

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5185
COMPANY NAME : AFFIN BANK BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (the Board) ensure collective synergy within the Group to achieve Affin's strategic goals and sustainable growth by realising short-term as well as long-term shareholders' values.</p> <p>The Board, led by an experienced and competent Chairman, had established the Bank's "Vision" and "Mission" as follows:-</p> <p>Vision</p> <p>To be the most creative financial company in Malaysia</p> <ul style="list-style-type: none"> • Creative in terms of innovation and technology. • Creative in terms of unrivalled customer service. • Create value for our shareholders, customers and our people. <p>Mission</p> <p>Products & Services To become an innovative organisation with unrivalled customer service</p> <p>People Our commitment and passion touch the hearts and minds of everyone in our world</p> <p>Value To always create value for our shareholders, customers and our people.</p> <p>Affin Core Values A : Always innovating and adopting. F : Forever working as a team as we are one family. F : Fair treatment, diversity and sustainability. I : Integrity is our foundation. N : Never – ending customer centricity.</p>

	<p>With the achievement of AIM22, Affin has rolled out the Group’s long-term goals and objectives in its A25 plan that will be anchored to its 3 Key Strategic Objectives namely (1) Unrivalled Customer Service (2) Digital Leadership and (3) Responsible Banking with Impact.</p> <p>For the year 2023, Affin strongly positioned itself and set RUN23 (Revolutionize Digital, Unrivalled Customer Services, Navigating Uncertainties 2023) chapter towards achieving the A25 aspirations.</p> <p>The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Bank, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board’s decisions on the Bank and its customers, officers and the general public.</p> <p>In fulfilling this role, the Board must:-</p> <ul style="list-style-type: none"> (i) approve the Bank’s risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Bank’s risk profile; (ii) oversee the selection, performance, remuneration and succession plans of the President & Group CEO (“PGCEO”), control function heads and other members of the Key Senior Management Officers (“KSMO”), such that the Board is satisfied with the collective competence of KSMO to effectively lead the operations of the Bank; (iii) oversee the implementation of the Bank’s governance framework and internal control framework, and periodically ascertain whether they remain appropriate in light of material changes to the size, nature and complexity of the Bank’s operations; (iv) promote, together with KSMO, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour; (v) promote, together with KSMO, ensure governance of sustainability in the Bank through appropriate environmental, social and governance considerations in the Bank’s business strategies, priorities and targets; (vi) oversee and approve the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress;
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- (vii) promote timely and effective communication between the Bank and Bank Negara Malaysia (“BNM”) on matters affecting, or that may affect, the safety and soundness of the Bank;
- (viii) undertake various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time; and
- (ix) ensure the establishment and implementation of group-wide policies and procedures to ensure the Group’s compliance with the various regulatory requirements and guidelines issued by BNM, the Securities Commission Malaysia (“SC”), Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Companies Commission of Malaysia (“CCM”).

Strategic Discussion

The Board and Management hold an annual strategic meeting to set the Bank’s strategies and review the strategic direction of the Bank as well as the Group. The Board Charter stipulates that the annual budget, business plan and strategic directions are Board’s reserved matters.

The progress and implementation of the Group’s strategic initiatives are monitored and supervised by the Group Board Information Technology Committee (“GBITC” – Board level Committee) as well as Group Management Committee (“GMC” – Management level Committee).

Support by Group Board Committees

To support and assist the Board in discharging its fiduciary duties and responsibilities, the Board delegates certain functions to the Board Committees namely, the Group Board Nomination and Remuneration Committee (“GBNRC”), Group Board Audit Committee (“GBAC”), Group Board Credit Review and Recovery Committee (“GBCRRC”), Group Board Risk Management Committee (“GBRMC”), Group Board Compliance Committee (“GBCC”) and GBITC.

The abovementioned Board Committees are established on Group basis with fair representation from each banking entity (Affin Bank Berhad, Affin Islamic Bank Berhad and Affin Hwang Investment Bank Berhad). This is to ensure holistic oversight and effective communication on Group matters as well as Group synergy, alignment of business plans and strategic direction. However, Affin took cognisance that the Board of each entity is to discharge its own legal and governance responsibilities as a separate entity, notwithstanding the Group-wide arrangements.

Further, the Group Board Committees’ reports on matters considered and their recommendations are tabled to the Board on monthly basis. The ultimate responsibility for the final decision on all matters,

	<p>however, lies with the Board. The Board is fully accountable for any authority delegated to the Board Committees.</p> <p>The Board, in carrying out its functions or duties, shall have regard to the interests of depositors or policy owners of the Bank and Participants as defined in the Financial Services Act 2013.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>Dato' Md Agil bin Mohd Natt (the Chairman or Dato' Agil Natt), an Independent Non-Executive Director ("INED"), was appointed as the Chairman of the Bank effective 8 November 2019.</p> <p>As the Chairman of the Apex entity, Dato' Agil Natt is responsible for leading the Board in its collective oversight of management. He ensures the smooth functioning of the Board and that procedures and processes are in place to facilitate effective conduct of business by the Board.</p> <p>The key roles of the Chairman include, amongst others, the following:-</p> <ul style="list-style-type: none">(i) The smooth functioning of the Board, the governance structure and inculcating of positive culture in the Board;(ii) Guidelines and procedures are in place to govern the Board's operation and conduct;(iii) All relevant issues are on agenda for the Board meeting and all Directors are able to participate fully in the Board's activities;(iv) Board debates strategic and critical issues;(v) Board receives the necessary information on a timely basis from the Management;(vi) Provides avenues for all Directors to participate openly in the discussion;(vii) Provides leadership to the Board so that the board can perform its responsibilities effectively;(viii) Responsible for the developmental needs of the Board;(ix) Leading the Board in the adoption and implementation of sound corporate governance practices within the Bank and Group as a whole;(x) Together with the PGCEO, representing the Bank and/or Group to external parties: Shareholders, creditors, consumer groups, local communities, and federal, state, and local governments to ensure effective communication;(xi) In conjunction with the PGCEO, playing a leading role in:-<ul style="list-style-type: none">• Formulating the Board's strategic direction and planning process;• Encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation;• Fostering high corporate ethical standards and positive relationships with the Group's stakeholders; and

	<p>(xii) Working with the GBNRC, actively participating in the selection of Directors and ensuring the membership of the Board is properly balanced.</p> <p>The Chairman ensures that proceedings of the Board are conducted in an orderly manner. He encourages healthy discussions and ensures any concerns or dissenting views are being discussed, addressed and recorded accordingly.</p> <p>In addition, the Chairman promotes a positive working relationship between the Board, PGCEO and Management. He is an advocate of good corporate governance practices in setting the tone from the top.</p> <p>The Chairman's profile can be found on page 114 of the 2022 Annual Report and Section B of this Report.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank aims to ensure balance of power and authority between the Chairman and the PGCEO with a clear division of responsibility between the running of the Board and the Bank's business respectively. The positions of the Chairman and the PGCEO are separated and clearly defined.</p> <p>Dato' Agil Natt, the Chairman, in leading the Board, is responsible for the effective overall functioning of the Board, while Datuk Wan Razly Abdullah bin Wan Ali (Datuk Wan Razly), the PGCEO focuses on the business and day-to-day management of the Bank.</p> <p>Datuk Wan Razly was appointed as the PGCEO of the Bank effective 2 April 2020 and he is not a Board member (non-board position).</p> <p>The key role of the PGCEO includes the following:-</p> <ul style="list-style-type: none">(i) Developing the strategic direction of the Bank.(ii) Ensuring that the Bank's strategies and corporate policies are effectively implemented.(iii) Ensuring that Board's decisions are implemented, and Board's directions are responded to.(iv) Providing directions in the implementation of short and long-term business plans.(v) Providing strong leadership that effectively communicates sound and viable vision, management philosophy and business strategy to the employees.(vi) Keeping the Board fully informed of all important aspects of the Bank's operations and ensuring sufficient information is distributed to Board members.(vii) Ensuring the day-to-day business affairs of the Bank are effectively managed. <p>The PGCEO's profile can be found on page 120 of the 2022 Annual Report.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>As Chairman of the Bank, Dato' Agil Natt is not a member of either the Audit Committee, Nomination Committee or Remuneration Committee.</p> <p>In order to adopt Practice 1.4, Dato' Agil Natt has stepped down as a member of GBNRC effective 1 July 2021. He was never a member of GBAC.</p> <p>To date, none of the Chairmen of the banking entities are members of GBNRC and GBAC.</p> <p>The composition of the GBNRC and GBAC can be found in Section B of this report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>Puan Nimma Safira binti Dato' Khalid ("Puan Nimma"), has more than 28 years of experience in Legal and Secretarial and was appointed as the Company Secretary of Affin in 2005. She currently holds the position of Group Chief Legal Officer and Company Secretary.</p> <p>She graduated with Bachelor of Laws (Hons) in 1992 and Bachelor of Laws (Shariah) (Hons) in 1993; both from the International Islamic University, Malaysia. In 2017, she attained her Professional Postgraduate Diploma in Governance, Risk and Compliance from the International Compliance Association (ICA), UK. Puan Nimma holds Certificate of Mediation and Advanced Mediation from The Accord Group, Australia. She is an Affiliate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Fellow Member of the ICA.</p> <p>As the Company Secretary, she plays an advisory role to the Board and is qualified under Section 235(2) of the Companies Act 2016, experienced and competent in performing her duties.</p> <p>Amongst the support provided to the Board and Management for FY2022, as the Company Secretary, were as follows:-</p> <p><u>Governance Advisory</u></p> <ul style="list-style-type: none">• Prepared the CG Statement and CG Report for FY2021 for the Board's approval.• Provided assistance to GBNRC and external independent consultant to conduct Board Effectiveness Evaluation ("BEE") for FY2022.• Prepared the submission for centralisation of the Group Board Committees (GBCC, GBAC, GBRMC and GBITC). <p><u>Ensure adherence to rules and procedures</u></p> <ul style="list-style-type: none">• Undertaken review of the Board Charter and Group Corporate Governance Framework to be in line with the latest amendments to the Main Market Listing Requirements by Bursa Malaysia Securities Berhad ("MMLR") and Malaysian Code of Corporate Governance issued by Securities Commission Malaysia ("MCCG 2021").

	<ul style="list-style-type: none"> Assisted GBNRC in the appointment and re-appointment of Directors as well as the Board Refresh & Board Talent Pool exercise. Assisted GBNRC in conducting Fit and Proper assessment of Directors. Arranged and coordinated training for Directors based on the BEE exercise conducted in 2021. <p><u>Advocate the adoption of corporate governance best practices</u></p> <ul style="list-style-type: none"> Assisted GBNRC in the conduct of the Board Remuneration Review exercise in 2022. Together with GBNRC, undertook Board Committee Refresh Exercise. <p><u>Meeting arrangements and administrative</u></p> <ul style="list-style-type: none"> Convened and managed 185 meetings of the Board, Board Committees and Management Committees under her purview for FY2022. Co-organised and convened fully virtual one (1) AGM and two (2) EGMs on 25 May 2022 and 15 November 2022. Co-organised the Affin Bank Berhad and Management Board Offsite Meeting and Strategy Session as well as organised Board-Management’s business visit. <p>The Board assesses the performance of the Company Secretaries via the Board Satisfaction Survey (“BSS”). Based on the BSS conducted for FY2022, the Board was satisfied with the performance and support given by the Company Secretary. To ensure that only qualified and suitable individuals are appointed as Company Secretaries, the appointment and /or change of Company Secretary are subject to the Board’s approval.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has full and timely access to information on Board matters via materials and engagement with Management to enable the Directors to obtain further explanations, where necessary, in order to be properly briefed prior to the meetings.</p> <p>Prior to each Board meeting, Directors will be provided with the agenda together with the respective reports/papers and other board meeting reference materials for each item to be discussed as well as for them to be apprised of the topics and be prepared accordingly. These materials are disseminated in a paperless manner via meeting application software, a solution which stores meeting documents digitally in a secure manner.</p> <p>The Bank adopts a standard format of meeting papers to ease the Board's review as provided by the Secretariat. The format consists of the objective(s) of the paper, background, requirements and/or issues as well as conclusion and recommendation for the Board's consideration.</p> <p>The agenda of the meeting consists of banking business-related aspects such as financials, strategies, operations, Information Technology, Human Resources, Credit as well as Audit, Risk Management and Compliance.</p> <p>The Chairman with the assistance of the Company Secretary ensures that clear and accurate minutes of board meetings which include the key deliberations, rationale for each decision made, and any significant concerns or dissenting views are maintained. The Company Secretary ensure that the decisions of the Board and Board Committees are undertaken by and acted upon by Management and updated to the Board/Board Committee vide Matters Arising, where applicable.</p> <p>The minutes of Board/Board Committee meetings are circulated to all Directors for their review and perusal prior to the confirmation of the minutes at the following Board/Board Committees meetings. The Directors may request clarification or raise comments before the minutes are tabled for confirmation. Upon receiving confirmation from all the members at the Board meeting, the minutes will be signed by the</p>

	<p>Chairman of the meeting as a correct record of the meeting proceedings.</p> <p>All Board members have unrestricted access to timely and accurate information as well as direct access to the advice and services of the Company Secretary who is responsible for ensuring that the Board meetings' procedures are followed and that all applicable rules and regulations are complied with.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- (a) the respective roles and responsibilities of the board, board committees, individual directors and management; and
- (b) issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board established a Board Charter which demarcated the mandate, roles and responsibilities, and procedures of the Board and Board Committees (both individually and collectively), in setting the direction, management and control of the Bank in accordance with the principles of good corporate governance set out in the policy documents and guidelines issued by BNM and relevant regulatory authorities.</p> <p>The Board Charter outlines the issues and matters reserved for the Board as follows:-</p> <ul style="list-style-type: none">(i) Approval of financial results.(ii) Declaration of dividends.(iii) Risk appetite setting.(iv) Annual budget and business plan.(v) Appointment of key responsible persons.(vi) Mergers and Acquisitions.(vii) Policy Manual.(viii) Connected Parties Transactions.(ix) Strategic Directions.(x) Investment in capital projects. <p>The Board Charter was reviewed in July 2022 to streamline the Charter within Affin Group in line with the changes to the MMLR, Bank Negara Malaysia's Policy Document on Corporate Governance ("BNM CG"), MCCG 2021.</p> <p>The Board Charter is available on the Bank's website at https://affin.listedcompany.com/others.html.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank has put in place a Code of Ethics and Standard of Professional Conduct.</p> <p>The Bank adopts the Code of Ethics for the Financial Services Industry developed by the Financial Services Professional Board (FSPB) as the standard of conduct expected of its Directors and employees.</p> <p>The Code of Ethics is to ensure that staff consistently adhere to a high standard of professionalism and ethics in the conduct of business and professional activities.</p> <p>The Standard of Professional Conduct is to ensure that staff is fully committed to uphold, maintain and demonstrate a high level of integrity and professionalism at all times. The Bank upholds the ethical principles which outline the ten (10) core minimum Standards of Professional Conduct that staff is expected to adhere to and abide by. The ten (10) standards are:-</p> <ul style="list-style-type: none">(i) acting in the best interest of the customer;(ii) complying with laws and regulations;(iii) keeping information confidential;(iv) maintaining market integrity;(v) managing conflicts of interest;(vi) having openness and transparency;(vii) operating responsible business;(viii) acquiring professional knowledge and skills;(ix) giving respect and fair treatment; and(x) taking responsibility and accountability. <p>The Bank's Standard of Professional Conduct has been adopted by the Board to support the Group's objectives, vision and values which reflects the Group's vision and core values of integrity, respect, trust and openness. The basic principles have been carried out by having appropriate regard to the interests of the Bank's customers,</p>

	<p>shareholders, business partners and the broader community in which the Group operates.</p> <p>The Bank encourages its employees to provide feedback with any concerns regarding misconduct and/or wrongdoing by the employees. Any non-compliance and failure to report non-compliance to the Code may lead to consequence management.</p> <p>All Directors and employees of the Bank are expected to exercise caution and due care in safeguarding confidential and price-sensitive information of the Bank and its business associates from being misused including for personal benefits, at all times. In managing the exposure of such misuse of price-sensitive information for trading of shares or other securities, the Directors and Key Senior Management Officers are reminded periodically of the prohibition of insider trading and the dealings in securities during closed periods in accordance with the relevant provisions of the MMLR.</p> <p>The Code of Ethics is available on the Bank's website at https://affin.listedcompany.com/code_of_ethic.html.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Group Whistleblowing Policy and Procedures is developed to promote whistleblowing in a positive manner that provides an avenue for employees and members of the public to escalate concerns on improper conduct. The said Policy is in line with the fundamental objectives of the Whistleblowers Protection Act 2010.</p> <p>This includes the following:-</p> <ul style="list-style-type: none">(i) Safeguard the Bank's reputation by minimizing unfavourable surprise events in relation to improper conduct.(ii) Encourage Whistleblowers to divulge pertinent information on improper activity occurring within the Bank and its subsidiaries subsequently to curtail possible detrimental impact.(iii) Exhibit better corporate governance in managing whistleblowing issues, which is to be managed in a transparent manner by creating awareness of the protection, confidentiality and enforceability of whistleblowing. <p>Complaints are being channelled through the available avenues stated in the said Policy and are addressed and dealt with by the Group Whistleblowing Committee in the strictest confidence. The Group Whistleblowing Committee reports to an Independent Non-Executive Director (INED) who provides oversight for the whistleblowing process. The INED is the Chairman of the Group Board Compliance Committee.</p> <p>The Group Whistleblowing Policy and Procedures is available on the Bank's website at www.affingroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank's Sustainability Governance Structure consists of the Board, GBRMC, GBCC, GMC, and the Sustainability Working Group driven by the Environmental, Social and Governance (ESG) team under Group Strategy Division.</p> <p>All sustainability and ESG matter will go through GMC. Matters relating to sustainability and ESG strategic subject come under the purview of the GBCC whilst ESG risk management are discussed at GBRMC. The outcome of the discussion at the GBCC and GBRMC will be reported and escalated to the Board. The Board is responsible to advise the Sustainability Governance Structure to promote sustainability through appropriate ESG considerations in the Bank's business strategy, risks as well as accountable for reviewing, adopting and monitoring the implementation of the Bank's overall sustainability strategies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>In 2022, the ESG theme is incorporated in A25 under Strategic Objective – Responsible Banking with Impact through ESG Framework and Pillars (i.e., Progress, People and Planet) which focuses on AFFIN four (4) focus areas namely Sustainable Financing, Sustainable Operations, People & Culture and Community Support. The framework detailed the integration of ESG elements into the respective process in the Bank.</p> <p>The ESG strategies, priorities and targets as well as performance against these targets for the Bank and Affin Islamic Bank Berhad (“AIBB”) are communicated to its internal and external stakeholders accordingly.</p> <p>The ESG Team under Corporate Strategy Division manages the Bank’s Sustainability matters and provides updates on the Bank’s Sustainability progress to the GBCC, GBRMC and the Board.</p> <p>The latest updates/announcements/implementation/changes on ESG are communicated to the employees through Affin’s intranet (internal portal for the employees).</p> <p>The Bank produces Sustainability Statement for incorporation into the Annual Report in accordance with Bursa Malaysia Sustainability Reporting Guidelines since 2018 which disclose the strategy, performance and target of the Bank</p> <p>In addition, the Bank also provides responses to surveys/questionnaires by the stakeholders, rating agencies and regulators including RAM and BNM for example, the BNM Survey on Climate Change as well as ESG Questionnaire by Lembaga Tabung Angkatan Tentera (“LTAT”).</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that by taking appropriate action to stay abreast of and understand sustainability issues, including climate-related risks and opportunities, the Board could help ensure that Affin is well-positioned to manage these risks and capitalize on opportunities, leading to improved financial performance and long-term sustainability. For FY2022, the Board adopted the following approach, amongst others, to ensure it is able to effectively discharge its roles under sustainability:-</p> <ul style="list-style-type: none">(i) Training and Development – Based on the outcome of BEE2021, Climate Change and Sustainability which are the subsets of ESG forms part of the focus area in Board Continuing Education and Development. Therefore, 40% of the Board’s training hours were allocated towards enhancing the Board’s knowledge and understanding of the said area. The ESG training attended by the Board during FY2022 are set out in Part B of this report.(ii) Business Consideration - Climate-related risks and opportunities are considered in all business targets and operations. This would help the Board to stay ahead of any risk exposure and adopt appropriate mitigation measures.(iii) Stakeholders’ expectations – To maintains its social license to operate and continue to attract and retain investors and customers, Affin develops financing solutions that support sustainable development which is in line with the Bank’s ESG key focus, namely, in providing responsible financial services.(iv) Governance, Legal and regulatory requirements – The Board keep abreast of any legal and regulatory updates in relation to sustainability, including any viewpoints raised by sustainability experts.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank took cognisance of the long-term benefits of incorporating Sustainability performance into the KSMO's Key Performance Indicators (KPI).</p> <p>As for the Board, a review of the Board's performance and contributions is made through the Board Effectiveness Evaluation ("BEE"). Hence, since BEE2021, Section C: Board's Role in Sustainability/ESG Matters are embedded in the BEE questionnaire in line with enhancement made to MCCG2021.</p> <p>The KPI on sustainability is included in Chief Corporate Strategy Officer and PGCEO/CEO.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	The Bank has established a sustainability team under the Group Chief Strategy Officer, Encik Abdul Malek bin Mohamed Said as the designated, person to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Bank.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>Affin Group's Board composition is continuously reviewed by the GBNRC. This is to ensure that the composition of the Board of Affin Group consists of Directors with suitable skill sets to discharge their duties effectively as well as to ensure compliance with the applicable regulatory requirements and internal practices.</p> <p>The Board, vide Board Charter, had established the Policy on Tenure of Directorships and has adopted the following principles for Non-Executive Directors:-</p> <p>(a) Tenure of an Independent Director</p> <p>The Maximum tenure of service for Independent Directors shall be a cumulative term of nine (9) years within the Affin Group. (Note: After serving for nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine years, the board should provide justification and seek annual shareholders' approval through a two-tier voting process)</p> <p>(b) Age Limit</p> <p>The maximum age of Directors shall be seventy-five (75) years old, unless under special circumstances duly justified.</p> <p>Appointment of a new Director is subject to any vacancy due to retirement, resignation or completion of Directorship tenure; including the nomination by Shareholder(s).</p> <p>Re-appointment and re-election of Directors are contingent on a satisfactory evaluation of the Director's performance and contribution to the Board. Directors' performance is reviewed based on the outcome of the BEE exercise as well as the fit and proper assessment by GBNRC.</p> <p>The proposal of Directors' appointment, re-appointment and list of Directors' standing for re-election at the next AGM is tabled to GBNRC for recommendation and thereafter to the Board for approval, subject</p>

	<p>to BNM (for appointment and re-appointment) and shareholders' approval (for re-election).</p> <p>As part of the Board refresh exercise, GBNRC reviewed the Board's desired skillsets and established an internal Board Candidate Registry which consists of potential candidates with various desired skillsets to be considered for appointment to the Board from time to time. GBNRC aspires to establish Board Succession Plan moving forward.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2022 the Board comprises ten (10) Directors, seven (7) are Independent Non-Executive Directors (“INEDs”) and the remaining three (3) are Non-Independent Non-Executive Directors (“NINEDs”) (shareholders’ representatives) which exceeds the level of independence prescribed under the MMLR and BNM CG.</p> <p>The Board acknowledges that the presence of a majority of INEDs provides effective checks and balances in the Board’s function to safeguard the interest of the Bank and stakeholders.</p> <p>To ensure that INEDs remain independent, each INED is required to provide an annual independence assessment based on the independence criteria prescribed under Bursa Malaysia’s MMLR, an independence self-declaration as part of the annual Fit and Proper and observe the relevant regulatory requirements on Credit Transactions & Exposure with Connected Parties.</p> <p>Based on the results of the assessments/evaluation undertaken in FY2022, the Board is satisfied that all INEDs have met the independence criteria and are able to act in an independent and objective manner.</p> <p>The influence of the nominees for the major shareholders of the Bank is well-balanced by the presence of the majority INEDs on the Board whose collective views carry significant weight in the Board’s deliberation and decision-making process.</p> <p>The existing size and composition of the Board promote effective deliberation, encourage active participation from all Directors and allow their roles and responsibilities to be discharged without giving rise to an over-extension of Directors who are required to serve on multiple Board Committees. The diverse and broad range of experience, skills and knowledge of the Directors effectively facilitate the discharge of the Board’s stewardship.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>											
Application	: Adopted										
Explanation on adoption of the practice	: As enumerated under Practice 5.1 above, the Board, vide Board Charter, had established the Policy on Tenure Directorships and has adopted the following in relation to the limit of Directorship tenure for all Non-Executive Directors:- (c) Tenure of an Independent Director The Maximum tenure of service for Independent Directors shall be a cumulative term of nine (9) years within the Affin Group. (Note: After serving for nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine years, the board should provide justification and seek annual shareholders' approval through a two-tier voting process) (d) Age Limit The maximum age of Directors shall be seventy-five (75) years old, unless under special circumstances duly justified. As at December 2022, the tenure of INEDs is as follows:- <table border="1"><thead><tr><th>Tenure</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Up to 1 year</td><td>-</td></tr><tr><td>More than 1 year and up to 3 years</td><td>3</td></tr><tr><td>More than 3 years and up to 6 years</td><td>4</td></tr><tr><td>More than 6 years</td><td>-</td></tr></tbody></table> Therefore, as at 31 December 2022, none of the INEDs had exceeded the nine (9) years tenure.	Tenure	Number of INEDs	Up to 1 year	-	More than 1 year and up to 3 years	3	More than 3 years and up to 6 years	4	More than 6 years	-
Tenure	Number of INEDs										
Up to 1 year	-										
More than 1 year and up to 3 years	3										
More than 3 years and up to 6 years	4										
More than 6 years	-										

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied																														
Explanation on application of the practice	:	<p>The Bank strongly promotes diversity in Board and KSMO as it recognises the values and the unique contribution of Directors and KSMO with diverse individual backgrounds, skills, experiences, perspectives, nationalities, age as well as gender.</p> <p>For the Board composition, the Board and GBNRC continuously review the appropriate mix of skills, experience, age, gender, cultural background and knowledge required of its members, in the context of the needs of the Bank's businesses and strategies.</p> <p>The following sets out the Board Diversity matrix of the Bank:-</p> <p><u>Board Skills and Experience</u></p> <table border="1"> <thead> <tr> <th>Industry Experience</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>Banking, Islamic Banking, Investment Banking</td> <td>9</td> </tr> <tr> <td>Finance and Economics</td> <td>6</td> </tr> <tr> <td>Audit or Consulting Firm</td> <td>3</td> </tr> <tr> <td>Insurance</td> <td>4</td> </tr> <tr> <td>Information Technology/e-Commerce/ Telecommunication</td> <td>2</td> </tr> <tr> <td>Oil & Gas/Transportation</td> <td>3</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Functional Experience</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>Risk Management (banking, credit, IT)</td> <td>6</td> </tr> <tr> <td>Chartered Accountant/Accounting</td> <td>3</td> </tr> <tr> <td>Human Capital/People Management</td> <td>1</td> </tr> <tr> <td>Business Administration</td> <td>3</td> </tr> <tr> <td>Information Technology</td> <td>3</td> </tr> <tr> <td>Operations, Strategic & Corporate Advisory</td> <td>10</td> </tr> <tr> <td>Marketing and Sales</td> <td>4</td> </tr> </tbody> </table>	Industry Experience	Number of Directors	Banking, Islamic Banking, Investment Banking	9	Finance and Economics	6	Audit or Consulting Firm	3	Insurance	4	Information Technology/e-Commerce/ Telecommunication	2	Oil & Gas/Transportation	3	Functional Experience	Number of Directors	Risk Management (banking, credit, IT)	6	Chartered Accountant/Accounting	3	Human Capital/People Management	1	Business Administration	3	Information Technology	3	Operations, Strategic & Corporate Advisory	10	Marketing and Sales	4
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Marketing and Sales	4																															

Age

Age	Number of Directors
40 - 49 years old	1
50 – 59 years old	0
60 – 69 years old	6
70 – 75 years old	3

Nationality

Nationality	Number of Directors
Malaysian	8
American	1
Chinese	1

Race/ethnicity

Race/Ethnicity	Number of Directors
Malay/Bumiputera	6
Chinese	3
Indian/Others	1

Gender

Gender	Number of Directors
Male	7
Female	3

The Board values the experience and perspective that the Directors may gain from an external appointment with other companies, organisations or associations. However, prior to the acceptance of any relevant external appointments, Directors should first consult with the Chairman of the Board and Chairman of GBNRC on such proposed appointments.

To ensure full commitment and sufficient time is given to the affairs of the Bank, a Non-Executive Director of the Bank must not hold more than five (5) directorships in listed companies and ten (10) directorships in non-listed companies (pursuant to paragraph 15.06 (1) of the MMLR and Practice 5.5 of MCCG 2021). Thus far, none of the Directors of the Bank holds more than five (5) directorships in listed companies and ten (10) directorships in non-listed companies.

KSMO appointments and removal are governed by the standards in BNM CG which stipulates that members of KSMO must fulfil the minimum requirements at the time of appointment and on a continuing basis.

	<p>The Bank acknowledges that persons in these key positions must have the necessary qualities, competencies and experience that will allow them to perform their duties and carry out the responsibilities required of their position in the most effective manner.</p> <p>The following sets out the KSMO Diversity matrix of the Bank:-</p> <p>Age</p> <table border="1" data-bbox="560 512 1150 698"> <thead> <tr> <th>Age</th> <th>Number of KSMO</th> </tr> </thead> <tbody> <tr> <td>50 years old and below</td> <td>5</td> </tr> <tr> <td>51 – 55 years old</td> <td>9</td> </tr> <tr> <td>56 – 60 years old</td> <td>0</td> </tr> <tr> <td>Above 60 years old</td> <td>1</td> </tr> </tbody> </table> <p>Nationality</p> <table border="1" data-bbox="560 808 1099 920"> <thead> <tr> <th>Nationality</th> <th>Number of KSMO</th> </tr> </thead> <tbody> <tr> <td>Malaysian</td> <td>15</td> </tr> <tr> <td>Others</td> <td>0</td> </tr> </tbody> </table> <p>Gender</p> <table border="1" data-bbox="560 1028 1099 1140"> <thead> <tr> <th>Gender</th> <th>Number of KSMO</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>10</td> </tr> <tr> <td>Female</td> <td>5</td> </tr> </tbody> </table> <p><i>Notes:</i> For this purpose, KSMO refers to members of the Management Committee, Group Chief Compliance Officer, Group Chief Internal Audit and Group Chief Legal Officer and Company Secretary.</p>	Age	Number of KSMO	50 years old and below	5	51 – 55 years old	9	56 – 60 years old	0	Above 60 years old	1	Nationality	Number of KSMO	Malaysian	15	Others	0	Gender	Number of KSMO	Male	10	Female	5
Age	Number of KSMO																						
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Explanation for departure :																							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																							
Measure :																							
Timeframe :																							

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The GBNRC is responsible for assessing the candidate(s)' qualifications and experiences and whether he/she fulfils the minimum requirements as set out in the BNM CG, BNM Policy Document on Fit & Proper Criteria, internal policies and any other relevant regulations.</p> <p>In identifying candidates for appointment of Directors, the GBNRC does not solely rely on recommendations from the existing Board members, Management or major shareholders. The GBNRC has the right to utilize independent sources at the cost of the Bank to identify suitably qualified candidates.</p> <p>GBNRC may also consider utilising the following sources:-</p> <ul style="list-style-type: none">(i) Director's registry (e.g. Institute of Corporate Directors Malaysia and NAM Institute for the Empowerment of Women);(ii) Industry and professional associations; or(iii) Independent search firm. <p>During FY2022, with the assistance of the Company Secretary, the GBNRC has reached out to ICDM to obtain a list of potential candidates to be considered for appointment as additional members of the Board with ESG backgrounds.</p> <p>In situations where recommendations were made by existing directors, Management or major shareholders, GBNRC will ensure that the necessary due diligence is undertaken.</p> <p>The assessment by GBNRC consists of candidates' screening, selection based on the desired skillsets required and engagement to gauge candidates' ability to discharge their duties effectively and efficiently as well as chemistry with the existing Board members. Assessments are conducted internally as well as externally to verify information provided to the Bank.</p> <p>GBNRC thereafter submits its recommendation to the Board for approval.</p>

	<p>The said candidate(s) will be appointed if they are found suitable and fit to be appointed as Director(s) of the Bank based on the required skill matrix as well as the expected contribution by the said candidate.</p> <p>As a basic principle, the Bank shall not make an application to BNM to appoint a Director unless the Board is wholly satisfied, based on its objective assessment, that the candidate meets the minimum requirements of the BNM CG and MMLR, understands the expectation of the roles and is able to meaningfully contribute to the Board.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Details of each Director are disclosed in the Annual Report and Section B of this report is sufficient for shareholders to make an informed decision on the appointment and reappointment of a Director. Amongst the information provided, but not limited to the following:- (i) Directors' profiles (current Directorship, shareholding and conflict of interest, if any); (ii) Statement of Accompanying Notice of 47 th Annual General Meeting with:- (a) Confirmation of fulfilment of the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. (b) Confirmation on fulfilment of the criteria of an independent director as defined under MMLR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the GBNRC is Dato' Abdul Aziz bin Abu Bakar (Dato' Abdul Aziz), an Independent Non-Executive Director.</p> <p>As the Chairman of GBNRC, Dato' Abdul Aziz ensures that the Committee provides a formal and transparent procedure in respect of the following:-</p> <ul style="list-style-type: none">(i) Leads the Board composition Refresh Exercise for Affin Group including but not limited to reviewing the desired matrix skillset, Board Candidates Registry and Board Committees' composition.(ii) The selection and appointment of all new Directors and Chief Executive Officer as well as assessment on the effectiveness of individual Directors, Board as a whole, Board Committees and performance of Chief Executive Officer and KSMO; and(iii) Develop remuneration policy for Directors, Chief Executive Officer and KSMO as well as ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies. <p>Dato' Abdul Aziz's profile can be found on page 115 of the 2022 Annual Report and part B of this Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Out of the ten (10) Directors, three (3) are women Directors which constitute 30%, as follows:-</p> <p>(i) Dato' Rozalila binti Abdul Rahman; (ii) Puan Marzida binti Mohd Noor; and (iii) Ms Chan Wai Yu.</p> <p>The Board will continue to uphold the principle of boardroom gender diversity per the recommendations of the MCCG of having at least 30% women representation on the Board. Apart from gender diversity, the Board also consider diversity in skills, experience, age and cultural background.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board continues its commitment to maintain diversity and inclusion in its composition. In this regard, the Board’s diversity ranges from various aspects namely gender, age, ethnicity, nationality, experience, skills and length of service. Currently, the Board’s gender composition is 70% male and 30% female. As for KSMO, their gender composition is 67% male and 33% female.</p> <p>The Board acknowledges the recommendation of the MCCG 2021 pertaining to the establishment of the boardroom gender diversity policy. The Bank has revised its Board Charter to include gender diversity as part of the Bank’s effort to strengthen its stance in ensuring that gender equality is being enforced in the community.</p> <p>The Bank is looking into establishing Diversity and Inclusion strategy (which includes gender representation) in Management and Board which reinforces the Bank’s commitment in strengthening gender equality and inclusivity in the workplace.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Bank had previously undertaken the BEE exercise internally with the assistance of the Secretarial team. For the BEE 2022, the Board approved the appointment of an external independent expert to conduct the said exercise for the Bank, as well as for AIBB and Affin Hwang Investment Bank Berhad (AHIBB) in compliance with the internal procurement process.</p> <p>The appointment of the external independent expert is in line with the recommendation by MCG 2021 for periodical engagement.</p> <p>The formal and objective evaluation undertaken comprised a comprehensive process and methodology in assessing performance across the three focus levels – the Board, Board Committees and Individual Directors.</p> <p>The BEE was conducted through a combination of one-on-one confidential interviews, sighting of governance documents (on a confidential basis), online surveys and peer reviews.</p> <p>Evaluation components include:</p> <ul style="list-style-type: none">(i) The 10 key parameters of board oversight, including Board & Management ratings comparison & analysis.(ii) Performance in ESG areas, in line with the application of Practice 4.4 of the MCG as well as considerations on board refreshment considerations based on Practice 5.1 of the MCG.(iii) Performance of individual board committees on additional responsibilities & committee composition.(iv) Individual director performance & peer assessment based on external independent consultant’s Director Competency Framework, including the identification of development & training needs for sustainability/ESG. Benchmarked against the overall average board and individual score.

Pursuant to the analysis conducted by an external independent consultant, the main highlights of the results are as follows:-

<p>Areas of Strength</p>	<p>Board governance oversight & processes - Received one of the highest ratings from the Board and Management Team with emphasis on the adoption of relevant laws, regulations and best practices such as Section 17A of MACC Act, AMLA, MCCG 2021 and dealing with potential conflicts of interest and confidential information.</p> <p>Board dynamics & culture - Committed to promoting ethical business conduct professional and respectful of one another, and the Board has been able to work as a team with emphasis on honest open communication, trust, respect as well as driving the right level of accountability and integrity. The Board is highly engaged, and Board members are given plenty of room to air their views and opinions.</p>
<p>Considerations for Improvement</p>	<p>Board Composition, Skills and Development - To prioritise a Board Succession Plan, based on a board skills matrix. Areas of need – banking, innovation, sustainability and/or digital experience.</p> <p>Board Agenda, Meetings & Information - Better alignment of the board meeting agenda to provide more airtime on a periodical basis to discuss issues like strategic and transformation updates.</p> <p>Stakeholder Engagement - Adopting integrated reporting and utilising technology to enhance communication with the relevant stakeholder groups</p> <p>Board Sustainability Matters – Appointing a skilled and experienced ESG champion, both at the Board and SMT to drive the agenda more proactively across the organisation, as well as establishing a dedicated Sustainability Committee to address sustainability matters in a more holistic and robust manner.</p>

The individual results of the Directors’ Self and Peer Assessments were shared with the Chairman of the Boards and GBNRC, who will subsequently engage each Director individually to discuss his/her performance.

The Board and GBNRC will look into formulating action plans to address the above based on their priorities, with support from relevant Board Committees. The outcome of the BEE will also be taken into consideration in the re-appointment of the Directors and Board Committees’ membership appointment, where applicable.

	The approach and methodology adopted for the evaluation of the Board as a whole, Board Committee and Individual Directors can be found on page 151 of the 2022 Annual Report.	
Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice :	<p><u>Directors</u></p> <p>The GBNRC recommends structured remuneration packages for the Non-Executive Director (NEDs) which are competitive and consistent with the Bank's culture, objectives and strategies. It is also commensurate with the level of responsibilities and contribution by the NEDs in ensuring the effective functioning of the Board as well as driving the Bank's long-term objectives.</p> <p>In line with the above practice, the Bank had in March 2022, engaged an external consultant, Willis Towers Watson Malaysia (WTW) to conduct an independent review of the NEDs fees for the members of the Board and Board Committees of ABB, AIBB and AHIBB.</p> <p>In its review, WTW had adopted comparators which include public and non-public listed financial institutions. Based on the outcome of the review, WTW recommended the revision of the Directors' remuneration to be streamlined and aligned with peers in the market.</p> <p>The fee review was necessary to commensurate with the Directors' heightened responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders.</p> <p>Further, the review was crucial to determine the Board's competitiveness to attract as well as retain individuals with strong credentials and high calibre to serve on the Board of the Company.</p> <p>The revised fees were duly approved by the respective Board and Annual General Meetings in May 2022.</p>

The Directors' remuneration (as approved by the shareholders) is as follows:-

Directors' Fees

	Holding Company		Subsidiary Company	
	Chairman	Member	Chairman	Member
Director's Fee (per annum)	RM265,000	RM165,000	RM195,000	RM145,000
Board Committee Fee (per annum)	RM50,000	RM35,000	RM50,000	RM35,000

The details of the Directors' remuneration are set out in Note 44 to the Financial Statements of the 2022 Annual Report and Notice of 47th AGM.

Senior Management

It is the Bank's basic compensation philosophy to provide a competitive level of total compensation to attract and retain qualified and competent staff. The Bank's variable remuneration policy will be driven primarily by a performance-based culture that aligns staff interests with those of the shareholders of the Bank.

The Bank's remuneration policy considers the role of each staff and has set guidance on whether they are under Senior Management, Other Material Risk Taker (OMRT) or other employees' category.

The objectives of the Remuneration Policy are to ensure that the remuneration system of the Bank:

- (i) Rewards individuals for the achievement of the Bank's objectives and motivates high levels of performance;
- (ii) Rewards exceptional performance by individual through the Performance Management System;
- (iii) Allows the Bank to compete effectively in the labour market and to recruit as well as retain high calibre staff;
- (iv) Achieves fairness and equity in remuneration and reward.

The Bank's remuneration is made up of two (2) main components namely "fixed pay" and "variable pay":-

- (i) Fixed pay consists of base salary and fixed allowances that are pegged to the market value of the job.
- (ii) Variable pay rewards employees based on the performance of the Division, Department and Bank; and the employee's individual performance i.e. Bonuses, Long Term Incentives Plan (LTIP) & Sales Incentives/Commission.

The Bank implemented the Deferred Discretionary Performance Bonus for material risk taker ("MRT") and staff who falls under the other material risk taker ("OMRT") Category. The objective of the deferred bonus is to align the short-term compensation payment with the time-based risk, and to encourage employees to deliver sustainable long-term performance. The Bank shall review the MRT & OMRT listing on annual basis.

Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>GBNRC is chaired by an INED, with the objective of providing a formal and transparent procedure in respect of the following:</p> <p>(i) The selection and appointment of all new Directors and PGCEO as well as assessment of the effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and Key Senior Management Officers (KSMO); and</p> <p>(ii) Develop remuneration policy for Directors, PGCEO and KSMO as well as ensure that compensation is competitive and consistent with the Bank's culture, objectives and strategies.</p> <p>The GBNRC carries out its roles and responsibilities as stipulated in the terms of reference. The GBNRC is not delegated with decision-making powers but reports its recommendations to the Board for decision.</p> <p>The main activities of the GBNRC in 2022 included the following:</p> <ul style="list-style-type: none">• Review the overall composition of the Board and Board Committees.• Setting up KPIs and Scorecards for FY2022.• Performance assessment of KSMO for new appointment and contract renewal of ABB, AIBB and AHIBB.• Assessment of fitness and propriety of Directors and Key Responsible Persons.• Assess the suitability of candidates for appointment and re-appointment of Directors and Shariah Committee members (including Chairman).• Review the remuneration of Directors, Shariah Committee and KSMO.• Outcome of the BEE exercise for FY2021.• Appointment of external independent expert to undertake BEE2022.

	<ul style="list-style-type: none"> • Review of policies and structure for Group implementation under Project Synergy – Organisation Structure, Job Grade, Wage Band and Benefits. • Directors and Shariah Committee Training Plan. • Revision to Board Charter. <p>The establishment of GBNRC is to provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach will promote compensation philosophy which would drive the performance of the Group as a whole.</p> <p>GBNRC would be able to review the diversity, matrix skills of the Board and Management from a broader perspective to ensure that it aligns with the Group’s strategy and placement of human capital at the entity level with the right skill sets.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration (including benefits-in-kind) of each Director during the financial year 2022 are disclosed on Note 44 to the Financial Statements of the 2022 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato Agil Natt	Independent Director	470	-	-	-	108	-	578	470	-	-	-	108	-	578
2	Dato' Abdul Aziz bin Abu Bakar	Independent Director	394	-	-	-	-	-	394	394	-	-	-	-	-	394
3	Dato' Mohd Hata bin Robani	Independent Director	406	-	-	-	-	-	406	406	-	-	-	-	-	406
4	Mr. Chan Tze Ching, Ignatius	Non-Executive Non-Independent Director	257	-	-	-	-	-	257	257	-	-	-	-	-	257
5	Dato' Rozalila binti Abdul Rahman	Independent Director	375	-	-	-	-	-	375	375	-	-	-	-	-	375
6	Mr. Yuen Wai Hung, Peter	Non-Executive Non-Independent Director	308	-	-	-	-	-	308	308	-	-	-	-	-	308
7	Puan Marzida binti Mohd Noor	Independent Director	364	-	-	-	-	-	364	364	-	-	-	-	-	364
8	Mr. Gregory Jerome Gerald Fernandes	Independent Director	370	-	-	-	-	-	370	370	-	-	-	-	-	370
9	Ms. Chan Wai Yu	Independent Director	379	-	-	-	-	-	379	379	-	-	-	-	-	379
10	Encik Mohammad Ashraf Md Radzi	Non-Executive Non-Independent Director	7	-	-	-	-	-	7	7	-	-	-	-	-	7

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure																		
Explanation on application of the practice	:																			
Explanation for departure	:	<p>The Board is of the opinion that such disclosure would be disadvantageous to the Bank's business interest, given the highly competitive conditions in the banking industry where poaching of executives is common.</p> <p>However, across the Group, Affin discloses the remuneration of the top three (3) KSMO positions in their respective financial statements, as follows:-</p> <ol style="list-style-type: none"> 1. President & Group CEO, Affin Bank Berhad; 2. CEO, Affin Islamic Bank Berhad; and 3. CEO, Affin Hwang Investment Bank Berhad. <p><i>Note: The financial statements of the above entities are available on the Bank's website at www.affingroup.com.</i></p> <p>The remuneration of KSMO other than the President & Group CEO of Affin Bank Berhad are as follows:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> <th>2022 Annual Total Remuneration</th> </tr> </thead> <tbody> <tr> <td>Lim Kee Yeong</td> <td>Executive Director, Group Enterprise Banking</td> <td rowspan="4">>RM2 Million</td> </tr> <tr> <td>Nazri Bin Othman</td> <td>Executive Director, Group Community Banking</td> </tr> <tr> <td>Nimma Safira Binti Khalid @ Mat Khalid</td> <td>Group Chief Legal Officer & Company Secretary</td> </tr> <tr> <td>Norhazlizawati Binti Mohd Razali</td> <td>Group Chief Credit Officer</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> <th>2022 Annual Total Remuneration</th> </tr> </thead> <tbody> <tr> <td>Adzamimah Binti Adzmi</td> <td>Group Chief Compliance Officer</td> <td>RM1.5 Million to RM2.0 Million</td> </tr> </tbody> </table>	Name	Position	2022 Annual Total Remuneration	Lim Kee Yeong	Executive Director, Group Enterprise Banking	>RM2 Million	Nazri Bin Othman	Executive Director, Group Community Banking	Nimma Safira Binti Khalid @ Mat Khalid	Group Chief Legal Officer & Company Secretary	Norhazlizawati Binti Mohd Razali	Group Chief Credit Officer	Name	Position	2022 Annual Total Remuneration	Adzamimah Binti Adzmi	Group Chief Compliance Officer	RM1.5 Million to RM2.0 Million
Name	Position	2022 Annual Total Remuneration																		
Lim Kee Yeong	Executive Director, Group Enterprise Banking	>RM2 Million																		
Nazri Bin Othman	Executive Director, Group Community Banking																			
Nimma Safira Binti Khalid @ Mat Khalid	Group Chief Legal Officer & Company Secretary																			
Norhazlizawati Binti Mohd Razali	Group Chief Credit Officer																			
Name	Position	2022 Annual Total Remuneration																		
Adzamimah Binti Adzmi	Group Chief Compliance Officer	RM1.5 Million to RM2.0 Million																		

	Ferdaus Toh Bin Abdullah <i>(Appointed as Acting, AIB Chief Executive Officer from 01/06/2022 until 07/11/2022)</i>	Deputy CEO, Affin Islamic	
	Joanne May Rodrigues	Group Chief Financial Officer	
	Risham Akashah Bin Kamaruzaman	Group Chief Operating Officer	
	Mohd Syukri Bin Ahmad Sudari	Group Chief People Officer	
	Abdul Malek Bin Mohamed Said	Group Chief Corporate Strategy Officer	<RM1.5 Million
	Dang Cheong Min <i>(Appointed as Group Chief Risk Officer on 28/04/2022)</i>	Group Chief Risk Officer	
	Hanif bin Ghulam Mohammed	Executive Director, Group Treasury	
	Hanif Bin Mohd Yusof	Executive Director, Group Corporate Banking	
	Wahdania Binti Mohd Khir	Group Chief Internal Auditor	
	<p>The Board wishes to give assurance that the remuneration of Directors and KSMO commensurate with their individual performance, taking into consideration of the Bank's performance as it is benchmarked against the market.</p> <p>The remuneration packages of KSMO are based on experience, expertise, skills and industry benchmark. The total remuneration of its employees is also set out in the Audited Financial Statements for the financial year ended 31 December 2022 which allow shareholders to assess whether the remuneration of Directors and Senior Management commensurate with their performance taking into consideration of the Bank's performance.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:	The Board will monitor developments in the market in respect of such disclosure for future consideration.	
Timeframe	:	Others	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Please specify number of years.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is not a member of the GBAC. The GBAC is chaired by Mr Gregory Jerome Gerald Fernandes, an INED. His profile can be found on page 118 of the Affin Bank Group's Annual Report 2022 and Part B of this Report. As at 31 December 2022, the GBAC comprises four (4) members who are all INEDs. The composition of the GBAC and details of their meeting attendance can be found in the Group Board Audit Committee Report of Affin Bank Group's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference for the GBAC incorporated the cooling-off period as follows:</p> <p>“A former key audit partner of the firm which has been appointed as the external auditor of the Bank shall observe a cooling-off period of at least three (3) years from the date he/she ceases to be a partner of the firm before being appointed as a member of the GBAC.”</p> <p>The composition, quorum, frequency of meetings as well as the specific duties, responsibilities and authority of the GBAC are set out under its Terms of Reference which is available on the Bank’s corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The GBAC has put in place policies and procedures to assess the suitability, objectivity and independence of external auditors. With reference to the requirements set out in the BNM's Policy Document on External Auditors, Affin Bank Group has documented its own Group policy and procedures on Appointment and Re-appointment of External Auditors and Policy on Engagement of External Auditors for Non-Audit Services.</p> <p>Annually, the GBAC reviews and assesses the appointment or re-appointment of external auditors to ensure the suitability, objectivity and independence of the External Auditors. Among the criteria evaluated and taken into consideration by the GBAC were:</p> <ul style="list-style-type: none">• Independence, Objectivity, Familiarity Threats and Professional Scepticism;• Ability to demonstrate an unbiased stance when interpreting the standards/policies adopted by the Group;• Qualification criteria;• Level of knowledge, capabilities, experience and quality of previous work;• Level of engagement with the Board and GBAC;• Ability to provide constructive observations, implications and recommendations in areas which require improvements;• Appropriateness of audit approach, adequacy of resources and the effectiveness of overall audit planning; and• Ability to perform the audit work within the agreed duration given. <p>The GBAC meets up with the external auditors regularly to discuss the scope of their annual audit plan, evaluation of the adequacy and effectiveness of the internal controls system as well as results of financial reviews and audits. During FY2022, the GBAC held two (2) private sessions with the external auditors without the presence of Management to discuss any relevant matters that the external auditors may wish to highlight and obtain feedback for improvements.</p> <p>For engagement of the external auditors to perform non-audit services, the GBAC has to be satisfied that the provision of such services does not</p>

	impair the external auditor’s objectivity and independence. Criteria and threshold have been set for fees chargeable before recommending the proposed non-audit engagement to the Board of Directors for consideration and approval.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	: Adopted							
Explanation on adoption of the practice	<p>As at 31 December 2022, the composition of the Group Board Audit Committee comprises four (4) members who are solely Independent Non-Executive Directors.</p> <p>The composition of the GBAC is as follows:</p> <table border="1"><thead><tr><th>NAME OF COMMITTEE MEMBERS</th></tr></thead><tbody><tr><td>1. Mr. Gregory Jerome Gerald Fernandes Chairman/Independent Non-Executive Director</td></tr><tr><td>2. YBhg. Dato' Mohd Hata Bin Robani Member/Independent Non-Executive Director</td></tr><tr><td>3. En. Suffian Baharuddin Member/Independent Non-Executive Director of Affin Islamic Bank Berhad</td></tr><tr><td>4. Mr. Eugene Hon Kah Weng Member/Independent Non-Executive Director of Affin Hwang Investment Bank Berhad</td></tr><tr><td>5. Associate Prof Dr Said Bouheraoua Member/Independent Non-Executive Director of Affin Islamic Bank Berhad (Completed Directorship tenure on 2 July 2022)</td></tr><tr><td>6. En. Hasli Hashim Member/Independent Non-Executive Director of Affin Hwang Investment Bank Berhad (Resigned as GBAC member on 1 October 2022)</td></tr></tbody></table>	NAME OF COMMITTEE MEMBERS	1. Mr. Gregory Jerome Gerald Fernandes Chairman/Independent Non-Executive Director	2. YBhg. Dato' Mohd Hata Bin Robani Member/Independent Non-Executive Director	3. En. Suffian Baharuddin Member/Independent Non-Executive Director of Affin Islamic Bank Berhad	4. Mr. Eugene Hon Kah Weng Member/Independent Non-Executive Director of Affin Hwang Investment Bank Berhad	5. Associate Prof Dr Said Bouheraoua Member/Independent Non-Executive Director of Affin Islamic Bank Berhad (Completed Directorship tenure on 2 July 2022)	6. En. Hasli Hashim Member/Independent Non-Executive Director of Affin Hwang Investment Bank Berhad (Resigned as GBAC member on 1 October 2022)
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6. En. Hasli Hashim Member/Independent Non-Executive Director of Affin Hwang Investment Bank Berhad (Resigned as GBAC member on 1 October 2022)								

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the value of an effective GBAC in monitoring and assessing the reliability and integrity of the financial reporting process and reviewing the effectiveness of the overall internal controls system of Affin Bank Group.</p> <p>As at 31 December 2022, the GBAC comprises wholly of four (4) INEDs. The Chairman of the GBAC is a Registered Accountant of the Malaysian Institute of Accountants.</p> <p>The GBAC encompasses individuals of varied expertise, proficiencies and calibre, which enables them to effectively discharge their duties. The expertise of GBAC members goes beyond just understanding matters within the purview of GBAC. They are also capable of providing valuable insights and guidance in areas of financial reporting, internal and external audit reports, and assessing the Group's risk and internal control environment. With their extensive knowledge and experience, the GBAC members are well-equipped to offer sound advice to help the Group achieve its goals and attain its position as The Most Creative Financial Company in Malaysia.</p> <p>During the financial year 2022, the GBAC members actively participated in training, workshops, seminars and talks to stay informed about the latest developments and emerging risk areas in the financial services industry, including changes in regulations, accounting and auditing standards.</p> <p>Training attended by the GBAC members during the financial year ended 2022 is as follows:</p>

GBAC Member	Trainings attended
Mr. Gregory Jerome Gerald Fernandes	<ul style="list-style-type: none"> • Treasury Business and Interest Rate Sensitivity • Exposure Draft on Climate Risk Management and Scenario Analysis • Plan Your ESG Journey: Lessons for the Boardroom • BNM’s Climate Change and Principle-Based Taxonomy Policy • “Chair Masterclass” programme • Anti-Money Laundering/ Counter Terrorist Financing Briefing • AXA Investment Managers – Impact Investing Across Public Markets
Dato’ Mohd Hata Bin Robani	<ul style="list-style-type: none"> • Treasury Business and Interest Rate Sensitivity • Exposure Draft on Climate Risk Management and Scenario Analysis • Sustainability and Its Impact on Organizations: What Directors Need to Know • BNM’s Climate Change and Principle-Based Taxonomy Policy • “Chair Masterclass” programme • Anti-Money Laundering/ Counter Terrorist Financing Briefing
En. Suffian Baharuddin	<ul style="list-style-type: none"> • BNM-FIDE FORUM MyFintech Week Masterclasses • Audit Committee Dialogue • MIA Digital Month 2022 – Leading the Digital Transformation of the Accounting Profession in Malaysia & Entering the 5G era • Treasury Business and Interest Rate Sensitivity • MIA AccTech Conference 2022 • Exposure Draft on Climate Risk Management and Scenario Analysis • Asia Pacific Board Leadership Centre Webinar entitled “2022 Board and Audit Committee Priorities” • Materiality: Determining ESG Topics That Matter • Risk Management in Technology (RMiT): Sharing of Insights and Discussion on the Strategic Aspects of IT Risks • BNM’s Climate Change and Principle-Based Taxonomy Policy • ICDM Powertalk ESG series - ESG Disclosure at a Glance: Key Developments and Future Trends; Climate Change and Carbon: From the Financial Risk & Reporting Perspectives; Characteristics of ESG & Sustainability Leadership • 17th Kuala Lumpur Islamic Finance Forum 2022 • Global Islamic Finance Forum 2022 • Anti-Money Laundering/ Counter Terrorist Financing Briefing
Mr. Eugene Hon Kah Weng	<ul style="list-style-type: none"> • BNM FIDE Dialogue on Climate Risk Management and Scenario Analysis • Treasury Business and Interest Rate Sensitivity

		<ul style="list-style-type: none"> • BNM World Bank Report Launch: Exploring Nature-Related Financial Risks in Malaysia • Steward Leadership for Sustainability • Exposure Draft on Climate Risk Management and Scenario Analysis • BNM’s Climate Change and Principle-Based Taxonomy Policy • “Chair Masterclass” programme • The Emerging Trends, Threats and Risks to the Financial Service Industry • AOB Conversation with AC
	Associate Prof Dr Said Bouheraoua	<ul style="list-style-type: none"> • Treasury Business and Interest Rate Sensitivity • Exposure Draft on Climate Risk Management and Scenario Analysis
	En. Hasli Hashim	<ul style="list-style-type: none"> • Exposure Draft on Climate Risk Management and Scenario Analysis • Climate Change and Principle-Based Taxonomy (CCPT)
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises and exercises overall responsibilities in promoting good corporate governance and ensuring a sound system of internal controls and risk management practices are maintained throughout the Bank and its subsidiaries ("the Group").</p> <p>The Group's Corporate Governance Framework is consistent and complies with the following requirements and guidelines: -</p> <ul style="list-style-type: none">(i) Malaysian Code of Corporate Governance; and(ii) BNM Policy Document on Corporate Governance. <p>The Board meets regularly to discuss matters related to the system of internal controls which cover inter alia financial, operational, compliance controls and risk management procedures.</p> <p>The Board extended the responsibilities of the Group Board Audit Committee, Group Board Risk Management Committee and Group Board Compliance Committee to include the role of oversight of financial reporting, disclosures, internal controls, compliance and risk management strategies, policies and other risk-related matters.</p> <p>Board receives regular reports from the Group's management relating to financial performance, key operating statistics, legal and regulatory compliance, breaches of law or regulations, unauthorised activities, and fraud.</p> <p>The Board has established a process for identifying, assessing and managing the relevant risks faced by the Group through the adoption of the following: -</p> <ul style="list-style-type: none">(i) Group Risk Management Framework(ii) Group Compliance Framework(iii) Technology Risk Management Framework(iv) Shariah Supervision and Compliance Framework <p>Further details on the Group's Risk Management and Internal Control are set out in the Statement on Risk Management and Internal Control of the 2022 Annual Report.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The risk management approach of the Group is underpinned by a sound and robust Group Risk Management Framework ("GRMF"). The GRMF is supported by the following elements:</p> <p>(i) Risk Governance</p> <p>(a) Risk governance is the element through which the Board and Management establish the Group's strategy, articulate and monitor adherence to risk appetite and risk limits, as well as identify, measure and manage risks.</p> <p>(b) GRMF is governed by a strong oversight function comprising the Board of Directors (Board), Board Committees and Management Committees as well as all business and support units.</p> <p>(c) The Group Board Risk Management Committee is designated board-level committee that is responsible for supporting the Board in providing oversight and review of risk related frameworks/ policies.</p> <p>(d) The Group adopts the 13 Principles of Risk Governance as prescribed by BNM to promote sound governance for the assessment and management of risks.</p> <p>(e) The governance of risk is further supported by the Three Lines of Defence (3-LOD) model which outlines the functional segregation and key roles and responsibilities of the independent oversight functions as well as the business and support units within the organisation.</p> <p>(f) The 3-LOD Model demonstrates the relationship of the stakeholders in risk taking activities to promote effective risk management control, assurance and governance at all levels of the organisation.</p> <p>(g) The Board, Board committees and Management committees are primary stakeholders served by the lines and therefore are not part of the model. Instead, they are responsible to provide support and guidance in ensuring that the model is reflected in the organisations' overall risk management and control process.</p>

(ii) Risk Appetite

- (a) Risk Appetite demonstrates the risk bearing capacity the Group and its subsidiaries are prepared to undertake and sustain whilst pursuing business objectives and strategic goals, which takes into consideration the potential adverse scenarios impacting the execution of its business plans.
- (b) It is established based on strategic directions set by the Board, combining a top-down view of the Group's capacity to take risk with a bottom-up view of the business risk profile associated with each business unit's short-and longer-term plans as well as taking into consideration other key risk areas.
- (c) The Group's strategic goals are aligned to the Risk Appetite through the Risk Appetite Framework (RAF); an integrated framework encompassing the components of setting the Risk Appetite Statement (RAS) periodically for each subsidiary.
- (d) There are five (5) pillars guiding the development of the RAS, grouped according to the risk types as well as qualitative and / or quantitative impact.

(iii) Risk Culture

- (a) Risk culture stems from the values, beliefs, knowledge and understanding about risk shared by the employees within the Group.
- (b) Effective implementation of the GRMF is grounded on a robust and healthy Risk Culture, achieved through components of Tone from the Top, accountability, effective communication and financial/non-financial incentives.

(iv) Risk Management Policy

- (a) Risk Management Policy is a statement of the Group's overall intentions and approaches with respect to certain areas of risk management. Risk Management Policies should clearly state the objectives for, and commitment to, risk management.
- (b) The GRMF is supported by several Risk Management Policies which address the respective risk areas in further detail. At minimum, these policies would entail:
 - The rationale for managing the risk area
 - Links between the Group's objectives and the Risk Management Policy
 - Accountabilities and responsibilities for managing risk
 - Commitment to make the necessary resources available to assist those accountable and responsible for managing risk
 - The way in which risk management performance will be measured and reported
 - Commitment to review and improve the Risk Management Policy periodically and in response to an event or regulatory changes.
- (c) Adherence to Risk Management policies is always mandatory. Any deviations or exceptions are required to be escalated to the appropriate approving authorities in support of good governance.

	<p>(v) Risk Management Organisation</p> <p>(a) While GRM is mandated to carry out the risk management function, risk management is fundamentally the responsibility of everyone within the Bank.</p> <p>(b) Risk Management Organisation indicates that the appropriate structure is in place to support risk management and risk ownership at all levels of the Bank.</p> <p>(c) The effectiveness of a Risk Management Organisation stems from the implementation of all elements within the GRMF.</p> <p>For further information, please refer to Statement of Risk Management and Internal Control from pages 169-179 of the 2022 Annual Report.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the GBRMC that is responsible for overseeing risk Management's activities in managing credit, market, liquidity, operational, legal, reputational and other relevant risks so as to ensure that the risk management process is in place and functioning effectively.</p> <p>The GBRMC comprises six (6) members, where the majority members (including the Chairman) are INEDs.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The Board established GIA as the third line of defence, positioned to support the GBAC in providing independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management in the Group. GIA reports functionally to the GBAC and administratively to the PGCEO. It is independent from the activities or operations of business and support units in the Group.</p> <p>To ensure effective management and independence of the GIA function, the following are in place:</p> <ul style="list-style-type: none">(i) The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group. The Audit Charter also provides unrestricted access to all documents, people and assets of the Group for GIA to perform its audits;(ii) The GBAC has direct communication channel with the Group Chief Internal Auditor (“GCIA”) and meets regularly with the GCIA without the presence of Management;(iii) The GBAC reviews and approves GIA’s risk-based annual audit plan, the adequacy of audit scope coverage and resources of GIA to ensure GIA has sufficient authority and independence to carry out its work;(iv) The GBAC reviews, monitors and assesses the overall performance of the GCIA and GIA, including its progress of achievement against the approved annual audit plan and other key audit activities;(v) GIA reports significant internal control issues (including fraud, if any) to the GBAC with recommended corrective actions. Management is responsible to ensure that the corrective

	<p>actions are timely and adequately implemented within the agreed timeframe. GIA closely monitors the rectification of audit findings and implementation status of corrective actions.</p> <p>(vi) The GBAC takes note of any significant disagreements between GIA and Senior Management (if any), whether resolved or not, to assess their potential impact on the audit process or findings. This will ensure that any potential risks or areas of concern within the Group could be addressed proactively.</p> <p>For more information, please refer to the Group Board Audit Committee Report in Affin Group's Annual Report 2022.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- (b) whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- (c) the number of resources in the internal audit department;
- (d) name and qualification of the person responsible for internal audit; and
- (e) whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has, through the GBAC, disclosed the following in the GBAC Report in Affin Group's Annual Report 2022:</p> <p>(i) <u>Independence of Group Internal Audit Division and its personnel</u> The Board established GIA as the third line of defence, positioned to support the GBAC in providing an independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management in the Group. GIA reports functionally to the GBAC and administratively to the President & Group Chief Executive Officer (PGCEO). It is independent of the activities or operations of business and support units in the Group.</p> <p>The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group.</p> <p>In maintaining independence and objectivity, GIA ensures that the internal auditors are free from any relationship or conflict of interest when performing their duties. The internal auditors confirm via annual declaration that they are free from any relationships or conflicts of interest that could impair their independence and objectivity in the course of carrying out their duties.</p> <p>(ii) <u>Internal Audit Resources</u> As of 28 February 2023, GIA has a total staff strength of 51 qualified internal auditors from diverse backgrounds and disciplines, mainly specialising in credit, information technology, risk management, Islamic Banking, fraud and investigation, treasury, finance/accounting, investment banking, and stockbroking. A majority of the internal auditors are certified with professional qualifications such as Chartered Banker (CB), Certified Bank Auditor (CBA), Certified Information Systems</p>

	<p>Auditor (CISA), Chartered/ Certified Accountants (e.g. ACCA, MICPA) qualifications, certification programmes from the Financial Markets Association of Malaysia (FMAM) and others.</p> <p>(iii) <u>Group Chief Internal Auditor (GCIA)</u> Currently, GIA is headed by Puan Wahdania Mohd Khir, who has more than 27 years of extensive experience in the financial services industry, as well as, the market operator & frontline market regulator Bursa Malaysia. Wahdania, who holds a Master of Science in Quantitative Finance from the University of Westminster London, is also a Chartered Banker and a member of the Financial Markets Association Malaysia. In the financial services industry, she has held various senior roles such as the Head of Global Market Compliance and Treasury Operations and Senior Director of Group Audit at a major financial institution.</p> <p>(iv) <u>Internal Audit Framework</u> The processes and activities of GIA are guided by The Institute of International Auditors' (IIA) International Professional Practices Framework (IPPF), as well as, standards and requirements set out by regulators on the internal audit function. In evaluating the adequacy and operating effectiveness of internal controls, GIA also adopts the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework into its audits, as a baseline to assess the adequacy and operating effectiveness of governance, risk management processes and internal control activities in the respective areas of the audit.</p> <p>For further information, please refer to the Group Board Audit Committee Report in Affin Group's Annual Report 2022.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Management recognised the importance of maintaining a good relationship with both shareholders and stakeholders and are committed to providing effective and open two-way communication to improve disclosure and transparency.</p> <p>The Bank continuously ensure that timely, complete, transparent and accurate disclosures are made to the shareholders and stakeholders in accordance with the requirements of BNM CG and MMLR.</p> <p>Various communication channels are used to promote effective communication between the Bank and its stakeholders through the media, Annual General Meeting (AGM)/Extraordinary General Meeting, meetings with analysts/investors, corporate briefings and road shows. Active communications with the investors and public are made through various communication channels such as events, advertisements, media releases, public relations and the Bank's corporate website.</p> <p>AGM is an important platform for the shareholders to interact and communicate directly with the Board and Management.</p> <p>Shareholders are furnished with the Bank's Annual Report which includes amongst others, Directors' Report, Financial Statements and operational performance of the Bank.</p> <p>The notice of the AGM together with the Annual Report is sent to the shareholders 28 days ahead before the AGM so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and voted at the AGM. During the AGM, shareholders are given the opportunity to raise questions or seek clarifications on the agenda items as well as other matters concerning the Bank.</p> <p>As part of the effort to safeguard the well-being of the shareholders and employees, the Bank opted to conduct a fully virtual AGM in 2022.</p> <p>In support of the recommendation by MCCG 2021 questions raised by the shareholders were flashed out during the said AGM to ensure transparency and accuracy of the questions asked and answered.</p>

	<p>All resolutions deliberated during the General Meetings will be put to vote by way of a poll and the voting results will be released to Bursa Malaysia on the same day.</p> <p>The shareholders and stakeholders may obtain information about the Bank through the corporate website (www.affingroup.com) which provides convenient access to the latest and archival information about the Bank. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made by the Bank to Bursa Malaysia.</p> <p>In addition, the corporate website has a dedicated Investor Relations section that provides relevant investor-related information and also on Corporate Governance matters which include Board Charter and Whistleblowing Policy and Procedure.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company has yet to adopt integrated reporting. The Board acknowledges that integrated reporting goes beyond a mere combination of the reports in the Annual Report into a single document.
		Nevertheless, there are coordination efforts among cross-functional departments in preparing the various statements and reports in the Annual Report. The Bank is committed to adopt integrated reporting in future.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board would consider adopting integrated reporting in future.
Timeframe	:	Within 2 years

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	In line with the recommendations of MCCG 2021, the Notice of the 47 th Annual General Meeting (AGM) of the Company dated 26 April 2023 is issued to the shareholders 28 days prior to the AGM which is scheduled on 25 May 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Bank's 46th AGM held on 25 May 2022 at the broadcast venue.</p> <p>The Chairman and Chair of all Board Committees are involved in the preparations of AGM and are regularly updated by the Management on potential issues which may arise during the AGM. They are also fully aware of their respective scope of responsibilities and will be prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Board Committees that they lead.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- (v) voting including voting in absentia; and
- (vi) remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank continuously leverage on technology to facilitate greater Shareholders' participation and enhance the proceedings of the AGM. For year 2022, the Bank had conducted a fully virtual AGM on 25 May 2022 as precautionary measures during the "Transition to Endemic" phase. The said AGM was held through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online. To participate members are required to register via Tricor's TIIH Online.</p> <p>Shareholders participated and voted at the said AGM via e-platform provided by the Bank's share registrar.</p> <p>The meeting was conducted in accordance with Section 327 of the Companies Act, 2016 and Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>Prior to the virtual meeting, the Bank performed testing and "dry run" to ensure that the technology adopted are stable for a smooth meeting experience.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>Notice of meetings are being circulated to shareholders within the time limit provided by relevant regulatory requirements.</p> <p>During the general meeting, agendas and resolutions to be read and put for voting at the AGM are being tabled separately and sufficient time are given to shareholders to pose any questions (prior and during the meeting). The Chairman and PGCEO will answer the questions during the general meeting, as for the questions that were not answered during AGM, it will be responded directly to the shareholder within stipulated time.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: ABB had conducted a fully virtual meeting for its 46 th AGM on 25 May 2022 which was broadcasted live from the Broadcast Venue. The necessary support/infrastructure was provided by the appointed Share Registrar to ensure that the AGM went smoothly and able to provide meaningful engagement between the board, senior management and shareholders. As required under the practice, questions from MSWG and shareholders which were raised prior to and during the meeting as well as the Group's responses were shared with all shareholders during the Q&A session of the virtual AGM and subsequent published on the Bank's corporate website at https://affin.listedcompany.com/agm_egm.html .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the Annual General Meeting was uploaded to ABB's website within the stipulated timeline.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

<u>BOARD OF DIRECTORS</u>	
<u>Profile of Directors</u>	
YBHG DATO’ MD AGIL BIN MOHD NATT <i>Chairman / Independent Non-Executive Director</i>	
Nationality/Age/Gender	Malaysian/72 years old/Male
Date of Appointment	8 November 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Advanced Management Program (AMP163), Harvard Business School, USA • Master of Science in Finance, Bayes Business School, City, University of London, UK • Bachelor of Science in Economics (Hons), Brunel University, UK
Past Working Experience & Directorship position(s)	<p>Dato’ Agil Natt possesses in-depth banking knowledge and corporate experience in the areas of Corporate Banking, Investment Banking as well as Islamic Finance.</p> <p>He started his career in Corporate Finance with Bumiputra Merchant Bankers Berhad in 1977 and in 1982 he moved to Island & Peninsular Bhd where his last position was as the Senior General Manager (Finance). He was also the Regional Chief Representative of Kleinwort Benson Limited, a UK based investment bank, before joining the Maybank Group in 1995. In Maybank he served as Senior General Manager of Corporate Banking, Managing Director/Chief Executive Officer of Aseambankers Berhad (now known as Maybank Investment Bank Berhad), and Deputy President/Executive Director of Maybank.</p> <p>He left the Maybank Group in 2006 to assume the position of President and Chief Executive Officer of The International Centre for Education in Islamic Finance (INCEIF), The Global University of Islamic Finance established by Bank Negara Malaysia.</p> <p>Amongst his previous Directorship positions were Chairman/Independent Director of Manulife Insurance Bhd, Chairman/Independent Director, Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Bhd), Chairman/Independent Director, Credit Guarantee Corporation Malaysia Bhd, Independent Director, Cagamas Berhad, Director, Sogo (KL) Sdn Bhd, Independent Director, Export-Import Bank of Malaysia Bhd and</p>

	Chairman/Independent Director, Sumitomo Mitsui Banking Corporation Malaysia Bhd.
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Other Appointment(s)/ Commitment(s)	Nil
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman, Affin Group Chairmen Committee (previously known as Affin Group Oversight Committee) • Member, Group Board Credit Review and Recovery Committee • Member, Group Board Information Technology Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' MOHD HATA BIN ROBANI

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/71 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	<ol style="list-style-type: none"> 1) Bachelor of Economics (Business Administration), University of Malaya 2) Management Development Programme, University of Harvard, USA
Past Working Experience & Directorship position(s)	<p>Dato' Mohd Hata served Bank Negara Malaysia for 20 years from 1975 to 1994. Senior positions held include serving as Senior Assistant Manager, Bank Inspection Department, Director of IT Department and Director of Banking Department. In 1994, he joined Amanah Capital Partners Group as General Manager of Financial Services Division. He was appointed as the Group Chief Operating Officer in 1997. In 1999, he joined BSNC Commercial Bank as Executive Director, representing the interest of Danamodal Nasional Berhad. In 2008, Dato' Mohd Hata joined Malaysian Electronic Payment System Sdn Bhd (MEPS) as Managing Director and upon retiring from MEPS in 2009, he provides consulting services in Smartcards, E-payment, Banking solutions and Payments switching solutions in Malaysia and Indonesia.</p> <p>Amongst his previous Directorship positions were Director of Seacorp Schroeder Asset Management Berhad, Director of Short Deposits Malaysia Berhad, Director of Asia Unit Trust Berhad, Director of Taisho Marine & Fire Insurance (M) Berhad and Director of Fulton Preborn Sdn Bhd.</p>

Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Director, Affin Holdings Berhad
Other Appointment(s)/ Commitment(s)	Member, Finance and Investment Committee, Perbadanan Wakaf Selangor
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman, Group Board Compliance Committee • Member, Group Board Audit Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' ABDUL AZIZ BIN ABU BAKAR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/70 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	(i) Bachelor of Economics (Hons.), University of Malaya (ii) Senior Management Development Programme (SMDP), Harvard Business School
Past Working Experience & Directorship position(s)	<p>Dato' Abdul Aziz has held several senior positions across a number of industries including aviation, oil & gas, construction, banking and telecommunication. Prior to his appointment as CEO/ED of MINDA, he was the Chief Human Capital Officer of Telekom Malaysia Berhad and Executive VP, Human Resources of RHB Bank Berhad. Before that, he was attached to Shell Malaysia for 20 years in various management positions which included Internal & IT Audit, Marketing Economics, Sales & Distribution, Supply & Planning and Human Resource. Thereafter, he was appointed as MD, Intria Berhad (currently known as UEM Builders). In 1994, he was assigned to an international posting to Shell Group HQ in London where he held the position of the shareholders' representative overseeing Shell's business interests in Hong Kong and China.</p> <p>Amongst his previous Directorship positions were Alternate Director of SOCSO, Director of Costain Group PLC (UK), Director of Rangkaian Segar Sdn Bhd and Director of FCW Holdings Berhad.</p>
Award(s)	National HR Leader Award by the Ministry of Human Resources and Malaysian Institute of HR Management
External Professional Commitment	<ul style="list-style-type: none"> • Fellow, Institute of Corporate Directors Malaysia (ICDM) • Member, Nomination and Remuneration Committee of Razak School of Government (RSOG)
Directorship(s) in Other Public Listed Companies	Nil

Directorship(s) in Other Public Companies	Nil
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> • Director, Institute of Corporate Directors of Malaysia (ICDM) • Director, Merchant Trade Asia Bhd • Director, AKIIM Sdn Bhd (previously known as ALKHAIR International Islamic Bank Malaysia Bhd)
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman, Group Board Nomination and Remuneration Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. CHAN TZE CHING IGNATIUS

Non-Independent Non-Executive Director

Nationality/Age/Gender	Chinese /66 years old /Male
Date of Appointment	1 December 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Business Administration, University of Hawaii, USA • Master of Business Administration, University of Hawaii, USA • Certified Public Accountant, American Institute of Certified Public Accountants
Past Working Experience & Directorship position(s)	<p>Ignatius Chan brings with him over 40 years of vast experience in Corporate and Investment banking. Ignatius Chan started his career in banking industry with Citibank, Hong Kong as a Management Associate in 1980. He was posted to Japan from 1986 to 1994. In 1994, he returned to Hong Kong to become Country Treasurer and Head of Sales and Trading.</p> <p>In 1997, he became the Head of Citibank's Corporate banking business for Hong Kong. In 1999, he became Citigroup Country Officer for Hong Kong. In 2003, Ignatius Chan was posted to Taiwan as Citigroup Country Officer. In 2004, he assumed the additional role of Chief Operating Officer for Greater China.</p> <p>In 2005, he returned from Taiwan to Hong Kong as Citigroup Country Officer for Hong Kong and Head of Corporate and Investment Banking Business for Greater China, a position he held until his retirement from Citibank in 2007. Thereafter, Ignatius Chan worked briefly as Deputy Chief Executive for Bank of China (Hong Kong) in 2008. Ignatius Chan is currently holding the position of Senior Advisor at The Bank of East Asia, Limited (BEA).</p>

	Amongst his previous Directorship positions were Director of Hong Kong Exchanges and Clearing Limited, Director of The Community Chest of Hong Kong, Chairman of Prasac Microfinance Institution limited of Cambodia, Director of Rizal Commercial Banking Corporation, Director of Larry Jewelry International Company Limited and Director of Affin Holdings Berhad.
Directorship(s) in Public Listed Companies	<ul style="list-style-type: none"> • Director, Mongolian Mining Corporation (MMC)
Directorship(s) in Other Public Companies (“Private Limited” Company)	<ul style="list-style-type: none"> • Director of East Asia Futures Limited • Director of East Asia Securities Company Limited • Director of Portofino (165) Limited
External Professional Commitment	Senior Advisor at The Bank of East Asia, Limited (BEA)
Other Appointment(s)	<ul style="list-style-type: none"> • Honorary Advisory Vice President, Hong Kong Institute of Bankers • Director and Vice Patron of The Community Chest of Hong Kong • Board Adviser, HK New Territories General Chamber of Commerce • Member, Corporate Governance Committee, Mongolian Mining Corporation • Chairman, Audit Committee, Mongolian Mining Corporation • Council Member, Hong Kong Red Cross
Membership of Board Committees	Nil
Attendance for the Financial Year Ended 31 December 2022	11 scheduled Board Meetings and 6 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

* *Mr. Ignatius Chan is a nominee of BEA, a major shareholder of Affin Bank Berhad*

DATO’ ROZALILA BINTI ABDUL RAHMAN

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/61 years old /Female
Date of Appointment	4 February 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Science, Food Science & Technology from Universiti Pertanian Malaysia • Certificate of Merits, Sophia University, Japan • Diploma of Science with Education (Math Major), Universiti Pertanian Malaysia
Past Working Experience & Directorship position(s)	Dato’ Rozalila has over 30 years of working experience at renowned multi-national companies of fast moving consumer goods (FMCG) and reputable large Malaysian public listed companies in the area of technical, marketing and management in

	Malaysia and South East Asia. Her area of expertise include R&D and Quality Assurance, business and strategic marketing, consumer lifestyle and brand management, product lifecycle management and customer service management. Dato' Rozalila was the Chief Executive Officer of Astro GS Shop Sdn. Bhd., Chief Marketing Officer of Telekom Malaysia Berhad, General Manager of Maxis Communications Berhad and Director of Sales & Marketing at Bank Simpanan Nasional. Dato' Rozalila had previously assumed numerous managerial positions at Reckitt Benckiser (Malaysia) Sdn. Bhd., Kellogg Asia Marketing Inc., Unilever Malaysia (Holdings) Sdn. Bhd. and Perwira Niaga Malaysia Sdn. Bhd. (PERNAMA). She was also a Director of Awake Asia Distribution Sdn Bhd.
Directorship(s) in Other Public Listed Companies	Director, MISC Berhad
Directorship(s) in Other Public Companies	Director and Chairman, AGX Group Berhad
Membership of Board Committees	<ul style="list-style-type: none"> • Chairperson, Group Board Risk Management Committee • Member, Group Board Information Technology Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. YUEN WAI HUNG, PETER

Non-Independent Non-Executive Director

Nationality/Age/Gender	American/61 years old /Male
Date of Appointment	1 November 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Business Administration, University of Houston, USA • Bachelor of Business Administration (Major in Finance), University of Hawaii, USA
Past Working Experience & Directorship position(s)	<p>Peter Yuen brings with him extensive banking experience over 35 years with The Bank of East Asia, Limited (BEA). He started his career with BEA in 1985 as a Management Trainee and among the managerial positions held at BEA were Head of Financial Institutions Department and General Manager & Head of International Division.</p> <p>Amongst his previous Directorship positions were Director of East Asia Property Holdings (Jersey) Limited, Director of PRASAC Microfinance Institution Limited, Director of East Asia Indonesian Holding Limited, Director of Leader One Limited, Director of Industrial and Commercial Bank of China (Canada) and Director of East Asia Holding Company, Inc.</p>
Directorship(s) in Other Public Listed Companies	Nil

Directorship(s) in Other Public Companies	Nil
Other Appointment(s)	Nil
Membership of Board Committees	Member, Group Board Compliance Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

* *Mr Peter Yuen is a nominee of BEA, a major shareholder of Affin Bank Berhad*

PUAN MARZIDA BINTI MOHD NOOR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/60 years old /Female
Date of Appointment	1 March 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Science in Management Information Systems from United States International University, San Diego, California, USA • Bachelor of Science in Business from Indiana University Bloomington, Indiana, USA
Past Working Experience & Directorship position(s)	<p>Marzida has an extensive experience in leading information technology business change and transformation, IT management and operations, programme management, outsourcing and management consulting. She started her professional career with a merchant bank and subsequently as an IT Management Consultant with KPMG Peat Marwick. She then joined Malaysia Airlines in 1992 and held various leadership and management positions including in the Corporate Planning Division, the Chairman's Office and subsequently as the Chief Information Officer in 2001. In 2007, she joined Shell Malaysia as the Head of IT Strategy and Planning and subsequently as the Head of Programme Delivery for SAP Human Resources System globally.</p> <p>Amongst her previous Directorship positions were Director of Allianz Malaysia Berhad, Director of Green Laundry Sdn Bhd, Director of Tegas Lestari Sdn Bhd, Director of Aricend Bella Visage Sdn Bhd, Director of MNF Properties Sdn Bhd, Director of Trifiniti Online Sdn Bhd and Director of Trifiniti Ventures Sdn Bhd.</p>
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
External Professional Commitment	A volunteer member of 30% Club Malaysia, a platform which is set up to improve gender diversity on the board of public listed companies

Membership of Board Committees	Chairperson, Group Board Information Technology Committee Member, Group Board Nomination and Remuneration Committee
Attendance for the Financial Year Ended 31 December 2022	10 scheduled Board Meetings and 7 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. GREGORY JEROME GERALD FERNANDES

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/68 years old /Male
Date of Appointment	1 April 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Registered Accountant from Malaysian Institute of Accountants Associate, Institute of Chartered Accountants in England & Wales Fundamentals of Accounting, North East London Polytechnic, United Kingdom
Past Working Experience & Directorship position(s)	Gregory Fernandes has over 20 years of experience in audit and consultancy. He began his career in London with Ernst & Young and had since served in executive positions in various corporations, the most recent as a Board Member, Chief Financial Officer and Senior Vice President (Global Marketing) in a public company involved in transport and engineering logistics. Gregory Fernandes is currently a Corporate Advisor specializing in strategy, fund raising and other finance related services. He was also a Director, Chubb Insurance Malaysia Berhad.
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
External Professional Commitment	Advocate/Mentor of 30% Club Malaysia, a platform which is set-up to improve gender diversity on the Boards of public listed companies.
Membership of Board Committees	<ul style="list-style-type: none"> Chairman, Group Board Audit Committee Member, Group Board Compliance Committee
Attendance for the Financial Year Ended 31 December 2022	All the 11 scheduled Board Meetings and 7 special Board Meeting
Shareholdings in Affin Bank Berhad	Nil

MS. CHAN WAI YU*Independent Non-Executive Director*

Nationality/Age/Gender	Malaysian/65 years old /Female
Date of Appointment	1 April 2021
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • BEcons (Analytical Economics), 2nd Class Upper Hons, University of Malaya
Past Working Experience & Directorship position(s)	Chan Wai Yu has 33 years of banking and risk management experience covering credit risk management, operational risk management and Basel II implementation. She started her career with Malayan Banking Berhad (Maybank) in 1981. Among the senior positions held include Executive Vice President/Head, Credit Risk Management of Maybank; Vice President/Head, Risk Portfolio Management, OCBC Bank (Malaysia) Berhad; Vice President/Head, Operational Risk Management of OCBC Bank (Malaysia) Berhad and Director/Head, Operational Risk Management, Bank of Singapore.
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Membership of Board Committees	<ol style="list-style-type: none"> 1) Chairperson, Group Board Credit Review and Recovery Committee 2) Member, Group Board Risk Management Committee
Attendance for the Financial Year Ended 31 December 2022	All 11 scheduled Board Meetings and 7 special Board Meeting.
Shareholdings in Affin Bank Berhad	Nil

Encik Mohammad Ashraf Bin Md Radzi*Non-Independent Non-Executive Director*

Nationality/Age/Gender	Malaysian/45 years old /Male
Date of Appointment	3 October 2022
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Capital Markets Services Representative License Modules 12 & 19, Security Commission • Chartered Accountant, Malaysian Institute of Accountants • Member Association of Chartered Certified Accountants, United Kingdom • Bachelor of Accountancy (Hons), Universiti Tenaga Nasional • A-Levels, MARA Institute of Technology
Past Working Experience	Ashraf has more than 19 years of working experience in Malaysia and Europe in the area of auditing, financial management, accounting and reporting, treasury management, corporate planning and providing advisory support in the areas of investment and privatisation.

	<p>He started his career at Ernst and Young (Dublin) as an Audit Senior, thereafter he worked in several companies in Europe namely CUNA Mutual Life Assurance (Europe) Limited (Dublin) as Financial Accountant European Region and UBS Investment Bank (London) as Regulatory Reporting Analyst.</p> <p>He had also held various senior management positions prior to his position as CFO in LTAT, namely Associate Director of Prokhas Sdn Bhd, General Manager, Finance Special Projects at Johawaki Holdings Sdn Bhd, Associate Director, Corporate Advisory and Structuring at MIDF Amanah Investment Bank and Chief Financial Officer of Ahmad Zaki Resources.</p>
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Membership of Board Committees	Member, Group Board Risk Management Committee
Attendance for the Financial Year Ended 31 December 2022	1 scheduled Board Meeting and 2 special Board Meeting since his appointment as Director.
Shareholdings in Affin Bank Berhad	Nil

* *Encik Mohammad Ashraf is a nominee of LTAT, a major shareholder of Affin Bank Berhad*

Changes of Board of Directors during the Financial Year Ended 2022 up to 31 March 2023

- (i) Encik Mohammad Ashraf Bin Md Radzi was appointed to the Board as Non-Independent Non-Executive Director (Nominee Director of LTAT) w.e.f. 3 October 2022.

Roles and Responsibilities of the Board

The key roles and responsibilities of the Board are as follows:-

1. Approving the Bank's risk appetite, annual business plan and other initiatives which would have material impact on the Bank's risk profile.
2. Overseeing the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of the Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Bank.
3. Overseeing the implementation of the Bank's governance framework and internal control framework, and periodically ascertaining whether they remain appropriate in the light of material changes to the size, nature and complexity of the Bank's operations.
4. Promoting, together with Senior Management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour.
5. Promoting together with Senior Management, ensure governance of sustainability in the Bank through appropriate environmental, social and governance considerations in the Bank's business strategies, priorities and targets.
6. Overseeing and approving the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress.

7. Promoting timely and effective communication between the Bank and BNM on matters affecting, or that may affect, the safety and soundness of the Bank.
8. Undertaking various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time.
9. Ensuring the establishment and implementation of group-wide policies and procedures to ensure Group's compliance with the regulatory requirements and guidelines issued by BNM, SC, Bursa Malaysia and Companies Commission of Malaysia (CCM).

Board Committees

➤ **Group Board Credit Review and Recovery Committee (GBCRRC)**

GBCRRC is established to assist the functions of the Board in respect of its inherent authority over approval on loan/financing application/proposals which are considered by the Group Management Credit Committee (GMCC) (Management Level).

The GBCRRC operates in accordance with the powers and authorities delegated under the terms of reference. Generally, the GBCRRC provides assistance to the Board as follows:-

- (i) Critically review credit facilities application, after due process of checking, analysis, review and recommendation by the Group Credit Management Division to GMCC, and if found necessary, to exercise the power of veto on behalf of the Board, on credit applications that have been approved by the GMCC.
- (ii) Assisting the Board of Directors in performing oversight function and provide recommendations in respect of investment strategies, credit risk assessment, management and performance of partnership investment accounts under Islamic Banking such as Musyarakah financing/ventures or Mudharabah financing/ventures.
- (iii) To consider whether to affirm/veto credit/underwriting proposal, impose additional terms or modify the terms approved by the GMCC thereof.
- (iv) To set and review Non-Performing Loans (NPL) recovery targets.
- (v) Generally to ensure that the GMCC has discharged its responsibilities in a timely and proper manner.
- (vi) To monitor the progress of recovery efforts.
- (vii) To offer advice and directions relating to credit portfolio.

The attendance of members at GBCRRC meetings held in 2022 were as follows:-

Name of Director	Number of GBCRRC Meetings Attended in 2022
Ms. Chan Wai Yu (Chairperson) Independent Non-Executive Director	23/23 (100%)
YBhg Dato' Agil Natt Independent Non-Executive Director	23/23 (100%)
Encik Musa bin Abdul Malek Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	23/23 (100%)
Encik Hasli bin Hashim (Representative from Affin Hwang Investment Bank Berhad)	22/23 (96%)
Mr. Eugene Hon Kah Weng	22/23 (96%)

(Representative from Affin Hwang Investment Bank Berhad)	
Allahyarham Dato' Mohd Ali Mohd Tahir Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (passed away on 12 February 2022)	2/2 (100%)

➤ **Group Board Nomination and Remuneration Committee (GBNRC)**

The establishment of GBNRC is to provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach would promote compensation philosophy which would drive performance of the Group as a whole.

The GBNRC would be able to review the diversity, matrix skills of the Board and Management from broader perspective to ensure that it aligns with the Group's strategy and placement of human capital at entity level with the right skills set. GBNRC is chaired by an Independent Non-Executive Director of the Bank, with the objective of providing a formal and transparent procedure in respect of the following:-

- The selection and appointment of all new Directors and CEO as well as assessment of effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and KSMO; and
- Develop remuneration policy for Directors, PGCEO and KSMO and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies.

The GBNRC carries out its roles and responsibilities as stipulated in the terms of reference. The GBNRC is not delegated with decision making powers but reports its recommendations to the Board for decision.

The attendance of members at GBNRC meetings held in 2022 were as follows:-

Name of Members	Number of GBNRC Meetings Attended in 2022
YBhg Dato' Abdul Aziz bin Abu Bakar (Chairman) Independent Non-Executive Director	11/11 (100%)
Puan Marzida binti Mohd Noor Independent Non-Executive Director	11/11 (100%)

YBhg. Datuk Mohd Farid Bin Mohd Adnan Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	11/11 (100%)
YBhg Dato' Abdul Wahab Bin Abu Bakar Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Appointed as member w.e.f. 6 January 2022)	11/11 (100%)
Datuk Noor Azian binti Shaari Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Relinquished her position as member w.e.f. 27 January 2022)	1/1 (100%)
Encik Musa bin Abdul Malek Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (Appointed as member w.e.f. effective 6 Jan 2022) (Relinquished his position as member w.e.f. 1 April 2022)	3/3 (100%)

➤ **Group Board Audit Committee (GBAC)**

The GBAC established by the Board comprises of four (4) members. The GBAC members have the relevant accounting or related financial management experience or expertise.

The GBAC comprises all Independent Non-Executive Directors and the Chairman of the GBAC is not the Chairman of the Board. The Chairman of GBAC, Mr Gregory Jerome Gerald Fernandes is a Registered Accountant member of the Malaysian Institute of Accountants and also a member of other local and international accounting bodies.

The Board recognises the value of an effective GBAC in monitoring and assessing the reliability and integrity of the financial reporting process and reviewing the effectiveness of the overall internal controls system of AFFIN Bank Group.

With the extensive range of skills, knowledge and experience, the GBAC members are able to understand, analyse and challenge the financial reporting process and discharge their duties effectively. The members had attended relevant professional trainings during the year and will continue to keep themselves abreast of the latest developments and emerging risk areas in the financial services industry, including changes in regulations, accounting and auditing standards.

The primary objectives of GBAC are to:

1. Provide independent oversight on the reliability and integrity of the financial reporting and disclosure process of the AFFIN Bank Group;
2. Establish the framework and oversee the audit function of the Group;
3. Provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities in ensuring that good corporate governance, system of internal controls, codes of conduct and compliance with regulatory and statutory requirements are maintained by the Group;
4. Implement and support the function of the Board by reinforcing the independence and objectivity of the Group Internal Audit (GIA); and
5. Ensure that internal and external audit functions are properly conducted, and audit recommendations are implemented timely and effectively.

The attendance of members at GBAC meetings held in 2022 are as follows:-

Name of Members	Number of GBAC Meetings Attended in 2022
Mr Gregory Jerome Gerald Fernandes (Chairman) Independent Non-Executive Director	14/14 (100%)
YBhg. Dato' Mohd Hata bin Robani Independent Non-Executive Director	14/14 (100%)
Encik Suffian bin Baharuddin Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	14/14 (100%)
Mr. Eugene Hon Kah Weng (Representative from Affin Hwang Investment Bank Berhad)	13/14 (93%)
Associate Prof Dr Said Bouheraoua Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (Completed directorship tenure w.e.f. 3 July 2022)	7/7 (100%)
Encik Hasli bin Hashim (Representative from Affin Hwang Investment Bank Berhad) (Relinquished his position as member w.e.f. 1 October 2022)	8/11

➤ **Group Board Risk Management Committee (GBRMC)**

The primary role of the GBRMC is to oversee, review, assess and examine the adequacy of Group risk management frameworks covering the policies, methodologies, procedures & processes and risk reports of the Bank and its subsidiaries.

The GBRMC is established to assist the BOD in respect of the following: -

- 1) ensuring that the Group wide enterprise risk management framework, policies and guidelines adequately protect the Group against all relevant risks, comprising but not limited to, Credit Risk, Market, Liquidity and Interest Rate Risk, Operational Risk including Legal Risk, Regulatory Risks, Reputational Risk, Technology Risk, Shariah Non-Compliance (SNC) Risk as well as Environmental, Social and Governance (ESG) risk.
- 2) review and recommend the Group's enterprise-wide risk strategy, risk appetite and risk management framework for approval by the respective entities' Board of Directors, and
- 3) Provide oversight on the Group's sustainability matters to build the Bank's resilience against the adverse impacts of ESG and climate-related risks.

The attendance of members at GBRMC meetings held in 2022 are as follows:-

Name of Director	Number of GBRMC Meetings Attended in 2022
Dato' Rozalila binti Abdul Rahman (Chairperson) Independent Non-Executive Director	11/11 (100%)

Mr Yuen Wai Hung, Peter Non-Independent Non-Executive Director	11/11 (100%)
Ms. Chan Wai Yu Independent Non-Executive Director	11/11 (100%)
Encik Suffian bin Baharuddin (Representative from Affin Islamic Bank Berhad)	11/11 (100%)
Ms. Tan Ler Chin, Cindy Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	11/11 (100%)
Encik Hasli bin Hashim (Representative from Affin Hwang Investment Bank Berhad)	11/11 (100%)
Ms. Kong Yuen Ling Non-Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Relinquished her position as member w.e.f. 1 October 2022)	8/9 (89%)

➤ **Group Board Compliance Committee (GBCC)**

The primary objective of the GBCC is to assess and examine the adequacy of Group compliance and integrity as well as governance frameworks for the Group.

The GBCC is established to support the Board to fulfil its responsibilities to:-

- Oversee the management of compliance risk by ensuring compliance process is in place and functioning in line with the expectations of regulators.
- Oversee integrity and governance matters inclusive of corruption, fraud, malpractice, unethical conduct and abuse of power within the organization that are guided by applicable laws and regulations, as well as make the necessary recommendations to align to the Group's long-term strategy.
- Oversee management of climate-related risks to safeguard the Bank's resilience against the adverse impacts of Environmental, Social, and Governance ("ESG") including climate change.
- Review and recommend risk management and corruption risk management philosophy and strategy for Board's approval.
- Ensure clear and independent reporting lines and responsibilities for the overall business activities, compliance functions and integrity & governance function.
- Ensure the practice of excellent work culture among employees, with strong morals and ethics within the organization.

The role & responsibilities of the GBCC may be supported by the Board Risk Management Committee at subsidiaries.

The attendance of members at GBCC meetings held in 2022 were as follows:-

Name of Director	Number of GBCC Meetings Attended in 2022
YBhg. Dato' Mohd Hata bin Robani (Chairman) Independent Non-Executive Director	12/12 (100%)
YBhg Dato' Abdul Aziz bin Abu Bakar Independent Non-Executive Director	12/12 (100%)
Mr Gregory Jerome Gerald Fernandes Independent Non-Executive Director	12/12 (100%)
YBhg. Datuk Mohd Farid bin Mohd Adnan Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	12/12 (100%)
Ms. Kong Yuen Ling Non-Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad)	11/12 (92%)
Encik Muhammad Fitri Othman Non-Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (Appointed as member w.e.f. 4 October 2022)	2/2 (100%)
Associate Prof Dr Said Bouheraoua Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (Completed directorship tenure w.e.f. 3 July 2022)	6/6 (100%)
Datuk Noor Azian binti Shaari Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Completed directorship tenure w.e.f. 4 October 2022)	9/9 (100%)

➤ **Group Board Information Technology Committee (GBITC)**

The primary objective of the GBITC is to assess and examine the adequacy of Group Information Technology (including Digital and Security) management framework and risks including IT controls, policies, procedures and processes of Affin Bank Group.

The GBITC is established to assist the Board in respect of the following:-

- Oversee the overall development, risk management, integration and alignment of the Information Technology (IT) strategy and plan with Affin Banking entities strategic business direction and plan.
- Ensure that IT has the right talent and culture to develop organisational capabilities which are agile, innovative, adaptable and most importantly focused on business value creation.
- Oversee the overall Group strategic transformation programme, ensure alignment with business strategic objectives and goals, as well as ensure strategic initiatives are being implemented effectively and in a timely manner.

The attendance of members at GBITC meetings held in 2022 are as follows:-

Name of Director	Number of GBITC Meetings Attended in 2022
Puan Marzida Binti Mohd Noor (Chairperson) Independent Non-Executive Director	13/13 (100%)
YBhg Dato' Agil Natt Independent Non-Executive Director	13/13 (100%)
Dato' Rozalila Binti Abdul Rahman Independent Non-Executive Director	9/9 (100%)
Encik Musa Bin Abdul Malek Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	13/13 (100%)
Ms. Tan Ler Chin, Cindy Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	12/13
YM Tunku Afwida binti Tunku A. Malek Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Appointed as member w.e.f. 1 August 2022)	3/4
YBhg Dato' Abdul Wahab Bin Abu Bakar Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Appointed as member w.e.f. 6 January 2022) (Relinquished his membership w.e.f 1 January 2023)	12/13
Mr. Eugene Hon Kah Weng (Representative from Affin Hwang Investment Bank Berhad) (Relinquish his membership w.e.f. 1 August 2022)	9/9 (100%)

Training and Education attended by the Board During the Financial Year Ended 31 December 2022

The training programmes/courses attended by the Directors during financial year ended 31 December 2022 is set out as follows:-

No	Organized By	Training	Date
Dato' Agil Natt			
1	FIDE FORUM	BNM-FIDE FORUM Dialogue : Climate Risk Management and Scenario Analysis	8 March 2022
2	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
3	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
4	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
5	FIDE FORUM	PIDM Industry Forum 2022	29 August 2022
6	ICLIF/ASB	Evening Talk on "Inflation, Looming Recession & Climate Change: A Tricky Balancing Act?"	7 November 2022
7	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
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Dato' Mohd Hata bin Robani			
1	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
2	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
3	ICLIF/ASB	Sustainability and Its Impact on Organizations: What Directors Need to Know	6 July 2022
4	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
5	ICDM	Chair Masterclass	1 September 2022
6	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
Dato' Abdul Aziz bin Abu Bakar			
1	BURSA	Mandatory Accreditation Programme (MAPS)	15 – 17 February 2022
2	ICLIF/ASB	Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees	8 March 2022
3	ICLIF/ASB	Beyond Box-Ticking: Essentials for Effective Remuneration Committees	9 March 2022
4	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
5	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
6	ICDM	Company's Act 17A	2 August 2022
7	MASB	Cyber Security Awareness & Risk Governance	12 August 2022
8	ICDM	Chair Masterclass	1 September 2022
9	ICDM	FCD Series Module C - Reputation & Crisis Management For Board	8 September 2022
10	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
Mr. Chan Tze Ching Ignatius			
1	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
2	KPMG Hong Kong	KPMG Independent Non-Executive Directors Forum	28 March 2022
3	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
4	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
5	KPMG Hong Kong	KPMG Independent Non-Executive Directors Forum	19 September 2022
6	The Hong Kong Institute of Bankers	HKIB Annual Banking Conference	26 September 2022
7	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
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Dato' Rozalila binti Abdul Rahman			
1	ICDM	Masterclass: Climate Governance from a Risk Viewpoint	20 January 2022
2	Economist Intelligence Unit (EIU)	US economic, political and policy outlook	10 February 2022
3	EIU	North America in 2022	10 February 2022
4	Korn Ferry	5 keys to make your ESG and sustainability intentions a reality	10 February 2022
5	Climate Governance Malaysia	Understanding Climate Risks: Launch of The ASEAN Climate Governance Network	14 February 2022
6	HSBC	Understanding Sustainability and Climate Risks: A Series of Webinars to Future-proof your Business (Part 4)	25 February 2022
7	ICDM	ICDM Corporate Social Initiative (CSI) Webinar: Leading for Good	1 March 2022
8	Malaysian Sustainable Finance Initiative (MSFI)	Malaysian Sustainable Finance Initiative (MSFI) Roundtable	3 March 2022
9	Institute Of Enterprise Risk Practitioners (IERP)	Causes of Failure in Enterprise Risk Management (ERM) Implementation	4 March 2022
10	FIDE FORUM	BNM-FIDE FORUM Dialogue : Climate Risk Management and Scenario Analysis	8 March 2022
11	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
12	BNM	Malaysia Nature-Related Financial Risks Launch	15 March 2022
13	INSEAD Corporate Governance Centre	Changing the Climate in the Boardroom Webinar & Digital Dialogue	17 March 2022
14	ASB/ICLIF	Sustainability and Its Impact on Organizations: What Directors Need to Know?	21 March 2022
15	The World Bank Group	Sustainable Exchange Development Series (SEEDS)	23 March 2022
16	IERP	Virtual Tea Talk - Black Swan Events : Widespread Implications Of The Highly Improbable	25 March 2022
17	PricewaterhouseCoopers (PwC)	Positioning Corporate Malaysia for a sustainable future	6 April 2022
18	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
19	IERP	Virtual Tea Talk - Forum On Professional Scepticism For Risk Manager : What Does It Mean?	13 May 2022
20	Joint Committee on Climate Change (JC3)	The Power of ESG Data	19 May 2022
21	IERP	Professional Scepticism for Board of Directors	27 May 2022
22	ASB/ICLIF	Assessing Your Organizational Culture	22 June 2022
23	CGM (Climate Governance Malaysia)	ACGN and SFIA's "Conversations on Climate Governance"	5 July 2022
24	ICLIF/ASB	Sustainability and Its Impact on Organizations: What Directors Need to Know?	6 July 2022
25	Chartered Institute of Islamic Finance (CIIF)	NFT and Metaverse for Islamic Finance	26 July 2022
26	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
27	ACGN & SFIA	"Conversations on Climate Governance"	2 & 6 August 2022
28	LeadWomen	2022 Global Women On Board (GWOB) Mentoring Programme	22 August 2022

29	Brandt Business Services	Getting ahead in a VUCA World – Agile Move	26 August 2022
30	Progressu.asia	"Culture Eats Strategy For Breakfast - Really?" with Charlie Lang	1 September 2022
31	ICDM	Chair Masterclass	1 September 2022
32	ICDM	FCD Series Module C - Reputation & Crisis Management For Board	8 September 2022
33	ICDM	International Directors Summit 2022 : The B Factor - [Bold + Brave] Boards	26 – 28 September 2022
34	Malaysian Sustainable Finance Initiative (MSFI)	Sustainable Supply Chain Financing	30 September 2022
35	30% Club	Celebration of Board Mentoring Scheme	30 September 2022
36	Bursa Malaysia	PLC Transformation (PLCT) Programme - Guidebook 3 Highlights	6 October 2022
37	Global Women On Board (GWOB)	Gender Dynamics in Boardroom (Part 2)	6 October 2022
38	Evenbrite	Strategic integration of sustainability, accelerated by active owners	12 October 2022
39	ICDM	"Masterclass - Mergers & Acquisitions For Board" Programme	17 October 2022
40	Malaysian Sustainable Finance Initiative (MSFI)	Carbon Markets and Carbon Pricing Instruments	27 October 2022
41	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022
42	Deloitte & UNEP	FI Banking Climate Risk	24 November 2022
43	Malaysian Institute of Management (MIM)	MIM Crucial Conversations: Accelerating Sustainability for Corporate Malaysia	7 December 2022
44	AXA Investment Managers	Impact investing across listed markets	9 December 2022
45	CTOS & BNM	Financial Scams	11 December 2022

No	Organized By	Training	Date
Mr. Yuen Peter Wai Hung			
1	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
2	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
3	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
4	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
Puan Marzida binti Mohd Noor			
1	Climate Governance Malaysia	Understanding Climate Risks: Launch of The ASEAN Climate Governance Network	14 February 2022
2	BNM/FIDE	MyFintech Week 2022	24 – 28 January 2022
3	ICLIF/ASB	Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees	8 March 2022
4	ICLIF/ASB	Beyond Box-Ticking: Essentials for Effective Remuneration Committees	9 March 2022
5	ICDM	FCD Module : Digital Awareness and Upskilling for Board	23 March 2022
6	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022

7	Backbase	CXO Roundtable and Networking – Digital Banking Licensees	17 May 2022
8	Joint Committee on Climate Change – JC3 SC4	Climate Change 2022: Impacts, Adaptation and Mitigation – Implications and Way Forward	19 May 2023
9	FIDE FORUM	MetaFinance: The Next Frontier of the Global Economy	23 May 2022
10	Climate Governance Malaysia	An EU-Malaysian Dialogue : Fighting Climate Change with Market Mechanisms	25 May 2022
11	Maybank Investment Banking Group	Invest ASEAN 2022: Framing A Future	8 & 9 June 2022
12	The Human Inc and Meta	Hybrid Work Post-Covid: Connecting the Workforce and Driving New Ways of Working	22 June 2022
13	Maybank Investment Banking Group	Invest ASEAN 2022 ESG Conversations: Renewables, Energy Security & The Low Carbon Economy	6 July 2022
14	ICLIF/ASB	FIDE Elective: Risk Management in Technology (RMiT): Discussion and Insights on the Strategic Aspects of IT Risks	20 July 2022
15	Red Hat	Red Hat FSI Day – Fueling Open Innovation in Digital Banking	26 July 2022
16	Affin	BNM’s Climate Change and Principle Based Taxonomy Policy	27 July 2022
17	Joint Committee on Climate Change – JC3 SC4	JUST Series : Implementation of TCFD	2 & 3 August 2022
18	FIDE FORUM	CGM Conversations with Chairmen: A Standing Item in Board Agendas	15 August 2022
19	Maybank Investment Banking Group	Invest ASEAN 2022 ESG Conversations: SUSTAINABLE FINANCE: THE BIG SHIFT IS VISIBLE	24 August 2022
20	LeadWomen	Tokenisation - The Promise of Equitable Future	24 August 2022
21	FIDE FORUM	PIDM Industry Forum 2022	29 August 2022
22	ICDM	Chair Masterclass	1 September 2022
23	FIDE FORUM	Board Effectiveness Evaluation - Post-launch Workshop (Session 1)	5 September 2022
24	Catcha Group	Wild Digital South East Asia 2022 – Unlocking Asia’s Evolving Tech Future	6 & 7 September 2022
25	Amazon Web Services (AWS)	Cloud Transformation Day	8 September 2022
26	Red Money	IFN Asia Forum 2022	27 September 2022
27	DBS	Future of Digital Assets, Opportunities, Market Trends and Regulations	20 October 2022
28	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
Mr. Gregory Jerome Gerald Fernandes			
1	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
2	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
3	ICDM	Plan Your ESG Journey: Lessons for the Boardroom	27 June 2022

4	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
5	ICDM	Chair Masterclass	1 September 2022
6	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022
7	ICAEW	AXA Investment Managers – Impact Investing Across Public Markets	9 December 2022

No	Organized By	Training	Date
Ms. Chan Wai Yu			
1	ICLIF/ASB	Sustainability and Its Impact on Organizations: What Directors Need to Know	21 February 2022
2	ICLIF/ASB	Digital Transformation Executive Program	28 February 2022 - 1 March 2022
3	FIDE FORUM	BNM-FIDE FORUM Dialogue : Climate Risk Management and Scenario Analysis	8 March 2022
4	Affin	Treasury Business and Interest Rate Sensitivity	9 March 2022
5	ICLIF/ASB	Sustainability for the Palm Oil Sector	17 March 2022
6	ICLIF/ASB	Sustainability in the Energy Sector	12 April 2022
7	Affin	Exposure Draft on Climate Risk Management and Scenario Analysis	13 April 2022
8	ICLIF/ASB	Climate Change: Impact on Banks & Role of the Board	19 May 2022
9	FIDE FORUM	MetaFinance: The Next Frontier of the Global Economy	23 May 2022
10	ICLIF/ASB	Program : Case-Based Series: Part 1 – The Board's Performance Role	15 June 2022
11	ICLIF/ASB	Program : Case-Based Series: Part 2 – The Board's Conformance Role	16 June 2022
12	Affin	BNM's Climate Change and Principle Based Taxonomy Policy	27 July 2022
13	ICDM	Chair Masterclass	1 September 2022
14	FIDE FORUM	Recovery and Resolution Planning Sharing Session	20 September 2022
15	Affin	Anti-Money Laundering/ Counter Terrorist Financing Briefing	22 November 2022

No	Organized By	Training	Date
Encik Mohammed Ashraf Md Radzi			
1	ICDM	Mandatory Accreditation Programme (MAP)	21 & 22 November 2022

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the 2022 Annual Report.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

The GBNRC recommends specific remuneration packages for non-executive Directors, and is structured such that it is competitive and consistent with the Bank's culture, objectives and strategies as well as ensuring that it commensurate with the level of responsibilities undertaken and contributions made by the Directors to the effective functioning of the Board and drive the Bank's long-term objectives.

Directors

The remuneration package for the Directors of the Bank comprises the following in accordance with the Remuneration Policy of Directors:-

Directors' Fees	The Directors are entitled to annual Directors' fees.
Board Committees Fees	Directors who sit on Board Committees are entitled to receive Board Committee fees.
Meeting Allowances	Directors are entitled to Meeting allowances when they attend any Board/Board Committee meetings.

The Directors' fees and benefits-in-kind payable to Directors are subject to shareholders' approval at the Annual General Meeting.

In determining the level of remuneration for Directors, the Board may commission a survey of the remuneration levels of Directors, to be carried out either by external consultants or Senior Management. The survey should cover the remuneration levels of Directors of an organisation in a similar industry, size and location. The report shall be tabled to the GBNRC and the Board for deliberation.

The Board may from time to time review the Remuneration Policy of Directors to ensure it continues to support the strategies and long-term vision of the Bank and yet at the same time, is able to attract talent, nurture and retain high calibre Directors, whilst taking into account the interest of other stakeholders, including shareholders and employees.

In line with the above practice, the Bank had in March 2022, engaged an external consultant, Willis Towers Watson Malaysia (WTW) to conduct an independent review of the Non-Executive Directors (NEDs) fees for the members of the Board and Board Committees of ABB, AiBB and AHIB.

In its review, WTW had adopted comparators which include public and non-public listed financial institutions. Based on the outcome of the review, WTW recommended the revision of the Directors' remuneration to be streamlined and aligned with peers in the market.

The fees review was necessary to commensurate with the Directors' heightened responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders.

Further, the review was crucial to determine the Board's competitiveness to attract as well as retain individuals with strong credentials and high calibre to serve on the Board of the Company.

The revised fees were duly approved by the respective Board and Annual General Meetings in May 2022.

The Directors' remuneration (as approved by the shareholders) are as follows:-

Directors' Fees

	Holding Company		Subsidiary Company	
	Chairman	Member	Chairman	Member
Director's Fee (per annum)	RM265,000	RM165,000	RM195,000	RM145,000

Board Committee Fee (per annum)	RM50,000	RM35,000	RM50,000	RM35,000
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The remuneration structure is reviewed by the Board through the GBNRC every three (3) years or as and when required facilitated by the Group Secretarial Department with the option to engage external consultant. The review shall take into consideration various aspects including Directors' responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders as well as the relevant benchmark study.

During deliberations pertaining to the individual Directors' remuneration, the interested parties should excuse themselves from both the deliberations and voting.

The details of the Directors' remuneration are set out in Note 44 to the Financial Statements of the 2022 Annual Report and Notice of 47th AGM.

The aggregate amount of remuneration for the Directors and PGCEO of the Bank for the FYE2022 was as follows:-

The Bank 2022	Salaries RM'000	Bonuses RM'000	Directors' Fees RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
President & Group CEO Datuk Wan Razly Abdullah bin Wan Ali	2,040	2,090	-	1,500	118	5,752
Total	2,040	2,094	-	1,500	118	5,752
Non-Executive Directors						
Dato' Agil Natt	-	-	470	-	108	578
Dato' Abdul Aziz bin Abu Bakar	-	-	394	-	-	394
Dato' Mohd Hata bin Robani	-	-	406	-	-	406
Mr. Chan Tze Ching, Ignatius	-	-	257	-	-	257
Dato' Rozalila binti Abdul Rahman	-	-	375	-	-	375
Mr. Yuen Wai Hung, Peter	-	-	308	-	-	308
Puan Marzida binti Mohd Noor	-	-	364	-	-	364
Mr. Gregory Jerome Gerald Fernandes	-	-	370	-	-	370
Ms. Chan Wai Yu	-	-	379	-	-	379
Mohammad Ashraf bin Md Radzi	-	-	7	-	-	7
Total	-	-	3,330	-	108	3,438

Grand total	1,500	281	2,684	608	106	5,179

* Includes allowances, EPF, leave passage and Gratuity

Senior Management and Other Material Risk Takers (OMRT)

The Bank’s Remuneration Policy considers the role of each staff. The objective of the Remuneration Policy is to ensure that the remuneration system in the Bank: -

- Rewards individuals for the achievement of the Bank’s objectives and motivates high levels of performance;
- Rewards exceptional performance by individual through the Performance Management System;
- Allows the Bank to compete effectively in the labour market and to recruit and retain high calibre staff; and
- Achieves fairness and equity in remuneration and reward.

The Bank’s remuneration policy is developed based on the following guiding principles:

- **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Bank’s vision and strategy.
- **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- **Internal Equity:** The Bank shall remunerate all staff fairly in terms of their roles within the organization.
- **Market-Related Remuneration:** The Bank shall measure its remuneration practices against both the local and national market through the use of remuneration surveys and through benchmarking with other similar institutions.
- **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the institution whilst complying with relevant tax and other legislation.
- **Performance-Driven Remuneration:** The Bank shall entrench a culture of performance driven remuneration through the implementation of the Performance Management System.
- **Affordability and Sustainability:** The Bank shall ensure that remuneration is affordable on a sustainable basis.

The Remuneration Policy and practices will evolve over time, reflecting Bank’s priorities but will always adhere to the requirements of BNM Policy Document on Corporate Governance (BNM CG) and BNM Policy Document on Risk Governance promoting sound and effective risk management.

The Bank ensures that overall remuneration system for the Bank (as per the BNM CG) shall:-

- (i) be subject to Board's active oversight to ensure that the system operates as intended;
- (ii) be in line with the business and risk strategies, corporate values and long-term interests of the Bank;
- (iii) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Bank as a whole, taking into account the interests of its customers; and be designed and implemented with input from the control functions and the Group Board Risk Management and Compliance Committee to ensure that risk exposures and risk outcomes are adequately considered.

As stipulated under the BNM CG, OMRT refers to an officer who is not a member of senior management of a financial institution and who:-

- (i) can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or
- (ii) is among the most highly remunerated officers in the financial institution;

The listing of the positions for the Senior Management and OMRT shall be reviewed annually to be in accordance with the BNM CG requirement.

The Bank will maintain and regularly review the list of officers who fall within the definition of Senior Management and OMRT. The remuneration of SMT is to be approved at the Board on annual basis whilst for the OMRT is delegated to Group Chief People Officer for review and PGCEO for approval.

