



AFFIN HOLDINGS BERHAD(23218-W)
(Incorporated in Malaysia)

Summary of Proceedings of the Thirty-Ninth Annual General Meeting Held at the Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5, Jalan Conlay 50450 Kuala Lumpur on Monday, 20 April 2015 at 10.00 a.m.

PRESENT : As per attendance list

CHAIRMAN OF THE MEETING : Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin

WELCOME ADDRESS

On behalf of the Board Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin, the Chairman of the Board of Directors welcomed all the attendees to the meeting.

QUORUM

There being quorum, the meeting was called to order at 10.00 a.m.

NOTICE OF MEETING

The Notice convening the meeting having been served on shareholders, was taken as read.

ORDINARY BUSINESS

ORDINARY RESOLUTION 1

➤ **AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The Company's Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors were tabled.

Financial Performance

The Chairman invited En. Kamarul Ariffin bin Mohd Jamil, the Group Chief Executive Officer (Group CEO) to make a presentation to Shareholders on the financial performance of the Group for financial year ended 31 December 2014. The key highlights of the presentation are as follows:-

Key Highlights

- Profit before tax & zakat of RM825.3 million [FY2013 : RM863.9 million]
- Net profit of RM612.4 million [FY2013 : RM650.0 million]
- Earnings per share of 35.25 sen [FY2013 : 43.49 sen]
- Total assets of RM66.7 billion [FY 2013 : RM60.0 billion]
- Gross loans, advances & financing of RM41.1 billion [FY 2013 : RM37.5 billion]
- Deposits from customers of RM50.6 billion [FY 2013 : RM47.4 billion]
- ROA after tax of 0.96% [FY 2013 : 1.12%]
- Roe after tax of 8.45% [FY 2013 : 10.47%]
- Cost to income ratio of 53.9% [FY 2013 : 47.0%]
- Gross Impaired loans ratio improved from 1.98% to 1.82%
- Impaired loan loss reserve of 75.6% [FY2013 : 74.4%]
- Loan to deposits ratio of 82.6% [FY2013 : 79.1%]
- Interest income grew by 10% yoy

PBT of Subsidiaries, Joint Venture & Associate

➤ Subsidiaries

- AFFIN Bank Group, the biggest contributor to the Group's bottom line, delivered a PBT of RM720.1 million, amidst margin compression given stiff competition on loans and deposits.
- AFFIN Hwang Investment Bank Berhad Group registered a PBT of RM107.4 million for the year under review which include the results of the acquired

businesses of HwangDBS Investment Bank, net of integration costs for the merger.

- AFFIN Moneybrokers Sdn Bhd grew its PBT to RM2.5 million despite market volatility during the financial year.

➤ Joint Venture - AXA AFFIN Life Insurance Berhad

- AXA AFFIN Life Insurance Berhad recorded a lower PBT of RM8.9 million for the financial year under review as compared with RM11.2 million in the previous year.
- Gross Premium 2014 vs. 2013 was higher by 5%
- Strong double digit growth of 26% in renewal premium
- New Business value grew by 6% due to higher proportion of margin protection and health products.
- Agency APE grew by 9% on the back of higher manpower
- DM/TM grew 20% on a comparable basis

➤ Associate – AXA AFFIN General Insurance Berhad

- AXA AFFIN General Insurance Berhad recorded a PBT of RM120.4 million in 2014, a 38.1% increase from 2013's PBT of RM87.2 million, attributed by a higher earned premium from health and motor businesses and a higher investment income.
- GWP achieved of RM1.13 billion, above the RM1 billion mark, GWP growth of 18% in line with objective
- Improved market ranking from 7th to 5th
- Market share improved from 6% to 6.7%
- Growth driven by Health and Motor segments

Achievement of Headline KPIs for the Year Ended 31 December 2014

For FY2014, the Group has only achieved its Headline KPIs on Gross Impaired Loan ratio but not the KPIs on ROE, ROA and EPS. Lower net profit for the year under review was mainly due to:-

- Integration costs incurred in relation to the merger of the investment banking group;
- Lower net interest income due to margin compression despite the 9.6% increase in loan base during the year; and
- Higher allowance for losses on loan, advances and financing.

➤ **Headline KPIs for the Year Ending 31 December 2015**

- After tax return on equity (ROE) - 8.0%
- After tax return on assets (ROA) - 0.9%
- Gross Impaired Loan Ratio - 1.64%
- Earnings per share - 33.00 sen

➤ **Dividends**

In line with AFFIN Holdings Berhad's commitment to delivering value to shareholders, a single-tier interim dividend of 15.0 sen per share in respect of the financial year amounting to RM291.4 million was paid on 31 December 2014.

Please refer to the attachment for the full presentation by the Group CEO on the financial performance for financial year ended 31 December 2014.

Questions by Minority Shareholder Watchdog Group

Please refer to attachment for the Questions by Minority Shareholder Watchdog Group (MSWG) and the replies provided by the Company.

After dealing with the question from MSWG and other shareholders, the following ordinary resolution was put to the meeting for a vote and was duly passed:-

“THAT the Audited Financial Statements for the financial year ended 31 December 2014 and Reports of the Directors and auditors be received.”

ORDINARY RESOLUTION 2

➤ **RE-ELECTION OF TAN SRI DATO' SERI LODIN BIN WOK KAMARUDDIN WHO RETIRES BY ROTATION PURSUANT TO ARTICLE 104 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman of the meeting informed that YBhg Tan Sri Dato' Seri Lodin bin Wok Kamaruddin was subject to retirement under Article 104 of the Company's Article of Association and that being eligible, he had offered himself for re-election.

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

“THAT, Tan Sri Dato' Seri Lodin bin Wok Kamaruddin, retiring pursuant to Article 104 of the Company's Article of Association, be and was thereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 3

➤ **RE-ELECTION OF YM RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD WHO RETIRES BY ROTATION PURSUANT TO ARTICLE 104 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman of the meeting informed YM Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad was subject to retirement under Article 104 of the Company's Article of Association and that being eligible, he had offered himself for re-election.

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

“THAT Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad, retiring pursuant to Article 104 of the Company's Article of Association, be and was thereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 4

➤ **RE-ELECTION OF YBHG DATO' MUSTAFA BIN MOHAMAD ALI WHO RETIRES PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**

The Chairman of the meeting informed YBhg Dato' Mustafa bin Mohamad Ali was subject to retirement under Section 129(6) of the Companies Act, 1965 and that being eligible, he had offered himself for re-election.

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

“THAT YBhg Dato' Mustafa bin Mohamad Ali, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and was thereby re-elected as Director of the Company to hold office until next Annual General Meeting and that he continues to serve the Company in the capacity as an Independent Director.”

ORDINARY RESOLUTION 5

➤ **PAYMENT OF DIRECTORS' FEES**

The Chairman of the Meeting informed the meeting that a sum of RM1,236,583.56 was recommended for payment as Directors' Fees for the financial year ended 31 December 2014.

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

“THAT Directors' Fees of RM1,236,583.56 for the financial year ended 31 December 2014 be approved for payment to the Directors.

ORDINARY RESOLUTION 6

➤ **RE-APPOINTMENT OF AUDITORS**

The Chairman of the Meeting informed the meeting that Messrs. PricewaterhouseCoopers had indicated their willingness to continue in office.

The meeting was requested to consider the re-appointment of Messrs. PricewaterhouseCoopers as auditors of the Company for the next financial year.

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

“THAT Messrs. PricewaterhouseCoopers be re-appointed as Auditors of the Company for the next financial year ending 31 December 2015 at remuneration to be fixed by the Directors.”

ORDINARY RESOLUTION 7

➤ **AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

The Chairman of the Meeting informed the meeting of the authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965.

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

“THAT the Directors have the authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965.”

ORDINARY RESOLUTION 8

➤ **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF RM1.00 EACH IN AFFIN HOLDINGS BERHAD IN RELATION TO THE DIVIDEND REINVESTMENT PLAN BY THE COMPANY THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY WITH THE OPTION TO REINVEST THEIR WHOLE OR A PORTION OF THE DIVIDEND FOR WHICH THE REINVESTMENT OPTION APPLIES IN NEW AFFIN SHARES**

The Chairman of the Meeting informed the meeting that the allotment and issuance of the new ordinary shares of RM1.00 each in the Company (AFFIN Shares) in relation to the dividend reinvestment plan by the Company that provides the shareholders of the Company with the option to reinvest their whole or a portion of the dividend for which the reinvestment option applies in new AFFIN Shares (Dividend Reinvestment Plan).

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

“THAT subject to the approval by Bursa Securities being obtained, approval and is hereby given to the Company to allot and issue the ordinary shares of RM1.00 each in the Company in relation to the dividend reinvestment plan by the Company that provides the shareholders of the Company with the option to reinvest their whole or a portion of the dividend for which the reinvestment option applies in new AFFIN Shares .”

ORDINARY RESOLUTION 9

➤ PROPOSED SHAREHOLDERS' MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (PROPOSED SHAREHOLDERS' MANDATE)

The Chairman of the Meeting handed over the Chair to YM Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad to his deemed interest on this agenda by virtue of being a Director representing Lembaga Tabung Angkatan Tentera in the Board of AFFIN Holdings Berhad.

YM Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad took over the Chair and informed the Meeting that the proposed shareholders' mandate and additional mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The following ordinary resolution was put to the Meeting for a vote and was duly passed:

“THAT the proposed shareholders' mandate and additional mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature be approved.”

TERMINATION OF MEETING

There being no other business, the meeting was terminated at 12.30 p.m. with a vote of thanks to the Chair.