



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

**MINUTES OF THE 49<sup>TH</sup> 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> ("ONLINE PLATFORM") ON THURSDAY, 16 APRIL 2025 AT 10.00 A.M.**

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**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 and Transformation Committee)  
Ms. Chan Wai Yu (Chairman, Group Board Risk Management Committee)  
Mr. Ignatius Chan Tze Ching (Non-Independent Non-Executive Director)  
Ms. Emeliana Rice Oxley (Chairman, Group Board Sustainability Committee)

**Representatives from Management:-**

Datuk Wan Razly Abdullah Wan Ali (President & Group Chief Executive Officer)  
Dato' Paduka Syed Mashafuddin Syed Badarudin (Chief Executive Officer, Affin Islamic Bank Berhad)  
Encik Nurjesmi Mohd Nashir (Chief Executive Officer, Affin Hwang Investment Bank Berhad)  
Ms. Joanne Rodrigues (Group Chief Financial Officer)  
Encik Abdul Hisham Md Hashim (Head of Corporate Finance, Affin Hwang Investment Bank Berhad)

**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)  
Ms. Foong Mei Lin (Partner, Messrs. PricewaterhouseCoopers PLT)

**Representative from Share Registrar and Poll Administrator:-**

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

**Representative from Scrutineers:-**

Mr. Eric Tan Kai Meng (Symphony Corporate Services Sdn Bhd)

## Shareholders & proxies: As Per Attendance List

### **ABSENT WITH APOLOGIES:-**

#### **Board of Directors:**

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

### **1. PRELIMINARY**

- 1.1 Chairman, Dato' Agil Natt welcomed shareholders and proxies for their participation at Affin Bank Berhad ("ABB" or "the Bank")'s 49<sup>th</sup> Annual General Meeting ("49<sup>th</sup> AGM" or "the Meeting") which was held physically as well as broadcasted live from the Broadcast Venue and streaming from Tricor's TIH online website at <https://tiih.online>.
- 1.2 He briefed that this AGM was held in a hybrid manner, similar to year 2024, in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers, issued by the Securities Commission Malaysia.

### **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 17 March 2025 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 49<sup>th</sup> AGM i.e., 8 April 2025, the Bank received 223 Proxy Forms from shareholders for a total of 1,349,289,360 ordinary shares representing 56.20% of the total number of issued shares of ABB.
- 3.3 A total of 70 shareholders had appointed the Chairman as proxy to vote on their behalf and the shares so represented were 630,204,407 ordinary shares representing 26.25% of the total number of issued shares of ABB.

### **4. INTRODUCTION**

- 4.1 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.

- 4.2 The Chairman informed that Encik Mohammad Ashraf Mohd Radzi, a Non-Independent Non-Executive Director of the Bank, was unable to attend the AGM due to unforeseen circumstances.
- 4.3 Additionally, the Chairman also notified that since the last AGM, Mr. Peter Yuen Wai Hung (“Mr. Peter Yuen”) has retired from the Board. He extended the Bank’s sincere appreciation for Mr. Peter Yuen’s invaluable contributions and dedication to the Bank.
- 4.4 The Chairman further introduced the representatives from Messrs. PricewaterhouseCoopers (the Bank’s external auditors), Tricor Investor & Issuing House Services Sdn Bhd, Symphony Corporate Services Sdn Bhd and MSWG who were also present at the Broadcast Venue.

## **5. DOOR GIFT**

- 5.1 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.
- 5.2 The shareholders and proxies were informed of the following:-
  - (i) All questions related to door gifts, customer service or any other administrative matters will be forwarded to the Management team for response.
  - (ii) Any questions related to Affin’s products and services may be directed at the personnel who are stationed at the booth set up outside the Broadcast Venue.
  - (iii) Questions on Affin Group's performance, business, and outlook can be raised during the question and answer (“Q&A”) session held later during the AGM. These queries will be addressed by the Board members and Senior Management accordingly.

## **6. VOTING ON RESOLUTIONS**

- 6.1 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 49<sup>th</sup> AGM would be conducted by way of poll, via electronic voting (“e-voting”) and administered by Tricor, the Poll Administrator appointed for the 49<sup>th</sup> AGM. The poll results would be validated and verified by Symphony Corporate Services Sdn Bhd.
- 6.2 The shareholders were informed of the following:-
  - (i) The voting session had already commenced from the start of the meeting at 10.00 a.m. 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 carried.
- 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 – THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 AND REPORTS OF THE DIRECTORS AND AUDITORS**

- 7.1 The Bank's Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors had already been reviewed by Bank Negara Malaysia. The Integrated 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. PRESENTATION BY PGCEO**

- 8.1 The Chairman invited PGCEO to update the shareholders/proxies on AFFIN Group's performance for the financial year ended 31 December 2024 ("FY2024"). The main highlights were as follows:-
- (a) Financial Performance
- Balance Sheet Highlights
  - Loan Growth
  - CASA Base
  - Asset Quality and Reserves
  - Income Statement
  - NIM Compression due to Higher Deposit Rates
  - PBT Contribution by Subsidiaries and Associates
  - Optimisation of Capital
  - Capital Planning for AX28
  - Key Ratios
  - Share Reward in the Form of Bonus Shares
  - Historical Dividend Payout Ratio and Dividend Yield
  - Rationale for Bonus Share
  - FY2024 Financial Report Card
  - Budget 2025

- (b) Key Pillars of the Bank's Journey
  - Sarawak Developments
  - Unrivalled Customer Service
  - Digital Leadership
  - Responsible Banking with Impact

8.2 PGCEO thanked the shareholders and proxies for their continued support.

**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") has conducted the necessary assessment on all Directors, who are due for retirement at this AGM, based on the criteria stipulated in the Bank Negara Malaysia's Policy Document on Fit and Proper Criteria as well as Policy Document on Corporate Governance. In this respect, the Board has approved the recommendation by the GBNRC that all Directors who are due for retirement at this AGM to stand for re-election.

9.2 Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2024, 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 2 (ORDINARY RESOLUTION 1) - RE-ELECTION OF DATO' MOHD HATA BIN ROBANI, 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 Dato' Mohd Hata bin Robani ("Dato' Hata"), 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.

10.2 Dato' Hata's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 570 of the Bank's Integrated Report 2024 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 carried:-

***"THAT Dato' Mohd Hata bin Robani 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 2) - RE-ELECTION OF DATO' ABDUL AZIZ BIN ABU BAKAR, 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 Dato' Abdul Aziz bin Abu Bakar ("Dato' Aziz"), 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 Dato' Aziz's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 571 of the Bank's Integrated Report 2024 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 carried:-

***"THAT Dato' Abdul Aziz bin Abu Bakar 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 4 (ORDINARY RESOLUTION 3) - RE-ELECTION OF EN. MOHAMMAD ASHRAF BIN MD RADZI, 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 En. Mohammad Ashraf bin Md Radzi ("En. Ashraf"), an Independent Non-Executive Director who was subject to retirement under Article 118 of the Bank's Constitution and who being eligible, offered himself for re-election.

12.2 En. Ashraf's profile was provided to Members in the Statement Accompanying the Notice of AGM, page 572 of the Bank's Integrated Report 2024 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 carried:-

***"THAT En. Mohd Ashraf bin Md Radzi 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 5 (ORDINARY RESOLUTION 4) – PROPOSED PAYMENT OF DIRECTORS’ FEES AND BOARD COMMITTEES’ FEES TO THE NON-EXECUTIVE DIRECTORS FROM THE 49<sup>TH</sup> AGM TO THE 50<sup>TH</sup> AGM OF THE COMPANY**

13.1 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 49<sup>th</sup> AGM to the 50<sup>th</sup> 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.

13.2 The fees remained the same as approved by the shareholders at the Company’s AGM in the year 2022.

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

***“THAT the payment of Directors’ fees and Board Committees’ fees to the Non-Executive Directors for the period from the 49<sup>th</sup> AGM to the 50<sup>th</sup> 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.”***

**14. AGENDA 6 (ORDINARY RESOLUTION 5) – PROPOSED PAYMENT OF BENEFITS PAYABLE TO ELIGIBLE NON-EXECUTIVE DIRECTORS OF AN AMOUNT UP TO RM2.5 MILLION FROM THE 49<sup>TH</sup> AGM TO THE 50<sup>TH</sup> AGM OF THE COMPANY**

14.1 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 RM2.5 million for the period from the 49<sup>th</sup> AGM to the 50<sup>th</sup> AGM of the Company.



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

***“THAT the proposed payment of benefits payable to eligible Non-Executive Directors of an amount up to RM2.5 million for the period from the 49<sup>th</sup> AGM to the 50<sup>th</sup> AGM of the Company, BE APPROVED.”***

**15. AGENDA 7 (ORDINARY RESOLUTION 6) - REAPPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY**

- 15.1 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 2025 and to authorise the Directors to fix the Auditors' remuneration.

- 15.2 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.

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

***“THAT the reappointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2025 and authorisation to the Directors to fix their remuneration, BE APPROVED.”***

**SPECIAL BUSINESSES**

**16. AGENDA 8 (ORDINARY RESOLUTION 7) - AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN AFFIN BANK BERHAD (“ABB SHARES”)**

- 16.1 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 authorisation to the Directors to allot and issue new ordinary shares in Affin Bank Berhad (“ABB Shares”) pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”).

- 16.2 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.



- 16.3 Pursuant to Section 85 of the Act read together with Article 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 7, 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.
- 16.4 The following ordinary resolution was put to a vote at the end of the meeting and was duly carried:-

***“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 Article 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.”***

**17. AGENDA 9 (ORDINARY RESOLUTION 8) - 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”)**

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 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.

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

***“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.***

**18. AGENDA 10 (ORDINARY RESOLUTION 9) - PROPOSED SHARE REWARD TO THE SHAREHOLDERS IN THE FORM OF BONUS ISSUE OF UP TO 133,360,363 NEW ORDINARY SHARES IN AFFIN BANK BERHAD ("ABB" OR "THE COMPANY")("ABB SHARE(S) OR SHARES") ON THE BASIS OF 1 NEW ABB SHARE ("BONUS SHARE(S)") FOR EVERY 18 EXISTING ABB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE")**

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 authorisation to the Board of Directors of the Company to issue and allot up to 133,360,363 New Ordinary Shares in the Company on the basis of 1 New ABB Share ("Bonus Share") for every 18 existing ABB Shares held on an Entitlement Date to be determined and announced later.

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

***"THAT subject to the approvals being obtained from all the relevant regulatory authorities and parties (if required), authority be and is hereby given to the Board of Directors of the Company ("Board") to issue and allot up to 133,360,363 Bonus Shares on the basis of 1 Bonus Share for every 18 existing ABB Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the entitlement date to be determined and announced later by the Board;***

***AND THAT the Bonus Shares in respect of the Proposed Bonus issue shall be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves;***

***AND THAT the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the then existing ABB Shares;***

***AND THAT the Board be and is hereby authorised to deal with the fractional entitlements (if any), including disregarding any fractional entitlements, under the Proposed Bonus Issue, in such manner at its absolute discretion as the Board may deem fit and expedient, and in the best interests of the Company;***

***AND THAT the Board be and is hereby authorised to sign and execute all documents and to take all such necessary steps to give effect to the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."***

**19. PRESENTATION BY THE PRINCIPAL ADVISOR, AFFIN HWANG INVESTMENT BANK BERHAD (“AHIB”),**

19.1 The Chairman invited Encik Abdul Hisham Md Hashim, the representative from AHIB, the Principal Advisor, to present the details of the Bonus Issue. The main highlights were as follows:-

- (a) Details of the Proposed Bonus Issue
- (b) Rationale and Justification for the Proposed Bonus Issue
- (c) Tentative Timeline for the Proposed Bonus Issue

**20. AGENDA 11 (ORDINARY RESOLUTION 10) - PROPOSED ALLOCATION TO DATUK WAN RAZLY ABDULLAH WAN ALI, THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER OF AFFIN BANK BERHAD FOR THE YEAR 2025 PURSUANT TO THE COMPANY’S LONG-TERM INCENTIVE PLAN IN THE FORM OF AN EMPLOYEES’ SHARE GRANT SCHEME (“SGS”)**

20.1 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.

20.2 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 10.

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

***“THAT subject to the passing of Ordinary Resolution 10, 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 1,558,000 new ABB Shares under the SGS as they shall deem fit, being the allocation for the year 2025 and will be measured against the 2027 targets, which will be vested to him in the year 2028, 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 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, 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 SGS to him from time to time pursuant to the vesting of his Grant(s)."***

**21. QUESTIONS AND ANSWERS FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")**

- 21.1 The Chairman informed that ABB received questions from MSWG per their letter dated 8 April 2025.
- 21.2 The Chairman and PGCEO addressed the questions raised by MSWG in relation to operational, financial and sustainability on the following areas:-
- (a) Evaluation on the competitive edges, changes in deposit sources and growth, and impacts on CASA ratio and loan growth with the Sarawak state government becoming the largest shareholder at 31.25%;
  - (b) Initiatives being implemented under the "Efficiency x5" Strategic Thrust (ST) to achieve cost-to-income ratio ("CIR") target of <53% by FY2028;
  - (c) Feasibility of achieving the targeted CIR of <53% by 2028 considering the cost pressures from planned branch expansions and continuing investment in digital initiatives;
  - (d) Rationale behind expanding the physical branch network rather than optimising or digitising existing operations to improve efficiency, given the rising trend in digital banking;
  - (e) Strengthening impairment provisions in response to the decline in Affin Bank's loan loss coverage ("LLC") ratio and slight uptick in gross impaired loan ("GIL") ratio;
  - (f) Percentage of impaired loans, advances, and financing from collateralised loans;
  - (g) Forward outlook on Affin Bank's asset quality;
  - (h) The Group's stance and view on the purchase of Renewable Energy Certificates ("RECs") to offset carbon emissions;
  - (i) Phasing out the use of RECs to instead intensify the decarbonisation of operations for long-term and sustainable reduction in carbon emissions.

21.3 The Chairman and Dato' Abdul Aziz Abu Bakar ("Dato' Aziz") addressed the questions raised by MSWG in relation to Corporate Governance matters, which mainly covered the following:-

- (a) The expected changes to the board composition and structure with the emergence of Sarawak state government as the largest shareholder of Affin Bank.

21.4 The complete list of questions received from MSWG, prior to the 49<sup>th</sup> AGM together with the answers for the same was attached as **Annexure 1**.

## **22. MAIN VENUE QUESTIONS AND ANSWERS**

22.1 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 11 of the 49<sup>th</sup> AGM. PGCEO provided the answers / responses to the questions accordingly.

22.2 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**.

## **23. PRE-AGM MEETING QUESTIONS AND ANSWERS**

23.1 The Chairman proceeded to read pre-AGM questions whereby the responses were then provided by PGCEO. Questions raised amongst others, were on door gifts, asset management acquisition, relevant development on Sarawak Government as ABB substantial shareholder, and FY2024 Financial Performance.

23.2 The Chairman assured shareholders that responses for questions which were not addressed during the Meeting would be provided via e-mail after the AGM.

23.3 The complete list of questions received from the shareholders, proxies and corporate representatives prior to the 49<sup>th</sup> AGM together with the answers for the same was attached as **Annexure 3**.

## **24. LIVE QUESTIONS AND ANSWERS**

24.1 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.



- 24.2 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.
- 24.3 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 after the AGM.
- 24.4 The complete list of questions received during the 49<sup>th</sup> AGM from the online Query Box facility, together with the answers / responses for the same was attached as **Annexure 4**.
- 24.5 The Chairman then proceeded with the remaining Agenda items of the Meeting.

**25. ANY OTHER ORDINARY BUSINESS**

- 25.1 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.

**26. POLL VOTING**

- 26.1 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 counting and validation of the voting result.



## 27. **POLL RESULT**

- 27.1 The Chairman re-convened the Meeting to order at 1.46 p.m. for the announcement of poll results.
- 27.2 Mr. Eric Tan Kai Meng, the representative from Symphony Corporate Services Sdn Bhd, the Independent Scrutineer confirmed that the polling results as counted by the Poll Administrator, Tricor had been verified by Symphony Corporate Services Sdn Bhd.
- 27.3 Based on the poll results, the Chairman declared that all the ten (10) resolutions as set out in the Notice of the 49<sup>th</sup> Annual General Meeting dated 17 March 2025 were carried.
- 27.4 Details of the poll results for each Ordinary Resolution were as follows:-

Resolutions	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,987,023,293	99.9819	359,330	0.0181
Ordinary Resolution 2	1,987,021,652	99.9817	363,971	0.0183
Ordinary Resolution 3	1,458,894,058	99.9859	205,843	0.0141
Ordinary Resolution 4	1,987,085,882	99.9873	252,100	0.0127
Ordinary Resolution 5	1,987,127,187	99.9886	225,703	0.0114
Ordinary Resolution 6	1,985,872,155	99.9237	1,516,309	0.0763
Ordinary Resolution 7	1,986,050,889	99.9327	1,337,430	0.0673
Ordinary Resolution 8	1,987,132,003	99.9867	264,657	0.0133
Ordinary Resolution 9	1,987,260,642	99.9938	123,608	0.0062
Ordinary Resolution 10	1,957,057,880	98.6167	27,452,568	1.3833

**28. 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 1.50 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 8 APRIL 2025 PRIOR TO THE 49<sup>TH</sup> AGM**

NO	QUESTION	ANSWER																																			
OPERATIONAL & FINANCIAL MATTERS																																					
1.	<p>Affin Axelerate 2028 (AX28) strategy is driven by five key focus areas below, forming the foundation for transforming the bank into a stronger, more customer-centric, and sustainable financial institution (page 96 of IAR2025):</p> <ul style="list-style-type: none"><li>• Private banking business to support T20</li><li>• New digital core</li><li>• Greater presence in Sarawak</li><li>• Becoming capital efficient to unlock ROE</li><li>• Bigger ESG game</li></ul> <p>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? With the emergence of the Sarawak state government as the largest shareholder of</p> <p>Additionally, what are the expected changes to the Bank's source and growth of deposits following the entry of the Sarawak state government as a major shareholder? Subsequently, how will these changes shape the CASA ratio and loan growth?</p>	<p>The Bank's main strategy is defined in the AX28 Transformation plan. This plan has been presented and endorsed by the Sarawak Government. Implementation of the plan now rests with Management.</p> <p>AX28 Key Financial Targets:</p> <table><tr><th>Key Financial Measures</th><th>2020 Actual</th><th>2024 Actual</th><th>2028 Target</th><th>CAGR (2024 – 2028)</th></tr><tr><td>Profit Before Tax (BAU)</td><td>RM387 mil</td><td>RM749 mil</td><td>RM1.8 bil</td><td>37%</td></tr><tr><td>CASA Ratio</td><td>22%</td><td>30%</td><td>35%</td><td>4.1%</td></tr><tr><td>Total Assets</td><td>RM69 bil</td><td>RM112 bil</td><td>RM180 bil</td><td>9.9%</td></tr><tr><td>Total Loans/ Financing</td><td>RM46 bil</td><td>RM72 bil</td><td>RM116 bil</td><td>15%</td></tr><tr><td>Total Deposits</td><td>RM50 bil</td><td>RM75 bil</td><td>RM123 bil</td><td>15%</td></tr><tr><td>Total Customer Base</td><td>1 mil</td><td>1.6 mil</td><td>3 mil</td><td>32%</td></tr></table>	Key Financial Measures	2020 Actual	2024 Actual	2028 Target	CAGR (2024 – 2028)	Profit Before Tax (BAU)	RM387 mil	RM749 mil	RM1.8 bil	37%	CASA Ratio	22%	30%	35%	4.1%	Total Assets	RM69 bil	RM112 bil	RM180 bil	9.9%	Total Loans/ Financing	RM46 bil	RM72 bil	RM116 bil	15%	Total Deposits	RM50 bil	RM75 bil	RM123 bil	15%	Total Customer Base	1 mil	1.6 mil	3 mil	32%
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**QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP  
(MSWG) VIDE LETTER DATED 8 APRIL 2025 PRIOR TO THE 49<sup>TH</sup> AGM**

NO	QUESTION	ANSWER															
2.	<p>Affin Bank's cost-to-income ratio (CIR) continued to be elevated at 76.9% (FY2023: 71.6%). "Efficiency x5" is one of the five Strategic Thrusts (STs) under the AX28. The Bank has set an ambitious CIR target of &lt;53% by 2028.</p> <p>Meanwhile, Affin Bank plans to expand its branch network from 130 in 2024 to 150 by 2025 and possibly to 180 by 2028, focusing on expansion in Penang, Johor, Sabah and Sarawak.</p> <p>While the expansion will lead to stronger loan and fee income growth in the longer term, CIR may remain elevated due to higher operating expenses to be incurred upfront.</p> <p>(a) Given the current high CIR of 76.9%, what concrete initiatives are being implemented under the "Efficiency x5" ST to bring it below 53% by FY2028?</p> <p>(b) How feasible is the targeted CIR of &lt;53% by 2028, considering the cost pressures from planned branch expansions and continued investment in digital initiatives?</p> <p>(c) Given the rising trend in digital banking, what is the rationale behind expanding the physical branch network rather than optimising or digitising existing operations to improve efficiency?</p>	<p>Answer 2(a):</p> <ul style="list-style-type: none"><li>The Group will emphasis more on revenue generation (loan growth, Investment Banking and Stockbroking businesses) moving forward, with the focus on fee-based income, CASA push, NIM expansion and regional attack model as well as capture market share to drive the topline growth.</li><li>Technology and digital investment remain central to our growth strategy – The Group will continue to enhance customer experience and operational efficiency by strengthening our digital capabilities, such as Mobile Internet Banking, AFFINMAX, Digital Core, advanced credit card management system and Big Data Analytic. These efforts will ultimately drive operational efficiency and elevate the customer experience.</li><li>The Group will continuously adopt its strategic cost management initiatives (i.e. ACE-5 Strategy) to improve the Group CIR. This initiative aims to streamline operations, optimize resource allocation, and drive efficiency across all divisions within the Group.</li></ul> <p>Answer 2(b):</p> <ul style="list-style-type: none"><li>Our primary strategy is to scale up our businesses through assets growth. We need to acquire market share and expand our CASA with target CASA growth of between 10% - 12% per annum by 2028.</li></ul> <table><tr><th>Key Financial Measures</th><th>2020 Actual</th><th>2024 Actual</th><th>2028 Target</th><th>CAGR (2024 – 2028)</th></tr><tr><td>CASA Ratio</td><td>22%</td><td>30%</td><td>35%</td><td>4.1%</td></tr><tr><td>Total Assets</td><td>RM69 bil</td><td>RM112 bil</td><td>RM180 bil</td><td>9.9%</td></tr></table> <ul style="list-style-type: none"><li>In addition, we are also enhancing digital capabilities through robotic process automation in order to improve our service delivery and customers' experience.</li></ul>	Key Financial Measures	2020 Actual	2024 Actual	2028 Target	CAGR (2024 – 2028)	CASA Ratio	22%	30%	35%	4.1%	Total Assets	RM69 bil	RM112 bil	RM180 bil	9.9%
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**QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP  
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NO	QUESTION	ANSWER
		<ul style="list-style-type: none"> <li>• With cheaper source of funding and digital enhancement, this will result in lowering our CIR over the next few years.</li> </ul> <p>Answer 2(c):</p> <ul style="list-style-type: none"> <li>• In 2022, we had launched A1addin online deposit which achieved 4,000 customers and RM180K in deposits. We noted high incidents of mule accounts and fraudulent accounts in online deposits. This is insufficient to support our AX28 aspirations.</li> <li>• BNM has further issued a guideline on physical verification to be performed at branches given high incidences of online scams and frauds.</li> <li>• In 2023, AFFIN improved its Net Promoter Score (NPS) from +27 (2019) to +69, being the highest NPS score ever, ranking third (3<sup>rd</sup>) in the industry. This milestone was primarily driven by our improved service level at branch network.</li> </ul> <p>Affin Bank Berhad</p> <ul style="list-style-type: none"> <li>• Branch expansion is a key driver for acquiring deposits growth. This strategic location will centre its attention on a substantial customer base, particularly targeting high-net-worth individuals and burgeoning areas with growing SME businesses (economic zones).</li> <li>• Physical touchpoints build trust and deepen relationships with customers by truly understanding their needs which align with our Strategic Objective (i.e. Unrivalled Customer Service).</li> <li>• This is demonstrated by the 18.3% YoY increase in CASA as at FY2024, hitting a record of 30.4% CASA ratio. This initiative need to be coupled with fly-over digital strategies including mobile app, internet banking, new treasury system, advanced credit card system, loan operating system (LOS), CRM360, digital core, e-wallet and many more.</li> </ul>

**QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP  
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NO	QUESTION	ANSWER
3.	<p>There was a substantial decline in Affin Bank's loan loss coverage (LLC) ratio to 83.65% in FY2024 from 116.86% in FY2023, well below the banking industry's average of 129%. At the same time, the Bank recorded a slight uptick in gross impaired loan (GIL) ratio to 1.94%. Both ratios suggest signs of deterioration of Affin Bank's asset quality.</p> <p>Is there any urgency to strengthen impairment provisions in response to this trend? How much of the impaired loans, advances, and financing by percentage were from collateralised loans? Additionally, what is the outlook for asset quality moving forward?</p>	<p>Gross Impaired Loan (GIL) Ratio: Affin Bank's GIL ratio stood at 1.94% in FY2024, slightly up from 1.90% in FY2023. The Bank aims to maintain the GIL ratio below 2%, reflecting a cautious but stable outlook for asset quality.</p> <p>Loan Loss Coverage (LLC) ratio decreased from 116.86% in FY2023 to 83.65% in FY2024. This is a P&amp;L ratio.</p> <p>Despite the decline, Affin Bank remains comfortable with its current levels of LLC, indicating confidence in its ability to manage impaired loans. The drop in LLC was primarily due to the settlement of a few problematic stage 2 accounts and recoveries from impaired loans.</p> <p>Our Loan Loss Reserves (LLR) ratio is healthy, reported at 117.49%. This is our Balance Sheet ratio for capital buffers against impaired loans, at a more than 100% coverage.</p> <p>The outlook for Affin Bank's asset quality is projected to be 1.70% in 2025, however the Bank remain cautious of external economic factors. The Bank will continue to monitor asset quality closely and stress testing of capital buffers to ensure the Bank has sufficient capital buffers given any stress economic environment. Efforts to tighten underwriting standard and aggressive collection strategies are being implemented to cushion potential asset quality deterioration.</p>
<b>SUSTAINABILITY MATTERS</b>		
1.	<p>For FY2024, Affin Bank managed to achieve a total reduction of 7,024.23 tonnes of CO<sub>2</sub>e, representing a 38.3% reduction of operational emissions (Scope 1 and 2) against the 2022 baseline.</p> <p>However, the reduction is largely due to the procurement of Renewable Energy Certificates (RECs) amounting to 6.683 million kWh, which resulted in a significant</p>	<p>At the moment, our path towards decarbonization is two-pronged:</p> <ol style="list-style-type: none"> <li>1. Installing solar panels in most of our fully-owned branches where feasible (12 branches have been installed with solar panels, with an additional 16 planned by the end of 2025).</li> <li>2. Subscribing to the TNB Green Electricity Tariff (GET) Program for our HQ at Menara Affin, TRX.</li> </ol>

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NO	QUESTION	ANSWER
	<p>reduction of GHG emissions by 5,172.32 tCO<sub>2</sub>e, equivalent to 28.2% of the Group baseline GHG emissions for Scope 1 and 2.</p> <p>The use of RECs in offsetting carbon emissions is debatable, as companies may still consume the same amount of fossil-based electricity without making meaningful operational changes, i.e., energy efficiency or the adoption of renewable energy.</p> <p>What is the Group's stance and view on the purchase of RECs to offset carbon emissions?</p> <p>Would the Group consider phasing out the use of RECs to instead intensify the decarbonisation of operations for long-term and sustainable reduction in carbon emissions?</p>	<p>The Group views the purchase of Renewable Energy Certificates (RECs) through TNB Green Electricity Tariff (GET) Program as part of our key strategy to transition from fossil fuel energy to green energy.</p> <p>In the future, we intend to continue participating in the TNB GET and other green energy programs offered by electricity providers for the rest of our branch network to transition towards renewable energy and further reduce our emissions.</p>
<b>CORPORATE GOVERNANCE MATTERS</b>		
1.	<p>Following the shake-up at Affin Bank's shareholding level with the emergence of the Sarawak state government, what changes are expected to be seen in the Bank's board composition and structure? Has the Sarawak state government approached the Board to discuss these matters?</p>	<p>Sarawak State has nominated two board members pending regulatory approval. We adhere to the highest standards of corporate governance. Connected parties are required to abstain from any decision making and exit the meeting during deliberations, as defined in our Board Charter.</p>



**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
1.	Mr. Chee Sai Mun ("Mr. Chee")  <i>Shareholder</i>	<p>1. Acknowledged that Affin's Earnings Per Share ("EPS") was recorded at 21 cents, with a dividend payout of 5.76 cent per share for financial year ended ("FYE") 2023. Despite the relatively low dividend payout, the CET1 capital ratio has decreased and enquired on the reasons behind this situation.</p> <p>2. Highlighted that the Bank's Return on Equity ("ROE") is still low at 4.49%, compared to other banks which are close to 10%. He enquired about the strategy to increase the ROE and noted that while the KPI target is 6%, it should be set at least at 7% to 8% to stay competitive with other banks.</p>	<p>1. PGCEO informed that the CET1 capital ratio has declined from 13.76 to 13.22 due to the 8.1% growth in the Bank's asset base, primarily driven by loan growth. As the Bank expands, the CET1 ratio typically declines. Nevertheless, the Bank has outlined the plan for capital initiatives as follows:-</p> <ul style="list-style-type: none"> <li>(a) Increase of Term Investment Account-i ("TIA-i");</li> <li>(b) Internal Rating Based ("IRB") Model;</li> <li>(c) Issuance of AT1/ Tier 2 capital instruments under existing programme;</li> <li>(d) Dividend Reinvestment Plan ("DRP");</li> <li>(e) Growing fee-based income/ low capital charge products;</li> <li>(f) Bonus Issue Shares;</li> <li>(g) Recoveries of Stage 2 and Impaired Loans; and</li> <li>(h) Optimizing Risk Weighted Assets ("RWA").</li> </ul> <p>2. PGCEO explained that meeting customer demands for instant service, approval, and interaction necessitates significant investments in technology. These investments are vital to ensuring robust systems, equipped with antivirus and antimalware protection, to guard against cyber threats. Consequently, these investments contribute to an increase in the Cost-to-Income Ratio ("CIR").</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>3. It was noted that personal costs increased due to the Early Retirement Scheme (ERS), which amounted to RM48.5 million. However, it was highlighted that, even without considering the ERS, the overall costs remain significantly high.</p> <p>4. Enquired on the Bank's actual profitability and highlighted RM111.0 million in writebacks and RM90.0 million in provisions. He sought clarification on the impact of these figures on the overall profit and requested a detailed explanation, possibly including the relevant accounting entries.</p>	<p>To achieve higher Return on Equity (ROE), the Bank must grow and, as part of the AX28 plan, aims to double its size while focusing on high-margin businesses such as credit cards, personal financing, and digital core services. ROE is influenced by the necessary investments to remain competitive, as well as the size of the assets that the Bank aims to achieve.</p> <p>3. PGCEO reiterated the reasons for the increased costs, as presented earlier. Additionally, the Bank has offered and approved ERS packages to approximately 200 employees. This initiative is intended to improve the Bank's efficiency in terms of productivity and reduce age-associated downtime. The expected outcome is a younger, more dynamic workforce that will drive productivity and growth.</p> <p>4. PGCEO elaborated that assessing the quality of profits extends beyond simply scaling up the business. It encompasses the concept of Net Interest Margin ("NIM"), a key profitability metric in the banking sector. He highlighted the significance of expanding the asset base to improve NIM, which is driven by Current Account Savings Account ("CASA") deposits.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>5. Enquired about the significant increase in Repair and Maintenance costs, which rose to RM159.0 million in 2024 from RM127.0 million in 2023.</p> <p>6. A concern was raised regarding Professional Fees, noting that although the fees had decreased from RM22.0 million in 2023 to RM21.0 million in 2024, he inquired whether it was possible for the Bank to leverage on the employees, to further reduce these costs.</p> <p>7. Enquired about the increase in Other Administrative Costs from RM17.0 million in 2023 to RM29.0 million in 2024.</p> <p>8. Recognized the potential opportunities in Sarawak amounting to approximately RM101.6 billion, and enquired whether the Bank aims to secure 10% of these opportunities by providing financing support.</p>	<p>5. PGCEO explained that the rise in Repair and Maintenance expenses is primarily attributed to the maintenance of IT systems to ensure they remain current and secure. The investment in IT systems represents a considerable cost to the Bank, with standard maintenance costs amounting to approximately 20% per annum.</p> <p>6. PGCEO responded that, as part of the transformation journey, the Bank typically does not hire consultants. Instead, it undertakes tasks internally. Consultants or experts are only engaged when staff do not possess the necessary knowledge, such as the need for IT consultants to build new systems. Last year, the Bank hired an ESG consultant to gain expertise and enhance its ESG readiness.</p> <p>7. GCFO clarified that the rise in Other Administrative Costs was due to an uptick in business volume in 2024. As business activities expanded, the related expenses naturally increased as well.</p> <p>8. PGCEO emphasized that Sarawak is currently modernizing its economy, with plans to invest in infrastructure and various industries. Although Sarawak's current revenue primarily comes from oil and gas, there is an intention to sustain and diversify</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
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NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>9. It was highlighted that the Net Promoter Score ("NPS") for 2023 was +69, compared to +48 in 2024. Given the significant investments in digitalization, the NPS in 2024 was expected to be higher than the previous year.</p> <p>10. Enquired about the additional cost implications for subscribing to the TNB Green Electricity Tariff ("GET") Program for the Head Office at Menara Affin, TRX, and whether the Bank is considering the installation of solar panels.</p>	<p>its income sources. As a shareholder, Sarawak will keep Affin Bank informed of new projects and opportunities. However, they expect the Bank to bid professionally and competitively. The Bank will be the first to be aware of these opportunities and will be positioned to initiate the necessary work.</p> <p>9. PGCEO explained that the NPS is audited by an external consultant every two years. In 2023, the consultant's audit provided a score of +69, using a standardized methodology across all banks, placing Affin Bank as the third highest in the industry. The NPS of +48 in 2024 was based on the Bank's internal audit rating. The next external audit is scheduled for 2025. PGCEO emphasized that achieving a level of 50 is a significant milestone and acknowledged the considerable efforts needed to further enhance customer experience.</p> <p>10. PGCEO explained that the estimated annual cost for subscribing to the GET Program is RM250,000. The Head Office has not invested in solar panels due to the insufficient size of the main building's roof to accommodate them. Furthermore, current technology does not support the installation of solar panels on windows. Implementing such a solution would necessitate replacing the entire glass facade</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
			of the building, which would incur significant costs. To contribute to energy savings, the air conditioning system is switched off by 6:00 pm daily.
2.	Mr. Liew Ann Puat ("Mr. Liew")  <i>Shareholder</i>	<p>1. While the preference might lean towards the digital copy of the Integrated Report, he recommended providing key highlights such as the Bank's performance metrics, financial ratios, and profiles of the Directors and senior Management. This would ensure that attendees have a comprehensive understanding of the critical information prior to the commencement of the AGM.</p> <p>2. Observed that the Bank's performance has improved compared to the previous year, and the outlook is positive with the addition of a new shareholder.</p> <p>Mr. Liew enquired:-</p> <p>(a) whether the Bank possesses the requisite human resources skills and capabilities to successfully pursue the AX28 initiative in a competitive environment.</p>	<p>1. The Chairman acknowledged the suggestion and highlighted that the digital version of the Integrated Report is available for download and printing. This initiative aligns with the Bank's sustainability efforts.</p> <p>2. PGCEO took note of Mr. Liew's observations and informed as follows:-</p> <p>(a) The Bank is actively seeking to recruit talent from diverse fields, particularly those with IT or business expertise. Nevertheless, this endeavor faces significant challenges due to the competitive nature of the industry.</p> <p>Despite these challenges, the positive feedback regarding Affin Bank's growth trajectory is encouraging and should</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>(b) about the Bank's strategy to attract new clientele, such as modernizing the branches to enhance their appeal, noting that the current physical branches do not offer the same level of attractiveness as those of competing banks.</p>	<p>help in attracting top talent to join the Bank's journey towards achieving the AX28 initiative.</p> <p>(b) Regarding the transformation of business branches, the Bank has transitioned from a single banking model, adopted in 2021, where conventional banking branches were separate from Islamic banking branches, to dual and triple banking branches. These branches now provide three tiers of banking services, combining conventional and Islamic banking products, as well as investment banking, stockbroking, Share Margin Financing, and derivatives services.</p> <p>Significant investments have been made to optimize costs and implement this new banking model. By integrating advanced technology, the Bank aims to enhance customer retention and ensure that deposits are more reliable and consistent.</p>
		<p>3. Enquired about the estimated dividend payout for the financial year ending 31 December 2024, compared to the 5.76 sen per share distributed for the financial year 2023.</p>	<p>3. PGCEO mentioned that for the financial year ending 2024, a share reward in the form of bonus shares is proposed to the shareholders. The proposed 1-for-18 bonus issue reflects the high value and demand for Affin shares, and this proposal is pending a vote at this AGM.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
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NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		4. It was noted that a RM50.0 token of appreciation is currently credited to Affin's Credit Cards, Current, and Savings Accounts for those attending the AGM. This process entails substantial administrative tasks, such as opening accounts, visiting branches, and withdrawing the funds. It was suggested that providing the RM50.0 through Touch 'n Go eWallet would be a more efficient method, thereby reducing the administrative workload and time involved.	4. PGCEO explained that the Bank seeks to incentivize shareholders to utilize the Bank's services, thereby enhancing their engagement and overall customer experience.  As Mr. Chee rightly pointed out, shareholders can use Touch 'n Go eWallet on their ATM cards, which offer similar benefits.
3.	Mr. Lim Pin Yeong ("Mr. Lim")  <i>Shareholder</i>	1. The audiovisual presentation was suboptimal, with the main screen being obstructed, which hindered the shareholders' view. The event organizer should have conducted a comprehensive check prior to the event.  2. The personnel manning the counter outside the Broadcast Venue appeared to be unfamiliar with the Financial Process Exchange ("FPX"), a payment gateway that facilitates online payments for various transactions. It is crucial that the personnel receive adequate training to ensure comprehensive knowledge of FPX, as this payment method is frequently utilized by customers due to its convenience.	1. PGCEO expressed appreciation for bringing the issue to attention and indicated that a preliminary test was conducted the previous day, during which the system was inspected. Unfortunately, the obstruction was overlooked. The Bank extends its apologies for this oversight.  2. PGCEO explained that the current Mobile Banking App lacks sufficient security features, including antivirus and antimalware protection, rendering mobile phones vulnerable to security threats. Consequently, the promotion of FPX has been scaled back due to these security weaknesses. However, the Bank plans to launch a new Mobile Banking App that will include integrated antivirus and antimalware software to safeguard customers using mobile banking applications. Once these security measures are in place, the FPX



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CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>3. Requested for clarification regarding the Cost to Income Ratio ("CIR") provided in the Integrated Report and presentation by PGCEO.</p> <p>4. Highlighted that other banks are promoting Current Account and Saving Account ("CASA") or Fixed Deposits ("FD") through FPX. Affin Bank's Online FD rate is comparatively lower at 3.45%, in contrast to Hong Leong's 3.8%, CIMB's 3.65%, and Maybank's 3.7%. He enquired about Affin Bank's strategies to effectively promote FD in light of other banks offering higher rates.</p> <p>5. It was observed that Generali Insurance has incurred losses, prompting an inquiry into the subsequent strategies to address the situation.</p>	<p>business will be actively promoted again.</p> <p>3. PGCEO elaborated on the Bank's initiatives to improve the CIR by investing in information technology, advanced security features, and enhancing workforce efficiency. These strategic investments aim to protect customers and enhance operational productivity, ultimately contributing to an improved CIR.</p> <p>4. PGCEO emphasized the Bank's strategy to promote the Affin Term Investment Account-i, which offers a competitive rate of 3.88% for a one-year term. The focus is to encourage customers to opt for longer-term deposits, as these offer more advantageous rates and contribute to the Bank's capital growth.</p> <p>5. PGCEO clarified that the financial losses in the life insurance sector are attributable to sub-scale operations. As the principal life insurance provider for Generali Insurance, Affin Bank must expand its client base to issue more life insurance policies or Mortgage Reducing Term Assurance (MRTA). The strategy is to scale up the insurance business, particularly in the life insurance segment, to mitigate the current losses and enhance overall performance.</p>

**QUESTIONS POSED BY SHAREHOLDERS AND THEIR PROXIES AND  
CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>6. Enquired about the potential impact on the Bank's Trade Financing business given the current trade war scenario.</p> <p>7. Enquired about the methodology employed to ascertain the Net Promoter Score ("NPS").</p>	<p>6. PGCEO clarified that the Bank's trade financing portfolio is currently valued at approximately RM6.0 billion to RM7.0 billion, showing a significant increase compared to previous years. With Malaysian exports to the US representing 11% of total exports, it is expected that only 10% to 11% of the Bank's business will be impacted by the trade war. Moreover, it is anticipated that customers will increasingly pivot towards Europe, China, and Asia, which currently comprise 89% of export business. The Bank intends to engage with its clients to provide guidance on mitigating the risks associated with the US trade conflict.</p> <p>7. PGCEO clarified that the NPS was determined through an external consultant, who applied a consistent methodology across the entire banking industry in 2023. This resulted in an NPS of +69 for Affin Bank, positioning it as the third highest in the industry. PGCEO encouraged shareholders to utilize Affin Bank's services, emphasizing notable improvements in service levels along with the forthcoming New Mobile Banking App, which will incorporate enhanced malware and antivirus protection. This initiative is part of the Bank's ongoing efforts to deliver a safer and more reliable service to its clientele.</p>

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CORPORATE REPRESENTATIVE AT THE MAIN VENUE DURING THE 49<sup>TH</sup> AGM**

NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>8. Enquired about the establishment of a Disaster Recovery Plan (“DRP”) for the Bank and whether an offsite backup system is in place to manage potential downtimes.</p> <p>9. He noted that as a frequent user of internet banking and mobile applications, he has identified several system weaknesses, especially concerning the printing of online transaction records. He recommended that the Bank consider benchmarking against other bank’s website to identify potential improvements.</p>	<p>8. PGCEO confirmed that the Bank has a comprehensive DRP and Business Continuity Plan in place. Additionally, a secondary site ensures all systems are backed up and replicated in case of disaster scenarios.</p> <p>9. PGCEO responded that the Bank's modernization efforts encompass significant enhancements to the Mobile Banking Application. The launch of the updated application is anticipated to occur between July 2025 and September 2025.</p>
	<p>Mr. Wee Ton Wang  (“Mr. Wee”)   <i>Shareholder</i></p>	<p>1. Enquired about the rationale behind the bonus issue ratio of 1 bonus share for every 18 existing ABB shares. Additionally, he highlighted the potential share price drop following the bonus issue.</p> <p>2. Expressed concern regarding the difficulties faced by less tech-savvy customers in obtaining queue numbers through the current mobile-based queue system at the Bank’s branches.</p>	<p>1. PGCEO explained that the rationale for the 1:18 bonus issue ratio is derived from an implied dividend payout of RM0.14 per share and a dividend yield of 5.3%.</p> <p>2. PGCEO responded that the decision to implement a mobile-based queuing system not only aligns with ESG goals by significantly reducing paper consumption but also reflects the current post-pandemic trend of increased mobile phone usage for daily activities.</p>
	<p>Mr. Soh Kok Chong  (“Mr. Soh”)   <i>Shareholder</i></p>	<p>1. Requested insights into the rating of non-performing loans ratio of the Bank in comparison with other banks.</p>	<p>1. PGCEO briefed the slides illustrating the ranking of gross impaired loans (GIL) ratio within the banking industry, where some banks ranked higher than Affin Bank, while others ranked lower.</p>

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NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>2. Enquired about the reasons for the existence of non-performing loans, considering the Bank should have conducted collateral checks before granting loans.</p>	<p>2. PGCEO informed that the Bank's non-performing loan (NPL) ratio stands at 1.94%, which is below 2%. This indicates that 98% of the Bank's loans are performing and paid on time. The remaining 1.94% represents loans that are not being repaid, necessitating the pursuit of collateral.</p> <p>Despite thorough checks and good track records at the time of loan issuance, some borrowers have been unable to repay due to various factors such as market share loss, inferior product quality, and revenue decline. These unpaid loans are recorded in the BNM's CCRIS system, affecting the borrowers' ability to secure future loans from other banks.</p> <p>The Bank aims to reduce the NPL ratio to 1.5% under the AX28 Plan by improving the overall efficiency of loan collections.</p> <p>PGCEO emphasized that the Bank will undertake the sale of collateral to recover funds from NPLs. However, it is noted that the market often bids at a lower discounted price for NPL collateral, resulting in a recovery gap. Despite this, the Bank pursues full recovery of the amount owed, which includes long-term efforts to chase customers, potentially declaring bankruptcy, and exercising any personal or corporate guarantees provided.</p>

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NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>3. Recognised that Affin Bank Berhad is currently a small-sized bank with aspirations for growth. Enquired whether there are any mergers anticipated in 2025 or 2026.</p> <p>4. Noted the Sarawak state government's status as the Bank's largest shareholder. Enquired whether the Bank will benefit from projects and opportunities within the state.</p> <p>5. Enquired whether the Bank uses a third-party agency for loan recovery to ease the process, instead of handling it internally.</p>	<p>3. PGCEO addressed this question in conjunction with question 3(a) raised by Mr. Chew Hon Mun. Refer to the response provided below.</p> <p>4. PGCEO addressed this question in conjunction with question 4(c) raised by Mr. Chew Hon Mun. Refer to the response provided below.</p> <p>5. PGCEO responded that the Bank employs internal resources and external resources such as agencies and lawyers to handle loan recovery. Each situation is unique, requiring tailored strategies to effectively recover the loans.</p>
	<p>Mr. Chew Hon Mun ("Mr. Chew")</p> <p><i>Shareholder</i></p>	<p>1. Enquired about the following:</p> <p>(a) The rationale for proposing bonus issue, instead of dividend may be driven by the internal rating based (IRB) model, which suggests a longer withholding period for dividend payments.</p>	<p>1. PGCEO took note of Mr. Chew's queries, in response:</p> <p>(a) The bonus issue aims to build a reserve fund of RM510 million, derived from 2024 profits, which will be distributed to all shareholders. This reserve fund is intended to support the Bank's merger and acquisition strategy, targeting businesses complementary to Affin Group, such as insurance, asset management, and credit cards. The rationale behind the bonus issue is to create the necessary financial resources to pursue these acquisitions and scale up the AX28 Plan, with the goal of doubling the Bank's size. The</p>

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		<p>(b) The Bank's dividend policy.</p> <p>2. Noted that the main purpose of the "Early Retirement Scheme" ("ERS") is to boost the Bank's productivity and efficiency. However, the Bank's CIR remains high at 74.6% (as compared to Maybank and RHB Bank), with a target set at 65% for FY2025. Enquired on the measures being implemented to reduce the CIR while increasing productivity and efficiency.</p>	<p>Bank has grown from a small entity to a small/medium-sized Bank, with an asset base increasing from RM60 billion to RM112 billion as of December 2024.</p> <p>(b) Under Affin Group's dividend policy, the dividend payout ratio is within the target payout range between 40% to 60%. A dividend can be made in the form of cash, DRP, shares (bonus issue) or any combination.</p> <p>2. PGCEO explained that Maybank is different in size with RM1 trillion of assets, whereas the Bank's assets are at RM112 billion.</p> <p>PGCEO outlined the Bank's strategy to scale up its business in response to the high costs of banking and stringent technology requirements imposed by BNM. This necessitates significant investments in IT infrastructure to drive business sustainability.</p> <p>PGCEO emphasized the Bank's commitment to the three pillars: unrivalled customer service, digital advancements, and digital leadership. The new AffinAlwaysX mobile application and Digital Core system are key components of this strategy, representing significant investments in technology.</p> <p>The Bank aims to capitalise Sarawak's substantial project investments, which require the Bank</p>

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NO.	NAME	QUESTION/COMMENT	ANSWER/RESPONSE
		<p>3. Sought feedback on the following areas:</p> <p>(a) Based on recent news media reports, there will be a potential merger with another bank.</p> <p>(b) The Bank is considering an asset management acquisition.</p> <p>4. Enquired on the following:</p> <p>(a) The impact of foreign brokers offering low brokerage fees to the Bank's non-interest fee income particularly in investment banking (IB) business.</p> <p>(b) The status of the Menara Affin Bank building in Jalan Raja Chulan.</p> <p>(c) As the Bank's largest shareholder, the potential deposit or loan amount that the Sarawak government could contribute to the Bank.</p>	<p>to perform at the highest professional standards to secure a share of these projects.</p> <p>3. PGCEO responded that should any deals related to a potential merger or acquisition that is complementary to the Bank are materialised, a public announcement will be made to inform the market.</p> <p>For significant mergers and acquisitions (M&amp;A), shareholder approval will be required.</p> <p>4. PGCEO responded to the following:</p> <p>(a) Foreign brokers have impacted the brokerage fee structure for all stockbrokers in Malaysia which saw thinning of margin.</p> <p>The Bank is increasing its customer base and broadening product suite including structured warrants, future derivatives and share margin financing.</p> <p>(b) The building has been returned to the landlord, and its current status is unknown as it is not owned by the Bank.</p> <p>(c) Sarawak Government, being the largest shareholder, brings substantial projects which have a potential value of RM100 billion.</p>



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			<p>With the competitive advantage of receiving early notifications on Sarawak projects, the Bank can assemble expert teams to deliver innovative financial solutions to the state government, fostering economic growth.</p> <p><i>(Note: The list of potential projects has been presented in the PGCEO presentation)</i></p>
		<p>5. Suggested re-sequencing the Q&amp;A session by addressing questions received from the MSWG first, followed by questions submitted via the virtual meeting platform. This will prevent the repetition of questions and ensure a more efficient session.</p>	<p>5. PGCEO took note of Mr. Chew's suggestion for consideration.</p>
		<p>6. Highlighted that with the Dividend Investment Plan ("DRP"), the numbers of shares in the market will still increase while investors would have the option to either receive dividends or reinvest.</p>	<p>6. PGCEO took note of Mr. Chew's comment.</p>

**QUESTIONS SUBMITTED BY SHAREHOLDERS OF AFFIN BANK BERHAD OR  
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AGM VIA TIIH ONLINE QUERY BOX FACILITY**

**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER
1.	<p>Many of us, shareholders, were not able to get the RM50 AGM door-gift during the past 4 years because the Affin online website for registration and account opening is highly faulty and there is no staff to provide help. Therefore, we request our kind Board of Directors to give us Touch &amp; Go reloads as door-gifts and also to compensate all those shareholders who have not been able to successfully redeem their door-gifts in the past few years.</p> <ol style="list-style-type: none"> <li>1. Kindly distribute door gift to delight the shareholders.</li> <li>2. Hi, may I know if door gift voucher will be given to door gift voucher?</li> <li>3. Kindly enlighten the status of Ticket no TUC-25643 logged via email dated 6th Aug 2024.</li> <li>4. Will the Board consider giving door gift, such as e-voucher or e-wallet for those have participated in this AGM? Touch N Go vouchers please.</li> <li>5. Touch N Go vouchers please.</li> <li>6. Please give us some door gifts/e-vouchers/e-wallet for attending this RPV as a token of appreciation.</li> </ol>	<p>The Bank has agreed to credit RM50 as a token of appreciation to those attending this AGM physically and virtually and applies to shareholders, proxies, and corporate representatives via any of Affin's current and savings accounts and credit cards.</p>
2.	<p>Is AFFIN considering an asset management acquisition? Are there any potential targets or ongoing discussions?</p> <p>The Edge Weekly reported that Affin Bank is looking to acquire another bank, which would make our bank larger in terms of size. Kindly provide your feedback.</p>	<p>The Group's strategy is to remain open to any potential merger or acquisition that is complementary to our banking business that enhances returns to shareholders.</p> <p>Our strategy is to scale up our business in line with our AX28 plan through organic and/or inorganic growth.</p> <p>Should any deals materialized, we will make the necessary announcement.</p>

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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER
3.	<p>As the largest shareholder, has the Sarawak Government provided any strategic direction for the company?</p> <p>Will all state government payment systems transition to using Affin as a payment gateway?</p> <p>What is the potential deposit amount that the state government could contribute to the banking system?</p>	<p>One of the Bank's main strategies is to scale up our business and market presence (both digital and physical space) as outlined in the AX28 transformation plan. This plan has been presented and endorsed by the Sarawak Government.</p> <p>Affin is in continuous discussion with the Sarawak Government to provide innovative financial solutions for their payment transactions.</p> <p>Affin is also engaging the Sarawak Government to use our deposit products for its operations and investments.</p>
4.	<p>With the Sarawak Govt. now having controlling interest, exactly how, where &amp; to what extent can our Co. really expect to benefit compared to its banking business before? How will minority shareholders be better off now? Please elaborate.</p>	<p>Sarawak Government, being the largest shareholder, is poised to bring substantial projects to the company through enhanced business opportunities, strategic initiatives and increased market penetration which are expected to contribute to our financial strength.</p> <p>With the improved financial performance and value creation, all shareholders including minority shareholders will reap the benefits accordingly.</p> <p><i>(Note: The list of potential projects has been presented in the PGCEO presentation)</i></p>
5.	<p>LLC dropped from 116.85% in FY2023 to 83.65% in FY2024, a significant decline of 33.21 percentage points. What were the key factors behind this sharp drop?</p>	<p>Loan Loss Coverage (LLC) ratio decreased from 116.86% in FY23 to 83.65% in FY24. This is a P&amp;L ratio.</p> <p>Despite the decline, Affin Bank remains comfortable with its current levels of LLC, indicating confidence in its ability to manage impaired loans. The drop in LLC was primarily due to the settlement of a few problematic</p>

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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER
		<p>stage 2 accounts and recoveries from impaired loans.</p> <p>Our Loan Loss Reserves (LLR) ratio is healthy, reported at 117.49%. This is our Balance Sheet Ratio for capital buffers against bad loan, at a more than 100% coverage.</p> <p>The outlook for Affin Bank's asset quality to be 1.70% in 2025, however the Bank remain cautious of external economic factors. The bank is expected to continue monitoring of asset quality closely and stress testing of capital buffers to ensure the Bank has sufficient capital buffers given any stress economic environment. Efforts to tighten underwriting standard and aggressive collection strategies are being implemented to cushion potential asset quality deterioration.</p>
6.	<p>According to The Edge, cited RHB IB, Affin's CET-1 ratio is projected to decline by 90 basis points by the end of 2025. How does the bank plan to strengthen its capital position while maintaining its ambitious loan growth target of 12%?</p>	<p>The CET 1 ratio of 13.2% as of FY2024 provides a healthy buffer well above the regulatory threshold of 7.0%.</p> <p>The following initiatives are planned towards capital generation and optimization.</p> <p>Capital Planning for AX28:</p> <ul style="list-style-type: none"> <li>• Increase of Term Investment Account-i (TIA-i)</li> <li>• Internal Rating Based (IRB) Model</li> <li>• Issuance of AT1/ Tier 2 capital instruments under existing programme</li> <li>• Dividend Reinvestment Plan (DRP)</li> <li>• Growing fee-based income/ low capital charge products</li> <li>• Bonus Issue Shares</li> <li>• Recoveries of Stage 2 and Impaired Loans</li> </ul>

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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER																									
		<ul style="list-style-type: none"><li>Optimising Risk Weighted Assets (RWA)</li></ul>																									
7.	Key financial metrics such as asset quality (GIL, LLC, LLR) have worsened compared to FY2023, and capital ratios (CET1, Tier 1, Total) have also declined. What measures are being taken to address these challenges?	<table><tr><th>Ratio</th><th>FY2024</th><th>FY2023</th><th>Note</th></tr><tr><td>GIL</td><td>1.94%</td><td>1.90%</td><td rowspan="3">GIL increased due to softening of the retail &amp; SME segments, while lower LLC/LLR reflects recoveries and the release of overlays from certain borrowers who have made their repayments. Measures to address asset quality include: a. Review of underwriting standards and key segments/demographics b. Forward looking risk analysis for early detection c. Enhanced efficiency in collection and recovery processes</td></tr><tr><td>LLC</td><td>83.65%</td><td>116.86%</td></tr><tr><td>LLR</td><td>117.49%</td><td>143.54%</td></tr><tr><td>CET 1 capital</td><td>13.2%</td><td>13.8%</td><td>Capital ratios still remain healthy.</td></tr><tr><td>Tier 1 capital</td><td>14.6%</td><td>15.3%</td><td rowspan="2">Various capital plan initiatives as listed in PGCEO's presentation slide.</td></tr><tr><td>Total capital</td><td>17.1%</td><td>18.0%</td></tr></table>	Ratio	FY2024	FY2023	Note	GIL	1.94%	1.90%	GIL increased due to softening of the retail & SME segments, while lower LLC/LLR reflects recoveries and the release of overlays from certain borrowers who have made their repayments. Measures to address asset quality include: a. Review of underwriting standards and key segments/demographics b. Forward looking risk analysis for early detection c. Enhanced efficiency in collection and recovery processes	LLC	83.65%	116.86%	LLR	117.49%	143.54%	CET 1 capital	13.2%	13.8%	Capital ratios still remain healthy.	Tier 1 capital	14.6%	15.3%	Various capital plan initiatives as listed in PGCEO's presentation slide.	Total capital	17.1%	18.0%
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8.	What is the impact of foreign brokers offering low brokerage fees on the investment banking business, particularly on brokerage fee-based income? <div>Affin Bank Berhad</div>	<p>The inclusion of foreign brokers has impacted the brokerage fee structure for all stockbrokers in Malaysia which saw thinning of margin.</p> <p>For AFFIN, we are increasing our customer base and broadening our product suite including structured warrants, derivatives, futures, proprietary trading, share margin financing, strong research capabilities, share underwriting and share placement. This is to ensure sustainability of profitability for Affin Hwang Investment Bank.</p>																									
9.	Why did AFFIN opt for a bonus issue instead of a dividend? With a Dividend Reinvestment Plan (DRP), the bank could retain capital while increasing the number of shares in the market. Additionally, investors would have the option to receive cash dividends or reinvest. What was the rationale behind this decision and the ratio of 1:18.	<p>The bonus issue will enable the shareholders to increase their equity participation, thereby allowing the shareholders to benefit from the potential growth in our share price performance in the future and sharing our journey under the Group's AX28 plan.</p> <p>The bonus issue will preserve the Bank's capital whilst dividend with DRP will have some impact on capital arising from payment of dividends to shareholders who do not opt for the DRP.</p>																									

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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER
		<p>The capital preserved (approximately RM510 million) from the bonus issue will give the Group ready resources for strategic Mergers and Acquisitions and support the Bank's ambitious loan growth plans.</p> <p>The ratio of 1:18 was arrived at after taking into consideration, among others the potential adjustments to the share price from the bonus issue, giving an attractive implied dividend payout.</p> <p>As an illustration, based on yesterday's closing price of RM2.65 per share, the theoretical ex-bonus price is RM2.51 per share.</p> <p>Based on the above, the adjustments to the share price from the bonus issue is RM0.14 per share. This translates to an implied dividend payout of RM0.14 per share and implied dividend payout ratio of 65.7%.</p> <p>The implied dividend payout is one of the highest in the past 10 years of the Bank's historical dividend payments.</p> <p>To reward shareholders in line with our growth journey, we are proposing a Bonus Issue on the basis of 1 new share for every 18 existing shares held. This Bonus Issue is a mechanism to distribute the 2024 profit to all shareholders, enabling them to participate in the Group's long-term value creation. The move comes amid strong demand for AFFIN shares, which remain tightly held, and reflects our confidence in our strategic direction and digital-first agenda. We have seen the entry of foreign shareholders into AFFIN, with foreign funds acquiring up to 4% of the Group's total shares.</p>

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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER
10.	<p>(a) Got anyway to up the share price? and will issue bonus issue of share?</p> <p>(b) Got anyway to rise share price and dividend payout? next and coming year conduct in online meeting also let other nation shareholders can join like now?</p>	<p>We are constantly looking at ways to enhance shareholders' return which would have a corresponding impact to the share price. Our market capitalization based on yesterday's closing price is RM6.1 billion as compared to RM3.6 billion in 2020. This represents a CAGR of 11.2% in the last 5 years.</p> <p>However, the share price is also affected by external factors which is beyond our control.</p> <p>Any form of rewards to shareholders including bonus issue in the future will be assessed based on the relevant considerations at the material time and appropriate announcement will be made.</p> <p>Any future dividend declaration will depend on among others, the Group's financial performance, capital and business requirements as well as obtaining relevant regulatory's approval.</p> <p>We had conducted online meeting during the Movement Control Order and for the last as well as this year's AGM, we have allowed online participation in addition to physical attendance. It is our intention to continue conducting AGM in a hybrid mode, subject to relevant considerations at the material time.</p>
11.	<p>According to The Edge, cited RHB IB, Affin had previously disclosed that it was exploring a potential transition to the internal ratings-based (IRB) approach to assess its own credit risk and calculate the regulatory capital required. The approach could raise Affin's CET-1 ratio by over two percentage points, though the bank may have to withhold dividend payments for longer to preserve its capital position as the</p>	<p>Affin is aiming to become FIRB bank and currently in the midst of appointing consultant to assist with this approach.</p> <p>Capital efficiency plan has been presented in the earlier PGCEO's presentation slide.</p> <p>Under Affin Group's dividend policy, the dividend payout ratio is 25% of net profit, with a target payout range between 40% to 60%.</p>



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**(AS AT 16 APRIL 2025)**

NO	QUESTION	ANSWER														
	adoption will take time. Kindly comment on your dividend policy.	Dividend can be made in the form of cash, DRP, shares (bonus issue) or any combination, and depending on opportunities for Mergers and Acquisitions as well as loan growth.														
12.	<p>(a) With the cost-to-income ratio (CIR) at 74.6% (compared to Maybank &lt;49%, RHB Bank 46.7%, and Public Bank 34.2%), and higher than FY2023's 71.6%, what strategies are in place to improve efficiency? Even with the FY2025 target set at 65%, isn't this still considered high?</p> <p>(b) The profit before tax (PBT) target for FY2025 is RM1,100 million, up from RM750 million in FY2024. What are the key drivers and strategies to achieve this target?</p>	<p>(a) Agree, Maybank has RM1 trillion assets at CIR of 48.9% while Affin's assets hovering at RM100million level at CIR of 76%. We need to scale up our business to achieve cost efficiency in line with our AX28 aspirations.</p> <p>(b) Our key strategies are to improve NIM by widening 15 basis points to 1.55%, driven by efforts to grow the Current Account Savings Account (CASA) base, reduce Cost of Funds (COF), and expand loan portfolios with 12% loan growth, which will contribute NII uplift by RM200 million,</p>														
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**(AS AT 16 APRIL 2025)**

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14.	<p>(a) On 13/2/25, the bank management happily organised 50th anniversary Grand Dinner in Shangri-la hotel. How was the selection of guests/customers attending, done? Invikta members only? Shareholders holding certain amount of shares? By random/draw lots? Or those who got “connections” with the management/branch managers? As both the shareholders &amp; Invikta members, I have the right to question the management. You are spending our money! I demand an answer, &amp; do not sweep these questions under the carpet!</p> <p>(b) How much was the amount spent in organising the lavish 50th anniversary dinner on 13/2/25 in Shangri-la, &amp; total no. of attendees?</p>	<p>We have not yet held our 50th Anniversary Dinner.</p> <p>We believe you are referring to our Chinese New Year Dinner in KL.</p> <p>The total investment of RM480,000 was allocated to a top corporate customers and high-impact client engagement event involving over 1,118 guests from our Corporate, Community, Investment Bank, and SME Banking segments. This initiative was designed to recognize and strengthen relationships with key clients who have significantly contributed to our performance, with Loan Growth increasing by 8.1% YoY and Deposits growing by 18.3% YoY.</p> <p>Guests were carefully selected based on the value of business conducted and the duration of their relationship with the bank. By honoring our top-tier clients, we are reinforcing loyalty, enhancing brand trust, and creating opportunities for future business expansion across strategic segments. This initiative reflects our commitment to long-term value creation and sustainable growth.</p>				

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NO	QUESTION	ANSWER
15.	Virtual AGM should continue for elderly shareholders in future.	The AGM will be conducted in hybrid mode, in line with the 'Guidance Note on the Conduct of General Meetings for Listed Issuers' issued by the Securities Commission Malaysia.
16.	<p>(a) Will Affin Bank support Apple Pay in the near future? As digital payments gain popularity, many customers expect convenient and secure payment options like Apple Pay. Can management share if there are plans or timelines to implement this feature?</p> <p>(b) Affin Bank's digital banking app requires customers to log in via the web portal every 30 days, or their account gets locked, even if they actively use the app. This practice is highly inconvenient, and no other bank is known to enforce this. Why is this policy in place, and will Affin consider removing it to enhance user experience?</p>	<p>(a) Affin Bank is targeting to launch Google Pay in Q4 2025. Apple Pay is next to be launched after Google Pay.</p> <p>(b) We take note on your feedback and are looking into enhancing our capabilities to ensure seamless customer experience without compromising the security. We would like to clarify that our policy is to freeze an account after 90 days of inactivity as guided by BNM eBanking guidelines and part of Bank's fraud counter measures.</p>
17.	What is the current status of Menara Affin Bank at Jalan Raja Chulan? Are there any potential buyers, and what is the estimated transaction price? If the building is sold, will the proceeds be distributed to shareholders?	The building has been returned to the landlord, i.e. Boustead. We do not know the status of the building as its not owned by us.
18.	<p>(a) What is the % of shareholding under Sarawak Govt.?</p> <p>(b) Your reply to all questions submitted: "Tq for ur Q. We will revert a.s.a.p." Make 100% sure that you get the management to reply whether in the AGM, or in writing, or through email etc. Do not turn your promise of a.s.a.p. into the reap "asap"!</p>	<p>(a) Percentage of shareholding by Sarawak as at 28 March 2025 is 31.254%.</p> <p>(b) We will ensure all questions are responded accordingly.</p>

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19.	Will 2026 be better than 2025?	<p>For 2026, the Malaysia's GDP is expected to remain stable but likely expanding at a slower pace of between the range of 4.0% to 4.5%, against the official forecast of between 4.5% to 5.5% in 2025 (5.1% in 2024). In 2026, while downside risks remain on the external front, the country's domestic demand (supported by private consumption) will provide some cushion to external uncertainties that could moderate export growth.</p> <p>These uncertainties factors from global economic growth conditions, geopolitical risks, as well as Trump's economic policies in tariffs, if worsen further, we expect government to focus on fiscal stimulus support, but remained committed to fiscal discipline and some structural reform such as fuel and energy rationalization to support on the country's fiscal condition. The country's monetary policy will remain supportive of economic growth.</p> <p>Budget 2025:</p> <table border="1"> <thead> <tr> <th></th><th>Actual FY24</th><th>Budget 2025</th></tr> </thead> <tbody> <tr> <td>PBT</td><td>749.5m</td><td>1,100m</td></tr> <tr> <td>ROE</td><td>4.49%</td><td>6.0%</td></tr> <tr> <td>NIM</td><td>1.40%</td><td>1.55%</td></tr> <tr> <td>CIR</td><td>74.60%</td><td>65.00%</td></tr> <tr> <td>Gross Credit Cost</td><td>-3 bps</td><td>12 bps</td></tr> <tr> <td>Loan Growth</td><td>8.1%</td><td>12.0%</td></tr> <tr> <td>Gross Impaired Loan</td><td>1.94%</td><td>1.70%</td></tr> <tr> <td>Loan Loss Coverage</td><td>83.7%</td><td>90%-100%</td></tr> <tr> <td>ESG financing target</td><td>10.6%</td><td>15.0%</td></tr> </tbody> </table>		Actual FY24	Budget 2025	PBT	749.5m	1,100m	ROE	4.49%	6.0%	NIM	1.40%	1.55%	CIR	74.60%	65.00%	Gross Credit Cost	-3 bps	12 bps	Loan Growth	8.1%	12.0%	Gross Impaired Loan	1.94%	1.70%	Loan Loss Coverage	83.7%	90%-100%	ESG financing target	10.6%	15.0%
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20.	<p>What is the potential impact on our bank if the US tariff remains at 10% or 24%?</p> <p>What percentage of our corporate borrowers' businesses focus on exports, especially to the US market?</p>	<p>Tariff would cause the following factors:</p> <ul style="list-style-type: none"> <li>▪ Increase uncertainty and volatility in term of stock market, Forex, Investment front.</li> </ul>																														

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		<ul style="list-style-type: none"> <li>▪ Tariff would slowdown international trade and GDP. With no intervention, GDP expected to reduce by 0.5%. This would impact exporters and servicing of bank borrowings. US only contributes 11% of Malaysia total export.</li> <li>▪ Higher inflation would dampen consumer demand.</li> <li>▪ Interest rate reduction versus bond yield increasing impacting capital flows.</li> </ul> <p>Budget has been set as presented earlier. We will navigate these challenges and stick to our business plan to grow our assets and customer base.</p> <p>Our total exposure to clients exporting to the US is RM 455 mil which is equivalent to 0.63% of our total loan book of RM 72.0 billion.</p> <p>The Bank could be impacted by:</p> <ol style="list-style-type: none"> <li>1. Lower revenue and profits due to OPR being lowered to support the economy. However, as the country's domestic demand will be stable to cushion the unexpected slowdown in exports, any reduction in OPR will be marginal.</li> <li>2. Increase in impairment loans due to weakening economy and businesses having lower demand due to cost cutting.</li> <li>3. Malaysia is an exporting country. Any impact to countries such as US, China, and regional ASEAN economies and etc have indirect impact to Malaysia</li> </ol>

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		<p>economy. Thus, this also indirectly impacted Malaysia’s financial sector through the trade channel.</p> <p>Malaysia Top 5 Export Destinations in February 2025:</p> <table><tr><th>No</th><th>Countries</th><th>Blanket Tariff Imposed</th><th>Reciprocal Tariff Imposed</th></tr><tr><td>1</td><td>Singapore</td><td>10%</td><td>10%</td></tr><tr><td>2</td><td>United States</td><td></td><td>125% (by China)</td></tr><tr><td>3</td><td>China</td><td>20% - 25%</td><td>145%</td></tr><tr><td>4</td><td>European Union</td><td>10%</td><td>20%</td></tr><tr><td>5</td><td>Hong Kong</td><td>20% - 25%</td><td>145%</td></tr></table>	No	Countries	Blanket Tariff Imposed	Reciprocal Tariff Imposed	1	Singapore	10%	10%	2	United States		125% (by China)	3	China	20% - 25%	145%	4	European Union	10%	20%	5	Hong Kong	20% - 25%	145%
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Affin Bank Berhad

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

NO	QUESTION	ANSWER
1.	Does Bank have any plans to set up lounges at certain strategic and high-performing branches to cater for Invikta members & the like?	We currently have 20 Invikta Centres & Lounges nationwide, with 5 new Invikta Centres in the pipeline for 2025 bringing the total number of Centres to 25.
2.	When is the deadline to open new Affin Bank Saving Account to receive the door gift token of RM50?	Shareholders will need to open new saving or current account before 31 May 2025 to be entitled to the RM50 door gift.
3.	Why does the share price drop so much?	This is largely due to overall weaker market sentiment after the announcement of the tariffs by the US government, which have impacted stock markets worldwide.
4.	What are the Top 3 Challenges for 2025 and 2026?	1. Cost-to-Income Ratio (CIR) - target at 55 - 60% 2. Return on Equity (ROE): aiming for a ROE of 12% by 2028. 3. Technological Transformation: for staying competitive.
5.	This 49 <sup>th</sup> AGM coincides with the 50 <sup>th</sup> anniversary of Affin Bank Bhd, so will the Management announce any special gifts for those shareholders attending this meeting in this ballroom?	In celebration of our 50 <sup>th</sup> Anniversary, the Bank is rolling out a series of exciting campaigns designed to reward and delight our valued customers. Here's a glimpse of what's in store:  1. 50 <sup>th</sup> Anniversary Deposit Campaign – Stand a chance to win RM1 million and a host of other exclusive prizes!  2. Buy 1, Free 1 Business Class Tickets – Enjoy luxury travel with top-tier airlines.  3. Exclusive Collaborations with the Badminton Association of Malaysia – Join us in celebrating national pride and sporting excellence.  Premier Partnership with Marriott Bonvoy – Enjoy world-class privileges and



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		<p>unforgettable stays at luxurious destinations in Malaysia.</p> <p>4. Attractive Mortgage &amp; Hire Purchase Campaigns – Take advantage of special offers tailored just for you.</p> <p>And that’s just the beginning – more exciting announcements are on the way. Stay tuned as we continue to celebrate 50 years of trust, growth, and innovation with you.</p>
6.	<p>Please give some information regarding the loan given to various industry (oil &amp; gas, tourism, digital RE, construction, property, utilities etc) in terms of percentage of total loan disbursed in FY24.</p> <p>What is the loan ratio out of total loan given to Sarawak customers in FY24?</p> <p>What is the target loan to be disbursed to Sarawak in FY25?</p>	<p>Please refer to page 356 of the Annual Report on the loan composition by sector, Sarawak loans ratio at 4.45% as at 31 December 2024.</p> <p>2025 Loan growth target for Sarawak at 12%.</p> <p>We are open to all sectors while be guided by internal Annual Credit Plan 2025.</p>
7.	<p>Appreciate advise on how member participants joining virtually can redeem the door gift?</p>	<p>Shareholders who join this AGM physically or virtually are entitled to the door gift. You will receive email via TIIH online after this AGM on the steps for you to redeem the RM50 door gift.</p>