the Bank to compete effectively in the labour market and to recruit as well as retain high calibre staff; (iv) Achieves fairness and equity in remuneration and reward. <p>The Bank’s remuneration is made up of two (2) main components namely “fixed pay” and “variable pay”:-</p> <ul style="list-style-type: none"> (i) Fixed pay consists of base salary and fixed allowances that are pegged to the market value of the job. (ii) Variable pay rewards employees based on the performance of the Division, Department and Bank; and the employee’s individual performance i.e. Bonuses, Long Term Incentives Plan (LTIP) & Sales Incentives/Commission. <p>The Bank implemented the Deferred Discretionary Performance Bonus for material risk taker (“MRT”) and staff who falls under the other material risk taker (“OMRT”) Category. The objective of the deferred bonus is to align the short-term compensation payment with the time-based risk, and to encourage employees to deliver sustainable long-term performance. The Bank shall review the MRT & OMRT listing on annual basis.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>GBNRC is chaired by an INED, with the objective of providing a formal and transparent procedure in respect of the following:</p> <p>(i) The selection and appointment of all new Directors and PGCEO as well as assessment of effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and Key Senior Management Officers (KSMO); and</p> <p>(ii) Develop remuneration policy for Directors, PGCEO and KSMO as well as ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies.</p> <p>The GBNRC carries out its roles and responsibilities as stipulated in the terms of reference. The GBNRC is not delegated with decision making powers but reports its recommendations to the Board for decision.</p> <p>The main activities of the GBNRC in 2023 included the following:</p> <ul style="list-style-type: none">• Appointment of Directors with Sustainability background.• Establishment of Group Board Sustainability Committee.• Setting up of KPIs and Scorecard for FY2023.• Performance assessment of KSMO for new appointment and contract renewal of ABB, AIBB and AHIBB.• Assessment of fitness and propriety of Directors and Key Responsible Persons.• Assess suitability of candidates for appointment and re-appointment of Directors and Shariah Committee members.• Review the remuneration of Directors, Shariah Committee and KSMO.• Outcome of the Board Effectiveness Evaluation exercise for FY2022.

	<ul style="list-style-type: none"> • Review of Board and Management Succession Plan. • Review the overall composition of the Board and Board Committees. • Revision to the Group Corporate Governance Framework. <p>The establishment of GBNRC is to provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach would promote compensation philosophy which would drive performance of the Group as a whole.</p> <p>The GBNRC would be able to review the diversity, matrix skills of the Board and Management from broader perspective to ensure that it aligns with the Group’s strategy and placement of human capital at entity level with the right skills set.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration (including benefits-in-kind) of each Director during the financial year 2023 are disclosed on Note 41 to the Financial Statements of the 2023 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Agil Natt	Independent Director	489	Input info here	Input info here	Input info here	108	Input info here	597	498	Input info here	Input info here	Input info here	108	Input info here	597
2	Dato' Abdul Aziz bin Abu Bakar	Independent Director	293	Input info here	Input info here	Input info here	Input info here	Input info here	293	293	Input info here	Input info here	Input info here	Input info here	Input info here	293
3	Dato' Mohd Hata bin Robani	Independent Director	365	Input info here	Input info here	Input info here	Input info here	Input info here	365	365	Input info here	Input info here	Input info here	Input info here	Input info here	365
4	Mr. Chan Tze Ching, Ignatius	Non-Executive Non-Independent Director	207	Input info here	Input info here	Input info here	Input info here	Input info here	207	207	Input info here	Input info here	Input info here	Input info here	Input info here	207
5	Dato' Rozalila binti Abdul Rahman	Independent Director	360	Input info here	Input info here	Input info here	Input info here	Input info here	360	360	Input info here	Input info here	Input info here	Input info here	Input info here	360
6	Mr. Yuen Wai Hung, Peter	Non-Executive Non-Independent Director	262	Input info here	Input info here	Input info here	Input info here	Input info here	262	262	Input info here	Input info here	Input info here	Input info here	Input info here	262
7	Puan Marzida binti Mohd Noor	Independent Director	362	Input info here	Input info here	Input info here	Input info here	Input info here	362	362	Input info here	Input info here	Input info here	Input info here	Input info here	362
8	Mr. Gregory Jerome Gerald Fernandes	Independent Director	362	Input info here	Input info here	Input info here	Input info here	Input info here	362	362	Input info here	Input info here	Input info here	Input info here	Input info here	362
9	Ms. Chan Wai Yu	Independent Director	387	Input info here	Input info here	Input info here	Input info here	Input info here	387	387	Input info here	Input info here	Input info here	Input info here	Input info here	387
10	Encik Mohammad Ashraf Md Radzi	Non-Executive Non-Independent Director	82	Input info here	Input info here	Input info here	Input info here	Input info here	82	82	Input info here	Input info here	Input info here	Input info here	Input info here	82
11	Puan Emeliana Dallan Rice-Oxley	Independent Director	60	Input info here	Input info here	Input info here	Input info here	Input info here	60	60	Input info here	Input info here	Input info here	Input info here	Input info here	60
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure																		
Explanation on application of the practice	:																			
Explanation for departure	:	<p>The Board is of the opinion that such disclosure would be disadvantageous to the Bank's business interest, given the highly competitive conditions in the banking industry where poaching of executives is common.</p> <p>However, across the Group, Affin discloses the remuneration of the Top three (3) KSMO positions in their respective financial statements, as follows:</p> <ol style="list-style-type: none"> 1. President & Group CEO, Affin Bank Berhad; 2. CEO, Affin Islamic Bank Berhad; and 3. CEO, Affin Hwang Investment Bank Berhad. <p><i>Note : The financial statements of the above entities is available on the Bank's website at www.affingroup.com</i></p> <p>The remuneration of KSMO other than the President & Group CEO of Affin Bank Berhad are as follows:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> <th>2023 Annual Total Remuneration</th> </tr> </thead> <tbody> <tr> <td>Nazri Bin Othman</td> <td>Advisor, PGCEO</td> <td rowspan="2">> 2 Million</td> </tr> <tr> <td>Risham Akashah Bin Kamaruzaman</td> <td>Group Chief Operating Officer</td> </tr> <tr> <td>Joanne May Rodrigues</td> <td>Group Chief Financial Officer</td> <td rowspan="3">RM1.5 Million to RM2.0 Million</td> </tr> <tr> <td>Norhazlizawati Binti Mohd Razali</td> <td>Group Chief Credit Officer</td> </tr> <tr> <td>Mohd Syukri Bin Ahmad Sudari</td> <td>Group Chief People Officer</td> </tr> <tr> <td>Lim Kee Yeong</td> <td>Executive Director, Group Enterprise Banking</td> <td><RM1.5 Million</td> </tr> </tbody> </table>	Name	Position	2023 Annual Total Remuneration	Nazri Bin Othman	Advisor, PGCEO	> 2 Million	Risham Akashah Bin Kamaruzaman	Group Chief Operating Officer	Joanne May Rodrigues	Group Chief Financial Officer	RM1.5 Million to RM2.0 Million	Norhazlizawati Binti Mohd Razali	Group Chief Credit Officer	Mohd Syukri Bin Ahmad Sudari	Group Chief People Officer	Lim Kee Yeong	Executive Director, Group Enterprise Banking	<RM1.5 Million
Name	Position	2023 Annual Total Remuneration																		
Nazri Bin Othman	Advisor, PGCEO	> 2 Million																		
Risham Akashah Bin Kamaruzaman	Group Chief Operating Officer																			
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Lim Kee Yeong	Executive Director, Group Enterprise Banking	<RM1.5 Million																		

	<table border="1"> <tr> <td>Hanif Bin Ghulam Mohammed</td> <td>Executive Director, Group Treasury</td> <td rowspan="10" style="text-align: center; vertical-align: middle;"><RM1.5 Million</td> </tr> <tr> <td>Hanif Bin Mohd Yusof</td> <td>Executive Director, Group Corporate Banking</td> </tr> <tr> <td>Adzamimah Binti Adzmi</td> <td>Group Chief Compliance Officer</td> </tr> <tr> <td>Dang Cheong Min</td> <td>Group Chief Risk Officer</td> </tr> <tr> <td>Wahdania Binti Mohd Khir</td> <td>Group Chief Internal Auditor</td> </tr> <tr> <td>Abdul Malek Bin Mohamed Said</td> <td>Group Chief Corporate Strategy & Sustainability Officer</td> </tr> <tr> <td>Nimma Safira Binti Khalid @ Mat Khalid</td> <td>Group Chief Legal Officer & Company Secretary</td> </tr> <tr> <td>Mohammad Fairuz Bin Mohd Radi</td> <td>Executive Director, Group Community Banking</td> </tr> <tr> <td>Hanif Bin Ghulam Mohammed</td> <td>Executive Director, Group Treasury</td> </tr> </table>	Hanif Bin Ghulam Mohammed	Executive Director, Group Treasury	<RM1.5 Million	Hanif Bin Mohd Yusof	Executive Director, Group Corporate Banking	Adzamimah Binti Adzmi	Group Chief Compliance Officer	Dang Cheong Min	Group Chief Risk Officer	Wahdania Binti Mohd Khir	Group Chief Internal Auditor	Abdul Malek Bin Mohamed Said	Group Chief Corporate Strategy & Sustainability Officer	Nimma Safira Binti Khalid @ Mat Khalid	Group Chief Legal Officer & Company Secretary	Mohammad Fairuz Bin Mohd Radi	Executive Director, Group Community Banking	Hanif Bin Ghulam Mohammed	Executive Director, Group Treasury
Hanif Bin Ghulam Mohammed	Executive Director, Group Treasury	<RM1.5 Million																		
Hanif Bin Mohd Yusof	Executive Director, Group Corporate Banking																			
Adzamimah Binti Adzmi	Group Chief Compliance Officer																			
Dang Cheong Min	Group Chief Risk Officer																			
Wahdania Binti Mohd Khir	Group Chief Internal Auditor																			
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Mohammad Fairuz Bin Mohd Radi	Executive Director, Group Community Banking																			
Hanif Bin Ghulam Mohammed	Executive Director, Group Treasury																			
	<p>The Board wishes to give assurance that the remuneration of Directors and KSMO commensurate with their individual performance, taking into consideration of the Bank's performance as it is benchmarked against the market.</p>																			
	<p>The remuneration packages of KSMO are based on experience, expertise, skills and industry benchmark. Total remuneration of its employees is also set out in the Audited Financial Statements for financial year ended 31 December 2023 which allow shareholders to assess whether the remuneration of Directors and Senior Management commensurate with their performance taking into consideration of the Bank's performance.</p>																			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																				
Measure	:	The Board will closely monitor developments in the market in respect of such disclosure for future consideration.																		
Timeframe	:	Others																		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.
The company’s financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group Board Audit Committee Chairman, Mr Gregory Jerome Gerald Fernandes is an Independent Non-Executive Director (INED).</p> <p>As at 31 December 2023, the GBAC comprises of five (5) members who are all INEDs. The composition of the GBAC and details of their meeting attendance can be found in the Group Board Audit Committee Report of AFFIN Bank Group’s Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Board Audit Committee acknowledges the importance of independent Audit Committee. In doing so, the Terms of Reference for GBAC has included the revised cooling-off period as follows:-</p> <p>“A former key audit partner of the firm which has been appointed as the external auditor of the Bank, shall observe a cooling-off period of at least three (3) years from the date he/she ceases to be a partner of the firm before being appointed as a member of the GBAC.”</p> <p>The composition, quorum, frequency of meeting as well as the specific duties, responsibilities and authority of the GBAC are set out under its Terms of Reference which is available on the Bank’s corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The GBAC has put in place policies and procedures to assess the suitability, objectivity and independence of external auditors. With reference to the requirements set out in the BNM's Policy Document on External Auditors, Affin Bank Group has documented its own Group policy and procedures on Appointment and Re-appointment of External Auditors and Policy on Engagement of External Auditors for Non-Audit Services.</p> <p>Annually, the GBAC reviews and assesses the appointment or re-appointment of external auditors to ensure the suitability, objectivity and independence of the External Auditors. Among the criteria evaluated and taken into consideration by the GBAC were:</p> <ul style="list-style-type: none">• Independence, Objectivity, Familiarity Threats and Professional Scepticism;• Ability to demonstrate an unbiased stance when interpreting the standards/policies adopted by the Group;• Qualification criteria;• Level of knowledge, capabilities, experience and quality of previous work;• Level of engagement with the Board and GBAC;• Ability to provide constructive observations, implications and recommendations in areas which require improvements;• Appropriateness of audit approach, adequacy of resources and the effectiveness of overall audit planning; and• Ability to perform the audit work within the agreed duration given. <p>The GBAC meets up with the external auditors regularly to discuss the scope of their annual audit plan, evaluation of the adequacy and effectiveness of the internal controls system, results of financial reviews and audits. During FY2023, the GBAC held two (2) private sessions with the external auditors without the presence of Management to discuss any relevant matters that the external auditors may wish to highlight and obtain feedback for improvements.</p>

	<p>For engagement of the external auditors to perform non-audit services, the GBAC has to be satisfied that the provision of such services does not impair the external auditor’s objectivity and independence. Criteria and threshold have been set for fees chargeable before recommending the proposed non-audit engagement to the Board of Directors for consideration and approval.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted						
Explanation on adoption of the practice	:	<p>As at 31 December 2023, the composition of Group Board Audit Committee comprises of five (5) members who are solely Independent Non-Executive Directors.</p> <p>The composition of the GBAC is as follows:</p> <table border="1"><thead><tr><th>NAME OF COMMITTEE MEMBERS</th></tr></thead><tbody><tr><td>1. Mr. Gregory Jerome Gerald Fernandes Chairman/Independent Non-Executive Director</td></tr><tr><td>2. YBhg. Dato' Mohd Hata Bin Robani Independent Non-Executive Director</td></tr><tr><td>3. Encik Suffian Baharuddin Independent Non-Executive Director of Affin Islamic Bank Berhad</td></tr><tr><td>4. Encik Dali Kumar @ Dali bin Sardar Independent Non-Executive Director of Affin Islamic Bank Berhad</td></tr><tr><td>5. Mr Eugene Hon Kah Weng Independent Non-Executive Director of Affin Hwang Investment Bank Berhad</td></tr></tbody></table>	NAME OF COMMITTEE MEMBERS	1. Mr. Gregory Jerome Gerald Fernandes Chairman/Independent Non-Executive Director	2. YBhg. Dato' Mohd Hata Bin Robani Independent Non-Executive Director	3. Encik Suffian Baharuddin Independent Non-Executive Director of Affin Islamic Bank Berhad	4. Encik Dali Kumar @ Dali bin Sardar Independent Non-Executive Director of Affin Islamic Bank Berhad	5. Mr Eugene Hon Kah Weng Independent Non-Executive Director of Affin Hwang Investment Bank Berhad
NAME OF COMMITTEE MEMBERS								
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4. Encik Dali Kumar @ Dali bin Sardar Independent Non-Executive Director of Affin Islamic Bank Berhad								
5. Mr Eugene Hon Kah Weng Independent Non-Executive Director of Affin Hwang Investment Bank Berhad								

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied				
Explanation on application of the practice	:	<p>The Board recognises the value of an effective Group Board Audit Committee (GBAC) in ensuring the integrity in financial reporting and effective internal control framework.</p> <p>The GBAC currently comprises of five (5) INEDs, the Chairman of the GBAC is a Registered Accountant of the Malaysian Institute of Accountants with over 20 years of experience in audit and consultancy. All members of the GBAC are aware of the need to continuously develop and increase their knowledge in the area of accounting and auditing standards.</p> <p>During the financial year 2023, the GBAC members had actively participated in trainings, workshops, seminars and talks to stay informed about the latest developments and emerging risk areas in the financial services industry, including changes in regulations, accounting and auditing standards.</p> <p>Trainings attended by the GBAC members during financial year ended 2023 are as follows:-</p> <table border="1"><thead><tr><th>GBAC Members</th><th>Trainings attended</th></tr></thead><tbody><tr><td>Mr. Gregory Jerome Gerald Fernandes</td><td><ul style="list-style-type: none">• Building The Digital Bank of Tomorrow, Today• Demystifying Cyber• Media Preparedness and Crisis Simulation Training• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)• Cyber Security Incident Management Process• Business Continuity Management</td></tr></tbody></table>	GBAC Members	Trainings attended	Mr. Gregory Jerome Gerald Fernandes	<ul style="list-style-type: none">• Building The Digital Bank of Tomorrow, Today• Demystifying Cyber• Media Preparedness and Crisis Simulation Training• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)• Cyber Security Incident Management Process• Business Continuity Management
GBAC Members	Trainings attended					
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	Dato' Mohd Hata bin Robani	<ul style="list-style-type: none"> • Building The Digital Bank of Tomorrow, Today • Demystifying Cyber • Media Preparedness and Crisis Simulation Training • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Cyber Security Incident Management Process • Business Continuity Management
	En Suffian Baharuddin	<ul style="list-style-type: none"> • Building The Digital Bank of Tomorrow, Today • ICDM Powertalk Sustainability Series: (Re)Building the Board for Innovation • Demystifying Cyber • Sustainability in Business Summit 2023 (webinar) • Media Preparedness and Crisis Simulation Training • ICDM Corporate Members' Exclusive: A 60-minute Crisis Management Guide for Boards • Remaking Corporate Governance for an ESG World • Cyber Security Incident Management Process • Business Continuity Management • Navigating AI Governance and ESG Reporting for the future
	Encik Dali Kumar @ Dali bin Sardar *appointed as Director of Affin Islamic Bank Berhad on 16 June 2023	<ul style="list-style-type: none"> • Board Induction • Cyber Security Incident Management Process • Business Continuity Management
	Mr Eugene Hon Kah Weng	<ul style="list-style-type: none"> • Cloud Day • Briefing by Amazon Web Services (AWS) • Media Preparedness and Crisis Simulation • Affin Conference Series 2023 • Bursa 2023 Market Intermediaries and Advocacy Programmes: Understanding Cybersecurity • Cybersecurity Incident Management Process and BCM Awareness Talk • Advocacy Session for Directors and CEOs of Main Market Listed Issuers by Bursa Malaysia • Dialogue with Bursa Market Surveillance

		<ul style="list-style-type: none"> • KPMG ESG Talk – Addressing Challenges in Implementing ISSB Standards • Refresher Session on Business Continuity Management (“BCM”), Risk, Compliance, and Audit • AML/CFT for Boards Members & Group Management Committee Members (Y2023) • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises and exercises overall responsibilities in promoting good corporate governance and ensuring sound system of internal controls and risk management practices are maintained throughout the Bank and its subsidiaries ("the Group").</p> <p>The Group's Corporate Governance Framework is consistent and complies with the following requirements and guidelines: -</p> <ul style="list-style-type: none">(i) Malaysian Code of Corporate Governance; and(ii) BNM Policy Document on Corporate Governance. <p>The Board meets regularly to discuss matters related to system of internal controls which cover inter alia financial, operational, compliance controls and risk management procedures.</p> <p>The Board extended the responsibilities of the Group Board Audit Committee, Group Board Risk Management Committee and Group Board Compliance Committee to include the role of oversight of financial reporting, disclosures, internal controls, compliance and risk management strategies, policies and other risk related matters.</p> <p>Board receives regular reports from the Group's management relating to financial performance, key operating statistics, legal and regulatory compliance, breaches of law or regulations, unauthorised activities, and fraud.</p> <p>The Board has established a process for identifying, assessing and managing the relevant risks faced by the Group through the adoption of the following: -</p> <ul style="list-style-type: none">(i) Group Risk Management Framework(ii) Group Compliance Framework(iii) Technology Risk Management Framework(iv) Shariah Supervision and Compliance Framework <p>Further details on the Group's Risk Management and Internal Control are set out in the Statement on Risk Management and Internal Control of the 2023 Annual Report.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The risk management approach of the Group is underpinned by a sound and robust Group Risk Management Framework ("GRMF"). The GRMF is supported by the following elements:-</p> <p>(i) Risk Governance</p> <ul style="list-style-type: none">(a) Risk governance is the element through which the Board and Management establish the Group's strategy, articulate and monitor adherence to risk appetite and risk limits, as well as identify, measure and manage risks.(b) GRMF is governed by a strong oversight function comprising the Board of Directors (Board), Board Committees and Management Committees as well as all business and support units.(c) The Group Board Risk Management Committee is a designated board-level committee that is responsible for supporting the Board in providing oversight and review of risk-related frameworks/ policies.(d) The Group adopts the 13 Principles of Risk Governance as prescribed by BNM to promote sound governance for the assessment and management of risks.(e) The governance of risk is further supported by the Three Lines of Defence (3-LOD) model which outlines the functional segregation and key roles and responsibilities of the independent oversight functions as well as the business and support units within the organisation.(f) The 3-LOD Model demonstrates the relationship of the stakeholders in risk-taking activities to promote effective risk management control, assurance and governance at all levels of the organisation.(g) The Board, Board committees and Management committees are primary stakeholders served by the lines and therefore are not part of the model. Instead, they are responsible to provide support and guidance in ensuring that the model is reflected in the organisations' overall risk management and control process.

(ii) Risk Appetite

- (a) Risk Appetite demonstrates the risk-bearing capacity of the Group and its subsidiaries to undertake and sustain whilst pursuing business objectives and strategic goals, which takes into consideration the potential adverse scenarios impacting the execution of its business plans.
- (b) It is established based on strategic directions set by the Board, combining a top-down view of the Group's capacity to take risks with a bottom-up view of the business risk profile associated with each business unit's short-and longer-term plans as well as taking into consideration other key risk areas.
- (c) The Group's strategic goals are aligned with the Risk Appetite through the Risk Appetite Framework (RAF); an integrated framework encompassing the components of setting the Risk Appetite Statement (RAS) for the Group and its subsidiaries.
- (d) There are five (5) pillars guiding the development of the RAS, grouped according to the risk types as well as qualitative and/ or quantitative impact.

(iii) Risk Culture

- (a) Risk culture stems from the values, beliefs, knowledge and understanding of risk shared by the employees within the Group.
- (b) Effective implementation of the GRMF is grounded on a robust and healthy Risk Culture, achieved through components of Tone from the Top, accountability, effective communication and financial/non-financial incentives.

(iv) Risk Management Policy

- (a) Risk Management Policy is a statement of the Group's overall intentions and approaches with respect to certain areas of risk management. Risk Management Policies should clearly state the objectives for, and commitment to, risk management.
- (b) The GRMF is supported by Risk Management Policies that address the respective risk areas in further detail. At the minimum, these policies would entail:
 - The rationale for managing the risk area Links between the Group's objectives and the Risk Management Policy
 - Accountabilities and responsibilities for managing risk
 - Commitment to make the necessary resources available to assist those accountable and responsible for managing risk
 - The way in which risk management performance will be measured and reported
 - Commitment to review and improve the Risk Management Policy periodically and in response to an

	<p>event or regulatory changes.</p> <p>(c) Adherence to Risk Management policies is mandatory and any deviations or exceptions are required to be escalated to the appropriate approving authorities in support of good governance.</p> <p>(v) Risk Management Organisation</p> <p>(a) While GRM is mandated to carry out the risk management function, risk management is fundamentally the responsibility of everyone within the Bank.</p> <p>(b) Risk Management Organisation indicates that the appropriate structure is in place to support risk management and risk ownership at all levels of the Bank.</p> <p>(c) The effectiveness of a Risk Management Organisation stems from the implementation of all elements within the GRMF.</p> <p>For further information, please refer to Statement of Risk Management and Internal Control from page 174 of the 2023 Annual Report.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the Group Board Risk Management Committee (GBRMC) that is responsible for overseeing risk Management's activities in managing credit, market, liquidity, operational, legal, reputational and other relevant risks to ensure that the risk management process is in place and functioning effectively.</p> <p>The GBRMC comprises five (5) members, and the majority of members (including the Chairman) are INEDs.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board established GIA as the third line of defence, positioned to support the GBAC in providing independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management in the Group. GIA reports functionally to the GBAC and administratively to the PGCEO. It is independent from the activities or operations of business and support units in the Group.</p> <p>To ensure effective management and independence of the GIA function, the following are in place:</p> <ul style="list-style-type: none">(i) The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group. The Audit Charter also provides unrestricted access to all documents, people and assets of the Group for GIA to perform its audits;(ii) The GBAC has direct communication channel with the Group Chief Internal Auditor (“GCI A”) and meets regularly with the GCI A without the presence of Management;(iii) The GBAC reviews and approves GIA’s risk-based annual audit plan, the adequacy of audit scope coverage and resources of GIA to ensure GIA has sufficient authority and independence to carry out its work;(iv) The GBAC reviews, monitors and assesses the overall performance of the GCI A and GIA, including its progress of achievement against the approved annual audit plan and other key audit activities;(v) GIA reports significant internal control issues (including fraud, if any) to the GBAC with recommended corrective actions. Management is responsible to ensure that the corrective actions are timely and adequately implemented within the agreed timeframe. GIA closely monitors the rectification of audit findings and implementation status of corrective actions.

	<p>(vi) The GBAC takes note of any significant disagreements between GIA and Senior Management (if any), whether resolved or not, to assess their potential impact on the audit process or findings. This will ensure that any potential risks or areas of concern within the Group could be addressed proactively.</p> <p>For more information, please refer to the Group Board Audit Committee Report at page 166 in the Annual Report 2023.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has, through the GBAC, disclosed the following in the GBAC Report in Affin Group’s Annual Report 2023:</p> <p>(i) <u>Independence of Group Internal Audit Division and its personnel</u> The Board established GIA as the third line of defense, positioned to support the GBAC in providing independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management in the Group. GIA reports functionally to the GBAC and administratively to the President & Group Chief Executive Officer (PGCEO). It is independent from the activities or operations of business and support units in the Group.</p> <p>The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group.</p> <p>In maintaining independence and objectivity, GIA ensures that the internal auditors are free from any relationship or conflict of interest when performing their duties. The internal auditors confirm via annual declaration that they are free from any relationships or conflicts of interest that could impair their independence and objectivity in the course of carrying out their duties.</p> <p>(ii) <u>Internal Audit Resources</u> As of 31 December 2023, GIA has a total staff strength of 53 qualified internal auditors from diverse backgrounds and disciplines, mainly specialising in credit, information technology, risk management, Islamic Banking, fraud and investigation, treasury, finance/ accounting, investment banking, and stockbroking. A majority of the internal auditors</p>

	<p>are certified with professional qualifications such as the Chartered Banker (CB), Certified Bank Auditors (CBA), Certified Information Systems Auditor (CISA), Chartered/Certified Accountants (e.g. ACCA, MICPA) qualifications, certification programmes from the Financial Markets Association of Malaysia (FMAM) and others.</p> <p>(iii) <u>Group Chief Internal Auditor (GCI)</u> Currently, GIA is headed by Puan Wahdania Mohd Khir, who has more than 28 years of extensive experience in the financial services industry, as well as, the market operator & frontline market regulator Bursa Malaysia. Wahdania, who holds a Master of Science in Quantitative Finance from the University of Westminster London, is also a Chartered Banker and a member of the Financial Markets Association Malaysia. In the financial services industry, she has held various senior roles such as the Head of Global Market Compliance and Treasury Operations and Senior Director of Group Audit at a major financial institution.</p> <p>(iv) <u>Internal Audit Framework</u> The processes and activities of GIA are guided by The Institute of International Auditors' (IIA) International Professional Practices Framework (IPPF), as well as, standards and requirements set out by regulators on the internal audit function. In evaluating the adequacy and operating effectiveness of internal controls, GIA also adopts the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework into its audits, as baseline to assess the adequacy and operating effectiveness of governance, risk management processes and internal control activities in the respective areas of audit.</p> <p>For more information, please refer to the Group Board Audit Committee Report at page 166 in the Annual Report 2023.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Management recognised the importance of maintaining good relationship with both shareholders and stakeholders and is committed to providing effective and open two-way communication to improve disclosure and transparency.</p> <p>The Bank continuously ensure that timely, complete, transparent and accurate disclosures are made to the shareholders and stakeholders in accordance with the requirements of BNM CG and MMLR.</p> <p>Various communication channels are used to promote effective communication between the Bank and its stakeholders through the media, Annual General Meeting (AGM)/Extraordinary General Meeting, meetings with analysts/investors, corporate briefings and road shows. Active communications with the investors and public are made through various communication channels such as events, advertisements, media releases, public relations and the Bank's corporate website.</p> <p>The Bank's key communication platforms are as follows:-</p> <p><u>Notice of AGM</u></p> <p>The notice of the AGM together with the Annual Report are sent to the shareholders 28 days ahead before the AGM so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and voted at the AGM. During the AGM, shareholders are given the opportunity to raise questions or seek clarifications on the agenda items as well as other matters concerning the Bank.</p> <p><u>AGM</u></p> <p>AGM is an important platform for the shareholders to interact, communicate and raise questions directly with the Board and Management.</p> <p>The Board and Management put an emphasis on engaging with the shareholders during AGM to ensure queries were attended. The</p>

	<p>questions raised were flashed out during the AGM to ensure transparency and accuracy of the questions asked and answered. In addition to the queries by shareholder, queries by MSWG on Affin and the answers given by Affin are shared with shareholders during the AGM.</p> <p>All resolutions deliberated during the General Meetings will be put to vote by way of poll and the voting results will be released to Bursa Malaysia on the same day.</p> <p>Minutes of the AGM/EGM including significant matters discussed are disclosed on at Affin Bank’s website at www.affingroup.com.</p> <p>As part of the effort to safeguard the wellbeing of the shareholders and employees, the Bank had opted to conduct a fully virtual AGM in 2023 and Affin Bank intends to conduct hybrid AGM in 2024.</p> <p><u>Annual Report</u></p> <p>Shareholders are furnished with the Bank’s Annual Report which include amongst others, Directors’ Report, Financial Statements and operational performance of the Bank.</p> <p>The annual report is available at Affin Bank’s website at www.affingroup.com.</p> <p><u>AFFIN Group Website</u></p> <p>The shareholders and stakeholders may obtain information about the Bank through the corporate website (www.affingroup.com) where it provides convenient access to the latest and archival information about the Bank. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made by the Bank to Bursa Malaysia.</p> <p>In addition, the corporate website has a dedicated Investor Relations section that provides relevant investor-related information and also on Corporate Governance matters which include Board Charter and Whistleblowing Policy and Procedure.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>

Timeframe	:		
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Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt a full Integrated Reporting. The Board acknowledges that Integrated Reporting goes beyond a mere combination of the reports in the Annual Report into a single document.	
	:	The Bank's Annual Report is in the journey of transitioning into a full Integrated Reporting. The Bank aims to fully adopt the Integrated Reporting by financial year ending 31 December 2024.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Bank aims to fully adopt the Integrated Reporting by financial year ending 31 December 2024.	
Timeframe	:	Within 1 year	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	In line with the recommendations of the Malaysian Code of Corporate Governance 2021, the Notice of the 48 th Annual General Meeting (AGM) of the Company dated 27 March 2024 is issued to the shareholders 28 days prior to the AGM which is scheduled on 25 April 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank's 47th AGM held on 25 May 2023 was via video conference at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia (Broadcast Venue). All ten (10) Directors were present at the Broadcast Venue.</p> <p>The Chairman and Chair of the respective Board Committees are involved in the preparations of AGM and are regularly updated by the Management on potential issues which may arise during the AGM. They are also fully aware of their respective scope of responsibilities and will be prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Board Committees that they lead.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank continuously leverage on technology to facilitate greater shareholders' participation and enhance the proceedings of the AGM. In line with the Securities Commission Malaysia's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers and taking into consideration that precautionary measures during the "Transition to Endemic" phase, the Bank had conducted a virtual AGM on 25 May 2023.</p> <p>The AGM was broadcasted from Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia and held through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online. To participate, members are required to register via Tricor's TIIH Online.</p> <p>Shareholders participated and voted at the said AGM via e-platform provided by the Bank's share registrar.</p> <p>The meeting was conducted in accordance with Section 327 of the Companies Act, 2016 and Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>Prior to the virtual meeting, the Bank performed testing and "dry run" to ensure that the technology adopted are stable for a smooth meeting experience.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>Notice of the 47th AGM was circulated to shareholders within the time limit provided by relevant regulatory requirements. The shareholders were given opportunity to submit their queries to the Company from the date of the notice being circulated prior to the 47th AGM.</p> <p>At the 47th AGM, Chairman, Dato' Agil Natt briefed the members, corporate representatives and proxies present virtually at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 47th AGM dated 26 April 2023.</p> <p>The key proceedings of the 47th AGM were as follows:-</p> <ol style="list-style-type: none">1. Preliminary remarks by Chairman2. Pre-recorded video presentation on poll voting procedures3. Chairman's highlights4. Presentation by PGCEO on AFFIN Group's performance for financial year ended 31 December 2022.5. MSWG questions6. Approval of Resolutions7. Presentation by Affin Hwang Investment Bank Berhad on Share Grant Scheme8. Questions and answer session9. Voting and pool results10. Verification of poll results by independent scrutineer11. Closing remarks by Chairman. <p>The minutes of the 47th AGM were published on Affin Group's website at www.affingroup.com and as for the questions that were not answered during AGM, it was responded directly to the shareholder within stipulated time.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: ABB had conducted a fully virtual meeting for its 47 th AGM on 25 May 2023 which was broadcasted live from the Broadcast Venue. The necessary support/infrastructure was provided by the appointed Share Registrar to ensure that the AGM went smoothly and able to provide meaningful engagement between the board, senior management and shareholders. As required under the practice, questions from MSWG and shareholders which were raised prior to and during the meeting as well as the Group's responses were shared with all shareholders during the Q&A session of the virtual AGM and subsequent published on the Bank's corporate website at https://affin.listedcompany.com/agm_egm.html
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the Annual General Meeting was uploaded to ABB's website at www.affingroup.com within the stipulated timeline.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

BOARD OF DIRECTORS	
Profile of Directors	
YBHG DATO' MD AGIL BIN MOHD NATT <i>Chairman / Independent Non-Executive Director</i>	
Nationality/Age/Gender	Malaysian/72 years old/Male
Date of Appointment	8 November 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Advanced Management Program (AMP163), Harvard Business School, USA • Master of Science in Finance, Bayes Business School, City, University of London, UK • Bachelor of Science in Economics (Hons), Brunel University, UK
Working Experience and Occupation	<ul style="list-style-type: none"> • Investment Panel member of Employees Provident Fund Board • President & CEO, International Centre for Education in Islamic Finance (INCEIF) • Executive Director & Deputy President, Maybank • MD/CEO, Aseambankers Bhd (now known as Maybank Investment Bank) • Senior GM, Corporate Banking, Maybank • Regional Chief Representative, Kleinwort Benson Ltd (Investment Bank), Malaysia & UK • Senior GM, Finance, Island & Peninsular Bhd • Manager, Corporate Finance, Bumiputra Merchant Bankers Berhad
Past Directorship	<ul style="list-style-type: none"> • Chair/ Independent Director, Manulife Insurance Bhd • Chair/ Independent Director, Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Bhd) • Chair/Independent Director, Credit Guarantee Corporation Malaysia Bhd • Independent Director, Cagamas Berhad • Director, Sogo (KL) Sdn Bhd • Independent Director, Export-Import Bank of Malaysia Bhd • Chair/Independent Director, Sumitomo Mitsui Banking Corporation Malaysia Bhd
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil

Other Appointment(s)/ Commitment(s)	Nil
Membership of Board Committees	<ul style="list-style-type: none"> • Chair, Affin Group Chairmen Committee • Member, Group Board Credit Review and Recovery Committee • Member, Group Board Information Technology Committee
Attendance for the Financial Year Ended 31 December 2023	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' MOHD HATA BIN ROBANI

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/71 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Economics (Business Administration), University of Malaya • Management Development Programme, University of Harvard, USA
Working Experience and Occupation	<ul style="list-style-type: none"> • Advisor, Agenda Harmoni Sdn Bhd • Executive Chairman, Excellent Tank Treatment Services Sdn Bhd • Managing Director, Malaysian Electronic Payment System Sdn Bhd (MEPS) • Executive Director, BSN Commercial Bank Berhad • General Manager, Financial Services Division, Amanah Capital Partners Group • Group Chief Operating Officer, Amanah Capital Partners Group • Head of Banking Department, Bank Negara Malaysia • Head of Technology Department, Bank Negara Malaysia • Senior Officer of Bank Inspection Department, Bank Negara Malaysia
Past Directorship	<ul style="list-style-type: none"> • Director , Seacorp Schroeder Asset Management Berhad • Director, Short Deposits Malaysia Berhad • Director, Asia Unit Trust Berhad • Director, Taisho Marine & Fire Insurance (M) Berhad • Director, Fulton Preborn Sdn Bhd
Directorship(s) in Other Public Listed Companies	Director, Affin Holdings Berhad
Directorship(s) in Other Public Companies	Nil
Other Appointment(s)/ Commitment(s)	Member, Finance and Investment Committee of Perbadanan Wakaf Selangor
Membership of Board Committees	<ul style="list-style-type: none"> • Chair, Group Board Credit Review and Recovery Committee (w.e.f 1 November 2023) • Member, Group Board Audit Committee • Chair, Group Board Compliance Committee (up to 31 October 2023)
Attendance for the	11 scheduled meetings and 6 special meetings

Financial Year Ended 31 December 2023	
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' ABDUL AZIZ BIN ABU BAKAR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/70 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	Bachelor of Economics (Hons.), University of Malaya Senior Management Development Programme (SMDP), Harvard Business School
Working Experience and Occupation	<ul style="list-style-type: none"> • CEO/ED, Malaysian Directors Academy (MINDA) • Chief Human Capital Officer, Telekom Malaysia Berhad (TM) • Executive VP, Human Resources, RHB Bank Berhad • General Manager/Human Resources, Shell Malaysia Trading Sdn Bhd (SMTSB) • Managing Director, INTRIA Berhad (currently known as UEM Builders) • Shareholders' representative for China and Hong Kong, SHELL Group • Area GM/East Coast, SMTSB • Manager/Marketing Economics, SMTSB • Executive/Internal Audit, SMTSB • Fleet Planning Coordinator/ Fleet Planning Department, Malaysian Airlines System (MAS)
Past Directorship	<ul style="list-style-type: none"> • Alternate Director, SOCSO • Director, Costain Group PLC (UK) • Director, Rangkaian Segar Sdn Bhd • Director, FCW Holdings Berhad
Directorship(s) in Other Public Listed Companies	NIL
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> • Director, Merchantrade Asia Sdn Bhd • Director, AKIIM Sdn Bhd [formerly known as Alkhair International Islamic Bank (AKIIB)] • Director, Institute of Corporate Directors Malaysia (ICDM) • Fellow, Institute of Corporate Directors Malaysia (ICDM) • Member, Nomination and Remuneration Committee of Razak School of Government (RSOG)
Membership of Board Committees	Chair, Group Board Nomination and Remuneration Committee
Attendance for the Financial Year Ended 31 December 2023	Attended 11 scheduled meetings and 6 special meetings
Shareholdings in Affin Bank Berhad	NIL

MR. CHAN TZE CHING IGNATIUS*Non-Independent Non-Executive Director*

Nationality/Age/Gender	Chinese /67 years old /Male
Date of Appointment	1 December 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Business Administration, University of Hawaii, USA • Master of Business Administration, University of Hawaii, USA • Certified Public Accountant, American Institute of Certified Public Accountants
Working Experience and Occupation	<ul style="list-style-type: none"> • Senior Advisor, CVC Capital Partners • Deputy Chief Executive, Bank of China (Hong Kong) • Head, Corporate and Investment Banking Business, Citibank, Greater China • Chief Operating Officer, Citibank Greater China • Country Officer, Citibank Taiwan • Country Officer, Citibank Hong Kong • Head, Corporate Banking Business, Citibank Hong Kong • Country Treasurer and Head Sales and Trading, Citibank Hong Kong • Vice President, Citibank Japan Management Associate, Citibank, Hong Kong and Japan
Past Directorship	<ul style="list-style-type: none"> • Chairman, Audit Committee of Hong Kong Red Cross • Judicial Committee Member, Standing Commission on Civil Service Salaries and Conditions of Service (SCCS) • Member Standing Commission, Judicial Committee, Standing Commission on Civil Service Salaries and Condition of Service • Independent Non-Executive Director, Hong Kong Exchanges and Clearing Limited • Member, Disciplinary Appeals Committee, Hong Kong Securities • Chairman of Prasac Microfinance Institution limited, Cambodia (PRASAC) • Member, Financial Reporting Council, Hong Kong • Non-Executive Director, Rizal Commercial Banking Corporation (RCBC) • Member, Hong Kong Tourism Board • Chairman, Hong Kong Polytechnic University Council • Deputy Chairman, Hong Kong Polytechnic University Council • Council Member, Hong Kong Polytechnic Council • Member, Executive Committee of Investor Education Centre, Securities and Futures Commission • Non-Independent Non-Executive Director, Affin Holdings Berhad • Member, Sponsorship and Development Fund Committee of Hong Kong Metropolitan University (Formerly known as Hong Kong Open University) • Non-Executive Director, ICEA Finance Holdings Limited (Former Name: Tung Shing Holdings Company Limited) • Independent Non-Executive Director, Larry Jewelry International Company Limited • Member, Greater Pearl River Delta Business Council (Convener of Services Industry Development & Human Resources Sub-group)

	<ul style="list-style-type: none"> • Member, HKSAR Advisory Committee on Bond Market Development • Chairman, HKSAR Travel Industry Compensation Fund Management Board • Member, HKSAR Advisory Committee on Human Resources Development in the Financial Services Sector • Member, HKSAR Small and Medium Size Enterprise Committee • Chairman, Financial & Treasury Services Committee, Hong Kong General Chamber of Commerce • Honorary Chairman, Hong Kong Chinese Bankers Club • Council member, Hong Kong Treasury Markets Association • Council member, Employer's Federation of Hong Kong • Advisory Board Member, Hong Kong Export Credit Insurance Corporation • Member, Banking Advisory Committee of Banking Advisory Committee of the Hong Kong Monetary Authority
Directorship(s) in Other Public Listed Companies	<ul style="list-style-type: none"> • Director, Mongolian Mining Corporation (MMC) • Director, China State Construction International Holdings Limited
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	Senior Advisor, BEA
Membership of Board Committees	
Attendance for the Financial Year Ended 31 December 2023	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	NIL

* Chan Tze Ching, Ignatius s a nominee of BEA, a major shareholder of Affin Bank Berhad

DATO' ROZALILA BINTI ABDUL RAHMAN

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/62 years old /Female
Date of Appointment	4 February 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Science, Food Science & Technology , Universiti Pertanian Malaysia • Certificate of Merits, Sophia University, Japan • Diploma of Science with Education (Math Major), Universiti Pertanian Malaysia
Working Experience and Occupation	<ul style="list-style-type: none"> • Chief Executive Officer, Astro GS Shop Sdn Bhd • Adjunct Professor, Faculty of Economics and Management, Universiti Putra Malaysia • Chief Marketing Officer, TM Berhad • General Manager, Maxis Berhad • Sales & Marketing Director, Bank Simpanan Nasional • Marketing Manager, Reckitt Benckiser, Malaysia & Singapore • Marketing Manager, Kellogg Asia Inc. South East Asia

	<ul style="list-style-type: none"> • Senior Brand Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Brand Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Quality Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Product Development Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Cold Room Supervisor, Perwira Niaga Malaysia, PERNAMA
Past Directorship	<ul style="list-style-type: none"> • Director, Awake Asia Distribution Sdn Bhd • Independent Non-Executive Director, MISC Berhad
Directorship(s) in Other Public Listed Companies	<ul style="list-style-type: none"> • Independent Non-Executive Director and Chairperson, AGX Group Berhad
Directorship(s) in Other Public Companies	
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> • Managing Director & Company Director, Lestari Prestasi Sdn Bhd • Director, Agensi Pekerjaan Nova Excel Sdn Bhd
Membership of Board Committees	<ul style="list-style-type: none"> • Chair, Group Board Compliance Committee (w.e.f 1 November 2023) • Member, Group Board Sustainability Committee (w.e.f 1 November 2023) • Chair, Group Board Risk Management Committee (up to 31 October 2023) • Member, Group Board Information Technology Committee (up to 31 October 2023)
Attendance for the Financial Year Ended 31 December 2023	Attended 10 scheduled meetings and 6 special meetings
Shareholdings in Affin Bank Berhad	NIL

MR. YUEN WAI HUNG, PETER

Non-Independent Non-Executive Director

Nationality/Age/Gender	American/61 years old /Male
Date of Appointment	1 November 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Business Administration, University of Houston, USA • Bachelor of Business Administration (Major in Finance), University of Hawaii, USA
Working Experience and Occupation	<ul style="list-style-type: none"> • General Manager & Head of Strategic Partnerships/Financial Institutions, The Bank of East Asia, Limited (BEA) • General Manager/Head of Financial Institutions Department, BEA • Head/Financial Institutions Department, BEA
Past Directorship	<ul style="list-style-type: none"> • Director, East Asia Property Holdings (Jersey) Limited • Director, PRASAC Microfinance Institution Limited • Director, East Asia Indonesian Holding Limited

	<ul style="list-style-type: none"> • Director, East Asia Holding Company, Inc • Director, Leader One Limited • Director, Industrial and Commercial Bank of China (Canada) • Director, Industrial and Commercial Bank of China (USA)
Directorship(s) in Other Public Listed Companies	NIL
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	Advisor, The Bank of East Asia
Membership of Board Committees	Member, Group Board Compliance Committee (up to 31 October 2023)
Attendance for the Financial Year Ended 31 December 2023	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	NIL

* Yuen Wai Hung, Peter is a nominee of BEA, a major shareholder of Affin Bank Berhad

PUAN MARZIDA BINTI MOHD NOOR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/60 years old /Female
Date of Appointment	1 March 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Science in Management Information Systems, United States International University, San Diego, California, USA • Bachelor of Science in Business, Indiana University Bloomington, Indiana, USA
Working Experience and Occupation	<ul style="list-style-type: none"> • Manager, HRIT Competency Centre, Shell Business Operations Oil & Gas • Programme Manager, SAP Business Objects Software License Management, Shell Business Operations Oil & Gas • Programme Manager, Global Retail Site Systems Support Services, Shell Business Operations Oil & Gas • Planning and Programme Manager & Downstream IT Global Strategy, Shell Business Operations Oil & Gas • Chief Information Officer, Malaysia Airlines Air Transportation • Senior General Manager, Programme Management Office, Malaysia Airlines Air Transportation • Programme Manager, Support Services Business Improvement Programme, Malaysia Airlines Air Transportation • Vice President, IT Planning & Development, Malaysia Airlines Air Transportation • Programme Director, Y2K Corporate, Malaysia Airlines Air Transportation • Programme Director, Y2K Corporate, Malaysia Airlines Air Transportation • IT Management Consultant, KPMG Peat Marwick Management Consulting

	<ul style="list-style-type: none"> IT Executive, Head of Department, Intradagang Merchant Bank Banking
Past Directorship	<ul style="list-style-type: none"> Director, Allianz Malaysia Berhad Director, Green Laundry Sdn Bhd Director, Tegas Lestari Sdn Bhd Director, Aricend Bella Visage Sdn Bhd Director, MNF Properties Sdn Bhd Director, Trifiniti Online Sdn Bhd Director, Trifiniti Ventures Sdn Bhd
Directorship(s) in Other Public Listed Companies	NIL
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> A volunteer member of 30% Club Malaysia, a platform which is set up to improve gender diversity on the board of public listed companies Member, Advisory Panel, Precious Amber International Berhad.
Membership of Board Committees	<ul style="list-style-type: none"> Chair, Group Board Information Technology Committee Member, Group Board Nomination and Remuneration Committee
Attendance for the Financial Year Ended 31 December 2023	10 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	NIL

MR. GREGORY JEROME GERALD FERNANDES

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/68 years old /Male
Date of Appointment	1 April 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Registered Accountant from Malaysian Institute of Accountants Associate, Institute of Chartered Accountants in England & Wales Fundamentals of Accounting, North East London Polytechnic, United Kingdom
Working Experience and Occupation	<ul style="list-style-type: none"> Corporate Advisor/CEO Office, Offshore Works Sdn Bhd Consultant/Finance, Platinum Energy Sdn Bhd Senior Vice President Global Marketing Scomi Engineering Berhad Chief Financial Officer, Scomi Engineering Berhad Associate Director, Innovation Associates Director/Corporate Finance, Nikkei Pacific Corporate Advisors Sdn Bhd Principal/Assurance, AJ Shah & Associates (EY Technical Associate Firm), Seychelles Manager-Principal/Assurance, Ernst & Young Trainee Supervisor/Assurance, Ernst & Young

Past Directorship	<ul style="list-style-type: none"> Director, Chubb Insurance Malaysia Berhad
Directorship(s) in Other Public Listed Companies	NIL
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none">
Membership of Board Committees	<ul style="list-style-type: none"> Chair, Group Board Audit Committee Member, Group Board Compliance Committee
Attendance for the Financial Year Ended 31 December 2023	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	NIL

MS. CHAN WAI YU

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/65 years old /Female
Date of Appointment	1 April 2021
Academic/Professional Qualification(s)	Bachelor of Economics (Analytical Economics), 2 nd Class Upper Hons, University of Malaya (UM)
Working Experience and Occupation	<ul style="list-style-type: none"> Vice President, Chairman/CEO Secretariat, OCBC Bank (Malaysia) Berhad Director, Head, Operational Risk Management, Bank of Singapore Vice President, Head, Operational Risk Management, OCBC Bank (Malaysia) Berhad Head, Risk Portfolio Management, OCBC Bank (Malaysia) Berhad Head, Credit Risk Management, Maybank Head, Operational Risk Management, Maybank Project Director, Basel II Project Management Office, Maybank Project Manager, Integrated Risk Management Project, Maybank Head, Credit Risk Analytics, Maybank Head, Credit Policy, Maybank Officer, Credit Processing & Loans Supervision, Maybank Officer, Branch Operations, Maybank
Past Directorship	NIL
Directorship(s) in Other Public Listed Companies	NIL
Directorship(s) in Other Public Companies	NIL
Other Appointment(s)/ Commitment(s)	NIL
Membership of Board Committees	<ul style="list-style-type: none"> Chair, Group Board Risk Management Committee (w.e.f 1 November 2023) Chair, Group Board Review and Recovery Committee (up to 31 October 2023)
Attendance for the	All the 11 scheduled Board Meetings and 7 special Board Meetings

Financial Year Ended 31 December 2023	
Shareholdings in Affin Bank Berhad	NIL

Encik Mohammad Ashraf Bin Md Radzi

Non-Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/46 years old /Male
Date of Appointment	3 October 2022
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Capital Markets Services Representative License Modules 12 & 19, Security Commission • Chartered Accountant, Malaysian Institute of Accountants • Member Association of Chartered Certified Accountants, United Kingdom • Bachelor of Accountancy (Hons), Universiti Tenaga Nasional • A-Levels, MARA Institute of Technology
Working Experience and Occupation	<ul style="list-style-type: none"> • Chief Financial Officer, Lembaga Tabung Angkatan Tentera (Present) • Chief Financial Officer, Ahmad Zaki Resources • General Manager Corporate Finance, Ahmad Zaki Resources • Associate Director, Corporate Advisory and Structuring, MIDF Amanah Investment Bank • General Manager, Finance Special Projects, Johawaki Holdings Sdn Bhd • Associate Director, Capital Market, Prokhas Sdn Bhd • Regulatory Reporting Analyst, UBS Investment Bank, London • Financial Accountant European Region, CUNA Mutual Life Assurance (Europe) Limited • Audit Senior, Ernst & Young • Interviewer and Researcher, AC Nielsen
Past Directorship	<ul style="list-style-type: none"> • Director, EKVE Sdn Bhd • Director, Peninsular Precast Sdn Bhd • Director, Astral Far East Sdn Bhd
Directorship(s) in Other Public Listed Companies	<ul style="list-style-type: none"> • Director, Pharmaniaga Berhad (Representing LTAT)
Directorship(s) in Other Public Companies	
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> • Director, Irat Properties Sdn Bhd (Representing LTAT) • Director, Irat Hotels and Resorts Sdn Bhd (Representing LTAT) • Director, BP Malaysia Holdings Sdn Bhd (Representing LTAT) • Board of Trustee Yayasan Veteran ATM
Membership of Board Committees	Member, Group Board Risk Management Committee
Attendance for the Financial Year Ended 31 December 2023	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	NIL

* Mohammad Ashraf Bin Md Radzi is a nominee of LTAT, a major shareholder of Affin Bank Berhad

Puan Emeliana Dallan Rice-Oxley*Independent Non-Executive Director*

Nationality/Age/Gender	Malaysian/61 years old /Female
Date of Appointment	1 October 2023
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Advanced Management Program from Harvard Business School, USA Professional Certification in Decision Quality and Risk Management from Stanford University, USA Bachelor of Science, Geology from University of South Carolina, USA
Working Experience and Occupation	<ul style="list-style-type: none"> VP, Exploration Upstream, Petronas VP Exploration Malaysia, Petronas Senior General Manager Exploration Malaysia Hydrocarbon Maturation Manager, Onshore US and Latin America, SHELL Brazil Exploration Team Leader, SHELL Manager, Exploration Portfolio & Planning. Asia Pacific Various Technical and team leaders role, SHELL
Past Directorship	<ul style="list-style-type: none"> Non-Independent Non-Executive Director, Petronas Management Training Sdn Bhd Non-Independent Non-Executive Director, PETRONAS Gas Berhad Non-Independent Non-Executive Director, PETRONAS E&P Overseas Ventures Sdn Bhd Non-Independent Non-Executive Director, Petronas Carigali Overseas Sdn. Bhd
Directorship(s) in Other Public Listed Companies	<ul style="list-style-type: none"> Independent Non-Executive Director, Hibiscus Petroleum Berhad Independent Non-Executive Director, PGS ASA
Directorship(s) in Other Public Companies	
Other Appointment(s)/ Commitment(s)	Member, Business Advisory Board of Heriot-Watt University Malaysia
Membership of Board Committees	Chair, Group Board Sustainability Committee (w.e.f 1 November 2023)
Attendance for the Financial Year Ended 31 December 2023	All the 2 scheduled Board Meetings and 2 special Board Meetings (<i>since her appointment as Director on 1 October 2023</i>)
Shareholdings in Affin Bank Berhad	NIL

Changes of Board of Directors during the Financial Year Ended 2023 up to 31 March 2024

- 1) Puan Emeliana Dallan Rice-Oxley was appointed to the Board as Independent Non- Executive Director w.e.f. 1 October 2023.

Roles and Responsibilities of the Board

The key roles and responsibilities of the Board are as follows:-

- 2) Approving the Bank's risk appetite, annual business plan and other initiatives which would have material impact on the Bank's risk profile.
- 3) Overseeing the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of the Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Bank.
- 4) Overseeing the implementation of the Bank's governance framework and internal control framework, and periodically ascertaining whether they remain appropriate in the light of material changes to the size, nature and complexity of the Bank's operations.
- 5) Promoting, together with Senior Management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour.
- 6) Promoting together with Senior Management, ensure governance of sustainability in the Bank through appropriate environmental, social and governance considerations in the Bank's business strategies, priorities and targets.
- 7) Overseeing and approving the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress.
- 8) Promoting timely and effective communication between the Bank and BNM on matters affecting, or that may affect, the safety and soundness of the Bank.
- 9) Undertaking various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time.
- 10) Ensuring the establishment and implementation of group-wide policies and procedures to ensure Group's compliance with the regulatory requirements and guidelines issued by BNM, SC, Bursa Malaysia and Companies Commission of Malaysia (CCM).

Roles and Responsibilities of the Board Committees

Group Board Audit Committee

- To establish the framework and oversee the audit function of Affin Group.
- To provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities in ensuring that good corporate governance, system of internal controls, codes of conduct and compliance with regulatory and statutory requirements are maintained by the Group.
- Implement and support the function of the Board by reinforcing the independence and objectivity of the Group Internal Audit Division (GIA).
- Ensure that Internal and External Audit functions are properly conducted, and audit recommendations are implemented timely and effectively.

Group Board Risk Management Committee

- Oversee, review, assess and examine the adequacy of the Group-wide enterprise risk management framework, policies and guidelines to adequately protect the Group against all relevant risks, comprising but not limited to, Credit Risk, Market, Liquidity and Interest Rate Risk, Operational Risk (including Legal/Regulatory Risks and Shariah Non-Compliance Risk), Reputational Risk, Technology Risk as well as Environmental, Social and Governance (ESG) risk.
- Review and recommend the Group's enterprise-wide risk strategy, risk appetite and risk management

framework for approval by the respective entities' Board of Directors.

- Providing oversight on the Group's ability to build resilience against the adverse impacts of ESG and climate-related risks.
- Oversee the overall recovery planning process, including the development, maintenance, and implementation of the Group Recovery Plan (GRP) in all phases.

Group Board Compliance Committee

- Assess and examine the adequacy of Group compliance and integrity as well as governance frameworks for the Group.
- Support the Board to fulfil its responsibilities to:-
 - Oversee the management of compliance risk by ensuring compliance process is in place and functioning in line with the expectations of regulators.
 - Oversee integrity and governance matters inclusive of corruption, fraud, malpractice, unethical conduct and abuse of power within the organisation that are guided by applicable laws and regulations and make the necessary recommendations to align to the Group's long-term strategy.
 - Review and recommend risk management and corruption risk management philosophy and strategy for the Board's approval.
 - Ensure clear and independent reporting lines and responsibilities for the overall business activities, compliance functions and integrity & governance function.
 - Ensure the practice of excellent work culture among employees, with strong morals and ethics within the organisation.
- Monitor the Bank's management of compliance risk through periodic reporting on AML/CFT updates, outcome from compliance review exercise, statistics of whistleblowing cases as well as non-compliance incidences report.

Group Board Nomination and Remuneration Committee

- To provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach would promote compensation philosophy which would drive performance of the Group as a whole.
- To review the diversity, matrix skills of the Board and Management from broader perspective to ensure that it aligns with the Group's strategy and placement of human capital at entity level with the right skills set.
- The GBNRC is set-up with the following objectives:-
 - The selection and appointment of new Directors and PGCEO as well as assessment of effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and Key Senior Management Officers (KSMO); and
 - Develop remuneration policy for Directors, PGCEO and KSMO and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies.

Group Board Credit Review and Recovery Committee

- The Group Board Credit Review and Recovery Committee is established to assist the functions of the Board in respect of its inherent authority over approval on loan/financing application/proposals which are considered by the Group Management Credit Committee (GMCC).
- The duties and responsibilities of the Committee shall include the following:
 - Critically review credit facilities application, after due process of checking, analysis, review and recommendation by the Group Credit Management Division to GMCC, and if found necessary, to exercise the power of veto on behalf of the Board, on credit applications that have been approved

by the GMCC.

- Assisting the Board of Directors in performing oversight function and provide recommendations in respect of investment strategies, credit risk assessment, management and performance of partnership investment accounts under Islamic Banking such as Musyarakah financing/ventures or Mudharabah financing/ventures.
- To consider whether to affirm/veto credit/underwriting proposal, impose additional terms or modify the terms approved by the GMCC thereof.
- To set and review recovery targets as well as monitor the progress of recovery efforts.
- To ensure that the GMCC has discharged its responsibilities in a timely and proper manner.
- To offer advice and directions relating to credit portfolio.

Group Board Information Technology Committee

- Oversee the overall development, risk management, integration and alignment of the Information Technology (IT) strategy and plan with Affin Bank entities strategic business direction and plan.
- Ensure that IT has the right talent and culture to develop organisational capabilities which are agile, innovative, adaptable and most importantly focused on business value creation.
- Oversee the overall Affin Group strategic transformation programme, ensure alignment with business strategic objectives and effective implementation in a timely manner.

Group Board Sustainability Committee

- Assist the Board of Affin Group (the Board) by providing ongoing oversight of the development and implementation of the Group's Sustainability matter including Value based Intermediation Financing and Impact Assessment Framework (VBIAF).
- Provide oversight, advice, and direction in the development, implementation, and monitoring of the strategies, framework, and policies with respect to sustainability, VBIAF, climate change, and corporate social responsibility of Affin Group.
- Review and make recommendations to the Board on the suitability of the Group's climate, VBIAF, and sustainability strategy, position statements, frameworks, ambitions, metrics, and targets.
- Report to the Board on the climate, VBIAF, and sustainability matters for which it is responsible, escalate issues, and make recommendations to the Board where appropriate.

The attendance of members for the respective Board Committees for meetings held in 2023 are as follows:-

Directors	GBNRC	GBCRRC*	GBAC*	GBITC*	GBRMC*	GBCC*	GBSC#
<i>Representatives of Affin Bank Berhad (ABB)</i>							
YBhg Dato' Md Agil bin Mohd Natt	-	27/27	-	15/15	-	-	-
YBhg Dato' Abdul Aziz bin Abu Bakar	11/11 (C)	-	-	-	-	-	-
YBhg Dato' Mohd Hata bin Robani		4/4 (C)	15/15			10/10	
Mr. Ignatius Chan Tze Ching	-	-	-	-	-	-	-
YBhg. Dato' Rozalila Binti Abdul Rahman	-	-	-	12/13	14/14	2/2 (C)	1/1
Mr. Yuen Peter Wai Hung	-	-	-	-	-	10/10	-
Ms Marzida Binti Mohd Noor	11/11	-	-	15/15 (C)	-	-	-

Mr. Gregory Jerome Gerald Fernandes	-	-	15/15 (C)	-	-	12/12	-
Ms. Chan Wai Yu	-	23/23	-	-	15/15 (C)	-	-
Encik Mohammad Ashraf Bin Md Radzi	-	-	-	-	15/15	-	-
Ms. Emeliana Dallan Rice-Oxley (Appointed as Director of ABB effective 1 October 2023)	-	-	-	-	-	-	1/1 (C)
<i>Representatives of Affin Islamic Bank Berhad (AiBB)</i>							
Tuan Haji Musa Bin Abdul Malek (Chairman, AiBB)	-	22/27	-	11/13	-	-	1/1
Encik Suffian Bin Baharuddin	-	-	15/15	-	14/15	-	-
Datuk Mohd Farid Bin Mohd Adnan	11/11	-	-	-	-	11/12	-
Ms. Tan Ler Chin, Cindy	-	-	-	14/15	13/15	-	-
Encik Muhammad Fitri Bin Othman	-	-	-	-	-	12/12	-
Encik Dali bin Sardar (Appointed as Director of AIBB effective 16 June 2023)	-	13/13	2/2	-	-	-	-
Dr. Sharbanom binti Abu Bakar (Appointed as Director of AiBB effective 6 October 2023)	-	-	-	2/2	-	-	1/1
<i>Representatives of Affin Hwang Investment Bank Berhad (AHIBB)</i>							
YM Tunku Afwida	-	-	-	13/15	-	-	-
Datuk Wan Razly Abdullah	-	-	-	-	-	-	-
Encik Hasli Hashim	-	25/27	-	-	14/14	-	-
Mr. Eugene Hon Kah Weng	-	-	15/15	-	-	-	-
Dato' Abdul Wahab	11/11	-	-	-	-	-	1/1
Ms. Kong Yuen Ling	-	-	-	-	-	10/12	-
Ms. Tracy Ong (Appointed as Director of AHIBB effective 18 May 2023)	-	13/13	-	-	1/1	-	-

* Change of composition effective 1 November 2023

Established effective 1 November 2023

Training and Education attended by the Board During the Financial Year Ended 31 December 2023

The training programmes/courses attended by the Directors during financial year ended 31 December 2023 is set out as follows:-

No.	Organized By	Training	Date
Dato' Agil Natt			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
2.	Affin	Demystifying Cyber	7 March 2023
3.	Affin	Affin Market Outlook 2023	14 March 2023
4.	Affin	Media Preparedness and Crisis Simulation Training	15 March 2023
5.	Deloitte	Visioning Alignment Workshop	11 April 2023
6.	ASB/ICLIF	Remaking Corporate Governance for an ESG World	31 May 2023
7.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	22 – 23 Aug 2023
8.	Affin	Cyber Security Incident Management Process	4 September 2023
9.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Dato' Mohd Hata			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
2.	Affin	Demystifying Cyber	7 March 2023
3.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
4.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	13 – 14 September 2023
5.	Affin	Cyber Security Incident Management Process	4 September 2023
6.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Dato' Abdul Aziz			
1.	FIDE FORUM	Can America Stop China's Rise? Will ASEAN Be Damaged?	12 January 2023
2.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
3.	ASB/ICLIF	The Future Managing of the Workplace and People	27 February 2023
4.	Affin	Demystifying Cyber	7 March 2023
5.	Affin	Media Preparedness and Crisis Simulation Training	15 March 2023

6.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	10 – 13 July 2023
7.	Affin	Cyber Security Incident Management Process	4 September 2023
8.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Mr Ignatius Chan Tze Ching			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 February 2023
2.	Affin	Demystifying Cyber	7 March 2023
3.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
4.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 – 20 September 2023
5.	Affin	Cyber Security Incident Management Process	4 September 2023
6.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Dato' Rozalila Abdul Rahman			
1.	FIDE FORUM	Can America Stop China's Rise? Will ASEAN Be Damaged?	12 January 2023
2.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
3.	Kantar APAC Webinar	Under Pressure in Southeast Asia : What marketers need to know now for strategic planning	1 March 2023
4.	Amazon Web Services (AWS)	AWS Cloud Day – Driving Malaysia's Digital Future with AWS	2 March 2023
5.	Affin	Demystifying Cyber	7 March 2023
6.	ASB / ICLIF	Risk Management Committee – Banking Sector	9 March 2023
7.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
8.	LESA	Leadership For Enterprise Sustainability Asia Conference	15 & 16 March 2023
9.	ESGright	Carbon Emissions	19 April 2023
10.	ASB / ICLIF	Risk Management Committee – Banking Sector	16 May 2023
11.	ICDM	ICDM PowerTalk: Generative AI – An Opportunity Or Risk?	20 July 2023
12.	LeadWomen Sdn. Bhd.	“What ESG means to your industry”	26 July 2023
13.	Wixevents	Pricing A Negative Externality: Carbon	26 July 2023
14.	Climate Governance Malaysia	Chairperson Masterclass Series 2023- The Concept of Double Materiality	3 Aug 2023
15.	Affin	Cyber Security Incident Management Process	4 September 2023

16.	DRI Malaysia	Business Continuity Management	4 September 2023
17.	Climate Governance Malaysia	National Climate Governance Summit 2023	5 – 7 Sept 2023
18.	PwC	An exclusive briefing on Navigating Sustainability Reporting in the Banking Industry	6 Sept 2023
19.	Malaysian Institute of Accountants	Audit Committee Conference 2023	14 September 2023
20.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 – 20 Sept 2023
21.	AKPK	What is Estate Planning in Preparation for Retirement?	27 September 2023
22.	Escom	"Digital Banking Asia Summit Malaysia Conference 2023"	10 October 2023
23.	Climate Governance Malaysia	Business of Biodiversity and Why It Matters to Your Company	13 October 2023
24.	AHIB	Oil and Gas Corporate Day – Industry Insights and Corporate Updates	16 October 2023
25.	NEXEA	Entrepreneurs Summit IV	17 October 2023
26.	Affin Hwang Investment Bank	AFFINioVATION 2.0 : Unleashing the Power of AI : Shaping the Future	8 November 2023
27.	Climate Governance Malaysia	Chairperson Masterclass Series Session 5 : The New Era of Board Duties by Philippe Joubert	16 November 2023
28.	ICDM	Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives	1 December 2023

No.	Organized By	Training	Date
Mr Peter Yuen Wai Hung			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
2.	Affin	Demystifying Cyber	7 March 2023
3.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
4.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	22 – 23 August 2023
5.	Affin	Cyber Security Incident Management Process	4 September 2023
6.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Puan Marzida Mohd Noor			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 February 2023
2.	Affin Bank	Demystifying Cybersecurity	7 March 2023
3.	Affin Bank	Affin Market Outlook 2023	14 March 2023
4.	Affin Bank	Media Preparedness and Crisis Simulation Training	15 March 2023
5.	NEXEA	Disrupt Invest Summit	16 March 2023
6.	IDC	IDC CIO Summit	18 May 2023
7.	NEXEA	Artificial Intelligence, GPT : Opportunities and Risk	22 June 2023
8.	Seamless Asia	The Future of Payments, Banking & E-Commerce in Asia (Singapore)	26 - 28 June 2023
9.	Microsoft	Experience Centre @ Microsoft Singapore	30 June 2023
10.	IDC & Backbase	IDC x Backbase: Leadership Banking Insights Forum 2023	6 July 2023
11.	ICDM	PowerTalk: Generative AI: Opportunity or Risk? What Corporate Directors Need to Find Out	20 July 2023
12.	NEXEA	MYStartup Accelerator - Demo Day	26 July 2023
13.	Affin Bank	Cyber Security Incident Management Process	4 September 2023
14.	DRI Malaysia	Business Continuity Management	4 September 2023
15.	MBAN	Malaysian Business Angel Summit 2023	18 September 2023
16.	Securities Commission	Capital Markets Malaysia: Corporate Venture Capital Programme – Getting the Board on Board	13 October 2023
17.	Escom	Digital Banking Asia Summit	13 October 2023
18.	NEXEA	Entrepreneurs Summit	17 October 2023
19.	Affin Bank	AFFINioVATION 2.0: Unleashing the Power of AI: Shaping the Future	8 November 2023
20.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 – 20 September 2023 & 5 December 2023

No.	Organized By	Training	Date
Mr Gregory Fernandes			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
2.	Affin	Demystifying Cyber	7 March 2023
3.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
4.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	22 – 23 August 2023
5.	Affin	Cyber Security Incident Management Process	4 September 2023
6.	DRI Malaysia	Business Continuity Management	4 September 2023

No.	Organized By	Training	Date
Ms Chan Wai Yu			
1.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
2.	Amazon Web Services (AWS)	AWS Cloud Day – Driving Malaysia’s Digital Future with AWS	2 March 2023
3.	Affin	Demystifying Cyber	7 March 2023
4.	LESA	Leadership For Enterprise Sustainability Asia Conference	15 & 16 March 2023
5.	Affin	Media Preparedness and Crisis Simulation Training	15 March 2023
No.	Organized By	Training	Date
6.	FIDE Forum	Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know	13 June 2023
7.	Affin	Cyber Security Incident Management Process	4 September 2023
8.	DRI Malaysia	Business Continuity Management	4 September 2023
9.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	13 – 14 Sept 2023
10.	ASB	Board Oversight of Climate Risks and Opportunities	10 October 2023
11.	FIDE Forum	BNM-FIDE FORUM Virtual Dialogue on AI and Cloud	22 November 2023
No.	Organized By	Training	Date
Encik Mohammad Ashraf Md Radzi			
1.	FIDE FORUM	Can America Stop China’s Rise? Will ASEAN Be Damaged?	12 January 2023
2.	Amazon Web Services (AWS)	Building The Digital Bank of Tomorrow, Today	7 Feb 2023
3.	Affin	Media Preparedness and Crisis Simulation Training	17 March 2023
4.	Affin	Board Induction	3 July 2023
5.	Affin	Cyber Security Incident Management Process	4 September 2023
6.	DRI Malaysia	Business Continuity Management	4 September 2023
7.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 – 20 September 2023
8.	Asia School of Business	FIDE CORE Modules A & B	(Module A) 2 – 5 October 2023 (Module B) 16 – 19 October 2023
9.	ISRA	Islamic Finance for Board Programme	1 – 2 November 2023
No.	Organized By	Training	Date
Puan Emeliana Rice-Oxley (appointed on 1 October 2023)			
1.	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	25 – 26 October 2023

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the 2023 Annual Report.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

The GBNRC recommends specific remuneration packages for non-executive Directors, and is structured such that it is competitive and consistent with the Bank's culture, objectives and strategies as well as ensuring that it commensurate with the level of responsibilities undertaken and contributions made by the Directors to the effective functioning of the Board and drive the Bank's long-term objectives.

Directors

The remuneration package for the Directors of the Bank comprises the following in accordance with the Remuneration Policy of Directors:-

Directors' Fees	The Directors are entitled to annual Directors' fees.
Board Committees Fees	Directors who sit on Board Committees are entitled to receive Board Committee fees.
Meeting Allowances	Directors are entitled to Meeting allowances when they attend any Board/Board Committee meetings.

The Directors' fees and benefits-in-kind payable to Directors are subject to shareholders' approval at the Annual General Meeting.

In determining the level of remuneration for Directors, the Board may commission a survey of the remuneration levels of Directors, to be carried out either by external consultants or Senior Management. The survey should cover the remuneration levels of Directors of an organisation in a similar industry, size and location. The report shall be tabled to the GBNRC and the Board for deliberation.

The Board may from time to time review the Remuneration Policy of Directors to ensure it continues to support the strategies and long-term vision of the Bank and yet at the same time, is able to attract talent, nurture and retain high calibre Directors, whilst taking into account the interest of other stakeholders, including shareholders and employees.

In line with the above practice, the Bank had in March 2022, engaged an external consultant, Willis Towers Watson Malaysia (WTW) to conduct an independent review of the Non-Executive Directors (NEDs) fees for the members of the Board and Board Committees of ABB, AiBB and AHIB.

In its review, WTW had adopted comparators which include public and non-public listed financial institutions. Based on the outcome of the review, WTW recommended the revision of the Directors' remuneration to be streamlined and aligned with peers in the market.

The fees review was necessary to commensurate with the Directors' heightened responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders.

Further, the review was crucial to determine the Board's competitiveness to attract as well as retain individuals with strong credentials and high calibre to serve on the Board of the Company.

The revised fees were duly approved by the respective Boards and Annual General Meetings of Affin Banking Entities in May 2023.

The Directors' remuneration (as approved by the shareholders) are as follows:-

Directors' Fees

	Holding Company		Subsidiary Company	
	Chairman	Member	Chairman	Member
Director's Fee (per annum)	RM265,000	RM165,000	RM195,000	RM145,000
Board Committee Fee (per annum)	RM50,000	RM35,000	RM50,000	RM35,000

The remuneration structure is reviewed by the Board through the GBNRC every three (3) years or as and when required facilitated by the Group Secretarial Department with the option to engage external consultant. The review shall take into consideration various aspects including Directors' responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders as well as the relevant benchmark study.

During deliberations pertaining to the individual Directors' remuneration, the interested parties should excuse themselves from both the deliberations and voting.

The details of the Directors' remuneration are set out in Note 41 to the Financial Statements of the 2023 Annual Report and Notice of 48th AGM.

The aggregate amount of remuneration for the Directors and PGCEO of the Bank for the FYE2023 was as follows:-

The Bank 2023	Salaries RM'000	Bonuses RM'000	Directors' Fees RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
President & Group CEO Datuk Wan Razly Abdullah bin Wan Ali	2,160	3,713	-	1,492	83	7,448
Total	2,160	3,713	-	1,492	83	7,448
Non-Executive Directors						
Dato' Agil Natt	-	-	489	-	108	597
Dato' Abdul Aziz bin Abu Bakar	-	-	293	-	-	293
Dato' Mohd Hata bin Robani	-	-	365	-	-	365
Mr. Chan Tze Ching, Ignatius	-	-	207	-	-	207

Dato' Rozalila binti Abdul Rahman	-	-	360	-	-	360
Mr. Yuen Wai Hung, Peter	-	-	262	-	-	262
Puan Marzida binti Mohd Noor	-	-	362	-	-	362
Mr. Gregory Jerome Gerald Fernandes	-	-	362	-	-	362
Ms. Chan Wai Yu	-	-	387	-	-	387
Encik Mohammad Ashraf bin Md Radzi	-	-	82	-	-	82
Puan Emeliana Dallan Rice-Oxley	-	-	60	-	-	60
Total	-	-	3,229	-	108	3,337
Grand total	2,160	3,713	3,229	1,492	191	10,785

* Includes allowances, EPF, leave passage and Gratuity

Senior Management and Other Material Risk Takers (OMRT)

The Bank's Remuneration Policy considers the role of each staff. The objective of the Remuneration Policy is to ensure that the remuneration system in the Bank: -

- Rewards individuals for the achievement of the Bank's objectives and motivates high levels of performance;
- Rewards exceptional performance by individual through the Performance Management System;
- Allows the Bank to compete effectively in the labour market and to recruit and retain high calibre staff; and
- Achieves fairness and equity in remuneration and reward.

The Bank's remuneration policy is developed based on the following guiding principles:

- **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Bank's vision and strategy.
- **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- **Internal Equity:** The Bank shall remunerate all staff fairly in terms of their roles within the organization.
- **Market-Related Remuneration:** The Bank shall measure its remuneration practices against both the local and national market through the use of remuneration surveys and through benchmarking with other similar institutions.
- **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the institution whilst complying with relevant tax and other legislation.
- **Performance-Driven Remuneration:** The Bank shall entrench a culture of performance driven remuneration through the implementation of the Performance Management System.
- **Affordability and Sustainability:** The Bank shall ensure that remuneration is affordable on a sustainable basis.

The Remuneration Policy and practices will evolve over time, reflecting Bank's priorities but will always adhere to the requirements of BNM Policy Document on Corporate Governance (BNM CG) and BNM Policy Document on Risk Governance promoting sound and effective risk management.

The Bank ensures that overall remuneration system for the Bank (as per the BNM CG) shall:-

- be subject to Board's active oversight to ensure that the system operates as intended;
- be in line with the business and risk strategies, corporate values and long-term interests of the Bank;
- promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Bank as a whole, taking into account the interests of its customers; and be designed and implemented with input from the control functions and the Group Board Risk Management and Compliance Committee to ensure that risk exposures and risk outcomes are adequately considered.

As stipulated under the BNM CG, OMRT refers to an officer who is not a member of senior management of a financial institution and who:-

- can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or
- is among the most highly remunerated officers in the financial institution;

The listing of the positions for the Senior Management and OMRT shall be reviewed annually to be in accordance with the BNM CG requirement.

The Bank will maintain and regularly review the list of officers who fall within the definition of Senior Management and OMRT. The remuneration of SMT is to be approved at the Board on annual basis whilst for the OMRT is delegated to Group Chief People Officer for review and PGCEO for approval.

