



AFFIN BANK BERHAD
(Company No. 197501003274 / 25046-T)
(Incorporated in Malaysia)

MINUTES OF THE 48TH ANNUAL GENERAL MEETING OF AFFIN BANK BERHAD HELD AND BROADCASTED LIVE FROM THE TAMING SARI GRAND BALLROOM, THE ROYALE CHULAN KUALA LUMPUR, 5 JALAN CONLAY, 50450 KUALA LUMPUR ("MAIN VENUE") AND VIRTUALLY BY WAY OF ELECTRONIC MEANS VIA TIIH ONLINE WEBSITE [HTTPS://TIIH.ONLINE](https://tiih.online) ON THURSDAY, 25 APRIL 2024 AT 10.00 A.M.

PHYSICALLY PRESENT AT THE BROADCAST VENUE:-

Board of Directors:

Dato' Agil Natt (*Chairman*)

Dato' Abdul Aziz Abu Bakar (Chairman, Group Board Nomination & Remuneration Committee)

Dato' Mohd Hata Robani (Chairman, Group Board Credit Review and Recovery Committee)

Mr. Gregory Jerome Gerald Fernandes (Chairman, Group Board Audit Committee)

Dato' Rozalila Abdul Rahman (Chairman, Group Board Compliance Committee)

Puan Marzida Mohd Noor (Chairman, Group Board Information Technology Committee)

Ms. Chan Wai Yu (Chairman, Group Board Risk Management Committee)

Mr. Ignatius Chan Tze Ching (Non-Independent Non-Executive Director)

Mr. Peter Yuen Wai Hung (Non-Independent Non-Executive Director)

Encik Mohammad Ashraf Md Radzi (Non-Independent Non-Executive Director)

Puan Emeliana Rice Oxley (Independent Non-Executive Director)

Representatives from Management:-

Datuk Wan Razly Abdullah Wan Ali (President & Group Chief Executive Officer)

Ms. Joanne Rodrigues (Group Chief Financial Officer)

Company Secretary:-

Puan Nimma Safira Khalid (Group Chief Legal Officer & Company Secretary)

Representative from External Auditors:-

Mr. Kelvin Lee Tze Woon (Partner, Messrs PricewaterhouseCoopers PLT)

Representative from Share Registrar and Poll Administrator:-

Puan Suzana Abdul Rahim (Tricor Investor & Issuing House Services Sdn Bhd)

Representative from Scrutineers:-

Ms. Melissa Liew (Scrutineer Solutions Sdn Bhd)

Shareholders & proxies : As Per Attendance List

1. PRELIMINARY

- 1.1 Chairman, Dato' Agil Natt welcomed and thanked shareholders and proxies for their participation at Affin Bank Berhad ("ABB" or "the Bank")'s 48th Annual General Meeting ("48th AGM" or "the Meeting") which was held physically as well as broadcasted live from the Broadcast Venue and streaming from Tricor's TIIH online website at <https://tiih.online>.
- 1.2 He briefed that this AGM was held in a hybrid manner in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia and Practice 13.3 of the Malaysian Code of Corporate Governance 2021 ("MCCG 2021").
- 1.3 The Meeting was held in accordance with Section 327 of the Companies Act 2016, Article 67 of the Bank's Constitution and the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.
- 1.4 The Chairman proceeded to introduce the Board members, President & Group Chief Executive Officer ("PGCEO"), Group Chief Financial Officer, Company Secretary, CEO of Affin Hwang Investment Bank Berhad ("CEO AHIB") and CEO of Affin Islamic Bank Berhad ("CEO AIBB") who were physically present at the Broadcast Venue.
- 1.5 The Chairman further introduced the representatives from Messrs. PricewaterhouseCoopers (the Bank's external auditors), Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") and Scrutineer Solutions Sdn Bhd who were also present at the Broadcast Venue.

2. QUORUM

- 2.1 Upon confirmation by the Company Secretary that the requisite quorum for commencement of the Meeting is met, the Chairman called the Meeting to order.

3. NOTICE OF MEETING

- 3.1 The Chairman informed that the Notice of Meeting had been circulated to the shareholders via electronic mail and advertisement in the newspaper on 27 March 2024 and be taken as read.
- 3.2 The Chairman updated that as of the cut-off date for determining those entitled to participate and vote at the 48th AGM i.e., 23 April 2024, the Bank received 237 Proxy Forms from shareholders for a total of 1,374,831,881 ordinary shares representing 58.59% of the total number of issued shares of ABB.

- 3.3 A total of 65 shareholders had appointed the Chairman as proxy to vote on their behalf and the shares so represented were 604,879,778 ordinary shares representing 25.77% of the total number of issued shares of ABB.

4. VOTING ON RESOLUTIONS

4.1 The Chairman informed that in line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on all resolutions for the 48th AGM would be conducted by way of poll, via electronic voting (“e-voting”) and administered by Tricor, the Poll Administrator appointed for the 48th AGM. The poll results would be validated and verified by Scrutineer Solutions Sdn Bhd.

4.2 The shareholders were informed of the following:-

- (i) The voting session had already commenced from the start of the meeting and that shareholders/proxies could start registering their votes electronically until the closure of the voting session;
- (ii) The results of the poll voting and declaration of resolutions would be shown on the screen after the Scrutineers have verified the poll results upon the closure of the e-voting session. The Chairman would then declare whether the resolutions are duly passed; and
- (iii) Shareholders and proxies were invited to raise questions at any time during the AGM by submitting written questions using the Query Box as provided via the Remote Participation and Electronic Voting (“RPV”) facility. The Board would provide responses to the questions during the question and answer (“Q&A”) session. In line with practice 13.5 of the MCCG 2021, questions posed by shareholders were made visible on the screen.

5. DOOR GIFT

Chairman notified that the Bank agreed to credit RM50.00 (via any of AFFIN products such as credit cards, current and savings accounts) as a token of appreciation to shareholders, proxies and corporate representatives who attended the AGM.

6. PRESENTATION BY PGCEO

6.1 The Chairman invited PGCEO to update the shareholders/proxies on AFFIN Group’s performance for the financial year ended 31 December 2023 (“FY2023”). The main highlights were as follows:-

- (a) Financial Performance
 - Balance Sheet Highlights

- Business and CASA momentum
 - Income Statement
 - PBT Contribution by Subsidiaries, JV and Associate
 - Key Ratios
 - FY2023 Financial Report Card
 - Budget 2024
 - Net Promoter Score (“NPS”) Journey
- (b) Shareholding Structure as of 24 April 2024
- Sarawak Opportunities
- (c) AFFIN Group Transformation Journey – AX28 Transition
- AX28 Plan – Key Financial Targets, ESG Metrics and Targets
- 6.2 PGCEO thanked the shareholders and proxies for their continued support.
- 6.3 The Chairman informed that all the proposed resolutions to be tabled at the AGM had been proposed and seconded by Encik Risham Akashah Kamaruzaman, the Group Chief Operating Officer and Puan Nimma Safira, the Company Secretary respectively, both are shareholders of ABB.

ORDINARY BUSINESS

7. AGENDA 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND REPORTS OF THE DIRECTORS AND AUDITORS

- 7.1 The Bank’s Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors had already been reviewed by Bank Negara Malaysia. The Annual Report, including the Audited Financial Statements had been circulated to all shareholders within the statutory period and tabled at the meeting.
- 7.2 The Chairman explained that in accordance with Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements were tabled for discussion only and were not put forward for voting.

8. AGENDA 2 (ORDINARY RESOLUTION 1) - PAYMENT OF A SINGLE-TIER FINAL DIVIDEND OF 5.76 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

- 8.1 The Chairman informed the Meeting that a single-tier final dividend of 5.76 sen per ordinary share in respect of the financial year ended 31 December 2023, as recommended by the Board, was presented before the Members for approval, under the Ordinary Resolution 1.
- 8.2 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT payment of a single-tier final dividend of 5.76 sen per ordinary share in respect of the financial year ended 31 December 2023, BE APPROVED”.

9. RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH ARTICLE 118 OF THE BANK’S CONSTITUTION

9.1 The Chairman informed that the Group Board Nomination and Remuneration Committee (“GBNRC”) had considered the performance and contribution of each of the retiring Directors. GBNRC had also assessed the independence of the Independent Non-Executive Directors seeking re-election, as well as the fitness and propriety of the retiring Directors. As far as the Board is concerned, the retiring Directors fulfilled the fit and proper assessment criteria.

9.2 Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory. Their tenure as Directors, as approved by Bank Negara Malaysia remained current and still within the validity period.

10. AGENDA 3 (ORDINARY RESOLUTION 2) - RE-ELECTION OF PUAN MARZIDA BINTI MOHD NOOR, WHO RETIRED BY ROTATION PURSUANT TO ARTICLE 118 OF THE BANK’S CONSTITUTION

10.1 The Chairman informed that the Bank sought approval from the shareholders for the re-election of Puan Marzida binti Mohd Noor (“Puan Marzida”), an Independent Non-Executive Director, who retired by rotation in accordance with Article 118 of the Bank’s Constitution and who being eligible, offered herself for re-election.

10.2 Puan Marzida’s profile was provided to Members in the Statement Accompanying the Notice of AGM, page 42 of the Bank’s Annual Report 2023 as well as the Corporate Governance Report.

10.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT Puan Marzida binti Mohd Noor who retired by rotation pursuant to Article 118 of the Bank’s Constitution, be and was thereby re-elected as Director of ABB.”

11. **AGENDA 3 (ORDINARY RESOLUTION 3) - RE-ELECTION OF MR. GREGORY JEROME GERALD FERNANDES, WHO RETIRED BY ROTATION PURSUANT TO ARTICLE 118 OF THE BANK'S CONSTITUTION**

11.1 The Chairman informed that the Bank sought approval from the shareholders for the re-election of Mr. Gregory Jerome Gerald Fernandes ("Mr. Fernandes"), an Independent Non-Executive Director, who retired by rotation in accordance with Article 118 of the Bank's Constitution and who being eligible, offered himself for re-election.

11.2 Mr. Fernandes's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 42 of the Bank's Annual Report 2023 as well as the Corporate Governance Report.

11.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

"THAT Mr. Gregory Jerome Gerald Fernandes who retired by rotation pursuant to Article 118 of the Bank's Constitution, be and was thereby re-elected as Director of ABB."

12. **AGENDA 3 (ORDINARY RESOLUTION 4) - RE-ELECTION OF MS. CHAN WAI YU, WHO RETIRED BY ROTATION PURSUANT TO ARTICLE 118 OF THE BANK'S CONSTITUTION**

12.1 The Chairman informed the Meeting that the Bank sought approval from the shareholders for the re-election of Ms. Chan Wai Yu ("Ms. Chan"), an Independent Non-Executive Director who was subject to retirement under Article 118 of the Bank's Constitution and who being eligible, offered herself for re-election.

12.2 Ms. Chan's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 43 of the Bank's Annual Report 2023 as well as the Corporate Governance Report.

12.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

"THAT Ms. Chan Wai Yu who retired by rotation pursuant to Article 118 of the Bank's Constitution, be and was thereby re-elected as Director of ABB."

13. **AGENDA 4 (ORDINARY RESOLUTION 5) - RE-ELECTION OF PUAN EMELIANA DALLAN RICE-OXLEY, WHO RETIRED BY ROTATION PURSUANT TO ARTICLE 124 OF THE BANK'S CONSTITUTION**

- 13.1 The Chairman informed the Meeting that the Bank sought approval from the shareholders for the re-election of Puan Emeliana Dallan Rice-Oxley ("Puan Emeliana"), an Independent Non-Executive Director who was subject to retirement under Article 124 of the Bank's Constitution and who being eligible offered herself for re-election.
- 13.2 Puan Emeliana's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 44 of the Bank's Annual Report 2023 as well as the Corporate Governance Report.
- 13.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

"THAT Puan Emeliana Dallan Rice-Oxley who retired by rotation pursuant to Article 124 of the Bank's Constitution, be and was thereby re-elected as Director of ABB."

14. **AGENDA 7 (ORDINARY RESOLUTION 6) - PROPOSED PAYMENT OF DIRECTORS' FEES AND BOARD COMMITTEES' FEES TO THE NON-EXECUTIVE DIRECTORS FROM THE 48TH AGM TO THE 49TH AGM OF THE COMPANY**

- 14.1 The Chairman informed the Meeting that the Company sought approval from the shareholders for the proposed payment of the following fees to the Non-Executive Directors for the period from the 48th AGM to the 49th AGM of the Company:-
- (a) Chairman's fee of RM265,000 per annum;
 - (b) Director's fee of RM165,000 per annum for each Non-Executive Director;
 - (c) Board Committee Chairman's fee of RM50,000 per annum for the Chairman of each Board Committee; and
 - (d) Board Committee Member's fee of RM35,000 per annum for each member of a Board Committee.
- 14.2 The fees remained the same as approved by the shareholders at the Company's last AGM in the year 2022.

14.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT the payment of Directors’ fees and Board Committees’ fees to the Non-Executive Directors for the period from the 48th AGM to the 49th AGM of the Company, BE APPROVED:-

- (a) Chairman’s fee of RM265,000 per annum;*
- (b) Director’s fee of RM165,000 per annum for each Non-Executive Director;*
- (c) Board Committee Chairman’s fee of RM50,000 per annum for the Chairman of each Board Committee; and*
- (d) Board Committee Member’s fee of RM35,000 per annum for each member of a Board Committee.”*

15. **AGENDA 8 (ORDINARY RESOLUTION 7) - PROPOSED PAYMENT OF BENEFITS PAYABLE TO ELIGIBLE NON-EXECUTIVE DIRECTORS OF AN AMOUNT UP TO RM1.8 MILLION FROM THE 48TH AGM TO THE 49TH AGM OF THE COMPANY**

15.1 The Chairman informed the Meeting that the Company sought approval from the shareholders on the proposed payment of benefits to eligible Non-Executive Directors of an amount up to RM1.8 million for the period from the 48th AGM to the 49th AGM of the Company.

15.2 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT the proposed payment of benefits payable to eligible Non-Executive Directors of an amount up to RM1.8 million for the period from the 48th AGM to the 49th AGM of the Company, BE APPROVED.”

16. **AGENDA 9 (ORDINARY RESOLUTION 8) - REAPPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY**

16.1 The Chairman informed the Meeting that the Company sought approval from the shareholders to consider the reappointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix the Auditors’ remuneration.

16.2 The Board recommended the appointment of Messrs. PricewaterhouseCoopers PLT as the External Auditors of the Company based on the Group Board Audit Committee’s recommendation.

- 16.3 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT the reappointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2024 and authorisation to the Directors to determine their remuneration, BE APPROVED.”

SPECIAL BUSINESSES

17 AGENDA 10 (ORDINARY RESOLUTION 9) - AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN AFFIN BANK BERHAD (“ABB SHARES”)

- 17.1 The Chairman informed the Meeting that the Company sought approval from the shareholders to consider and, if thought fit, to pass the ordinary resolution on the allotment and issuance of new ordinary shares in ABB pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”).
- 17.2 The general mandate from the shareholders was to provide the Company with the flexibility of any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment(s), working capital and/or acquisition(s) pursuant to Sections 75 and 76 of the Act during the financial year without having to convene a general meeting.
- 17.3 Pursuant to Section 85 of the Act read together with Clause 9 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new ABB Shares which rank equally to the existing ABB Shares. For the Board to issue any new ABB Shares under Sections 75 and 76 of the Act, free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 9, if passed, would exclude shareholders’ pre-emptive rights over all new ABB Shares arising from the issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act.
- 17.4 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

“THAT subject always to the Companies Act, 2016 (“Act”), the Company’s Constitution, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to allot and issue ABB Shares at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of ABB Shares to be allotted pursuant to the said allotment does not exceed ten percent

(10%) of the total number of issued shares (excluding treasury shares, if any) of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment, listing of and quotation for the additional shares so allotted on Bursa Malaysia and that such authority to allot ABB Shares shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Act read together with Clause 9 of the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect of the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares."

18 **AGENDA 11 (ORDINARY RESOLUTION 10) - ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF AFFIN BANK BERHAD ("ABB SHARES") IN RELATION TO THE DIVIDEND REINVESTMENT PLAN BY THE COMPANY THAT GIVES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO REINVEST THEIR WHOLE OR A PORTION OF THE DIVIDEND FOR WHICH THE REINVESTMENT OPTION APPLIES IN NEW ABB SHARES ("DIVIDEND REINVESTMENT PLAN")**

18.1 The Chairman informed the Meeting that the Company sought approval from the shareholders to consider and, if thought fit, to pass the ordinary resolution on the allotment and issuance of New Ordinary Shares of ABB in relation to the Dividend Reinvestment Plan by the Company that gave the shareholders of the Company the option to reinvest their whole or a portion of the Dividend for which the Reinvestment Option applies in new ABB Shares.

18.2 The following ordinary resolution was put to a vote at the end of the meeting and was duly passed:-

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 15 May 2018 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new ABB Shares upon the election of the shareholders of the Company to reinvest the dividend pursuant to the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the Board of Directors of the Company

(Board), in their sole and absolute discretion, deem fit and in the interest of the Company;

AND THAT, the issue price of the said new ABB Shares which will be determined by the Board on a price-fixing date to be determined (Price-Fixing Date), shall not be more than 10% discount to the adjusted 5-day volume-weighted average market price (VWAMP) of ABB Shares immediately prior to the Price-Fixing Date, of which the VWAMP shall be adjusted ex-dividend before applying the abovementioned discount in fixing the issue price;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements, deeds or undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, variations, modifications and/or amendments, as the Board may, in its absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.

19 **AGENDA 12 (ORDINARY RESOLUTION 11) - PROPOSED ALLOCATION TO DATUK WAN RAZLY ABDULLAH WAN ALI, THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER OF AFFIN BANK BERHAD FOR THE YEAR 2024 PURSUANT TO THE COMPANY'S LONG-TERM INCENTIVE PLAN IN THE FORM OF AN EMPLOYEES' SHARE GRANT SCHEME ("SGS")**

19.1 The Chairman informed the meeting that the Company sought approval from the shareholders to consider and, if thought fit, to pass the ordinary resolution on the proposed allocation to Datuk Wan Razly Abdullah, the President & Group Chief Executive Officer of ABB.

19.2 Datuk Wan Razly Abdullah, being an interested party and a shareholder of the Company has abstained and will continue to abstain from all deliberations and voting in relation to Resolution 11.

19.3 The following ordinary resolution was put to a vote at the meeting and was duly passed:-

"THAT subject to the passing of Ordinary Resolution 11, the Board be and is hereby authorised to cause or procure the offering and the allocation to Datuk Wan Razly Abdullah Wan Ali, being the President & Group Chief Executive Officer of ABB, of up to a maximum of 2,700,000 new ABB Shares under the Proposed SGS as they shall deem fit, being the allocation for the year 2024 and will be measures against the 2026 targets, which will be vested to him in the year 2027, subject always to such terms and conditions of the By-Laws and provided that not more than 10% of

the total number of ABB Shares to be issued under the Proposed SGS shall be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the said Eligible Employee, holds 20% or more of the total number of issued shares of ABB (excluding treasury shares, if any);

AND THAT pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, approval to be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect to the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights and allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares.

AND THAT the Board be and is hereby authorised to allot and issue new ABB Shares and/or transfer such number of treasury shares and/or existing ABB Shares and/or make cash payments pursuant to the Proposed SGS to him from time to time pursuant to the vesting of his Grant(s)."

20 QUESTIONS AND ANSWERS FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

- 20.1 The Chairman informed that ABB received questions from MSWG per their letter dated 19 April 2024.
- 20.2 The Chairman and PGCEO addressed the questions raised by MSWG in relation to operational, financial, sustainability and corporate governance matters on the following areas:-
- (a) Building presence in Sarawak to tap into the potential market segments and business opportunities within the state;
 - (b) Income statement on Profit before Tax ("PBT") FY2023;
 - (c) Measures and strategies to achieve AX28 key financial targets;
 - (d) Private Banking business and premier banking solution (AFFIN Invikta);
 - (e) Net Margin Income ("NIM") compression;
 - (f) Discontinuation of A1addin service, replaced by AffinAlways Mobile Banking ("MB") platform;
 - (g) Disclosure of the breakdown of regulatory-related fees in FY2022;
 - (h) Detailed analysis of climate-related risks and opportunities; and
 - (i) Adoption of recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

- 20.3 The Chairman and Dato' Abdul Aziz Abu Bakar ("Dato' Abdul Aziz") addressed the questions raised by MSWG in relation to Corporate Governance matters, which mainly covered the following:-
- (a) Breakdown of PGCEO's remuneration FY2023 based on fixed and variable elements where for variable remuneration, breakdown of deferred and non-deferred categories to be provided.
 - (b) Breakdown of the shares granted to the different categories of employees e.g., PGCEO, key senior management officers and other eligible employees, under the Share Grant Scheme ("SGS") in FY2023.
 - (c) The performance evaluation outcome of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.
- 20.4 The complete list of questions received from MSWG, prior to the 48th AGM together with the answers for the same was attached as **Annexure 1**.

21. MAIN VENUE QUESTIONS AND ANSWERS

- 21.1 The Chairman then opened the floor for questions from the shareholders, proxies and corporate representatives who were physically present in the main venue on Agenda Items 1 to 12 of the 48th AGM. PGCEO provided the answers / responses to the questions accordingly.
- 21.2 The complete list of questions received from the shareholders, proxies and corporate representatives at the main venue together with the answers / responses for the same was attached as **Annexure 2**.

22. PRE-AGM MEETING QUESTIONS AND ANSWERS

- 22.1 The Chairman proceeded to read pre-AGM questions and responses were then provided by PGCEO. Questions raised amongst others, were on door gifts and FY2023 Financial Performance.
- 22.2 The Chairman assured shareholders that responses for questions which were not addressed during the Meeting would be provided via e-mail.
- 22.3 The complete list of questions received from the shareholders, proxies and corporate representatives prior to the 48th AGM together with the answers for the same was attached as **Annexure 3**.

23. LIVE QUESTIONS AND ANSWERS

- 23.1 As all resolutions had been tabled and before proceeding with the poll voting, Chairman informed that the Meeting would proceed with the live questions and answers received during the Meeting.
- 23.2 The Chairman then invited PGCEO to address the live questions. In line with practice 13.5 of the Malaysian Code of Corporate Governance 2021 issued by the Securities Commission Malaysia, questions posed by shareholders were made visible on the screen for reference.
- 23.3 The Chairman informed the Meeting that responses for questions which were not addressed at this Meeting would be provided to the shareholders personally via email.
- 23.4 The complete list of questions received during the 48th AGM from the online Query Box facility, together with the answers / responses for the same was attached as **Annexure 4**.
- 23.5 The Chairman then proceeded with the remaining Agenda items of the Meeting.

24. ANY OTHER ORDINARY BUSINESS

- 23.1 The Chairman briefed the shareholders and proxies that the Company Secretary has confirmed that no notice had been received from shareholders to transact any other ordinary business at the AGM.

24. POLL VOTING

- 24.1 As all resolutions had already been tabled, the Chairman reminded shareholders who had yet to cast their votes to do so before the voting session is closed. Chairman further stated the following:-
- (a) That he had been appointed as a proxy for the shareholders and shall vote in accordance with the instructions given;
 - (b) The voting session would be opened for ten (10) minutes for the shareholders and proxies to cast their votes.
 - (c) Thereafter, the Poll Administrator and Scrutineers would perform verification process and validate the poll result for approximately twenty (20) minutes. The Meeting was adjourned for twenty-five (25) minutes for counting and validation of the voting result.

25 POLL RESULT

- 25.1 The Chairman re-convened the Meeting to order at 1.51 p.m. for the announcement of poll results.
- 25.2 Ms. Melissa Liew, the representative from Scrutineer Solutions Sdn Bhd, the Independent Scrutineer confirmed that the polling results as counted by the Poll Administrator, Tricor had been verified by Scrutineer Solutions.
- 25.3 Based on the poll results, the Chairman declared that all the eleven (11) resolutions as set out in the Notice of the 48th Annual General Meeting dated 27 March 2024 were carried.
- 25.4 Details of the poll results for each Ordinary Resolution were as follows:-

Resolutions	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,989,639,380	99.9987	25,782	0.0013
Ordinary Resolution 2	1,989,116,021	99.9836	325,949	0.0164
Ordinary Resolution 3	1,989,477,959	99.9968	63,811	0.0032
Ordinary Resolution 4	1,989,398,139	99.9977	46,231	0.0023
Ordinary Resolution 5	1,989,456,121	99.9957	85,549	0.0043
Ordinary Resolution 6	1,989,227,346	99.9915	168,224	0.0085
Ordinary Resolution 7	1,989,175,904	99.9854	290,066	0.0146
Ordinary Resolution 8	1,987,764,883	99.9090	1,810,095	0.0910
Ordinary Resolution 9	1,988,563,693	99.9490	1,014,261	0.0510
Ordinary Resolution 10	1,989,392,947	99.9894	201,367	0.0106
Ordinary Resolution 11	1,959,946,269	98.6565	26,690,479	1.3435

26 TERMINATION OF MEETING

On behalf of the Board of Directors, Chairman thanked the shareholders for their participation in the Meeting.

There being no other business, the meeting ended at 1.54 p.m. with a vote of thanks to the Chair.

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DATO' AGIL NATT
CHAIRMAN

QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE LETTER DATED 19 APRIL 2024 PRIOR TO THE 48TH AGM

NO	QUESTION	ANSWER
OPERATIONAL & FINANCIAL MATTERS		
1.	<p>It was reported that the Sarawak state government will soon raise its stake in Affin Bank to around 30% from 4.796%, overtaking the Armed Forces Fund Board (LTAT) as the banking group’s largest shareholder.</p> <p><i>(Source: Sarawak wants to raise stake in Affin Bank to around 30%, sources say, The Edge Malaysia, published on 31 January 2024)</i></p> <p>(a) With the emergence of the Sarawak state government as a potential largest shareholder of Affin Bank, how will this shape the future of Affin Bank?</p> <p>(b) Building a presence in Sarawak is one of the five key enablers for the Bank to achieve the 14 targets under the five-year Affin Axelerate 2028 (AX28) Transformation Plan (page 30 of Annual Report 2023).</p> <p>What is the “underpenetrated banking market” that Affin Bank refers to, and how is the market competition in the respective segments? What is the market</p>	<p>LTAT has informed the Bank that they are in discussions with the Sarawak State Financial Secretary for a possible transaction of additional shares in Affin Bank Berhad (ABB). This is a shareholder matter.</p> <p>ABB will make the relevant announcement upon conclusion of the share sale transaction once the Bank receives the relevant notification from the shareholders.</p> <p>Details of the opportunities in Sarawak were as presented by the President & Group Chief Executive Officer (PGCEO) in the earlier presentation to the shareholders.</p> <p>The Bank’s key focus to build AFFIN’s presence in Sarawak is as detailed in the earlier presentation by the PGCEO.</p> <p>As a recap, the details are as per Annexure 4(i) herein.</p>

QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE LETTER DATED 19 APRIL 2024 PRIOR TO THE 48TH AGM

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	potential and commercial value of the said segment?																																												
2.	<p>On page 25 of AR2023, the Bank said it recorded a 62% decrease in PBT in FY2023 to RM518.3 million from RM1.38 billion earlier, after accounting for the one-off gain of RM1.1 billion from the divestment of Affin Hwang Asset Management (AHAM) in the previous reporting period. If the gains from the divestment are excluded, the year-on-year drop would be 28%.</p> <p>How did the RM518.3 million PBT record in FY2023 represent a decline of 28% since the PBT recorded in FY2022 was RM235.24 million (page 257, Income Statements, AR2023)?</p>	<p>The statement on the 28% year-on-year PBT decline excludes the gains arising from the AHAM transaction and one-off provisions. The reconciliation from 2023 reported PBT to the Bank’s new normalised PBT is shown in the table below:</p> <p>Income Statement – Normalised PBT</p> <table border="1" data-bbox="776 695 1448 1031"> <thead> <tr> <th rowspan="2"></th> <th>2022</th> <th>2023</th> <th>Y-o-Y</th> </tr> <tr> <th>RM million</th> <th>RM million</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>PBT reported</td> <td>1,376.8</td> <td>518.30</td> <td>(62)</td> </tr> <tr> <td>Add back Extraordinary Adjustments</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- ECL overlay and Goodwill</td> <td>467.8</td> <td>-</td> <td></td> </tr> <tr> <td>- Expenses - divestment advisory cost</td> <td>17.0</td> <td>-</td> <td></td> </tr> <tr> <td>Less Extraordinary Gains</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- AHAM Divestment Gains</td> <td>(1,058.1)</td> <td>-</td> <td></td> </tr> <tr> <td>PBT (without gains)</td> <td>803.5</td> <td>518.3</td> <td>(35)</td> </tr> <tr> <td>Excluding AHAM Earnings for the year</td> <td>(83.0)</td> <td>-</td> <td></td> </tr> <tr> <td>PBT normalised without AHAM and one-off</td> <td>720.5</td> <td>518.3</td> <td>(28)</td> </tr> </tbody> </table>		2022	2023	Y-o-Y	RM million	RM million	%	PBT reported	1,376.8	518.30	(62)	Add back Extraordinary Adjustments				- ECL overlay and Goodwill	467.8	-		- Expenses - divestment advisory cost	17.0	-		Less Extraordinary Gains				- AHAM Divestment Gains	(1,058.1)	-		PBT (without gains)	803.5	518.3	(35)	Excluding AHAM Earnings for the year	(83.0)	-		PBT normalised without AHAM and one-off	720.5	518.3	(28)
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3.	<p>Under the AX28, Affin Bank announced several financial targets such as profit before tax (PBT) of RM1.8 billion (FY2023: RM518 million), CASA ratio of 35% (FY2023: 26.7%), return on equity (ROE) of 12% (FY2023: 3.62%), a cost-to-income ratio (CIR) of below 53% (FY2023: 71.57%), and gross impaired loan ratio of 1.5% (FY2023: 1.9%).</p> <p>The Bank is required to post an annual improvement of between 15% and 40% to achieve these goals (page 30 of AR2023).</p> <p>(a) As of FY2023, Affin Bank’s CIR remained elevated at 71.57%, being 9% higher than 62.55% in the previous year (excl. one-off gain from the divestment of Affin Hwang Asset Management in the year).</p>																																												

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	<p>Notably, FY2023's CIR was the highest among its peers despite measures such as the 5 Affin Cost Efficiency Strategy to contain operating costs and expenses previously.</p> <p>(i) What would it take for Affin Bank to achieve the mid-term CIR target of 56% by FY2025 and subsequently to below 53% by FY2028?</p> <p>(ii) What is the projected growth rate required to grow the income and contain operating expenses for the Bank to keep the CIR at bay?</p>	<p>To achieve the targeted Cost-to-Income Ratio, AFFIN is undertaking among others, the following measures and initiatives:</p> <p>(a) Focus on improving productivity to increase the revenue per headcount through:</p> <ul style="list-style-type: none"> (i) increased cross-selling; (ii) enhancing fee-based income; and (iii) focus on the key revenue drivers in Community, Enterprise & Corporate Banking. <p>(b) At the same time, the Bank will continue with its cost strategies for cost control.</p> <p>Income is required to grow by more than 20% to support the current cost structure. There are targets and action plans to drive such income growth.</p> <p>For 2023 performance, the higher CIR was mainly due to lower NII as a result of NIM compression, depicted below:</p> <table border="1" data-bbox="792 1541 1442 1814"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> <th>%</th> <th>Diff (YoY)</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>NII*</td> <td>1,639.1</td> <td>1,256.4</td> <td>(23.34)</td> <td>(382.7)</td> </tr> <tr> <td>NOII*</td> <td>415.5</td> <td>729.4</td> <td>75.54</td> <td>313.9</td> </tr> <tr> <td>Revenue</td> <td>2,054.6</td> <td>1,985.8</td> <td>(3.34)</td> <td>(68.8)</td> </tr> <tr> <td>Overhead</td> <td>1,316.7</td> <td>1,421.2</td> <td>7.93</td> <td>104.5</td> </tr> <tr> <td>CIR</td> <td>64%</td> <td>72%</td> <td>8</td> <td>7%</td> </tr> </tbody> </table> <p>*Including Income from Islamic Banking Business</p>		2022	2023	%	Diff (YoY)	Total					NII*	1,639.1	1,256.4	(23.34)	(382.7)	NOII*	415.5	729.4	75.54	313.9	Revenue	2,054.6	1,985.8	(3.34)	(68.8)	Overhead	1,316.7	1,421.2	7.93	104.5	CIR	64%	72%	8	7%
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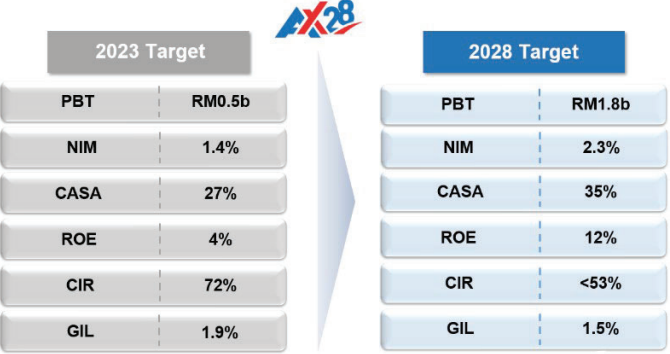
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	<p>(iii) The measures and strategies introduced in the past seem muted to optimise the operating costs, what else could the Bank do to lower operating costs?</p> <p>(b) Under the AX28, the Bank aspires to groom the private banking business further.</p> <p>(i) What are the targeted outcomes to be achieved by 2028 for the segment? Please elaborate on the strategy to grow the segment.</p>	<p>The Bank has several key action plans to continue on its journey to manage cost, amongst others:</p> <ul style="list-style-type: none"> (a) Improved automation and reduction of redundancies to improve overall productivity; (b) Stricter measures to ensure return on investments cross the internal hurdle rates; and (c) Strict hiring practices. <p>Under AX28, the Bank’s strategy is to grow the wealth management business by tapping the Ultra High Net Worth segment through the Private Banking business.</p> <p>The Bank’s strategy for that business includes upskilling its sales team to be Universal Relationship Managers (URM), offering hyper-personalised and unique products & solutions to its customers.</p> <p>The Private Banking model will be sharing the same premises as the Affin Invikta lounges. Hence, there will not be any material increase in costs for this new business.</p> <p>The Bank intends to replicate the success of its AFFIN Invikta Segment by scaling it even further with the Bank’s Private Banking customers.</p> <table border="1" data-bbox="771 1543 1445 1806"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Invikta Customers</td> <td>0</td> <td>6,000</td> <td>12,000</td> <td>24,000</td> </tr> <tr> <td>Deposit AUM (RM'b)</td> <td>0</td> <td>13.3</td> <td>17.3</td> <td>19.4</td> </tr> <tr> <td>Investment AUM (RM'b)</td> <td>0</td> <td>0.5</td> <td>0.4</td> <td>1.1</td> </tr> <tr> <td>Total AUM (RM'b)</td> <td>0</td> <td>13.8</td> <td>17.7</td> <td>20.5</td> </tr> </tbody> </table>		2020	2021	2022	2023	Invikta Customers	0	6,000	12,000	24,000	Deposit AUM (RM'b)	0	13.3	17.3	19.4	Investment AUM (RM'b)	0	0.5	0.4	1.1	Total AUM (RM'b)	0	13.8	17.7	20.5
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	<p>(ii) Premier banking solution AFFIN INVIKTA was introduced in 2021 to tap into the affluent segment.</p> <p>What is the value proposition of AFFIN INVIKTA? What is the market reception towards the product? How competitive are its offerings against other premier banking solutions by banking peers?</p> <p>(c) Also included in AX28 is the maximisation of capital efficiency and the improvement of ROE. Affin Bank's ROE of 3.6% was relatively low compared to other banking peers of high single digit. That said, the ROE target of 8% by FY2025 and 12% by FY2028 seems an uphill task for the Bank.</p> <p>Please explain the basis and assumptions for deriving the</p>	<p>AFFIN INVIKTA offers a host of exclusive privileges and benefits for the High Net Worth Segment such as:</p> <p>(a) Dedicated Relationship Managers (RMs) to provide personalised financial solutions and services to its customers.</p> <p>(b) Regular market insights for customers to make informed financial decisions for their investments.</p> <p>The Bank is committed to providing an elevated premier banking experience, offering convenience, privileges, security, and safety as well as rewards to its clientele.</p> <p>The market has responded well to AFFIN INVIKTA as can be seen in the comparative table below:</p> <table border="1" data-bbox="773 1024 1442 1310"> <thead> <tr> <th></th> <th>Bank A</th> <th>Bank B</th> <th>Bank C</th> <th>AFFIN</th> </tr> </thead> <tbody> <tr> <td>AUM</td> <td>RM95b</td> <td>RM210b</td> <td>RM46b</td> <td>RM20b</td> </tr> <tr> <td>Customers</td> <td>150,000</td> <td>300,000</td> <td>102,000</td> <td>24,000</td> </tr> <tr> <td>R. Managers</td> <td>200</td> <td>300</td> <td>150</td> <td>55</td> </tr> <tr> <td>Centers</td> <td>43</td> <td>72</td> <td>19</td> <td>18</td> </tr> <tr> <td>AUM per Customer</td> <td>RM633,000</td> <td>RM700,000</td> <td>RM450,000</td> <td>RM645,000</td> </tr> <tr> <td>AUM per RM</td> <td>RM475mil</td> <td>RM700mil</td> <td>RM307mil</td> <td>RM364mil</td> </tr> <tr> <td>AUM per Centre</td> <td>RM2.8b</td> <td>RM2.9b</td> <td>RM2.4b</td> <td>RM1.1b</td> </tr> </tbody> </table> <p>AUM is defined as deposits + investments. Data is as at Dec'23. Competitor data from market intelligence.</p> <p>The ROE targets are aspirational and there are key strategies. Many action plans that have been baked into the AX28 Plan to provide AFFIN with the foundation to reach those aspirational targets.</p> <p>The ROE targets are driven by the income and PAT targets that are derived from the Bank's overall plan to increase productivity of its staff force and bring stronger revenues to the banking group.</p> <p>The drivers for the growth numbers will come from the loans/financing growth, improvement of the CASA position as well as growing the fee income through more efficient and effective cross-selling initiatives.</p>		Bank A	Bank B	Bank C	AFFIN	AUM	RM95b	RM210b	RM46b	RM20b	Customers	150,000	300,000	102,000	24,000	R. Managers	200	300	150	55	Centers	43	72	19	18	AUM per Customer	RM633,000	RM700,000	RM450,000	RM645,000	AUM per RM	RM475mil	RM700mil	RM307mil	RM364mil	AUM per Centre	RM2.8b	RM2.9b	RM2.4b	RM1.1b
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4.	<p>Affin Bank previously guided net interest margin (NIM) expansion to 2.1% in FY2023 (Reply letter to MSWG dated 24 May 2023). Instead, its NIM declined sharply to 1.42% compared to 2.01% in FY2022.</p> <p>On the back of a lower NIM were higher interest expenses of RM1.87 billion (FY2022: RM1.03 billion), primarily led by an increase in interest paid to customer deposits (page 337, Note 35 – Interest Expense, AR2023). Correspondingly, the total deposits expanded to RM70.8 billion from RM65 billion a year ago (page 328, Note 22 – Deposits from customers, AR2023).</p>																															

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		<p><u>Top Position Stockbroking and Moving Up the League Tables in Equity and Debt</u></p> <div style="display: flex; justify-content: space-around;"> <table border="1" data-bbox="776 499 1104 808"> <caption>Stockbroking (Annual Ranking)</caption> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Ranking</th> </tr> <tr> <th>FY2022</th> <th>FY2023</th> </tr> </thead> <tbody> <tr><td>AFFIN HWANG INVESTMENT BANK</td><td>2</td><td>1</td></tr> <tr><td>1</td><td>1</td><td>2</td></tr> <tr><td>2</td><td>3</td><td>3</td></tr> <tr><td>3</td><td>5</td><td>4</td></tr> <tr><td>4</td><td>6</td><td>5</td></tr> <tr><td>5</td><td>4</td><td>6</td></tr> <tr><td>6</td><td>8</td><td>7</td></tr> <tr><td>7</td><td>7</td><td>8</td></tr> <tr><td>8</td><td>10</td><td>9</td></tr> <tr><td>9</td><td>15</td><td>10</td></tr> </tbody> </table> <table border="1" data-bbox="1136 499 1445 808"> <caption>DCM League Table</caption> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Ranking</th> </tr> <tr> <th>FY2022</th> <th>FY2023</th> </tr> </thead> <tbody> <tr><td>1</td><td>2</td><td>1</td></tr> <tr><td>2</td><td>1</td><td>2</td></tr> <tr><td>3</td><td>3</td><td>3</td></tr> <tr><td>4</td><td>4</td><td>4</td></tr> <tr><td>5</td><td>8</td><td>5</td></tr> <tr><td>6</td><td>7</td><td>6</td></tr> <tr><td>7</td><td>10</td><td>7</td></tr> <tr><td>8</td><td>9</td><td>8</td></tr> <tr><td>9</td><td>5</td><td>9</td></tr> <tr><td>10</td><td>11</td><td>10</td></tr> </tbody> </table> </div> <p><small>Source: Bursa Malaysia, Bloomberg</small></p> <p><u>Driving Our Award-Winning Enterprise Banking Offerings for SMEs</u></p> 		Ranking		FY2022	FY2023	AFFIN HWANG INVESTMENT BANK	2	1	1	1	2	2	3	3	3	5	4	4	6	5	5	4	6	6	8	7	7	7	8	8	10	9	9	15	10		Ranking		FY2022	FY2023	1	2	1	2	1	2	3	3	3	4	4	4	5	8	5	6	7	6	7	10	7	8	9	8	9	5	9	10	11	10
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5.	<p>AffinAlways was introduced in October 2023 to replace A1addin, which was launched in November 2021 as a new digital banking proposition to cater to the digital-savvy generation.</p> <p>(a) What happened to A1addin, resulting in the discontinuation of service in less than two years? What was the users' feedback regarding the application?</p>	<p>A1addin has been enhanced and migrated into AFFIN's superior AffinAlways mobile app.</p> <p>A1addin customers are now able to use the new A1addin debit card.</p> <p>The Bank received positive feedback from customers for its User Experience and Interface.</p>																																																																						

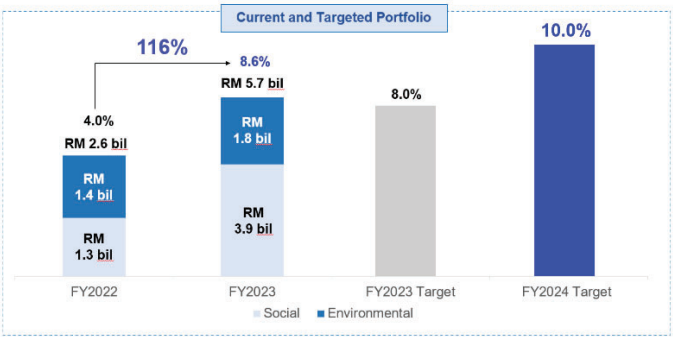
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	<p>(b) How many users registered for A1addin, and how many were active users before the discontinuation?</p> <p>(c) How different was the proposition of AffinAlways compared to A1addin?</p> <p>(d) How much did the Bank invest in developing A1addin?</p> <p>Have the investments been impaired or written off from the book?</p>	<p>The Bank is suspending A1addin e-KYC due to a high level of scamming and fraud. Customers can continue to onboard A1addin through the Bank's branch network.</p> <p>This is the Bank's proposition for the young and digital-savvy segment. Today, the Bank has over 5000 registered users for A1addin.</p> <p>A1addin has a digital account opening via eKYC and Duitnow QR but is unable to view other AFFIN Bank Accounts (Credit Card, Hire Purchase, and Loans).</p> <p>A1addin on the AffinAlways platform has debit card features, and able to view AFFIN Bank Accounts and investments and in the future will have Duitnow QR feature.</p> <p>A1addin remains a key proposition for the young and digital-savvy segment. The investment for A1addin is approximately RM30 million.</p> <p>The amount has been depreciated over the past few years.</p>																																										
6.	<p>The auditors' remuneration included regulatory-related fees, which amounted to RM854,000 compared to RM216,000 in FY2022 (page 340 of AR2023).</p> <p>The above fees comprised a review of the liquidity coverage ratio (LCR), amounting to RM627,000 (page 513 of AR2023). There was no disclosure of the breakdown of regulatory-related fees in FY2022.</p>	<table border="0"> <thead> <tr> <th></th> <th style="text-align: right;">2023 RM'000</th> <th style="text-align: right;">2022 RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="3">Audit related services</td> </tr> <tr> <td>- Statutory Audit</td> <td style="text-align: right;">2,333</td> <td style="text-align: right;">2,179</td> </tr> <tr> <td>- Limited Review</td> <td style="text-align: right;">210</td> <td style="text-align: right;">199</td> </tr> <tr> <td>- Review of Liquidity Coverage Ratio</td> <td style="text-align: right;">627</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- SORMIC</td> <td style="text-align: right;">17</td> <td style="text-align: right;">17</td> </tr> <tr> <td>Total Audit Service</td> <td style="text-align: right;">3,187</td> <td style="text-align: right;">2,395</td> </tr> <tr> <td colspan="3">Non-Audit related services</td> </tr> <tr> <td>- Tax Services and other related</td> <td style="text-align: right;">166</td> <td style="text-align: right;">156</td> </tr> <tr> <td>- Agreed-upon procedures</td> <td style="text-align: right;">64</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Treasury Training</td> <td style="text-align: right;">25</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Review of Long-term Incentive Plan (LTIP)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">297</td> </tr> <tr> <td>Total non-Audit Service</td> <td style="text-align: right;">255</td> <td style="text-align: right;">453</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">3,442</td> <td style="text-align: right;">2,848</td> </tr> </tbody> </table>		2023 RM'000	2022 RM'000	Audit related services			- Statutory Audit	2,333	2,179	- Limited Review	210	199	- Review of Liquidity Coverage Ratio	627	-	- SORMIC	17	17	Total Audit Service	3,187	2,395	Non-Audit related services			- Tax Services and other related	166	156	- Agreed-upon procedures	64	-	- Treasury Training	25	-	- Review of Long-term Incentive Plan (LTIP)	-	297	Total non-Audit Service	255	453	Total	3,442	2,848
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NO	QUESTION	ANSWER
	<p>What were the concerns that led to the decision to review the ratio? What were the aspects that the auditors reviewed concerning the ratio?</p> <p>Was the review recurring in nature?</p>	<p>In relation to the fees of RM627,000 for the review of the Liquidity Coverage Ratio undertaken by the auditors, it was an industry-wide review requested by the regulator to assess the level of compliance with the regulatory standards.</p> <p>This will not be a recurring review.</p>
SUSTAINABILITY MATTERS		
1.	<p>Affin Bank is adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As of FY2023, the Bank has partially integrated the TCFD recommendations into its sustainability disclosures (page 243, Sustainability Statement, AR2023).</p> <p>(a) The Bank intends to conduct a detailed analysis of climate-related risks and opportunities. How is the progress to date?</p>	<p>AFFIN established its Sustainability Framework in 2023 that operates based on four (4) key principles, ensuring that all its actions align with the Bank's sustainability commitments which include the following:</p> <ul style="list-style-type: none"> (a) Commit to increase Sustainable Financing to 25% by 2028; (b) Achieve 30% of operational emissions (Scope 1 & Scope 2) by 2030 and Net Zero Carbon by 2050; and (c) Commit to improving the livelihood of the society through impactful CSR activities. <p>The risk assessment for the above strategy includes climate scenario analysis and stress testing, targeted to be completed by the end of 2024.</p>

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	<p>(b) Main Market listed issuers must disclose their climate-related disclosure aligned with the recommendation of TCFD on or after the financial year 31 December 2025.</p> <p>Please indicate your overall readiness to adopt the standard on time.</p>	<p>Sustainable Financing – Progress Update</p>  <p>The Group has adopted the TCFD framework recommendations in its Sustainability Statement FY2023, ensuring compliance with overall recommendations. It also disclosed 7 out of 11 metrics after completing climate-related risks and opportunities assessments.</p> <table border="1" data-bbox="776 1113 1445 1192"> <thead> <tr> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>7 Out of 11 Initiatives</td> <td>11 Out of 11 Initiatives</td> </tr> </tbody> </table> <p>The Bank’s plan to meet the 11 TCFD recommended disclosures is as follows:</p> <ul style="list-style-type: none"> (i) Describe the Board’s oversight of climate-related risks and opportunities. (ii) Describe management’s role in assessing and managing climate-related risks and opportunities. (iii) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. (iv) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. 	2023	2024	7 Out of 11 Initiatives	11 Out of 11 Initiatives
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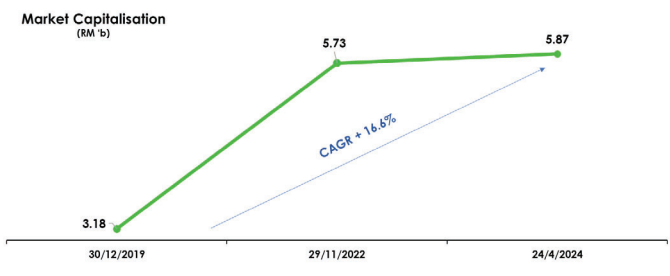
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		<p>(v) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>(vi) Describe the organisation’s processes for identifying and assessing climate-related risks.</p> <p>(vii) Describe the organisation’s processes for managing climate-related risks.</p> <p>(viii) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</p> <p>(ix) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>(x) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>(xi) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p> <p>Please refer to page 243, Sustainability Statement, AR2023 for further details on the specific TCFD recommended disclosures.</p>
CORPORATE GOVERNANCE MATTERS		
1.	<p>Affin Bank President and Group CEO (PGCEO) Datuk Wan Razly Abdullah Wan Ali received a total remuneration of RM7.45 million in FY2023 (FY2022: RM5.75 million), comprising of salaries, bonuses, EPF, other employee benefits, and benefit-in-kind.</p>	

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	<p>What is the breakdown of his remuneration based on fixed and variable elements? As for variable remuneration, please provide the breakdown of deferred and non-deferred categories.</p>	<p>The remuneration of the PGCEO comprises fixed and variable components, as outlined in the following table:</p> <table border="1" data-bbox="771 525 1453 793"> <thead> <tr> <th>Details</th> <th>2023 RM '000</th> <th>%</th> <th>2022 RM '000</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Fixed Pay (Salaries, EPF, other employee benefits, benefits-in-kind)</td> <td>3,735</td> <td>50%</td> <td>3,658</td> <td>64%</td> </tr> <tr> <td>Variable Pay (Cash bonus)</td> <td>3,713</td> <td>50%</td> <td>2,094</td> <td>36%</td> </tr> <tr> <td>Total Remuneration</td> <td>7,448</td> <td></td> <td>5,752</td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="771 682 1258 793"> <thead> <tr> <th>Breakdown for deferred and non-deferred</th> <th>RM '000</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Non-deferred Cash Bonus</td> <td>2,785</td> <td>75%</td> </tr> <tr> <td>Deferred Cash Bonus</td> <td>928</td> <td>25%</td> </tr> <tr> <td>Total</td> <td>3,713</td> <td></td> </tr> </tbody> </table> <p>The target compensation mix for Affin Group's PGCEO consists of a 50:50 ratio of fixed and variable pay.</p> <p>This ratio is designed to provide a competitive advantage in the market and align with the Group's pay-for-performance approach. It focuses on driving the Group to achieve short-term and long-term objectives while enhancing shareholder value.</p> <p>The transformation plan of AIM22, A25 & AX28 Plan is driven by the PGCEO without external consultants. He is the pivotal contributor, architect, and key driver of the metamorphosis plan of the Bank which is proven by the AIM22 success.</p> <p>The Board has decided not to award a cash bonus to the PGCEO for FY2023, aligning with the Bank's performance. This decision will be reported in the 2024 annual report.</p> <p>Under the leadership of the PGCEO, AFFIN's market capitalization has experienced substantial growth, reaching RM5.87b as of 24 April 2024. This achievement underscores the confidence in AFFIN's transformation journey.</p>	Details	2023 RM '000	%	2022 RM '000	%	Fixed Pay (Salaries, EPF, other employee benefits, benefits-in-kind)	3,735	50%	3,658	64%	Variable Pay (Cash bonus)	3,713	50%	2,094	36%	Total Remuneration	7,448		5,752		Breakdown for deferred and non-deferred	RM '000	%	Non-deferred Cash Bonus	2,785	75%	Deferred Cash Bonus	928	25%	Total	3,713	
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2.	<p>A total of 15.59 million shares with a fair value of RM1.806 per share were granted under the Share Grant Scheme (SGS) in FY2023 (page 429, Note 58 – Long Term Incentive Plan, AR2023).</p> <p>(a) What was the breakdown of the shares granted between different categories of employees, e.g., PGCEO, key senior management officers, and other eligible employees?</p> <p>(b) How many recipients were granted shares under SGS in FY2023? Please provide a range of the number of SGS shares granted to a single employee.</p> <p>For greater transparency, please consider disclosing the award of SGS with a detailed breakdown in the future, which aligns with the practice of other major banks.</p>	<p>The breakdown of the share granted between different categories of employees is displayed as per the table below:</p> <table border="1" data-bbox="771 1123 1453 1333"> <thead> <tr> <th>Employee Category</th> <th>No of HC</th> <th>Total Allocation (Share Unit)</th> <th>Range Allocation (Share Unit)</th> <th>Average Allocation (Share Unit)</th> <th>% of Allocation vs Grand Total</th> </tr> </thead> <tbody> <tr> <td>PGCEO</td> <td>1</td> <td>1,020,000</td> <td>1,020,000</td> <td>1,020,000</td> <td>7%</td> </tr> <tr> <td>Sr Mgmt (GMC & SMC)</td> <td>20</td> <td>5,355,400</td> <td>83,700 - 600,000</td> <td>267,770</td> <td>34%</td> </tr> <tr> <td>Other Material Risk Taker/Talent</td> <td>100</td> <td>9,216,300</td> <td>35,200 - 263,900</td> <td>92,163</td> <td>59%</td> </tr> <tr> <td>Grand Total</td> <td>121</td> <td>15,591,700</td> <td>35,200 - 1,020,000</td> <td>128,857</td> <td>100%</td> </tr> </tbody> </table> <p>There were a total of 121 employees who were granted shares under SGS in FY2023. The range of the number of SGS shares granted based on on-target performance is 35,200 – 1,020,000 shares.</p>	Employee Category	No of HC	Total Allocation (Share Unit)	Range Allocation (Share Unit)	Average Allocation (Share Unit)	% of Allocation vs Grand Total	PGCEO	1	1,020,000	1,020,000	1,020,000	7%	Sr Mgmt (GMC & SMC)	20	5,355,400	83,700 - 600,000	267,770	34%	Other Material Risk Taker/Talent	100	9,216,300	35,200 - 263,900	92,163	59%	Grand Total	121	15,591,700	35,200 - 1,020,000	128,857	100%
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NO	QUESTION	ANSWER
3.	<p>The Company's Corporate Governance Report 2023 (page 27), Practice 4.4 states that 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.</p> <p>The Bank has adopted the Practice. However, the explanation of the application of the Practice is brief.</p> <p>(a) What material sustainability risks and opportunities were incorporated in the performance evaluation of the Board and senior management?</p>	<p><u>For the Board</u></p> <p>ESG risks and opportunities have been included in the Board Effectiveness Evaluation (BEE). The areas that were assessed, among others, are as follows:</p> <p>(a) Effectiveness of the Board in taking into account environmental, social, and governance (ESG) as well as sustainability considerations, risks, and opportunities during the review and oversight of the development and implementation of the Bank's strategies, business plans, major plans of action, and risk management.</p> <p>(b) Effectiveness of the Board in ensuring the Company's ESG strategies, priorities, and targets as well as performance against these targets.</p> <p><u>For the Senior Management</u></p> <p>ESG risks and opportunities have been included in the Senior Management's performance evaluation. The areas among others include:</p> <p>(a) Strengthening the implementation of Climate Risk Management and Scenario Analysis (CRMSA) in compliance with Bank Negara Malaysia (BNM) guidelines;</p>

**QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP
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NO	QUESTION	ANSWER
	<p>(b) What was the weightage of sustainability-related KPIs (by percentage) vis-à-vis operational and financial metrics in the overall evaluation of the Board and senior management?</p> <p>(c) How did the Board and senior management perform in relation to these metrics?</p>	<p>(b) Opportunity growth in the Sustainable Financing segment from 8.61% in 2023 to 15% in 2025;</p> <p>(c) Enhancing talent development in Sustainability-based knowledge and skills set; and</p> <p>(d) Enhancing the overall organizational culture in the area of ESG practices i.e., recycling & energy saving.</p> <p><u>For the Board</u></p> <p>20% (or 10 out of 50) of the questions of the BEE were related to sustainability.</p> <p><u>For the Senior Management</u></p> <p>Depending on the functional role performed by the individual, the KPI weightages range between 2% to 12%.</p> <p><u>For the Board</u></p> <p>The outcome of the BEE in relation to sustainability-related matters was “satisfactory”. Further, the Board took cognisance of the growing importance of ESG and recognises that it needs to focus more efforts to meet stakeholders’ expectations.</p> <p>The Board anticipates that the ESG initiatives will be fully integrated into the Group’s business plan and risk management, with the support of the newly established Group Board Sustainability Committee.</p> <p><u>For the Senior Management</u></p> <p>The outcome of the performance evaluation in relation to Sustainability-related KPIs was “satisfactory”, as outlined in the following table:</p>

QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE LETTER DATED 19 APRIL 2024 PRIOR TO THE 48TH AGM

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	<p>(d) Which area requires more focus and attention from the Board and management?</p> <p>Please note that Guidance 4.4 of the Malaysian Code of Corporate Governance further provides that the company's shareholders should also be informed of the evaluation outcomes and next steps.</p>	<table border="1" data-bbox="771 415 1453 632"> <thead> <tr> <th>No</th> <th>Scope</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ESG Financing</td> <td> <ul style="list-style-type: none"> Grew overall ESG financing by 8.6%. Segment-wise, growth is observed across i.e. Islamic financing 9.7%, retail 8.6%, enterprises 57% and corporates 7% </td> </tr> <tr> <td>2</td> <td>Risk Management</td> <td> <ul style="list-style-type: none"> Achieved 30% ESG-assessed for corporate segment portfolio to mitigate financing with high risk borrower; Risk portfolio review for enterprise segment with <1% rated 'High Risk' Completed all relevant initiatives planned under CRMSA </td> </tr> <tr> <td>3</td> <td>Capacity Building</td> <td> <ul style="list-style-type: none"> Enrolment to CRMSA certification under AICB and selected public programs e-Learning module rollout to all employees Internal ESG awareness through Sustainability Digest & Newsletter and ESG Talk Series. </td> </tr> </tbody> </table> <p><u>For the Board</u></p> <p>The Bank requires more expertise in matters related to sustainability/ESG.</p> <p>Adoption of the climate scenario analysis and stress testing, targeted to be completed by the end of 2024.</p> <p>The Bank's ESG journey is still at an early stage and more needs to be done to meet the stakeholders' expectations. With the newly set up Group Board Sustainability Committee in November 2023, the discussions related to ESG are expected to be more in-depth and robust.</p> <p><u>For the Senior Management</u></p> <p>Robust adoption of CRMSA to align with BNM guidelines.</p> <p>Enhance capability and capacity through on-going development of expert knowledge and skill sets.</p> <p>The BEE outcomes and the next course of action are articulated on Pages 158 to 159 of the Annual Report 2023. The main highlights of the BEE 2023 results are as follows:</p> <p><u>Areas of Strength</u></p> <p>(a) Board Dynamics & Culture - Earned one of the highest ratings from the Board and Management for creating a suitable culture for the organisation to accomplish long-term strategy.</p>	No	Scope	Details	1	ESG Financing	<ul style="list-style-type: none"> Grew overall ESG financing by 8.6%. Segment-wise, growth is observed across i.e. Islamic financing 9.7%, retail 8.6%, enterprises 57% and corporates 7% 	2	Risk Management	<ul style="list-style-type: none"> Achieved 30% ESG-assessed for corporate segment portfolio to mitigate financing with high risk borrower; Risk portfolio review for enterprise segment with <1% rated 'High Risk' Completed all relevant initiatives planned under CRMSA 	3	Capacity Building	<ul style="list-style-type: none"> Enrolment to CRMSA certification under AICB and selected public programs e-Learning module rollout to all employees Internal ESG awareness through Sustainability Digest & Newsletter and ESG Talk Series.
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		<p>(b) 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><u>Considerations for Improvement</u></p> <p>(a) 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 the information that is 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>(b) Board Sustainability Matters - The Board is committed to sustainability/ESG issues and recognises that it needs to focus more efforts to meet stakeholders' expectations. The Board anticipates that the ESG initiatives will be fully integrated into the Group's business plan and risk management, with the support of the newly established Group Board Sustainability Committee.</p> <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 BEE 2023 outcome will also be considered for the reappointment of Directors and Board Committees' membership appointment, where applicable.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
1.	Mr. Dinesh Kumar A/L Bachulal <i>Proxy</i>	1. Referred to the recent news pertaining to State Government of Sarawak's intention to raise its stakes in Affin Bank Berhad, does the Bank intend to raise any capital by way of rights issue? 2. Recommended that the Board to consider other options for distributing door gift instead of crediting into Affin account.	1. PGCEO informed that the Bank does not have any intention to raise capital via issuance of new securities. 2. PGCEO informed that the Bank is on a journey to expand its customer base. Hence, shareholders, proxies and corporate representatives who attended this AGM are encouraged to open an account with the Bank or subscribe to any of the Bank's products/services to enable the Bank to credit the door gift of RM50.00. The Bank's profitability is very much dependent on the Current Account and Saving Account (CASA) growth. The supports from shareholders, proxies and corporate representatives would be beneficial to the Bank's growth. 3. The Chairman announced that the Board has decided to reimburse the parking charges for shareholders, proxies and corporate representatives who attended the AGM physically.
2.	Ms. Yap Ah Moi @ Yong Choe Eng ("Ms Yap") <i>Shareholder</i>	1. Highlighted that she has difficulty contacting the customers service hotline and the branch landline when she was trying to redeem her hire purchase loan maintained with the Bank. She further commented that the Bank branches are scarce and located further from her residence.	1. PGCEO requested the Management to reach out to Ms. Yap to assist her with the redemption of her hire purchase. Subject to the regulator's approval, PGCEO commented that the Bank is currently increasing its footprint and network. He hoped that the new Bank branches would create

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>2. Suggested that the Bank increase the quality of the printing on the credit card as the numbers tend to fade away after a period of time.</p> <p>3. Opined that the Bank should be more aggressive in campaigns or marketing to increase CASA growth as the Bank does have competitive fixed deposit ("FD") rate. She suggested that the Bank should blast out ongoing campaigns to the existing customers through the contact details maintained with the Bank.</p>	<p>convenience for the customers. In the interim, the Mobile Financial Centre created by the Bank would be serving customers where the Bank currently does not have a presence.</p> <p>2. PGCEO thanked Ms. Yap on her suggestion to increase the credit card quality and remarked that the Bank will be glad to replace her credit card.</p> <p>3. PGCEO took note of Ms. Yap's suggestion and informed that the Bank's FD rate remains relatively competitive. PGCEO hoped that customers would visit the branches to enquire on the FD rates and to enjoy other services offered by the Bank.</p>
3.	Mr. Chee Sai Mun <i>Shareholder</i>	1. Referred to the Net Interest Margin ("NIM") of 4Q2022 compared to 4Q2023, where the Bank's NIM fell from 2.01% to 1.42%. Mr Chee pointed out that one of the reasons given by the Bank for the NIM compression was the increase in the exchange rate between USD/MYR and commented that if that is the case then other banks should also be affected by this situation. He highlighted that Affin has the highest NIM compression compared to other banks.	1. PGCEO informed that the Bank is predominantly operating in the Malaysian market compared to other banks. Hence, the Bank's loan assets are mostly pegged against the Bank Negara Malaysia's overnight interest rate (OPR). Even though the Bank's USD loan assets is smaller compared to other banks, the increase in policy rate by The Fed would have a higher impact on the Bank as the Bank does not operate outside of Malaysia and hence, would have a limited way of passing on the cost. The Bank aspires to diversify its loan assets to pass on the potential increase in policy rate and it would be hedged

QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>2. He enquired on the Bank's largest product with fixed interest rate.</p> <p>3. He observed that the Bank's overall performance for financial year 2023 has increased compared to financial year 2022. However, he pointed out that the Bank still suffered from NIM compression. He sought clarification from the Bank.</p> <p>4. He enquired as to why the Bank's strategy for Sarawak does not place more emphasis on oil and gas sector as the oil and gas sector is a huge market in Sarawak. He opined that the Bank's strategy should not be restricted by ESG concerns. He further remarked that the Bank should strike a balance between opportunity and ESG concerns. He suggested that the Bank to issue more ESG bonds to balance out the non-ESG activities.</p>	<p>against USD deposits. The Bank has recently introduced deposit account for foreign currencies.</p> <p>2. Hire purchase made up of the largest Bank's product with fixed interest rate, i.e. approximately RM15.0 billion (22.3% of the Bank's loan assets). PGCEO pointed out that the Bank started with a relatively low loan base and has since increased by RM20.0 billion and is continuing to grow.</p> <p>3. PGCEO pointed out that the economic landscape affected the entire financial industry instead of just Affin. It can be seen from the market's fluctuation of cost of fund. Affin's NIM compression is noticeable due to its much smaller CASA base. There are also other factors to be considered such as, among others, the composition of fixed and floating rate loans, foreign operations for natural hedge etc.</p> <p>4. PGCEO acknowledged that the state of Sarawak's incomes is mostly from the oil and gas sector. However, he pointed out that the Bank also has to meet its stakeholders' expectation in terms of ESG compliance. The Bank has to increase its ESG loans in order to meet the ESG requirements to fund non-ESG activities, i.e., there is a ratio that has to be complied by the Bank. Hence, the Bank has put in place an aggressive strategy to increase its ESG loans. The Bank</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>5. He highlighted that there is a gap in performance between FY2022 and FY2023 results and sought clarification from the Bank.</p>	<p>would also consider issuing more ESG bonds in the future.</p> <p>5. PGCEO highlighted that the Bank has diversified its asset management business in 2022 and further each business segment did not generate sufficient revenues for the Group in FY2023. In addition to that, the Bank has recognised some overlays in 2023. Hence, there is a gap in the Group's performance between FY2022 and FY2023. Excluding the one-off items, the gap between FY2022 and FY2023 performance is -28% year-on-year.</p>
4.	<p>Mr. Poravi a/l SP Sithambaram Pillay</p> <p>("Mr. Pillay")</p> <p><i>Shareholder</i></p>	<p>1. Mr. Pillay highlighted that Affin has done an impressive job of accumulating RM20 billion with an average of RM645,000 per customer for High-Net-Worth Individuals in a short period of time. This achievement especially considering lower setup costs compared to Bank A, Bank B and Bank C is noteworthy.</p> <p>Mr. Pillay expressed his appreciation towards the Bank staff, the 48th AGM committees and Tricor for their teamwork and dedication in achieving such results and smooth AGM.</p> <p>Mr. Pillay also acknowledged the 4 Directors i.e., Mr. Gregory Jerome Gerald Fernandes, Puan Marzida Mohd Noor, Ms. Chan Wai Yu and Puan Emeliana Rice Oxley for their respectful gesture during the re-</p>	<p>1. PGCEO took note of Mr. Pillay's comments.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>election resolutions process underscores the value of respect and gratitude in corporate governance.</p> <p>2. What is the status of solar power installation in all Affin branches and whether there is any Key Performance Indicator (“KPI”) governing such?</p> <p>3. Whether there is any officer from Securities, Affin Hwang Investment Berhad attending the AGM?</p> <p>Mr. Pillay was in the opinion that their presence would have attracted more potential customers among the shareholders.</p>	<p>2. PGCEO explained that Affin Bank currently has solar panels installed in 13 of its branches. These branches are owned by Affin itself. Meanwhile, for the branches that Affin rents or leases, the decision to install solar panels is based on the size of the deposit.</p> <p>This is to ensure the permanency of customers and as a strategic approach to balance the investment in solar installation with the expected customer retention in those branches.</p> <p>3. PGCEO informed that Encik Nurjesmi Mohd Nashir, Chief Executive Officer of Affin Hwang Investment Bank Berhad is present on the stage during the AGM.</p> <p>PGCEO explained that Affin bank is presently operating in a synergized manner, signifying the effective integration and collaboration among various sectors within the Bank.</p> <p>PGCEO also explained about “triple banking model” that integrates Affin Bank, Affin Islamic and Affin Hwang Investment Bank Berhad under 1 roof. This concept is designed to offer a</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
			<p>comprehensive range of banking products and services.</p> <p><i>(While answering this, Mr. Ng Meng Wah, Managing Director, Leverage Business & Proprietary Trading from Affin Hwang Investment Berhad went ahead and sit next to Mr. Pillay).</i></p>
5.	<p>Mr. Lee Thang Yean ("Mr. Lee")</p> <p><i>Shareholder</i></p>	<p>1. Upon reviewing the budget for 2024, which is set at RM1.0 billion identical to the budget for 2023, Mr. Lee noted that the actual achievement for the previous year was only 51%.</p> <p>This raises questions about the projected budget and forecast for Q1 2024 and the Bank's level of confidence in achieving the budget for 2024.</p>	<p>1. PGCEO has articulated that Affin Bank is currently on an aspirational journey, setting elevated targets with the aim of raising the Bank to a higher level. The confidence level on the budget stands at approximately 80%.</p> <p>Currently, Affin Bank is in a blackout period, having submitted to Bank Negara Malaysia for approval of the Q1 2024 results. Upon approval, Q1 2024 results will be announced to the market.</p> <p>Affin Bank is growing stronger each day, with an asset base of RM100 billion. Despite a challenging budget, Affin Bank is aiming to elevate its service level, as indicated by a higher Net Promoter Score ("NPS"). The Bank's operations are impacted by global factors such as conflicts in the Middle East, inflation and the rising price of oil and gas.</p> <p>Affin Bank is committed to maintain its quality of service at all times, being speedy and agile in adapting to the dynamic market environment.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 48TH AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
			<p>The current softness in Malaysian economy and reduced demand from United States present challenges that the Bank needs to face and adjust its model accordingly. The Bank's strategic plan, AX28, is in place and in the meantime, small scale models have been adjusted.</p> <p>The Bank has come from a lagged position and now at No.7 bank in Malaysia and moving up to the ladder, a process that takes time. It underscores the Bank's commitment to continuous improvement and growth.</p>
6.	Mr. Ooi Cheng Kooi ("Mr. Ooi") <i>Shareholder</i>	<ol style="list-style-type: none"> Mr. Ooi has expressed his appreciation towards the presentation of the Bank's performance to the shareholders. Given Mr. Ooi's decision to switch his mode of transportation to train travel instead of driving and paying the car park charges amounting to RM12.00, would the shareholders still be eligible for reimbursement of travel expenses after the announcement of reimbursement of car park rate? 	<ol style="list-style-type: none"> PGCEO took note of Mr. Ooi's comments. PGCEO has requested the Bank's representative or AGM committee to address Mr. Ooi's query in a separate discussion to ensure that his concern is addressed appropriately.

**QUESTIONS SUBMITTED BY SHAREHOLDERS OF AFFIN BANK BERHAD OR
THEIR CORPORATE REPRESENTATIVES AND PROXIES PRIOR TO THE 48TH
AGM VIA TIIH ONLINE QUERY BOX FACILITY**

(AS AT 23 APRIL 2024)

NO	QUESTION	ANSWER
1.	What is the door gift?	The door gift question was addressed earlier in the Chairman's welcoming speech.
2.	Any door gift to the AGM's attendees?	
3.	Please give us some door gifts/e vouchers/e wallet for attending this RPV as a token of appreciation. Thank you.	
4.	I attended Affin 2023 virtual AGM but I do not have any Affin bank accounts and would therefore like to request the company to give me an alternate door gifts of similar value like Aeon or McDonald vouchers. Your kind understanding and consideration is very much appreciated. Thank you.	
5.	Dear Tricor, I have register for physical but can I go online if I am not feeling well.	You may log in to TIIH Online and participate remotely. Our Share Registrar (Tricor) has engaged the shareholder prior to this meeting.
6.	(a) In Administrative Guide, for physical attendance, it was mentioned parking is at flat rate of RM12. Is this reimbursable in full during verification of attendance on meeting day? (b) Is there a door gift & light breakfast provided for each participant, and lunch pack after the meeting ends? (c) For those who participated either physical or virtual, would they be getting similar gift like last year?	The parking fee is a flat rate of RM12 and is reimbursable. There will be a door gift to the attendees and 1 food pack to be provided. Yes, it will be credited to Affin Bank account.
7.	I have registered for physical attendance of AFFIN BANK AGM on 28th March. Today (22 nd APRIL), I was asked to register again. Kindly advise the status of my registration.	Share Registrar (Tricor) has recorded your registration for physical attendance in the system. Tricor has also engaged the shareholder prior to this meeting.

QUESTIONS SUBMITTED BY SHAREHOLDERS OF AFFIN BANK BERHAD OR THEIR CORPORATE REPRESENTATIVES AND PROXIES PRIOR TO THE 48TH AGM VIA TIIH ONLINE QUERY BOX FACILITY

(AS AT 23 APRIL 2024)

NO	QUESTION	ANSWER
8.	<p>I'm looking at your 2023 performance via your KPI AFS 2025, can management explain to us how are your performance, and where are the positive area n where are the negative area? What action are taken by management to address the negative area and what is the management target and timeline to turnaround this area?</p> <p>I notice Affin Bank has extremely high cost to income ratio for 2023, pls explain what is the major reasons for this? This negative point is recorded despite Affin Bank achieve a maiden historical record of increasing its assets in the balance sheet exceeding more than RM100 billion for the 1st time. Why the bank unable to convert this achievement to record a better bottom line profit performance?</p> <p>I notice Affin Group capital ratio trend has been falling for 2023, this is despite Affin Bank has paying out or receiving a large portion of its dividend in the form dividend reinvestment account instead of in the form of cash, can the management explain why the capital ratio not improving?</p> <p>I notice Affin core conventional bank business profit performance has been dropping sharply for the year 2023, this is despite the Islamic bank business doing reasonably well, can the management explain why the conventional not doing well, is it due to lack of attention or focus in growing this area of business?</p>	<p>These questions have been addressed in the presentation by the PGCEO.</p>

QUESTIONS OR COMMENTS RECEIVED FROM THE SHAREHOLDERS OF AFFIN BANK BERHAD (“ABB” OR “THE COMPANIES”) OR THEIR PROXIES/CORPORATE REPRESENTATIVES DURING THE 48TH AGM VIA TIIH ONLINE QUERY BOX FACILITY

Note: ABB had grouped similar questions or topics and collated the response for such questions.

NO	QUESTION	ANSWER
1.	Why Affin Islamic profit increase when interest rate increase as they are fixed interest loan, as compared to non-Islamic. Please explain. PBT went up 83.5% but loan growth only 11.2% page 33.	PGCEO informed that Affin Islamic Bank Berhad (AIBB) is operating under a leverage model whereby most of the fixed costs are shared with the Bank. Hence, AIBB is only required to carry a portion of the costs under the shared services structure. PGCEO highlighted that is one of the factors why the subsidiaries are performing better than the Bank.
2.	I have attended the last AGM of the Company, but I did not receive the RM50 since I do not have any Affin Bank's products. Can I open a savings account now so that the Company could credit the RM50.0 for my 2023 AGM attendance?	Please contact the Investors' Relations team of the Bank via email or landline and they will render assistance to your request.
3.	<p>1) How did the Bank consider its performance for the past one (1) year compared to other local banks in Malaysia?</p> <p>2) Noted there are resolutions for new shares issuance and dividends reinvestment plan. What're the Board's plan with the new capital raised?</p>	<p>PGCEO informed that the Bank hit some of the targets but at the same time also missed some. Unfortunately, the targets that the Bank missed eat into the Bank's profit and loss due to margin compression as a result of the challenging economic environment. PGCEO highlighted that the Bank is rapidly expanding its asset base and balance sheet to prepare for potential opportunities from a much strengthened and stable global economic and geopolitical landscape in the future.</p> <p>The Bank does not have any plan in the near future to raise its capital via issuance of securities. The Dividend Reinvestment Plan will be from the dividend paid out from the Bank's retained earnings. The Bank has sufficient capital in place to grow its business. Shareholders will have options whether to opt for cash dividend or to reinvest into Affin in the</p>

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NO	QUESTION	ANSWER
		<p>form of shares for long-term investment. PGCEO highlighted that the Bank’s share price has hit a new high in 2024.</p>
4.	<p>Have the bank settled the challenges with loan defaults due to the Covid-19 pandemic. The issue with a low valuation of Affin shares is due to perception of low-quality assets?</p>	<p>PGCEO highlighted that the Bank’s gross impaired loan (GIL) ratio has improved to 1.90% in FY2023 as compared to 1.97% in FY2022.</p> <p>PGCEO pointed out that the Bank’s GIL ratio was hovering around 3.5% in FY2020. In addition, the Bank’s loan loss coverage was also maintained above the regulatory requirements in FY2023, i.e. 116.86% compared FY2020 which stood at 50.20%. Notwithstanding the above, the Bank will continue to improve its assets quality.</p>
5.	<p>Affin Bank AX28's target is to achieve PBT of RM1.8 billion by 2028. FY2023 PBT is only at RM518 million, to achieve RM1.8 billion requires a growth rate of 28% per annum over the next 5 years, which is a very ambitious target. Bank is a capital-intensive business, to grow the profit, it requires to disburse more loans, and hence requires more capital. Will this target require Affin bank to raise capital via private placement or from shareholders? Or, affect dividend payout?</p>	<p>PGCEO informed that in order to achieve the targets stipulated in the AX28 Plan, the Bank has to achieve a loan growth of RM116.0 billion or 15% growth per annum. The source of capital would be derived mainly from retained earnings. This strategy takes into consideration the Bank’s capital planning requirements for the next 5 years. Further, the Bank had received approximately RM1.058 billion from the divestment of Affin Hwang Asset Management Berhad, part of it was used to fund the Bank’s future business.</p> <p>PGCEO added that the Bank also intends to grow its fee-based incomes through forex, advisory and bancassurance businesses. These businesses are non-capital intensive. The Bank will continue to optimise its capital to ensure sustainable growth.</p>

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NO	QUESTION	ANSWER
		<p>PGCEO reiterated that as of this juncture the Bank does not have any plan to raise its capital via rights issue.</p>
6.	<p>How is the company positioning itself to capitalize on emerging trends or new markets?</p>	<p>PGCEO highlighted this matter during his presentation, including business opportunities in Sarawak and the Bank’s customer service journey to become unrivaled.</p> <p>The Bank will focus its growth on the fee-based income, as it is non-capital intensive and will grow its forex business as well as its investment banking business.</p> <p>The Bank is moving up the ladder in terms of investment banking business i.e., ranked No. 5. As for stockbroking business, the Bank is No. 1. The Bank will capitalize its leadership in those businesses and generate fee-based income.</p> <p>PGCEO talked about the Sarawak Plan. The Bank’s business plan is not only limited to Sarawak but is inclusive of other states in Peninsular Malaysia as well as Sabah. The Bank will grow its market share in all of these states</p> <p>The Bank will also explore a new business segment i.e., private banking.</p> <p>PGCEO also talked about the Bank’s digital business, namely, Aladdin for the young segment. The Bank continues:-</p> <ol style="list-style-type: none"> 1. to innovate with new products as well as new technologies, to be more competitive.

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NO	QUESTION	ANSWER
		2. to evolve and adjust to the market dynamics.
7.	Page 102, Affin 2023 profitability is back to the level of 2019, there is no improvement. Can management explain what is the root cause and what has management done that did not work out.	<p>In 2019, the Bank’s assets based were about RM60.0 billion.</p> <p>If a bank with a RM60.0 billion asset based is impacted by global economic turmoil, war and geopolitical uncertainty environment, its balance sheet would have been wiped out. This is due the lack of income and diversity of customer base as well as the strength of CASA.</p> <p>Management and the Board have further strengthened Affin Bank from its position in 2019. Even though the profit number is lower, Management and the Board are trying to build a stronger and more resilient balance sheet.</p> <p>Affin Bank’s Loan Loss Coverage (“LLC”) in 2019 was only 50% (as opposed to today’s LLC of 100%) and if it is hit with the economic environment (such the one that we are facing today), Affin Bank may not even record profit in the year 2019.</p> <p>Affin Bank has increased its balance sheet and is now a medium-sized bank. It has grown from a small RM60.0 billion assets bank to a RM105.0 billion assets bank.</p> <p>The Bank did not deliver improved and mega profit this year, but this was due to margin compression of 60bps as well as inequality of Federal Reserve rate and BNM’s OPR by 2.5% differential.</p>

QUESTIONS OR COMMENTS RECEIVED FROM THE SHAREHOLDERS OF AFFIN BANK BERHAD (“ABB” OR “THE COMPANIES”) OR THEIR PROXIES/CORPORATE REPRESENTATIVES DURING THE 48TH AGM VIA TIIH ONLINE QUERY BOX FACILITY

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NO	QUESTION	ANSWER
		<p>Management and the Board strived to ensure recurring and sustainability of income to be more resilient and to survive any unfavorable economic environment.</p>
8.	<p>Datuk Chairman, this year any dividend. Pls forward a copy of your annual report year 2023. Thank you.</p>	<p>The Bank declared the dividend for voting by shareholders and all shareholders are entitled to subscribe to Dividend Reinvestment Plan.</p> <p>The Bank is governed by its Dividend Policy which is publicly available for shareholders' review.</p> <p>As for hardcopy annual report, the Bank endeavors to be environmental friendly. The Bank provides and encourages the shareholders to refer to the digital Annual Report at its website.</p>
9.	<p>Why Affin Islamic profit increase when interest rate increase as they are fixed interest loan, as compare to non Islamic. Please explain. PBT up by 83.5% bit loan grow only 11.2%, page 33 Affin Investment. Revenue increase 5.3% or 11 mill but PBT increase by 37 mill or 68%, why? Question I notice affin bank had reduce the number of banking branches in southern peninsular region, why? Given these southern region near big development potential area as it is near spore, why affin did not think.</p>	<p>Affin Bank pays for the whole costs of Head Office building. Whereas, Affin Islamic only pays for the one floor it occupies.</p> <p>The whole of the workforce is employed by Affin Bank. The employees sell dual products i.e., Islamic and conventional products. So it is disproportionate in terms of costs allocation.</p> <p>Affin Islamic has better assets quality compared to Affin Bank.</p> <p>Affin Islamic's Gross Impaired Financing ratio is less than 1%. On the other hand, Affin Bank's Gross Impaired Loan ratio is at 2.5%.</p> <p>Affin Islamic is the first bank to turn around in Affin Group's transformation journey.</p>

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NO	QUESTION	ANSWER
	<p>I notice affin bank had reduce the number of banking branches in southern peninsular region, why? Given these southern region near big development potential area as it is near spore, why affin did not think of increasing its presence prominence instead?</p>	<p>We have not reduced our footprint in Johor. However we are relocating some of the branches, from the old economic zone to the new economic zone. We are actively exploring the expansion of our market shares and customers in Johor, as Johor is a big opportunity for us to capitalize and acquire the market share.</p>
<p>10.</p>	<p>Is there necessary to have such a big board members? What are the contributions made by those directors, especially those subject to re-election today for the past one (1) year?</p>	<p>The current Board composition of 11 directors is within the Bank’s maximum Constitutional requirement of 12 directors.</p> <p>Board composition is based on the Bank’s strategic developmental agenda/ objectives.</p> <p>Each Director provides the Board with diversity and complements each other in terms skillsets.</p> <p>Directors for re-election at AGM today;</p> <ol style="list-style-type: none"> 1. Puan Marzida possesses IT background - digital leadership and cyber securities which we need greatly. 2. Mr. Fernandes is a professional accountant – he is the Chairman of Audit Committee, which provides oversight on internal control process. 3. Ms. Chan Wai Yu has extensive experience in risk management - enterprise risk, to strengthen the credit underwriting processes, preservation of asset quality, IT risk management. 4. Puan Emiliana is a Director with ESG background. She is the Chair of the Group Board Sustainability Committee.

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NO	QUESTION	ANSWER
		<p>Her re-election is to ensure sustainability initiatives carried out by the Bank as well as to promote Diversity, Equity and Inclusion.</p> <p>The Directors seeking re-election today have been assessed as fit and proper and eligible for re-election by the Group Board Nomination and Remuneration Committee.</p> <p>In addition, the performance of the retiring Directors has been assessed to be satisfactory as per their Board Effectiveness Evaluation Result.</p>
11.	<p>In regard to your daily banking customer operation, what is the turnaround time for each customer doing general banking like opening of fixed deposit</p> <p>I noticed too many procedures and slow computer system causing a long que and waiting time. Hope the Bank can enhance the system and shorten the waiting period. Thank you.</p>	<p>We have recently enhanced our system at the branches i.e., the new Affin Delivery System, which shortens the process of account opening i.e., within seven (7) minutes or less. The system is expected to provide an improved and pleasant service towards the customers.</p>
12.	<p>Affin aims for 25% of the loan portfolio to be sustainable financing. What are the criteria for the loan to be designated as sustainable financing.</p>	<p>This is guided by our Group Credit Policy and Manual on Sustainable Financing. This would involve the financing of solar panels, low carbon vehicle, clean energy components, sustainable energy (social) components, low-cost housing, SME sectors, women entrepreneurs.</p> <p>Currently our ESG financing stands at 8.6% of the total loan book and exceeded the target set for FY2023 of 8.0%.</p>

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NO	QUESTION	ANSWER
13.	How did the Bank consider its performance for the past one (1) year compared to other local banks in Malaysia?	This is a repeat question which has already been answered. The Bank’s performance was also highlighted in CEO’s presentation.
14.	Good afternoon. May I know what the Group’s plan with the old HQ at Raja Chulan. Thank you.	It is a rented building and we returned it to the landlord.