



AFFIN

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Extraordinary general meeting of Affin Bank Berhad in relation to the **PROPOSED DIVESTMENT**

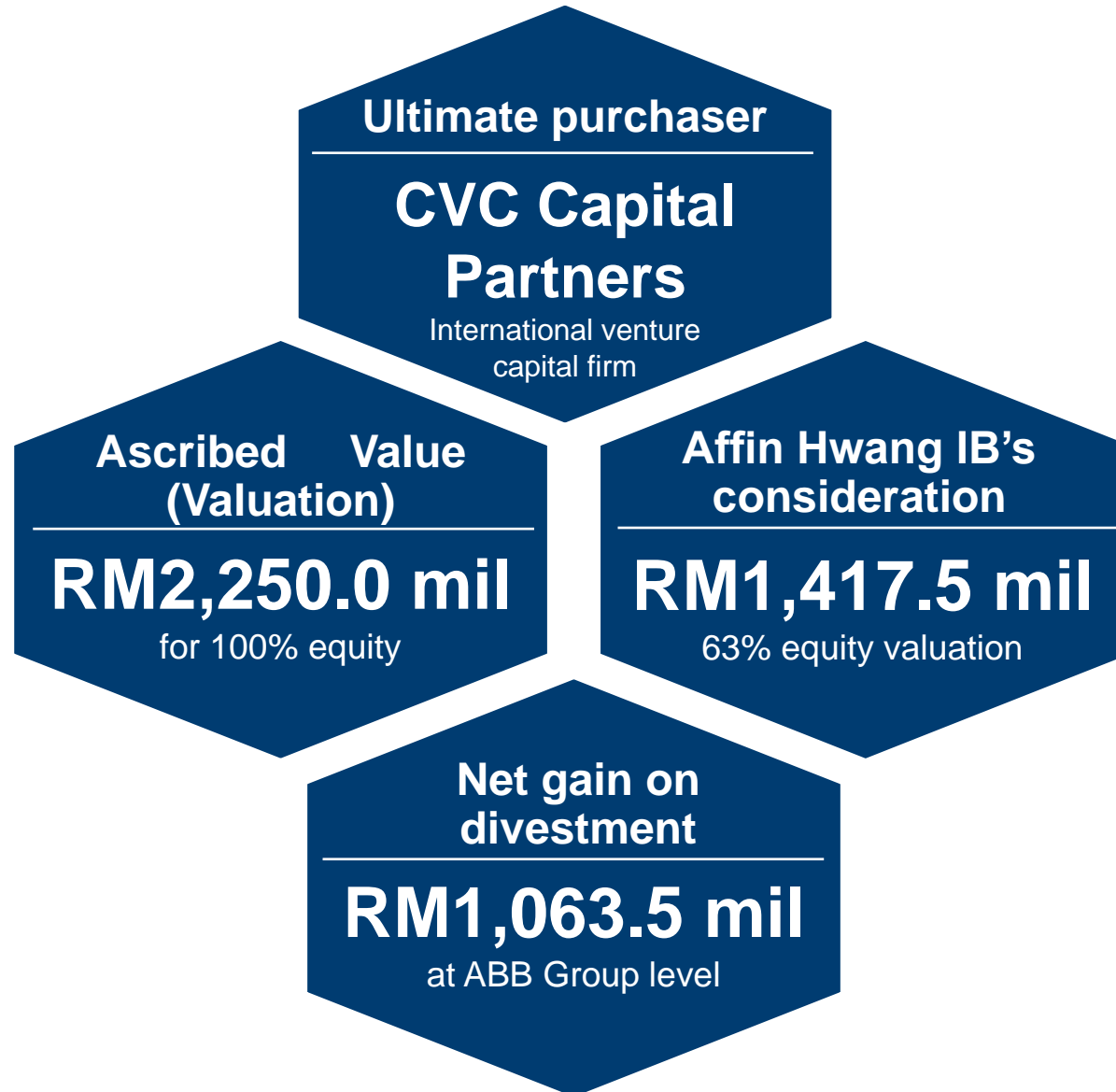
25 May 2022

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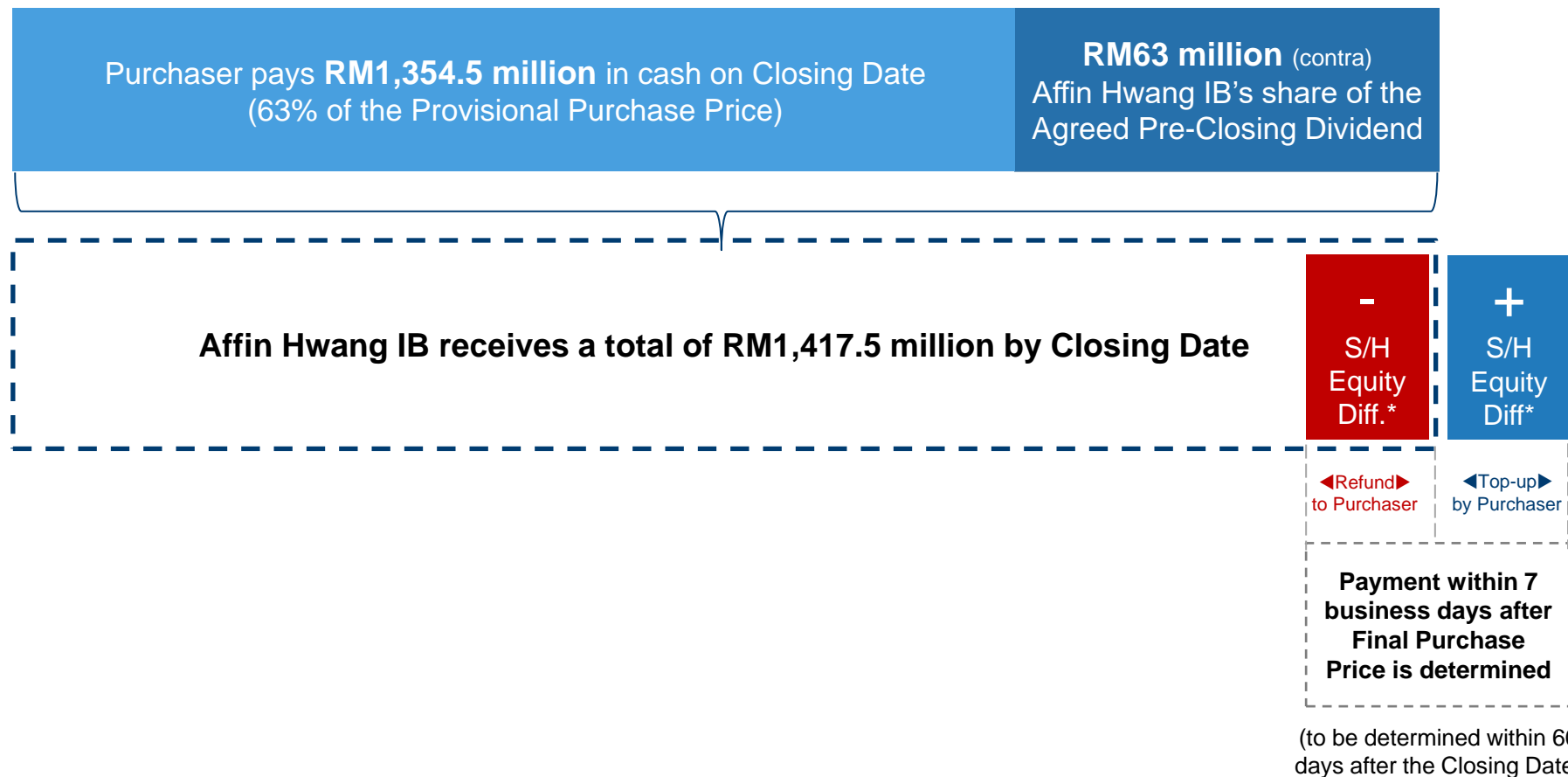
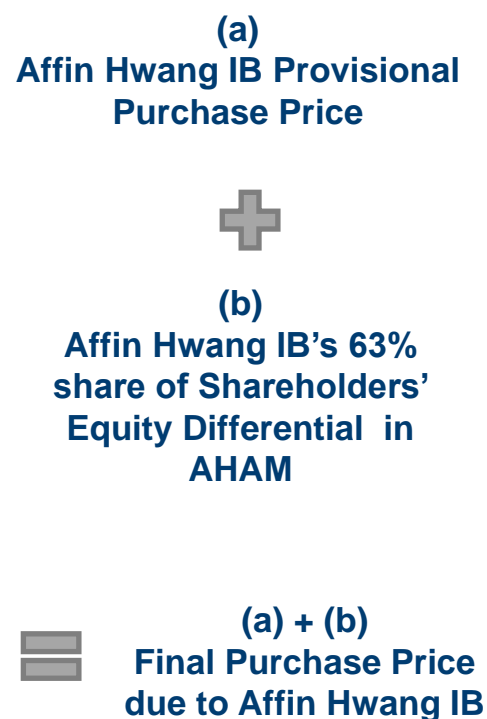
AFFIN HWANG
INVESTMENT BANK

Overview (cont'd)



Payment terms of the SPA

Payment by the Purchaser to Affin Hwang IB will be made in the following manner:



* Comparison between position at Closing Date and position at 31 December 2021. Computation excludes accounting movements relating to the Agreed Pre-Closing Dividends & certain options specified in the SPA

Basis

Compelling valuations

Implied P/E (based on FY2021)

18.33 times

Implied P/E (based on FY2020)

19.69 times

- Precedent Transactions' average P/E
- AHAM 2014 Acquisition

- 15.19 times
- 12.70 times

Implied P/AUM (based on FY2021)

2.78%

Implied P/AUM (based on FY2020)

3.08%

- Precedent Transactions' average P/AUM
- AHAM 2014 Acquisition

- 2.64%
- 1.80%

Ascribed Value has priced-in the future earnings contribution of AHAM, resulting in the estimated one-off gain of RM1,063.5 million

Basis (cont'd)

Consideration significantly higher than carrying value

The consolidated gain accruing to ABB Group following the Proposed Divestment is as follows:

	RM' million
Affin Hwang IB Provisional Consideration	1,417.5
Less: Carrying value as at 31 December 2021	* (337.4)
Less: Estimated expenses	(16.6)
Net gain on disposal	1,063.5

* Inclusive of Affin Hwang IB's share of the Agreed Pre-Closing Dividend of RM63.0 million.

Key financial effects

Boost in earnings and NA accretive

	Before	After	Increase
PATAMI	RM526.9 mil	RM1,471.2 mil	179%
Earnings per share	24.96 sen	69.69 sen	
Net assets	RM9,933.7 mil	* RM11,037.0 mil	11%
Net assets per share	RM4.66	* RM5.20	

- * After taking into consideration:
- estimated net gain of RM1,063.5 million
 - adjustment entries due to the reversal of Buy-back provision of RM84.5 million
 - elimination of minority interest of RM44.7 million

Recommendation

Having considered the following:

- (i) Affin Hwang IB Provisional Consideration being at the top end of precedent transactions' valuation and above the independent share valuation of AHAM;
- (ii) high deal certainty:
 - CVC being a credible buyer having completed several high profile transactions in Malaysia and globally;
 - only 2 conditions precedent i.e. ABB shareholders' approval at this EGM and SC's approval, as stated in Section 8 of the Circular; and
- (iii) terms of the SPA which are typical for a transaction of this nature,

Affin Hwang IB, as the Principal Adviser, views that the Proposed Divestment is in the best interest of ABB Group. Accordingly, we propose that the shareholders vote in favour of the ordinary resolution in relation to the Proposed Divestment.

Thank you