

AMMB Holdings Berhad

[Registration No. 199101012723 (223035-V)]

MINUTES OF THE 31st ANNUAL GENERAL MEETING ('AGM' or the 'Meeting') OF AMMB HOLDINGS BERHAD ('AMMB' or 'the Company') HELD AND BROADCASTED LIVE FROM BOARD ROOM, 26TH FLOOR, BANGUNAN AmBANK GROUP, JALAN RAJA CHULAN, 50200 KUALA LUMPUR ON THURSDAY, 18 AUGUST 2022 AT 10.00 A.M.

DIRECTORS

Tan Sri Md Nor bin Md Yusof
(Chairman, Independent Non-Executive Director)

Mr Robert William Goudswaard*
(Non-Independent Non-Executive Director)

Mr Soo Kim Wai*
(Non-Independent Non-Executive Director)

Mr Voon Seng Chuan
(Senior Independent Non-Executive Director)

Mr Seow Yoo Lin*
(Independent Non-Executive Director)

Puan Farina binti Farikhullah Khan*
(Independent Non-Executive Director)

Mr Hong Kean Yong*
(Independent Non-Executive Director)

Dato' Kong Sooi Lin*
(Independent Non-Executive Director)

Ms Felicity Ann Youl*
(Independent Non-Executive Director)

SENIOR MANAGEMENT

Dato' Sulaiman Mohd Tahir
(Group Chief Executive Officer ('Group CEO'))

Jamie Ling Fou-Tsong
(Group Chief Financial Officer ('Group CFO'))

GROUP COMPANY SECRETARY

Koid Phaik Gunn
(Group Company Secretary)

OTHERS (BY INVITATION)

Ahmad Qadri Jahubar Sathik#
(Audit Partner from Messrs. Ernst & Young, PLT)

Krishman Varges#
(Independent Moderator from KPMG Management & Risk Consulting Sdn Bhd)

Note: * via video-conferencing
via tele-conferencing

The Meeting was conducted virtually in line with the Guidance Note on Conduct of General Meetings for Listed Issuers issued by the Securities Commission on 18 April 2020 and further updated on 7 April 2022.

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31/1 CHAIRMAN'S WELCOME REMARKS

Tan Sri Md Nor bin Md Yusof, the Chairman of the Board (hereinafter referred to as 'Chairman'), welcomed the shareholders and all those present to the AGM of AMMB. The Meeting was called to order at 10.00 a.m.

The Chairman took the opportunity and the honour on behalf of the Board of Directors ('Board') and the Group, to express his deep gratitude to Tan Sri Azman Hashim ('Tan Sri Azman'), who had retired on 29 April 2022, for his immense contribution to the Group over the past 40 years. He added that Tan Sri Azman had taken on a new role as Chairman Emeritus/ honorary adviser to the Group, a non-executive position outside of the Board and corporate organisation structure.

The Chairman then introduced members of the Board, the Group CEO, the Group CFO, the Group Company Secretary and representative from Messrs. Ernst & Young PLT, the Company's External Auditors, who were present at the broadcast venue of the Meeting as well as via conferencing.

The Chairman also informed the shareholders and proxies present that AMMB had appointed KPMG Management & Risk Consulting Sdn Bhd ('KPMG MRC') as the independent moderator to stream questions raised by shareholders during the AGM as well as the pre-submitted questions emailed to the Group's Investor Relations or via Boardroom Smart Investor Portal. That was in line with the advice from the Minority Shareholders Watch Group ('MSWG') to appoint an independent party to stream and compile the questions and answers in a fair, objective and impartial manner.

31/2 QUORUM AND PROXY

The Chairman called upon the Company Secretary to confirm the presence of a quorum. The Company Secretary confirmed that in accordance with Clause 74 of the Company's Constitution, the quorum of the AGM was present.

The Company Secretary also reported that a total of 672 proxy forms were received, representing 72.69% or 2,408,907,150 of the total issued shares (exclude treasury shares) of the Company.

The Chairman encouraged shareholders to download AMMB's Integrated Report and Share Buy-Back Statement which were available in digital format in support of AMMB's green effort. He added that shareholders may ask questions in real time by clicking on the 'messaging icon' on their screens, which would be independently moderated by KPMG MRC.

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31/3 NOTICE OF MEETING

The Chairman proposed that the Notice of the 31st AGM, which was circulated to all shareholders and advertised in the New Straits Times newspaper on 15th July 2022, to be taken as read.

31/4 GENERAL INSTRUCTIONS ON VOTING PROCEDURES

The Chairman informed the shareholders and proxies present that pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed issuer must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved at any general meeting, would be voted by poll.

In that regard, the Chairman stated that in respect of Ordinary Resolutions 1 to 10, poll voting for those resolutions could be submitted upon the commencement of the 31st AGM or during the poll session. The voting session commenced from the start of the Meeting at 10.00 a.m.

For the purpose of poll voting, the Company had appointed:

- a) Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll voting remotely; and
- b) Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineer to verify and validate the results of the poll.

A video by Boardroom Share Registrars Sdn Bhd was played to demonstrate to the shareholders and proxies who were present at the AGM virtually the process of online voting via the Boardroom Smart Investor Portal.

31/5 GROUP CHIEF EXECUTIVE OFFICER PRESENTATION

The Chairman invited Dato' Sulaiman, the Group CEO to give a brief presentation to the shareholders/proxies covering the following areas:

- a) Key Performance Review and Highlights for financial year ended 2022 ('FY2022'), including
 - i) Updates on Repayment Assistance for Retail and Small and Medium Enterprise segments
 - ii) Overview on the Disposal of AmGeneral Insurance Berhad
- b) Outlook for 2022/2023

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- c) Accelerating AmBank ('the Focus 8 Strategy')
- i) The Path to Return on Equity ('ROE') of more than 10%
 - ii) Sharpening the Group Segment Play
 - iii) Collaborators & Partners
 - iv) Building Capital Light Revenues
 - v) AmBank Digital
 - vi) Connecting People
 - vii) Environmental, Social and Governance
 - viii) The Digital Bank Option

Dato' Sulaiman highlighted that based on the quarter 1 financial result as of 30 June 2022, the Group had shown a commendable performance, with a 8.4% growth in profit after tax and minority interests ('PATMI') amounting to RM419.2 million and a ROE of 10%.

For the benefit of the shareholders and proxies, Dato' Sulaiman took them through the questions raised by Permodalan Nasional Berhad, MSWG and other individual shareholders which were received before the AGM. The corresponding responses were as set out in **Appendix 1** to the Minutes.

31/6 AGENDA 1: AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The Chairman stated that the first item on the agenda was to receive the audited financial statements ('AFS') of the Company for the financial year ended 31 March 2022 ('FY2022') and the Reports of the Directors and auditors thereon.

The AFS for FY2022 and the Reports of the Directors and Auditors were taken as received and tabled at the 31st AGM by the shareholders and proxies present.

The Chairman explained to the shareholders and proxies that the AFS for FY2022 tabled at the Meeting were for discussion only and not for shareholders' approval. Hence, it was not put forth for voting.

31/7 AGENDA 2: PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The Chairman proceeded to Ordinary Resolution 1 on the approval of Directors' fees of RM1,694,384.00 for FY2022.

Ordinary Resolution 1 on the payment of Directors' fees of RM1,694,384.00 for FY2022 was duly tabled to the Meeting.

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31/8	<p>AGENDA 3: BENEFITS PAYABLE TO DIRECTORS (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 18 AUGUST 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY</p> <p>The Chairman stated that the benefits payable to the Directors remained the same as that approved by the shareholders at the 27th AGM held on 31 July 2018, details as set out on page 145 of the 2022 Integrated Report of the Company.</p> <p>Ordinary Resolution 2 on the benefits payable to the Directors (excluding Directors' fees) up to an aggregate amount of RM2,000,000.00 as recommended by the Board for the period from 18 August 2022 until the next AGM of the Company was duly tabled to the Meeting.</p>
31/9	<p>AGENDA 4: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO CLAUSE 94 OF THE COMPANY'S CONSTITUTION</p> <p>The Chairman stated that two (2) directors retired by rotation in accordance with Clause 94 of the Company's Constitution and being eligible offered themselves for re-election under Ordinary Resolutions 3 and 4 as follows:-</p> <ul style="list-style-type: none"> i) Mr Hong Kean Yong – Ordinary Resolution 3 ii) Dato' Kong Sooi Lin – Ordinary Resolution 4 <p>The profiles of Mr Hong Kean Yong and Dato' Kong Sooi Lin who stood for re-elections were set out on pages 108 and 109 of the 2022 Integrated Report of the Company.</p> <p>Ordinary Resolutions 3 and 4 on the re-election of Mr Hong Kean Yong and Dato' Kong Sooi Lin were duly tabled to the Meeting.</p>
31/10	<p>AGENDA 5: RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO CLAUSE 102 OF THE COMPANY'S CONSTITUTION</p> <p>As Ordinary Resolution 5 was on the re-election of Tan Sri Md Nor bin Md Yusof, Mr Voon Seng Chuan took over the Chair for this segment of the Meeting.</p> <p>Mr Voon Seng Chuan stated that Tan Sri Md Nor bin Md Yusof was appointed as Director on 30 April 2022 and retired pursuant to Clause 102 of the Company's Constitution. Tan Sri Md Nor bin Md Yusof had offered himself for re-election under Ordinary Resolution 5.</p> <p>Mr Voon Seng Chuan thereafter handed the Chair back to the Chairman to resume the conduct of the Meeting.</p>

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The Chairman then proceeded with Ordinary Resolution 6 on the re-election of Ms Felicity Ann Youl who was appointed as Director on 15 April 2022 and retired pursuant to Clause 102 of the Company's Constitution. Ms Felicity Ann Youl had offered herself for re-election under Ordinary Resolution 6.

The profiles of Tan Sri Md Nor bin Md Yusof and Ms Felicity Ann Youl who stood for re-elections were set out on pages 102 and 110 respectively of the 2022 Integrated Report of the Company.

Ordinary Resolutions 5 and 6 on the re-election of Tan Sri Md Nor bin Md Yusof and Ms Felicity Ann Youl were duly tabled to the Meeting.

31/11 AGENDA 6: RE-APPOINTMENT OF AUDITORS

The Chairman stated that after due assessment, the Board concurred with the recommendation of the Audit and Examination Committee on the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company for financial year ending 31 March 2023.

The Auditors, Messrs Ernst & Young had given their consent for re-appointment as Auditors of the Company and Bank Negara Malaysia had, vide its letter dated 8 July 2022, given its approval on the re-appointment.

Ordinary Resolution 7 on the re-appointment of Messrs Ernst & Young PLT as Auditors of the Company was duly tabled to the Meeting.

31/12 AGENDA 7: SPECIAL BUSINESS – RENEWAL OF AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY FOR THE PURPOSE OF THE COMPANY'S DIVIDEND REINVESTMENT PLAN

The Chairman informed the shareholders and proxies that the first agenda under Special Business was a resolution to give authority to the Directors of the Company to allot and issue such number of new ordinary shares in the Company for the purpose of the Company's Dividend Reinvestment Plan ('DRP').

The Directors of the Company did not allot, or issue new ordinary shares pursuant to the authority given by the shareholders at the last AGM.

Ordinary Resolution 8 on the renewal of authority for the Directors of the Company to allot and issue new ordinary shares in the Company for the purpose of the Company's DRP was duly tabled to the Meeting.

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31/13	AGENDA 8: SPECIAL BUSINESS – AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 The Chairman stated that the mandate would enable the Directors of the Company to issue shares as and when the need or business opportunities arise, which the Directors consider would be in the interest of the Company and the shareholders. The Directors of the Company did not allot, or issue new ordinary shares pursuant to the authority given by the shareholders at the last AGM. Ordinary Resolution 9 on the authority for the Directors of the Company to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016 was duly tabled to the Meeting.
31/14	AGENDA 9: SPECIAL BUSINESS – RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES The Chairman stated that the aggregate number of ordinary shares which may be purchased and/or held by the Company should not exceed 3% of the total number of issued shares of the Company at any point in time. The Chairman reported that since the last AGM in September 2021, 6,264,450 shares had been bought back by the Company using internal funds. A total of 11,140,300 of the shares bought back had been transferred to eligible employees under AMMB Executives’ Share Scheme. As to-date, 3,318,100 shares were retained as treasury shares. Ordinary Resolution 10 on the renewal of authority for the Company to purchase its own ordinary shares was duly tabled to the Meeting.
31/15	ANY OTHER BUSINESS The Chairman stated that no notice had been received by the Company to consider any other business at the Meeting.
31/16	QUESTIONS & ANSWERS (‘Q&A’) SESSION As all resolutions had been tabled, the Chairman then opened the Q&A session and invited questions from the shareholders and proxies.

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KPMG MRC, the independent moderator appointed by the Company for the AGM, went through the questions to ensure that the questions were responded to in a fair, objective and impartial manner. A summary of the questions raised during the Meeting together with the corresponding responses as set out in **Appendix 2** to the Minutes.

The Chairman then proceeded to deal with the formalities of holding a poll for Ordinary Resolutions 1 to 10.

31/17 CONDUCT OF POLL

The Chairman announced the close of registration and informed the shareholders and proxies present that the poll voting would be conducted remotely.

The Chairman stated that he had been appointed to act as proxy for a number of shareholders and would vote in accordance with the instructions given.

The Chairman announced the commencement of the e-polling process and that shareholders and proxies who had yet to vote would be given 10 minutes to cast their votes. The Chairman further announced that upon the closure of the poll voting, the independent Scrutineer would take approximately 15 minutes to tabulate and verify the votes casted. The Chairman adjourned the Meeting at 12.15 p.m. for the e-polling and verification processes to take place.

31/18 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order at 12.40 p.m. for the declaration of the poll results.

18.1 Directors' fees for the Financial Year Ended 31 March 2022

The Chairman announced the poll result in respect of Ordinary Resolution 1 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	2,411,158,304	99.9777	538,373	0.0223

The Chairman declared that Ordinary Resolution 1 was duly passed as follows:

THAT the Directors' fees of RM1,694,384.00 for the financial year ended 31 March 2022 be approved for payment.

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18.2 Benefits payable to Directors for the period from 18 August 2022 until the next Annual General Meeting of the Company

The Chairman announced the poll result in respect of Ordinary Resolution 2 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	2,410,762,424	99.9704	713,754	0.0296

The Chairman declared that Ordinary Resolution 2 was duly passed as follows:

THAT the benefits payable to the Directors (excluding Directors' fees) up to an aggregate amount of RM2,000,000.00 for the period from 18 August 2022 until the next Annual General Meeting of the Company be approved.

18.3 Re-election of Directors Retiring by Rotation pursuant to Clause 94 of the Company's Constitution

18.3.1 The Chairman announced the poll result in respect of Ordinary Resolution 3 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	2,411,261,521	99.9954	112,060	0.0046

The Chairman declared that Ordinary Resolution 3 was duly passed as follows:-

THAT Mr Hong Kean Yong, who retired by rotation pursuant to Clause 94 of the Company's Constitution, be re-elected as Director of the Company.

18.3.2 The Chairman announced the poll result in respect of Ordinary Resolution 4 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	2,400,527,298	99.5496	10,861,383	0.4504

The Chairman declared that Ordinary Resolution 4 was duly passed as follows:

THAT Dato' Kong Sooi Lin, who retired by rotation pursuant to Clause 94 of the Company's Constitution, be re-elected as Director of the Company.

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18.4 Re-election of Directors Retiring pursuant to Clause 102 of the Company's Constitution

18.4.1 The Chairman announced the poll result in respect of Ordinary Resolution 5 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	2,395,651,489	99.9940	142,862	0.0060

The Chairman declared that Ordinary Resolution 5 was duly passed as follows:

THAT Tan Sri Md Nor bin Md Yusof, who was appointed since the last AGM and retired pursuant to Clause 102 of the Company's Constitution be re-elected as Director of the Company.

18.4.2 The Chairman announced the poll result in respect of Ordinary Resolution 6 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	2,411,250,420	99.9817	442,161	0.0183

The Chairman declared that Ordinary Resolution 6 was duly passed as follows:

THAT Ms Felicity Ann Youl, who was appointed since the last AGM and retired pursuant to Clause 102 of the Company's Constitution be re-elected as Director of the Company.

18.5 Re-appointment of Auditors

The Chairman announced the poll result in respect of Ordinary Resolution 7 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	2,405,816,063	99.7695	5,557,518	0.2305

The Chairman declared that Ordinary Resolution 7 was duly passed as follows:

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THAT Messrs Ernst & Young PLT, be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting.

AND THAT authority be given to the Directors to determine the remuneration of the auditors.

18.6 Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company's Dividend Reinvestment Plan

The Chairman announced the poll result in respect of Ordinary Resolution 8 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	2,406,875,113	99.8002	4,817,468	0.1998

The Chairman declared that Ordinary Resolution 8 was duly passed as follows:

THAT the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the Company's Dividend Reinvestment Plan as approved at the Extraordinary General Meeting of the Company held on 2 September 2010, which gives the shareholders of the Company the option to elect to reinvest their cash dividend entitlements in new ordinary shares of the Company.

18.7 Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

The Chairman announced the poll result in respect of Ordinary Resolution 9 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9	2,061,740,002	85.4894	349,951,978	14.5106

The Chairman declared that Ordinary Resolution 9 was duly passed as follows:

THAT subject to the approvals of the relevant authorities and pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to allot and issue new ordinary shares in the Company at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

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THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

18.8 Renewal of Authority for the Purchase by the Company of its Own Ordinary Shares

The Chairman announced the poll result in respect of Ordinary Resolution 10 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 10	2,397,216,281	99.4172	14,052,600	0.5828

The Chairman declared that Ordinary Resolution 10 was duly passed as follows:

THAT subject to the Companies Act 2016 ('the Act'), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities') ('Listing Requirements') and the approval of such relevant governmental and/or regulatory authorities, the Board of Directors of the Company ('Board') be authorised to renew the authority to purchase such number of ordinary shares of the Company on the Main Market of Bursa Securities ('Proposed Renewal of Share Buy-Back Authority') at any time through Bursa Securities, upon such terms and conditions as the Board shall in their discretion deem fit and expedient in the best interest of the Company provided that

- a) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed three percent (3%) of the total number of issued shares of the Company at any point in time; and
- b) the maximum amount of funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Main Market of Bursa Securities or transferred for the purpose of or under the AMMB Holdings Berhad Executives' Share Scheme and any other employees' share scheme which the Company may establish or any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the requirements of the Listing Requirements and any other relevant authority for the time being in force.

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THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and may only continue to be in force until:

- a) the conclusion of the 32nd Annual General Meeting (AGM) of the Company, at which time the authority will lapse unless by ordinary resolution passed at the 32nd AGM, the authority is renewed, either unconditionally or subject to conditions;
- b) the expiration of the period within which the 32nd AGM of the Company is required by law to be held; or
- c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earliest but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the Listing Requirements and/or any other authorities.

AND THAT authority be and is hereby unconditionally and generally given to the Board to take all such steps that are necessary and expedient (including without limitation, the opening and maintaining of central depository accounts under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter on any part of the shares bought-back in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities.

31/19 CLOSURE

There being no other business, the Meeting ended at 12.45 p.m. with a vote of thanks to the Chairman and the Board.

CREATING A POSITIVE IMPACT

GROWING TRUST, CONNECTING PEOPLE



Pre-AGM Questions by PNB ...

PNB ... Q1

Resolution 2

Allowance to the Board Chairman / Chairman Emeritus

Question 1:

What is the reason on the decrease of allowance to the Board Chairman from RM1,440,000 to RM300,000?

Will the above be a one-off revision? i.e. will this allowance revert back to RM1,440,000 in future years or it will be around this level moving forward?

Answer

- In April 2022, we transitioned from a founder Chairman to an Independent Non-Executive Chairman. Allowances of RM1,440,000 related to the founder chairman.
- The premium for founder Chairman cannot be separately quantified in the case of AMMB and this is usually the case for other founder chairmen.
- The new independent Non-executive Chairman's allowance is RM300,000. This allowance is in line with market benchmarks.

PNB ... Q2 & Q3

Resolution 2

Allowance to the Board Chairman / Chairman Emeritus

Question 2:

Instead of paying a fee and a separate allowance to the board chairman, why don't AMMB set up a single higher board chairman fee like most of other banks?

Answer

- Yes, we do have a single higher fee for the Board Chairman, which is aligned with industry practices.

Question 3:

Will there be any payment to the chairman emeritus?

- No, there is no monetary payment to the Chairman Emeritus.

PNB ... Q4

Resolution 7

To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorize the Directors to determine their remuneration.

Question 4:

For FY22, the auditors' remuneration is 5% higher than in FY21 as broken down below:

Auditors' remuneration (RM mil)	FY21	FY22	%
Statutory audit fee	4.90	5.31	8.4%
Non-statutory audit fee	1.38	1.27	-8.0%
Total	6.27	6.59	5.1%

Can u provide us with some info/explanation on the YoY increase in statutory audit fee, as well as decrease in non-statutory audit fee?

Answer

- The increase in statutory audit fees is due to the quarterly profit verifications conducted by the Group in FY22 for capital recognition purposes compared to half yearly in FY21.
- The decrease in non-statutory audit fee (other services) is mainly due to the lower fee charged for Basel Model Validation of RM956,000 in FY22 as compared to RM1.2mil in FY21.

PNB ... Q5 & Q6

Resolution 9

Proposed Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

Question 5:

Does the resolution arise due to regulatory requirements?

i.e. The resolution would provide one of the measures for AMMB to strengthen its capital position and satisfy any capital requirements imposed by BNM.

Question 6:

Does AMMB have any plan to issue/ allot shares in the near future? If yes, what will be the manner of issuance and the proceeds utilisation plan?

Answer

- No. It is not a requirement by the regulators.
- The resolution provides the Group with more financial flexibility if the need arises.
- Resolution 9 is about providing the Directors of the Company the authority to allot and issue new ordinary shares in the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company, as and when needs or business opportunities which the Directors consider would be in the interest of the Company arise.

- Presently we do not have any plans to issue/ allot new shares.
- In the event there are any such issuances, as a listed company we will be making the relevant announcements in line with listing requirements.

PNB ... Q7

Focus8 Strategy

[Integrated Report FY22, page 43] It was mentioned that AMMB will continue to support SMEs in growing their business and to drive priority segment wealth.

Question 7:

What is the strategy to tap into micro-SMEs segment, and how will AMMB win in this market?

BNM Definitions:

Companies with sales turnover of less than RM300,000 OR full-time employees less than 5

Answer

- To support micro-SMEs, we have launched a micro financing solution called the AmBank SME Biz Start-up-i, a financing scheme designed specifically to provide working capital to microenterprises and business start-ups with no collateral to offer. 2 loan tranches were launched (1st tranche : RM60 mil and 2nd tranche : RM30 mil)
- We also have AmAccessBiz, our banking on-the-go digital platform that caters to SMEs and micro-SMEs to ease operating their accounts.
- Via our partnership Maxis - approx. 7,000 micro-SMEs customers signed up for SME-in-a-Box.
- Through the SME-in-a-Box solution, we were able to assist these micro-SMES to migrate from physical stores to digital platforms.

PNB ... Q8

Focus8 Strategy

Question 8:

- Does AMMB have any growth target for affluent/mass affluent segments by end of 2024 and what is the plan to achieve the target?

Answer

- Our current client base for affluent and mass affluent customers are 93k and 175k respectively. By FY2024, we aim for 8% growth in client base for both segments.
- Some of the strategies include:
 - Deepen Priority client relationships through improved client coverage and building qualified Relationship Manager force
 - Further strengthen integrated Priority Banking customer value proposition (e.g. exclusive Metal credit card)
 - Expansion of AmSPB centres for greater access to affluent base
 - Expansion of ecosystem of partners to drive client value proposition and gain access to customers

PNB ... Q9

Focus8 Strategy

[Integrated Report FY22, page 46] It is noted that AMMB is exploring cloud-based digital infrastructure and AI in running future operations.

Question 9:

- a. How much capex does AMMB allocate for digital investments?
- b. Given the increasing digitalisation in business processes, how does AMMB plan to mitigate its digital security risk?

Answer

- a. RM102 million capex was allocated for digital investments and technology refresh in FY23.
- b. The Group has put a lot of initiatives and investments in mitigation digital and cyber security risks to the bank and its customers. Some of which include:
 - Our AmOnline servers are protected holistically from end to end by next GEN firewalls that only permit genuine connections, anti-virus protection against virus / malware attacks and closely monitored round the clock by our Security Operations Center (SOC).
 - Customer access into our environment is secured with secured (HTTPS) tunnel from end to end and the services via internet line is secured by ISP via Clean Pipe Services to protect Layer 3 attacks. All internal administrator access to AmOnline server is requested/retrieved via Privileged Access Management (PAM). We conduct compromise assessments on all our IT systems periodically to detect any cyber security breach or abnormal activity.
 - We proactively monitor emerging cyber security threats affecting digital banking including Ransomware, Supply Chain risks and Application Programming Interface (API) risks.

In FY22, we did not have any breach of security incidents reported. There was also no indication of security compromise from the Compromise Assessment carried out by an appointed independent vendor.

PNB ... Q10

Sustainability

[Sustainability Report 2022, page 34] AMMB assessed their customers based on ESG Risk Assessment and have implemented Climate Change Classification in accordance with BNM CCPT.

Question 10:

- a. What is AMMB's client exposure to Supporting, Transitioning and Watchlist classification, based on the Climate Change Classification system?
- b. How much loans are currently under high ESG risk category, in proportion to AMMB's total loans?

Answer

- a. The breakdown of the RM9.5b portfolio by CCPT classification: Climate Supporting (23%): Transitioning (65%): Watchlist (11%), Not classified (1%)
- b. We started to implement enhanced ESG-RG for new financing and annual review from 1 January 2022 onwards. As of April 2022, our new disbursement position is approximately 99% to sectors with low ESG risks and no high risk exposure so far.

PNB ... Q11 & Q12

Sustainability

Question 11:

[Sustainability Report 2022, page 29] AMMB has disbursed RM3.715 bil for New Green Financing.

- Does AMMB have any target amount and timeline on Green Financing disbursement?

Question 12:

[Sustainability Report 2022, page 47] There is a 28% increase in Scope 3 emissions and 56% increase in carbon emissions from business-related air travel as the travel restrictions were lifted and domestic travels were allowed during the year.

- What are the strategies to manage AMMB's Scope 3 emissions, given that businesses have increasingly resumed physical dealings & activities?

Answer

- In FY2022, we disbursed RM3.7 billion of green financing. Moving forward, our aim is to progressively increase the quantum of our green financing.
- We look to continue maintaining low ESG-risk financing of more than 95% of our total loan disbursement annually.

- Our indirect emissions from employee travel is below the targeted levels for the past two years. It is a very low GHG footprint as we are a domestic focused business and continue to improve the way in which we make travel more climate friendly by reducing our travel mileage incurred.
- As the businesses have resumed physical dealing and activities, we do expect an increase in travel related emissions this year. However, we are expecting it to be lower than the pre-pandemic days back in 2020 and within our targets set.
- We are also encouraging more meetings or activities to be conducted virtually as part of the strategy to manage our carbon footprint in relation to travel.

PNB ... Q13

Upon completion of the disposal of AmGeneral Insurance Berhad to Liberty Insurance Berhad, AMMB will hold 30% interest in the newly merged entity and enter into a 20-year new bancassurance partnership.

Question 13:

- What would be the key products that the banca partnership will focus on?
- And how much will the banca fee structure contribute towards AMMB's income, in terms of percentage?

Answer

- The combined insurance business is expected to become a leading general insurer, as well as the largest motor insurer in Malaysia.
- There is opportunity for us to work with our global partner, Liberty Mutual Insurance, to further drive the non-motor business in addition to strengthening our motor's presence. Liberty's vision and strength complement with ours to accelerate the growth in non-motors specifically for SMEs.
- We see digital as a key differentiator in the market and will continue to focus resources to drive insurance through digital capabilities and enablement to improve customer experience and access.
- On the Banca fee with Liberty - as guided by the bancassurance policy document released on 30 June 2022, the banca fees (incentives) are associated with quality sales and other drivers to collectively drive the business growth and performance such as employee training, customer awareness programmes etc. The outcome of each year's performance will determine the payout, attributable to the banca effort jointly discussed with Liberty and the Group's bancassurance team.

PNB ... Q14 (Last Q from PNB)

Question 14:

How do you foresee the growth outlook for underwriting performance and investment activity in general insurance industry, within the short to medium term?

Answer

- In the mid-term, we anticipate the industry to have greater product innovations and higher quality of services for the benefit of consumers.
- The implementation of Liberalisation of Motor and Fire Tariff Phase 2a (Liberalisation 2) effective from 1 October 2022 will spur the industry to intensify its digitalisation transformation of motor claims services and promote a transformative claims experience with more transparency and fairer treatment.
- The industry will be experiencing a structured and gradual transition to increased market-based pricing for the two major classes of insurance, namely fire and motor. Several trade occupations will experience price reduction from the current Fire Tariff. A similar topline and margin impact will be seen in motor business with the expansion of the tariff capping range.

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2022 INTEGRATED REPORT

Pre-AGM Questions by MSWG ...

MSWG ... Q1 & Q2

Operational & Financial Matters

AMMB registered a 6.5% loan growth in FY2022, bringing its gross loans, advances and financing to RM120 billion (FY2021: RM112.69 billion). A strong loan growth was seen in Wholesale banking (7.7%), Business Banking (8.4%) and AmBank Islamic (11.7%).

Question 1:

Does the Group expected to maintain similar loan growth momentum in FY2023? What is the management guidance on loan growth?

Answer

- We expect a 7% loans growth for FY2023. Our in-house GDP forecast is around 6.4% to 6.7%. AMMB's loans growth is 1% - 2% above this forecasted GDP.

Question 2:

Despite high inflation and interest rate hikes, the banking industry's loan growth peaked to 5.6% (year-to-date high) at end-June 2022, compared to 5% at end-May 2022.

Would the industry's loan growth moderate in the second half of CY2022?

- We expect the industry's loans growth to track GDP closely, supported by firm domestic demand and strong export growth. At the same time, we remain cautious of potential challenges surrounding geopolitical tension, global recession, inflation, protracted disruptions to supply chains as well as financial market volatilities.

MSWG ... Q3 & Q4

After withheld dividend payment for a year, AMMB has resumed to pay out dividend in FY2022 with dividend per share of 5 sen. Still, its dividend payout ratio of 11% was way below pre-pandemic level of between 30% and 40%. The level of payout is also the lowest among the other banking peers.

Question 3:

When does the Group expect dividend payout level to normalise back to pre-pandemic level?

Question 4:

The Bank previously guided that capital restoration back to pre-settlement levels is crucial for the Bank to consider resumption of dividend payment. As AMMB's CET1 Capital and Total Capital ratios of 12.2% and 15.32% end-March 2022 are close to the 12.4% and 15.8% in FY2020 (pre-settlement period), would the Group continue to beef up its capital position thus affecting the level of dividend payout in FY2023?

Answer

- We are targeting to achieve a dividend payout ratio of between 35% and 40% in FY2023. What is most important is that our dividend payments are sustainable and in line with our performance.
- We continue to work towards strengthening our capital position.
- We are focused on ensuring good contribution from organic profit accretion, disposal of non-core assets as well as working towards the implementation of FIRB by the end of FY2023.
- We are committed to delivering strong financial results and maximising of shareholders' return.

MSWG ... Q5 & Q6

Included in the net impairment charge, the Bank had made provisions of RM746.8 million for its loan exposure to the oil and gas (O&G) sector (page 54 of IR2022).

Question 5:

Moving forwards, does the Bank foresee further provisions required for the affected O&G accounts? Please provide the latest percentage of coverage provided against your total O&G loan exposure.

Answer

- The provision of RM746.8 million made in FY2022 was for two specific O&G exposures. We took a prudent move to ensure the provision covered 80% of the exposure. At this juncture, we do not foresee further provisions.

Question 6:

How is the progress of engaging with the two O&G debtors in restructuring their debts under their respective scheme of arrangement?

- AMMB actively engages these 2 O&G debtors and have agreed on preliminary arrangements with both debtors. We will continue to monitor the milestones, including subsequent debt restructuring proposals and the progress of their scheme of arrangement.

MSWG ... Q7 & Q8

On 28 July 2022, the Bank had completed the disposal of AmGeneral Insurance Berhad (AGIB) to Liberty Insurance Berhad. Post-disposal, AMMB would hold 30% stake (compared to 51% in AGIB previously) in the enlarged entity. While this exercise would be value accretive and provide upsides to the Group, but an immediate dent in earnings from the general insurance business is widely expected.

Question 7:

What is the expected quantum of decline in income and profit from general insurance business after this exercise?

Answer

- Upon the completion of the divestment, AMMB's shareholding in AGIB will reduce from 51% to 30% of the combined businesses of Liberty and AmGeneral. This will result in a change of accounting recognition of AGIB's results from the consolidation method (whereby 100% of the results is taken into account) to the equity accounting method (whereby only a 30% share of results will be taken into account).
- We will retain 30% interest in the combined businesses which will be one of the largest general and motor insurers in Malaysia. We hope to grow the share of profit with Liberty onboard given their expertise and depth.

Question 8:

How long would it take for the Board/management to groom its core banking businesses to fill the earnings vacuum left?

- A like-for-like comparison of the performance of our other operations demonstrated a better YoY improvement in terms of revenue and PATMI. We remain steadfast in the execution of our Focus 8 Strategy (FY21-FY24) to improve returns to shareholders.

MSWG ... Q9 & Q10

Moving on, the Bank would continue to divest non-core businesses to further improve its return on equity (ROE).

Question 9:

What are the available areas for further asset divestiture?

Answer

- We continuously review our business portfolios, as well as the performance and prospects of our lines of business to evaluate if further asset divestitures are necessary and worthwhile.

Question 10:

It was reported that a sale of asset management unit AmlInvest is underway. Please clarify.

- This is speculative in nature. In the event of a confirmed corporate exercise, we will make the necessary announcement(s) in a timely manner in line with disclosure requirements.

MSWG ... Q11 & Q12

Sustainability Matters

AMMB has pledged to refrain from providing new or additional loans/financing to coal-fired power plants and businesses where coal or coal-related activities contribute at least 20% of the business' total revenue or cost of production (page 33 of Sustainability Report 2022).

Question 11:

What is AMMB's total loans/financing exposure to coal-related sectors?

Answer

- AMMB's total loans/financing exposure to coal-related sectors is less than 1% of our total loans book for FY22 (RM980.1 mi).

Question 12:

Why is a threshold of 20% applied in making this pledge?

- We continue to engage with customers to decarbonize as well as improve resilience to climate change. The 20% threshold provides a sustainable and realistic way for us to get our clients to gradually reduce their exposure to coal-related activities.

MSWG ... Q13 & Q14

Meanwhile, AMMB also sets a target of having 70% of loans/financing portfolios have a low ESG risk grade (ESG-RG) by 2030 (page 48 of IR2022).

Question 13:

What is the current proportion of loans/financing which are extended to sectors with low, medium and high ESG risks?

Answer

- To enhance the integration of ESG considerations into our financing solutions, we have implemented enhanced ESG-RG for new financing. Annual reviews have commenced from 1 January 2022 onwards. As of April 2022, approximately 99% of our new disbursements are to sectors with low ESG risks.

Question 14:

Does the Bank set a specific target of disbursing green financing loans within a stipulated timeline? If yes, which are the areas that AMMB would be focusing on?

- In FY2022, we disbursed RM3.7 billion of green financing. Moving forward, our aim is to progressively increase the quantum of our green financing, to cover a wider spectrum of suitable industries and to launch ESG funds as new product offerings.

MSWG ... Q15 & Q16

Corporate Governance Matters

Tan Sri Azman Hashim had retired as non-independent non-executive chairman of AMMB on 29 April 2022. Nevertheless, he would continue to contribute to the Group as Chairman Emeritus and Honorary Adviser to the Group.

Question 15:

What is the arrangement entered between AMMB and Tan Sri Azman Hashim for his continuous service? Would Tan Sri Azman Hashim be receiving any monetary compensation from AMMB for his continuous contribution to the Group after his retirement from the Board?

This is in view of a precedent set by a local bank which had remunerated its Chairman Emeritus, Director and Adviser a payment of RM20 million (remuneration and benefits-in-kind) every year for his continuous contribution to the Bank.

Question 16:

Should there be any monetary compensation paid to Tan Sri Azman Hashim for his continuous service, would the payment be tabled as a resolution for shareholders' approval at future AGM?

Answer

- Since his retirement as our Chairman on 29 April 2022, Tan Sri Azman Hashim continues to add value to the AmBank Group through his role as Chairman Emeritus/ Honorary Adviser.
- There is no monetary compensations to the Chairman Emeritus / Honorary Adviser.
- In his new role as Chairman Emeritus / Honorary Adviser, Tan Sri Azman Hashim does not occupy a Board seat and does not receive any payment of directors' fees or allowances.

MSWG ... Q17

Referring to Practice 6.1 of the Malaysian Code on Corporate Governance, the Board had engaged an external independent consultant to conduct the Board evaluation to facilitate an objective, candid and independent board evaluation for FY2022.

Question 17:

Which is the independent consultant engaged for AMMB's board evaluation?

Answer

- In accordance with the terms of the contract between us and the independent consultant, we are unable to reveal the identity of said independent consultant.
- The enlisted independent consultant is an entity which carries significant expertise in the board advisory domain and has conducted close to 60 board effectiveness evaluation exercises in Malaysia over the course of the preceding five years.

MSWG ... Q18 (Last Q from MSWG)

Referring to Practice 6.1 of the Malaysian Code on Corporate Governance, the Board had engaged an external independent consultant to conduct the Board evaluation to facilitate an objective, candid and independent board evaluation for FY2022.

Question 18:

The external consultant commented that the Board's "oversight on ESG risks and opportunities in an integrated and strategic manner" could be further improved.

Please elaborate on the comment made by the independent consultant and the possible actions taken to address this concern.

Answer

- The intention of engaging an external consultant is to determine opportunities to further strengthen the Group. We are cognizant of the fact that AMMB's ESG journey is still at its formative stage, as with most financial institutions in Malaysia. Our internal ESG evaluation exercise concluded that our Directors are aware that our efforts to shape long-term ESG strategies and near-term actions can be enhanced.
- The Board recognises the strategic importance of ESG and has incorporated supervision of ESG and related risks and opportunities into the mandate of the Risk Management Committee. ESG and related strategies, risks and opportunities are also deliberated and overseen by the Board.
- AMMB has also recently appointed Felicity Ann Youl as our Independent Non-Executive Director on 15 April 2022. Felicity is well versed in the topic of ESG and will be able to add value in the discussions on strategies and emerging challenges from an ESG perspective.
- Further to this and in line with our focus on ESG, Datin Zameema Banu Ariff joined us as Head of Sustainability in Sept 2021 to spearhead AMMB's ESG projects. Datin Zameema brings with her years of experience in ESG and sustainability matters.
- In addition, AMMB's Board is also committed to the upskilling of all Board members and relevant management personnel to allow for meaningful deliberation and integration of ESG ideas and strategies.

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Pre-AGM Questions by Individual Shareholders ...

Pre-AGM Submitted Question # 1

Question:

Will the company be providing door gifts to shareholders participating in the virtual AGM?

Answer

- We understand that the door gifts has been a tradition during AGMs for most of the companies for past years except for during pandemic period where virtual AGMs are held.
- We take this feedback seriously and will consider the matter for future AGMs.

Pre-AGM Submitted Question # 12

Question:

Kindly provide hard copy of annual report.

Answer

- The annual report was couriered to the shareholder that requested for this on 12 August 2022.

Pre-AGM Submitted Question # 13

Question:

Kindly allow voting at the start of the AGM.

Answer

- Shareholders can proceed to vote on all the resolutions and submit their votes at any time from the commencement of this AGM.

Pre-AGM Submitted Question # 14

Question:

Why is the AGM being held in a physical mode when the Group carry out physical activities in its ordinary course of business?

Answer

- We decided to have our AGM conducted virtually some time in April 2022 where Covid19 spread was still a concern where most AGMs were also done virtually.
- Going forward we will review our AGM mode based on the condition at that point of time.

Pre-AGM Submitted Question # 15

Question:

The Asian Institute of Chartered Bankers (AICB) offers various professional qualifications workshops and certifications.

Kindly share what is AMMB's talent development strategy for its employee besides emphasis on continuing professional development.

Answer

- In AmBank, we continuously provide various development for our employee through :
 - Structured learning and development programmes in the areas of leadership, functional and technical competencies
 - Experiential learning such as mentoring, leaders connect sessions, informal peer to peer learning, internal job mobility etc.
- We subscribe to AICB courses for our employees based on the stage of their development and requirements.

Pre-AGM Submitted Question # 16

Question:

Kindly do not give special/lower rate to borrowers and deposits.

Please consult Bank Negara Malaysia regarding bank fees for its product and services in order to maximize returns and profitability.

Answer

- We do not give fine rates to all borrowers and deposits.
- However, we do run promotions and campaigns from time to time to address specific needs of the bank and customers depending on the requirements and timing.
- With regards to fees that we charge our customers, we are in line with the industry practice and as prescribed by the regulator.

Pre-AGM Submitted Question # 17

Question:

AMMB staff have been working from home for the past 2 years during MCO. What are the steps in place to ensure sensitive information of AMMB customers are not leaked to un-authorized personnel?

Answer

- We have strict guidelines and protocols for staff working from home to ensure they comply with the relevant laws and regulations, and the Group's Code of Ethics, Code of Conduct, policies, guidelines, practice guides, directives and SOPs while working at home.
- The devices that are used by our staff working from home are managed and monitored centrally by our IT team in Head Office.
- The intention is to monitor the activities of the staff on the devices with the ability to block access upon detection of breaches or mis-conduct.

Pre-AGM Submitted Question # 18

Question:

1. How can customers get more detailed product information at the branches?
2. Is the Customer Relationship Management system accessible at the branch level or can information sharing be undertaken with the Headquarters?
3. Is there an information sharing mechanism between the commercial bank and investment bank within the Group?
4. Is there an overlap between the fund manager in unit trust segment and investment segment in the equity market?

Answer

1. Customers can get information on their relationship with the Bank through all our channels upon verification. Today most of the transactions performed by individuals are done by AmOnline where information can be self assessed by the customers.
2. The CRM system at the branches is also accessible by those people in Head Office that are responsible for the products and services. This is to ensure consistent delivery of the products and services to our customers.
3. Customers' information between Commercial and Investment Bank are not shared unless customers has taken the products from the two banks. This is to ensure that the Group maintains an overall single exposure of the customers.
4. There is no overlap here as we do not have any investment segment in equity market division, whereas in our fund division, we do have it.

Pre-AGM Submitted Question # 19

Question:

a. What are the steps taken by the bank to secure customers and bring confidence to use its product?

Any difference between conventional banking services compared to latest financial products in terms of profitability?

b. Will AMMB adjust its Base Landing Rate (BLR) considering recent increase in Overnight Policy Rate (OPR) by Bank Negara?

Answer

- a. Our RMs are trained to advise customers based on their profiling on the choice of products available based on their features and benefits. We also organized series of monthly webinars to educate customers on our products apart from sending personalised direct client communication.
- b. Today, all banks including AMMB adjust their base lending rate in direct proportion to reflect the increase or reduction in OPR as announced by BNM.

Pre-AGM Submitted Question # 20

Question:

Does AmBank Group and its subsidiaries share manpower during ad hoc events and activities?

Answer

- In AmBank, we work collaboratively with staff from all entities/subsidiaries within the Group.
- At the same time, we also ensure adherence to the Group's governance framework during such activities.

Pre-AGM Submitted Question # 21

Question:

1. What is the method used by AMMB in securing its customer data?
2. Please provide the definition of a premier customer and is there access to the customer and financial holding details?
3. Please provide the rules of unit trust sales manager, would the same rules apply for an online unit trust?

Answer

1. AmBank is very serious on protecting customer's data. AmBank customer data resides within AmBank secured premises (e.g Data Center). AmBank never place customer related data on Cloud without conducting full security assessment to ensure data is being secured at anytime. Access to data is only by authorised personnel only.
2. To become a Priority Customer, the entry requirement for individual clients are as follows (either one condition)
 - Total on-us Assets under Management (AUM – consisting of CASA, FD & investment) of RM200,000 and above,
 - Investment holdings of RM150,000
 - Mortgage loan of RM1,000,000
3. On the online channel, customers conduct self assessment on their risk profiles before being recommended a range of investments by the system. Whilst going through the unit trust sales manager, the risk profiling is guided by the licensed personnel.

Pre-AGM Submitted Question # 22

Question:

1. There was a recent promotion regarding ASNB and Hybrid FD investment, please provide the return in sales, profit, revenue?
2. Pertaining to records of previous loans granted, does the bank still have access to digital copies of the same?
3. Property purchaser that have not fully settled their loan sum would not be entitled to the land registry title and this may cause issues to the purchaser. What is AMMB's procedure for the same?

Answer

1. AmBank offers preferential FD rates during promotional periods for customer who invest in ASNB Variable Price Funds. The performance of ASNB Variable Price Funds varies across different investment funds depending on various factors; such as investment period, performance and the underlying investments.
2. Upon full settlement of the loans, the customers' information (physically or digitally) will be archived for minimum of 7 years from date of account closure.
3. The bank will not release its charge over a title so long the loan remains outstanding. For any purchasers who intends to buy properties that are charged to the bank, it is important for them to ensure all obligations / loan outstanding on the property is fully settled.

Pre-AGM Submitted Question # 23 (Last Q)

Question:

Departure of Corporate Governance MCCG Practice 8.2 - There is no timeframe being set by the Board in complying with Practice 8.2. Does AMMB intend to comply with Practice 8.2 ? If not, please specify why.

Similarly, for Step-Up Practice 8.3 - Does the Company have any plan to adopt this Practice?

Answer

- The Board is of the opinion that it is not to the Company's advantage or best business interest to disclose the remuneration of its top senior management on named basis, considering the highly competitive market for talent in the banking industry where poaching of executives is a common practice.
- The Board will closely monitor the developments in the market in respect of such disclosure for future consideration.

AMMB Holdings Berhad

(hereinafter refer to as 'AMMB' or 'the Company')

[Registration No. 199101012723 (223035-V)]

**AMMB'S RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS DURING
AMMB's 31st Annual General Meeting ('AGM')**

(Unless indicated otherwise, all questions here were addressed by the Group Chief Executive Officer, Dato' Sulaiman Mohd Tahir at the AGM and reproduced here for shareholders' information and records.)

ADMINISTRATIVE CONDUCT OF AGM

1. How much did AMMB spend to conduct this virtual AGM? How does this cost compare to the cost of conducting a physical meeting?
 - *The cost of conducting this virtual AGM was approximately RM135,000 as compared to a physical meeting which would have cost the Group approximately RM450,000, a savings of almost RM315,000.*
 - *It should be noted that the virtual AGM was conducted based on the prescription of the Securities Commission Malaysia (i.e. revised Guidelines on Conduct of General Meetings for Listed Issuers) which encourages listed issuers to conduct virtual general meetings.*

2. Will AMMB publish all queries from shareholders for the purpose of transparency and learning?

The Minutes of the AGM (with key questions posed by shareholders) will be uploaded to AMMB's corporate website within 30 business days from the conclusion of the AGM.

3. How does the Board intend to improve shareholder engagement and relationship including retail shareholders?
 - *The Group ensures timely dissemination of important information on AMMB to shareholders via announcements on Bursa Malaysia Securities Berhad ('Bursa Securities') website*
 - *The Group ensures timely release of its quarterly financial results on Bursa Securities' website and AMMB's corporate website.*
 - *The Group conducts analyst briefings every quarter after the release of its financial results to address questions from analyst and the investment community.*
 - *The Group has regular engagements with key shareholders throughout the year.*

4. AMMB should not impose a deadline to shareholders for Remote Participation & Voting ('RPV') registration. Would AMMB allow shareholders to register and attend during AGM itself?

Ideally, shareholders should be able to do that. However, at this juncture, that would not be possible technologically, without risking the stability of the RPV platform. Thus, the need for shareholders to register before a cut-off date was imposed.

FINANCIALS AND STRATEGY

5. What is the impact of changes in Overnight Policy Rate ('OPR'), exchange rate to banking operations, revenue and profit?

The Group's operations are mainly in Malaysia, hence, the impact of exchange rate fluctuations to the Group is minimal. On OPR hikes, the Group's revenue is estimated to improve by approximately RM40.0 million for every 25 basis points increase.

6. Is the percentage of loans under the Repayment Assistance ('RA') higher or lower in comparison to the industry average?

The percentage of loans of the Group which were under RA was between 5% to 6%, lower than the industry average of approximately 8%.

7. With reference to the Annual Report, page 25, it was noted that cash flow from investing activities in financial year 2021 ('FY2021') had disposals of RM660.0 million, while financial year 2022 ('FY2022') had purchases of RM4.5 billion.

- a) What are these financial investment purchases in FY2022 vis-à-vis the disposals in FY2021?
- b) How and will these financial investment purchases bring better earnings going forward? Are these purchases for capital appreciation too?
- c) We also had a settlement of RM2.83 billion in FY2021 that setback shareholders' investment value even up to now, please elaborate on the steps put in place to prevent penalties moving forward?

- *The financial investment made in FY2022 was part of the Group's liquidity deployment strategy. The money market instruments such as Malaysian Government Securities ('MGS') and Government Investment Issuance ('GII') which the Group invested in were to stabilise its net interest income and to generate returns. These investments are high quality liquid assets with good capital returns.*

- *Steps to prevent recurrence of the same incident :*

- i) *The Group would enhance its focus on the adoption of good practices in corporate governance and strict adherence to Malaysian banking laws and regulations by working closely with the regulators.*

- ii) *In 2016, the Group agreed with BNM to commence a 4-year programme during which AMMB invested RM25.0 million per annum on investment in its IT systems, infrastructure and staff training.*
- iii) *In 2020, the Group completed the said programme in accordance with BNM's requirements and the outcome of the programme had been validated by an Independent Consultant. Under the programme, improvements or enhancements were made in the way the Group operates, i.e. from the perspective of governance and compliance.*

8. The Investment Banking ('IB') business segment used to be one of the contributors to both Income and Net Profits to the Group but has now been surpassed by other business segments such as the Group Treasury & Markets and Insurance.

Are there specific strategies for AMMB to grow its IB segment under its Focus 8 Strategy?

- *The Group's IB business segment has been generating non-interest income with high return on equity ('ROE').*
- *One of the key objectives of the Group's Focus 8 Strategy was to provide support to small and medium enterprise ('SME') customers and where possible, to grow together with them in their journey towards Initial Public Offerings. In the Group's opinion, its IB businesses had performed well as the activities put in place for the past two (2) years had been successful.*

9. In reference to the CEO's presentation in relation to the path of ROE of 10% & above by 2024, the following are raised:

- a) Given that AMMB would not be issuing new shares, how will the private placement help the Group in achieving its ROE target by 2024?
 - b) Would there be any further impairment in terms of goodwill?
 - c) How will the change to Foundation Internal Ratings-based ('FIRB') help to raise the ROE of the Group?
- *The intention of the private placement exercise was to strengthen the Group's capital position following the RM2.83 billion settlement and to help restore normalcy in terms of operations as well as the resumption of dividend payment. The exercise had resulted in an increase of 0.73% to the Group's Common Equity Tier 1 capital ('CET1') and the resumption of dividend payment in quarter 4 of FY2022.*
 - *To the best of the Group's knowledge, the Group does not have plans for further impairment of goodwill at the moment.*
 - *The eventual migration to FIRB would allow the Group to assess the risks undertaken on its assets against capital invested, leading to making more accurate provisions for investments.*

- *The Group's strategy to enhance ROE:*
 - i) *The implementation of the Focus 8 strategy*
 - ii) *Continuously review the Group's business portfolios, as well as the performance and prospects of its lines of businesses to maximise returns to shareholders.*

CORPORATE EXERCISE

10. Can AMMB comment on the speculation concerning the potential disposal of the general insurance business?

As announced on Bursa Securities' website, the disposal of AmGeneral Insurance Berhad ('AGIB') by the Group to Liberty Insurance Berhad ('Liberty') was completed on 28 July 2022. Post disposal, AMMB would hold 30% equity stake (compared to 51% previously) in the enlarged entity. Shareholders are advised to read the Group's announcements regarding the said disposal on Bursa Securities' website for more detailed information.

11. Given that the merger and acquisition pursuit with RHB Bank fizzled off, is AMMB actively pursuing new merger & acquisition ('M&A') opportunities especially with Hong Leong Bank?

The Chairman responded that there was no such discussion with Hong Leong Bank Berhad.

12. Pursuant to the disposal of AGIB to Liberty, will AMMB consider according shareholders with a special dividend?

The cash received from the disposal of RM304.0 million would be used to improve the Group's CET 1 by approximately 0.25%. As such, there would be no distribution of special dividend pursuant to the said disposal.

SETTLEMENT/ 1MALAYSIA DEVELOPMENT BERHAD ('1MDB')

13. Has AMMB fully paid the RM2.83 billion 1MDB settlement to Ministry of Finance ('MOF')?

The settlement of RM2.83 billion to the MOF had been fully settled after the payment of the final instalment on 1 July 2022.

14. Are there proper investigations performed on the conduct of responsible former executives and board members on the 1MDB issue, disclosure processes (insider information such as executives selling the shares and share price drop before the settlement announcement)? Are there corresponding actions taken?

- *The Group had conducted an extensive investigation with the appointed legal counsel on the matter.*

- *The 1MDB deal was initiated by the Terengganu State Government and the Government of Malaysia ('the Government') at that time, and the Group took the deal in good faith given that the parties whom the Group dealt with were related to the Government.*
- *The Group's legal counsel advised the Group that pursuing litigation would not be the best course of action, considering the various legal hurdles and protracted legal processes.*
- *AMMB would review the situation again when new information surfaces.*
- *The Group's senior management must follow strict internal guidelines and policies when dealing with the trading of the Company's shares. The matter relating to executives selling shares before the settlement had been looked into and resolved.*

EMPLOYEE WELFARE

15. As state government of Johor is set to announce an official two (2) day and a half day weekend, would AMMB implement a half day work policy on Friday?

On the revision of the staff working hours, the Group stands guided by the relevant regulators and Association of Banks Malaysia. Upon any announcement made by the regulators, the Group would take the appropriate actions accordingly.

16. In view of the recent implementation of Minimum Wages Order, what is the resultant impact to expected profit for the current year?

There is no impact to the Group as all its employees are paid above the minimum wage.

17. Were there any workplace harassment incidents that occurred during the year and what were the measures undertaken to resolve them?

The Board and the Management were not aware of any harassment incidents during the year.

18. Does AMMB intend to revise wages and salaries to reduce overall cost of operation?

- *AMMB would constantly review its cost and headcount matters. The Group also strives for automation of tasks and the simplification of processes, where applicable.*
- *To retain talent, the Group would ensure staff remuneration remains competitive and on par with its peers.*
- *It is worthy to note that the Group's Cost to Income ('CTI') has improved from 46.8% in FY2021 to 44.9% in FY2022.*

19. With the recent reduction of weekly working hours to 45 hours via amendments to the Employment Act 1955, what is the impact to AMMB and would this pronouncement apply to all employees of AMMB?

The Group is not affected as the current working hours of its employees, i.e. 39 hours per week, were lesser than the working hours prescribed by the Employment Act 1955.

OTHERS

20. Were there any political contributions and donations given to the federal government, state governments and/or political parties in the preceding year? If yes, please elaborate.

No political contribution and/or donation were given to the federal government, state governments and/or political parties in FY2022.