



**PROPOSED REORGANISATION OF
AFFIN BANK GROUP**

**EXTRAORDINARY GENERAL MEETING
16 OCTOBER 2017**

INTRODUCTION

16 February 2017

AFFIN Holdings announced that it will be undertaking the following:-

1. Proposed Reorganisation (i)
2. **Proposed Distribution**
3. **Proposed Subscription**
4. **Proposed Amendments to Constitution**
5. **Proposed Transfer of Listing Status**
6. Proposed Winding-Up of AFFIN Holdings (ii)

13 July 2017

BNM and MoF approved the Proposed Reorganisation, Proposed Distribution and Proposed Subscription.

14 July 2017

SC approved the change in controller in AFFIN Hwang Investment Bank (“**AFFIN Hwang IB**”), AFFIN Hwang Asset Management (“**AHAM**”) and AII MAN Asset Management (“**AII MAN**”).

16 October 2017

The Proposed Reorganisation completes!

AFFIN Holdings is now seeking approval of its shareholders for:

- **Proposed Distribution**
- **Proposed Subscription**
- **Proposed Amendments to Constitution**
- **Proposed Transfer of Listing Status**

Notes: (i) Shareholders' approval is not required for the Proposed Reorganisation.

(ii) Shareholders' approval will be sought in due course for the Proposed Winding-Up.

SUMMARY OF THE PROPOSALS

Proposed Reorganisation

- AFFIN Hwang IB, AFFIN Moneybrokers, AXA AFFIN Life Insurance and AXA AFFIN General Insurance will be transferred from AFFIN Holdings to AFFIN Bank for a consideration to be satisfied through the issuance of new AFFIN Bank shares and cash.

Proposed Distribution

- AFFIN Holdings will distribute all of its AFFIN Bank shares to its shareholders on an entitlement date to be determined later.
- Entitled shareholders will receive 1 AFFIN Bank share for each share in AFFIN Holdings.
- This will be effected by way of a distribution in specie by reduction of AFFIN Holdings' retained profits and its entire consolidated capital.
- **The existing AFFIN Holdings Shares will be cancelled.**

SUMMARY OF THE PROPOSALS (Cont'd)

Proposed Subscription

- After cancellation of the existing shares, AFFIN Holdings will issue 2 new shares to be subscribed by AFFIN Bank.
- As a result, AFFIN Holdings becomes a wholly-owned subsidiary of AFFIN Bank.

Proposed Amendments to Constitution

- The Constitutions of AFFIN Holdings will be amended for the new Companies Act 2016 and to facilitate the Proposed Transfer of Listing Status.

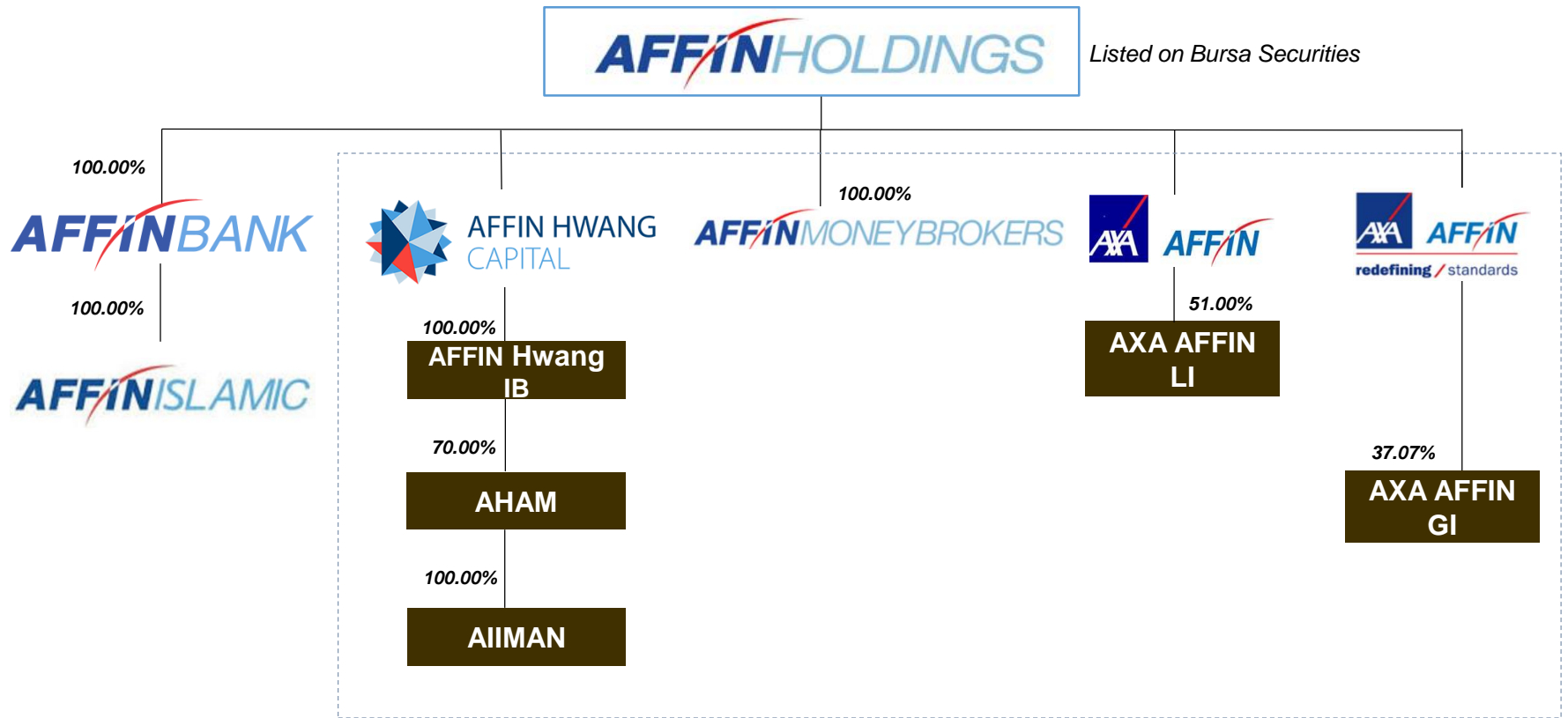
Proposed Transfer of Listing Status

- AFFIN Holdings' listing status on the Main Market of Bursa Securities will be transferred to AFFIN Bank.

Proposed Winding-Up

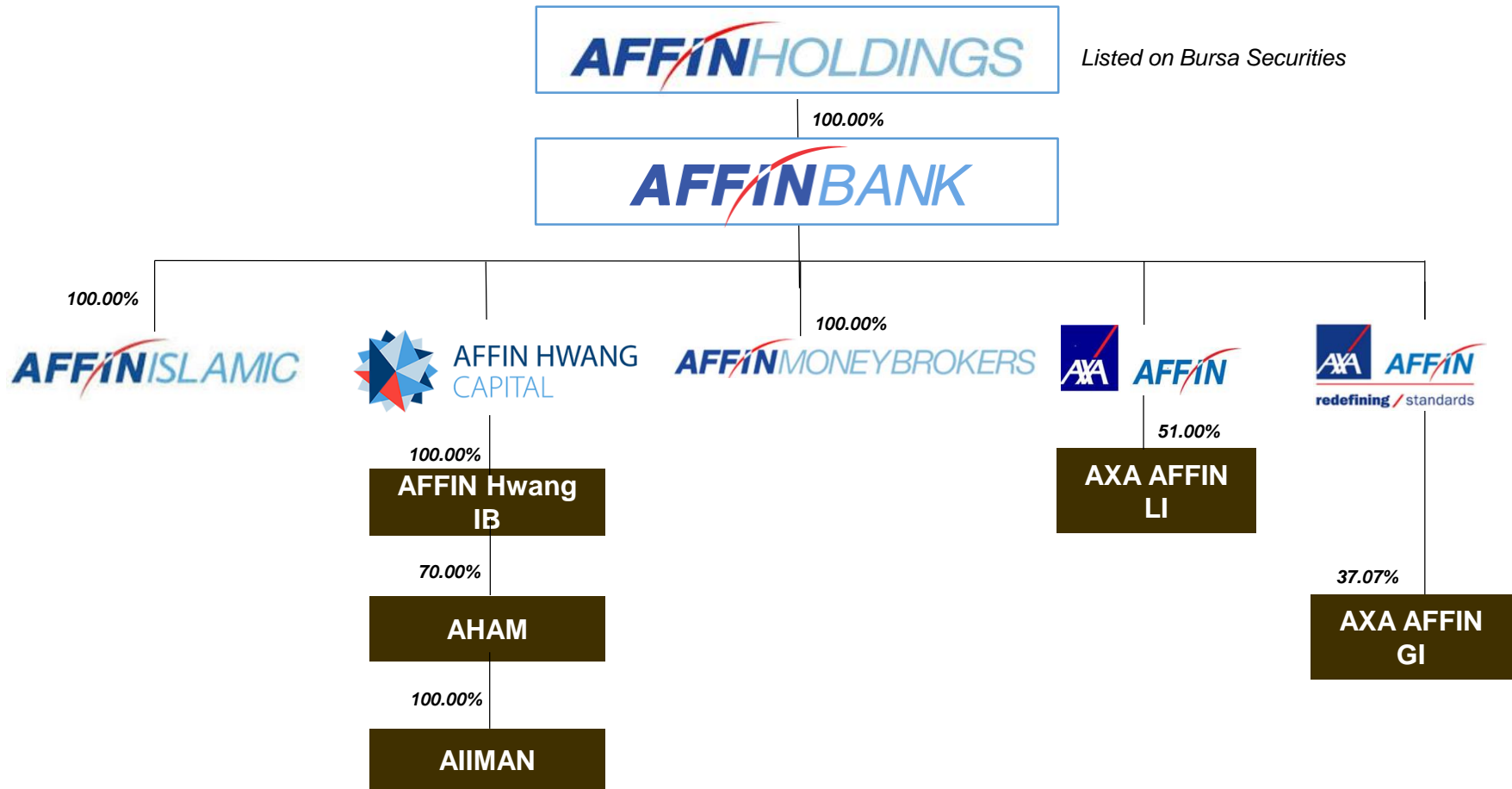
- Eventually, AFFIN Holdings will be wound up in accordance with the Companies Act 2016.

GROUP STRUCTURE **BEFORE** REORGANISATION



Identified companies that have been transferred to AFFIN Bank

INTERIM GROUP STRUCTURE TODAY AFTER REORGANISATION



GROUP STRUCTURE LATER AFTER COMPLETION OF PROPOSED TRANSFER OF LISTING STATUS

AFFINBANK

To be listed on Bursa Securities

100.00%

100.00%

100.00%

AFFINISLAMIC



AFFIN HWANG
CAPITAL

AFFINMONEYBROKERS



AFFIN



redefining / standards

AFFIN

AFFINHOLDINGS

100.00%

**AFFIN Hwang
IB**

70.00%

AHAM

100.00%

AIIMAN

51.00%

**AXA AFFIN
LI**

37.07%

**AXA AFFIN
GI**

Dormant and will be wound-up



RATIONALE

Simplify the shareholding structure



Allows simplifying of the shareholding structure and delayering of the corporate structure.



Simplified structure will create opportunity to enhance supervision and efficiency within the AFFIN Bank Group.



Position AFFIN Bank to spearhead the banking group's future growth.

RATIONALE

**AFFIN Bank
will be listed
on Bursa
Securities**



**The listing status
is expected to
improve AFFIN
Bank's profile and
stature.**



**AFFIN Bank will
have direct access
to the capital
markets and
greater flexibility
for its future fund
raising.**



**Shareholders of
AFFIN can
participate
directly in the
growth of AFFIN
Bank.**

EFFECTS OF THE PROPOSALS

AFFINHOLDINGS

- All existing shares will be cancelled
- Issues 2 new shares to AFFIN Bank



100 AFFIN Shares



AFFINBANK


- AFFIN Bank issues 254 million new AFFIN Bank shares to AFFIN Holdings for the Reorganisation
- AFFIN Holdings is to distribute its AFFIN Bank shares to the Entitled Shareholders on a 1-to-1 basis




100 AFFIN Bank Shares




EFFECTS ON SHARE CAPITAL

	No. of AFFIN Holdings shares	Amount (RM '000)
Existing	1,942,948,547	4,128,661 ⁽ⁱ⁾
To be cancelled – Proposed Distribution	(1,942,948,547)	(4,128,661)
To be issued – Proposed Subscription	2	(ii)


	No. of AFFIN Bank shares	Amount (RM '000)
Existing	1,688,769,616	2,547,673 ⁽ⁱ⁾
To be issued – Proposed Reorganisation (based on Transfer Consideration as at 30 September 2017)	254,178,931	2,137,078
Enlarged issued share capital	1,942,948,547	4,684,751


83.88%



Notes: (i) Includes share premium.
(ii) Comprises RM2 share capital in AFFIN.

EFFECTS ON NET ASSETS

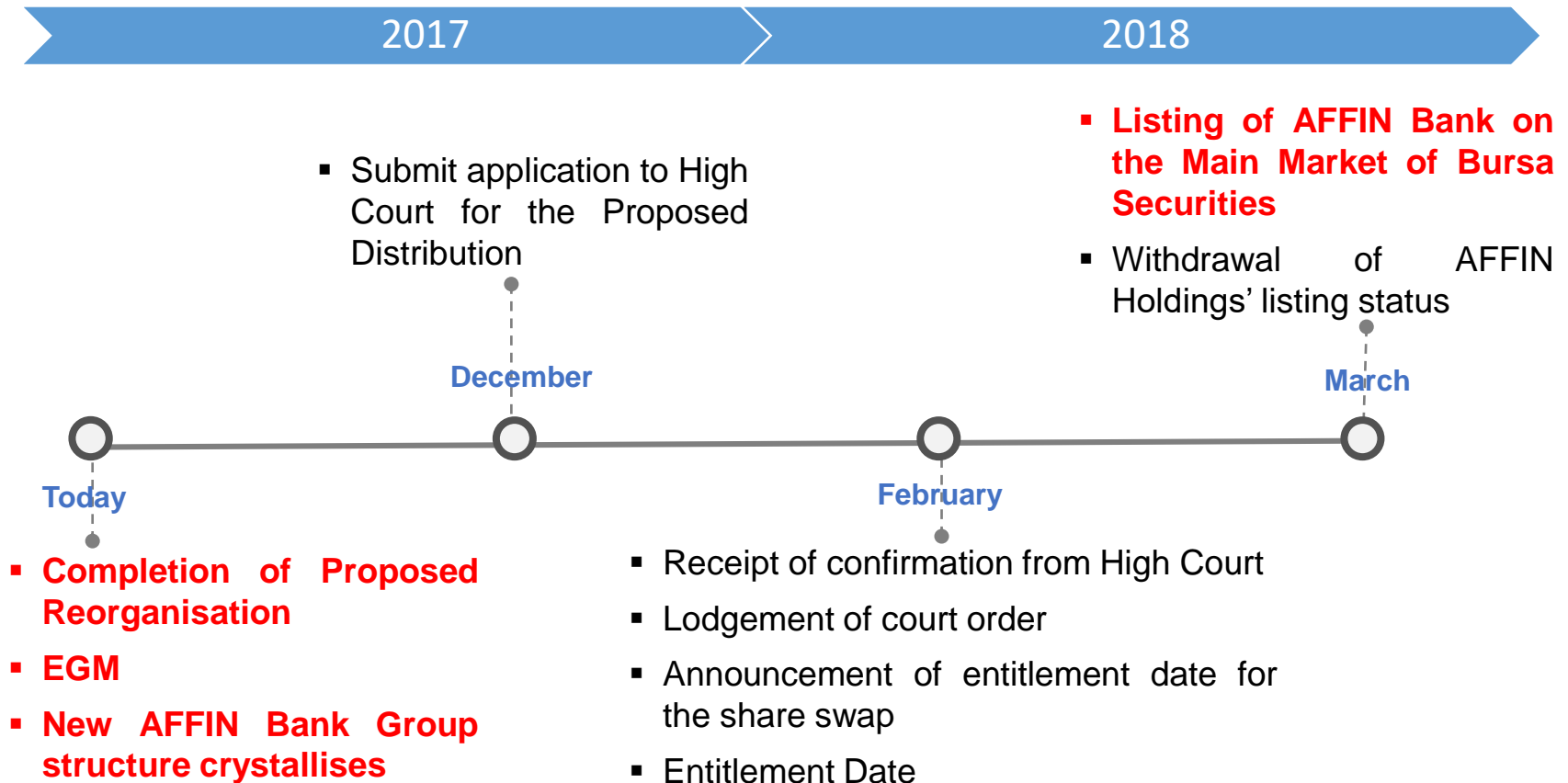
	Audited consolidated as at 31 December 2016	After Proposals (save for the Proposed Winding-Up)
Net assets	RM8.68 billion	RM129.87 million
No. of shares	1,942,948,547	2
Net assets per share	RM4.47	RM64.94 million

	Audited consolidated as at 31 December 2016	After Proposals (save for the Proposed Winding-Up)
Net assets	RM5.80 billion	RM7.97 billion
No. of shares	1,688,769,616	1,942,948,547
Net assets per share	RM3.44	RM4.10

EFFECTS ON EPS

- No material effect for FYE 31 December 2017
- Upon completion of the Proposals (save for the Proposed Winding-Up), AFFIN Holdings will cease to:
 - a) Consolidate the financial results of AHIB group and AMB; and
 - b) Recognise its share of profits or loss from AALI and AAGI.
- These will be accounted for by AFFIN Bank instead.

TENTATIVE TIMELINE – MOVING FORWARD!



Note: The timing above is subject to changes

DIRECTORS' STATEMENT & RECOMMENDATION

- The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the **BEST INTEREST** of AFFIN Holdings.
- Accordingly, the Board recommends that you vote **IN FAVOUR** of the resolutions to be tabled at this EGM.

THANK YOU

For any enquiries, please email ir@affinbank.com.my

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