

# AMMB Holdings Berhad

(Company No. 223035-V)

(Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

MINUTES OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM') OF AMMB HOLDINGS BERHAD ('AMMB' or 'the Company') HELD AT THE GRAND BALLROOM, FIRST FLOOR, SIME DARBY CONVENTION CENTRE, 1A JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR ON WEDNESDAY, 31 JULY 2019 AT 10.00 A.M.

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PRESENT	Tan Sri Azman Hashim <i>(Non-Independent Non-Executive Chairman)</i> Mr Graham Kennedy Hodges <i>(Non-Independent Non-Executive Director)</i> Mr Soo Kim Wai <i>(Non-Independent Non-Executive Director)</i> Mr Voon Seng Chuan <i>(Senior Independent Non-Executive Director)</i> Mr Seow Yoo Lin <i>(Independent Non-Executive Director)</i> Farina binti Farikhullah Khan <i>(Independent Non-Executive Director)</i>
IN ATTENDANCE	Ms Koid Phaik Gunn - <i>Group Company Secretary</i>
BY INVITATION	Mr Jeyaratnam A/L Tamotharam Pillai - <i>Chairman of AmInvestment Bank Berhad</i> Dato' Sulaiman bin Mohd Tahir ('Dato' Sulaiman') - <i>Group Chief Executive Officer ('Group CEO')</i> Encik Eghwan Mokhzanee bin Muhammad - <i>CEO, AmBank Islamic Berhad</i> Mr Seohan Soo – <i>CEO, AmInvestment Bank Berhad</i> Mr Derek Llewellyn Robert - <i>CEO, AmGeneral Insurance Berhad</i> Mr Ramzi Albert Toubassy - <i>CEO, AmMetLife Insurance Berhad</i> Ms Goh Wee Peng - <i>CEO, AmFunds Management Berhad</i> Mr Christopher Yap Huey Wen – <i>Managing Director ('MD'), Business Banking</i> Ms Jade Lee Gaik Suan – <i>MD, Retail Banking</i> Datuk Iswaran Suppiah – <i>Group Chief Operations Officer</i> Mr Jamie Ling – <i>Group Chief Financial Officer ('Group CFO')</i> Ms Faradina binti Mohammad Ghouse – <i>Group Chief Compliance Officer</i> Mr Shamsul Bahrom bin Mohamed Ibrahim – <i>Group Chief Internal Auditor</i> Ms Penelope Gan – <i>Group Chief Human Resource Officer</i> Ms Goh Mei Lee – <i>Group Chief Strategic Transformation Officer</i> Ms Pauline Cham Chee Yong – <i>Head, Group Legal</i> Mr Anthony Dass S. Rajagopal – <i>Head, AmBank Research</i> Mr Jeevan A/L Parinpanayagam – <i>Financial Controller, AmMetLife Insurance Berhad</i> Puan Wan Daneena Rahman Encik Ahmad Qadri Jahubar Sathik Ms Lee Pei Yin Ms Koh Jia Fang Mr Tee G-Mun

Representatives from  
Messrs. Ernst & Young ('EY')

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**28/1 ATTENDANCE**

In addition to members of the Board of Directors ('the Board') and Management present, the attendance at the AGM were as follow:

- 2,100 shareholders present in person
- 1,532 proxies
- 1 corporate representative

The attendance of shareholders, proxies and corporate representative was as set out in the attendance list.

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**28/2 CHAIRMAN OF THE MEETING**

Tan Sri Azman Hashim, Chairman of the Board, took the Chair and called the 28<sup>th</sup> AGM to order at 10.00 a.m.

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**28/3 QUORUM**

As more than 5 shareholders and proxies were present at the Meeting, the quorum requirement pursuant to Clause 74 of the Company's Constitution had therefore been satisfied.

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**28/4 NOTICE OF MEETING**

The notice convening the Meeting was taken as read by the shareholders and proxies present.

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**28/5 PRESENTATION OF FINANCIAL PERFORMANCE & OUTLOOK**

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

- a) Focus in Financial Year Ended 31 March 2019 ('FY2019')
- b) Sustainability Approach
- c) Highlights of FY2019
- d) Dividends Payout Trends
- e) AmBank Group Digital
- f) Financial Highlights for FY2019
- g) Strategic Direction, Actions, Guidance and Expectation for Financial Year Ending 31 March 2020 ('FY2020')

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Dato' Sulaiman informed that the Company had, in a written reply dated 16 July 2019, responded to the questions raised by the Minority Shareholders Watch Group ('MSWG') in respect of the Integrated Annual Report 2019. For the benefit of the shareholders/proxies present, Dato' Sulaiman took the shareholders and proxies through the questions raised by MSWG and the Company's response as set out in **Appendix 1** of the Minutes.

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<b>28/6</b>	<b>POLL VOTING</b>
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The Chairman informed the shareholders, proxies and corporate representative 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 informed that in respect of Ordinary Resolutions 1 to 9, poll voting for those resolutions would be conducted upon the tabling and deliberation of all items to be transacted at the 28<sup>th</sup> AGM.

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

- a) Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) as the Poll Administrator to conduct the poll voting by way of electronic voting; and
  - b) Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineer to verify and validate the results of the poll.
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<b>28/7</b>	<b>AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019</b>
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The Audited Financial Statements ('AFS') of the Company for the financial year ended 31 March 2019 and the Reports of the Directors and Auditors were taken as received by the shareholders/proxies present and tabled at the 28<sup>th</sup> AGM. The Chairman explained to the shareholders, proxies and corporate representatives that the AFS for FY2019 tabled at the Meeting were for discussion only and would not require shareholders' approval. Hence it would not be put forth for voting.

The Chairman then invited questions from the floor on the AFS for FY2019.

The shareholders and proxies deliberated at length on the AFS. A summary of the questions raised by the shareholders/proxies together with the corresponding responses was as set out in **Appendix 2** of the Minutes.

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The Chairman concluded the questions and answers session and proceeded to the next item on the Agenda of the Meeting.

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<b>28/8</b>	<b>DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019</b>
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The Chairman informed that the Directors' fees for each Director remained the same as per last financial year.

Ordinary Resolution 1 on the payment of Directors' fees of RM1,410,000.00 for FY2019 was proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Tan Teong Huat.

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<b>28/9</b>	<b>BENEFITS PAYABLE TO THE DIRECTORS (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 1 AUGUST 2019 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY</b>
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The Chairman informed that the benefits payable to the Directors remained the same as per the approval obtained at the last AGM held on 31 July 2018.

Ordinary Resolution 2 on the benefits payable to the Directors was proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Tan Teong Huat.

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<b>28/10</b>	<b>RE-ELECTION OF MR GRAHAM KENNEDY HODGES RETIRING BY ROTATION PURSUANT TO CLAUSE 94 OF THE COMPANY'S CONSTITUTION</b>
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The Chairman informed that Mr Graham Kennedy Hodges ('Mr Hodges') who retired by rotation in accordance with Clause 94 of the Company's Constitution was eligible for re-election and offered himself for re-election under Ordinary Resolution 3.

Mr Hodges excused himself from the Meeting as the matter was on his re-election to the Board.

The profile of Mr Hodges who stood for re-election was set out on page 145 of the Integrated Annual Report 2019.

Ordinary Resolution 3 on the re-election of Mr Hodges, was duly proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Lim Jit Thin.

Mr Hodges re-joined the Meeting at this juncture.

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ITEM	MINUTES
<b>28/11</b>	<p data-bbox="395 454 1385 517"><b>RE-ELECTION OF TAN SRI AZMAN HASHIM RETIRING BY ROTATION PURSUANT TO CLAUSE 94 OF THE COMPANY'S CONSTITUTION</b></p> <p data-bbox="395 555 1385 618">As Ordinary Resolution 4 was on the Chairman's re-election, he passed the Chair to Mr Hodges to preside over the resolution.</p> <p data-bbox="395 656 1385 685">Tan Sri Azman Hashim excused himself from the Meeting at this juncture.</p> <p data-bbox="395 723 1385 786">The profile of Tan Sri Azman Hashim who stood for re-election was set out on page 144 of the Integrated Annual Report 2019.</p> <p data-bbox="395 824 1385 887">Ordinary Resolution 4 on the re-election of Tan Sri Azman Hashim, was duly proposed by Mr Tan Teong Huat and seconded by Mr Lim Jit Thin.</p> <p data-bbox="395 925 1385 987">Tan Sri Azman Hashim re-joined the Meeting at this juncture. Mr Hodges passed the Chair back to Tan Sri Azman Hashim.</p>
<b>28/12</b>	<p data-bbox="395 1059 1385 1088"><b>RE-APPOINTMENT OF AUDITORS</b></p> <p data-bbox="395 1126 1385 1256">The Chairman informed that the Auditors, Messrs Ernst &amp; Young had given their consent for re-appointment as Auditors of the Company and that Bank Negara Malaysia had, vide its letter dated 3 June 2019, given its approval on the re-appointment.</p> <p data-bbox="395 1294 1385 1395">Ordinary Resolution 5 on the re-appointment of Messrs Ernst &amp; Young as Auditors of the Company was duly proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Sang Eng Soon.</p>
<b>28/13</b>	<p data-bbox="395 1462 1385 1559"><b>RENEWAL OF AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY FOR THE PURPOSE OF THE COMPANY'S DIVIDEND REINVESTMENT PLAN</b></p> <p data-bbox="395 1597 1385 1727">The Chairman informed that under the Dividend Reinvestment Plan ('DRP'), the Directors of the Company would be authorised to determine in their sole and absolute discretion, whether the DRP should apply to any dividend declared by the Company.</p> <p data-bbox="395 1765 1385 1827">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.</p> <p data-bbox="395 1865 1385 1998">Ordinary Resolution 6 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 proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Tan Teong Huat.</p>

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ITEM	MINUTES
<b>28/14</b>	<p data-bbox="384 450 1388 517"><b>AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016</b></p> <p data-bbox="384 555 1388 685">The Chairman informed 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.</p> <p data-bbox="384 723 1388 790">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.</p> <p data-bbox="384 828 1388 958">Ordinary Resolution 7 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 proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Lim Jit Thin.</p>
<b>28/15</b>	<p data-bbox="384 1025 1388 1155"><b>RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED GROUP</b></p> <p data-bbox="384 1193 1388 1296">The Chairman informed that the next two (2) resolutions were on renewal of existing shareholders' mandates for recurrent related party transactions ('RRPT') of revenue or trading nature.</p> <p data-bbox="384 1335 1388 1402">As Mr Hodges is an interested party to the RRPT under Ordinary Resolution 8, he excused himself from the Meeting.</p> <p data-bbox="384 1440 1388 1543">The Chairman then invited Dato' Sulaiman to give a short briefing on the RRPT, details of which were set out in the Circular to Shareholders dated 28 June 2019.</p> <p data-bbox="384 1581 1388 1711">Ordinary Resolution 8 on the renewal of existing shareholder mandate for RRPT of a revenue or trading nature with Australia and New Zealand Banking Group Limited ('ANZ') Group was duly proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Lim Jit Thin.</p> <p data-bbox="384 1727 507 1762"><b><u>NOTED:</u></b></p> <ol data-bbox="384 1800 1388 1962" style="list-style-type: none"><li data-bbox="384 1800 1388 1962">1. Mr Hodges is deemed interested in the RRPT with ANZ Group by virtue of his directorship in the Company and as a person connected to ANZ, a major shareholder of the Company that is deemed interested by virtue of its holding of 100% equity interest in ANZ Funds Pty Ltd ('ANZ Funds').</li></ol>

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2. ANZ Funds and ANZ are deemed interested by virtue of their respective direct and/or indirect shareholdings in the Company and the person connected with them, Mr Hodges, abstained from voting on Ordinary Resolution 8.

Mr Hodges re-joined the Meeting at this juncture.

As the Chairman is an interested party to the RRPT under Ordinary Resolution 9, he passed the Chair to Mr Seow Yoo Lin to preside over the next resolution.

Tan Sri Azman Hashim, together with Mr Soo Kim Wai, who is also an interested party to the RRPT under Ordinary Resolution 9, excused themselves from the Meeting.

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28/16

**RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AMCORP GROUP BERHAD GROUP**

Mr Seow Yoo Lin took over the Chair and informed that Ordinary Resolution 9 was on the renewal of existing shareholder mandate for RRPT of a revenue or trading nature with Amcorp Group Berhad Group. Ordinary Resolution 9 was duly proposed by Mr Gursharan Singh A/L Khajan Singh and seconded by Mr Sang Eng Soon.

**NOTED:**

1. Tan Sri Azman Hashim is deemed interested in the RRPT with Amcorp Group Berhad Group by virtue of his common directorships and substantial shareholdings in the Company and Amcorp Group Berhad ("Amcorp").
2. Mr Soo Kim Wai is deemed interested by virtue of his common directorships in the Company and Amcorp. He is also a person connected to Tan Sri Azman Hashim, being a person who is accustomed to act in accordance with the directions and instructions of Tan Sri Azman Hashim.
3. Amcorp is deemed interested by virtue of its direct shareholdings in the Company.
4. Clear Goal Sdn Bhd is deemed interested by virtue of its direct and indirect shareholdings in Amcorp and the Company respectively.
5. The above persons and persons connected with them abstained from voting on Ordinary Resolution 9.

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Tan Sri Azman Hashim and Mr Soo Kim Wai re-joined the Meeting at this juncture. Mr Seow Yoo Lin passed the Chair back to Tan Sri Azman Hashim.

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**28/17 ANY OTHER BUSINESS**

The Chairman informed that no notice had been received by the Company to consider any other business at the Meeting.

The Chairman then proceeded to deal with the formalities of holding a poll for Ordinary Resolutions 1 to 9.

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**28/18 CONDUCT OF POLL**

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

The Chairman then invited the representative from Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) ('Boardroom'), the Poll Administrator, to brief the shareholders of the polling process.

After due briefing from Boardroom, the Chairman informed that he had been appointed to act as proxy for a number of shareholders and shall vote in accordance with the instructions given. He added that the casting and verification of the votes would take about 30 minutes to complete and that he would declare the results of the poll once the results had been verified by the Scrutineers and handed to him.

The Chairman announced the commencement of the e-polling process at 12.35 p.m. and adjourned the Meeting for the e-polling process to take place.

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**28/19 ANNOUNCEMENT OF POLL RESULTS**

At 1.00 p.m. and with the quorum requirement still present, the Chairman called the Meeting to order for the declaration of the poll results. He announced that he had received the poll results from the Scrutineers, Coopers Professional Scrutineers Sdn Bhd and that the results were as shown on the screen. The Chairman proceeded to read the results of the poll as follows:

19.1 **Directors' fees for the Financial Year Ended 31 March 2019**

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



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<b>Resolution</b>	<b>FOR</b>		<b>AGAINST</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Ordinary Resolution 1	2,345,772,803	99.9951	115,617	0.0049

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

THAT the Directors' fees of RM1,410,000.00 for the financial year ended 31 March 2019 be approved for payment.

19.2                    Benefits payable to the Directors for the period from 1 August 2019 until the next Annual General Meeting of the Company

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

<b>Resolution</b>	<b>FOR</b>		<b>AGAINST</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Ordinary Resolution 2	2,345,327,303	99.9761	561,117	0.0239

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 RM2,500,000.00 for the period from 1 August 2019 until the next Annual General Meeting of the Company be approved.

19.3                    Re-election of Mr Graham Kennedy Hodges Retiring by Rotation pursuant to Clause 94 of the Company's Constitution.

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

<b>Resolution</b>	<b>FOR</b>		<b>AGAINST</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Ordinary Resolution 3	2,289,980,198	97.6168	55,908,222	2.3832

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

THAT Mr Graham Kennedy Hodges, 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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**19.4                      Re-election of Tan Sri Azman Hashim Retiring by Rotation pursuant to Clause 94 of the Company's Constitution.**


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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	2,283,741,885	97.3723	61,628,995	2.6277

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

THAT Tan Sri Azman Hashim, who retired by rotation pursuant to Clause 94 of the Company's Constitution, be re-elected as Director of the Company.

**19.5                      Re-appointment of Auditors**


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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	2,343,708,981	99.9544	1,069,839	0.0456

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

THAT Messrs Ernst & Young, be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration be determined by the Directors.

**19.6                      Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the purpose of the Company's Dividend Reinvestment Plan**


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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	2,341,683,003	99.8207	4,205,417	0.1793

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

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**ITEM                    MINUTES**


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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.

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

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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	2,068,787,903	88.1878	277,100,517	11.8122

The Chairman declared that Ordinary Resolution 7 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.

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.

19.8                    Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Australia and New Zealand Banking Group Limited Group

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

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Resolution	FOR		AGAINST	
	No. of shares	%	No. of shares	%
Ordinary Resolution 8	1,628,932,420	99.9930	114,517	0.0070

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

THAT the shareholder mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Australia and New Zealand Banking Group Limited and any of its subsidiaries and/or associated companies ("ANZ Group") which are necessary for the day-to-day operations of the Company and/or its subsidiaries in the ordinary course of business on terms not more favourable to ANZ Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part 2.2.1 of Section 2.2 of the Circular to Shareholders dated 28 June 2019 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution.

19.9 Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Amcorp Group Berhad Group

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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	1,954,262,700	99.9715	556,717	0.0285

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

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THAT the shareholder mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Amcorp Group Berhad and any of its subsidiaries and/or associated companies ("Amcorp Group") which are necessary for the day-to-day operations of the Company and/or of its subsidiaries in the ordinary course of business on terms not more favourable to Amcorp Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part 2.2.2 of Section 2.2 of the Circular to Shareholders dated 28 June 2019 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution.

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<b>28/20</b>	<b>CLOSURE</b>
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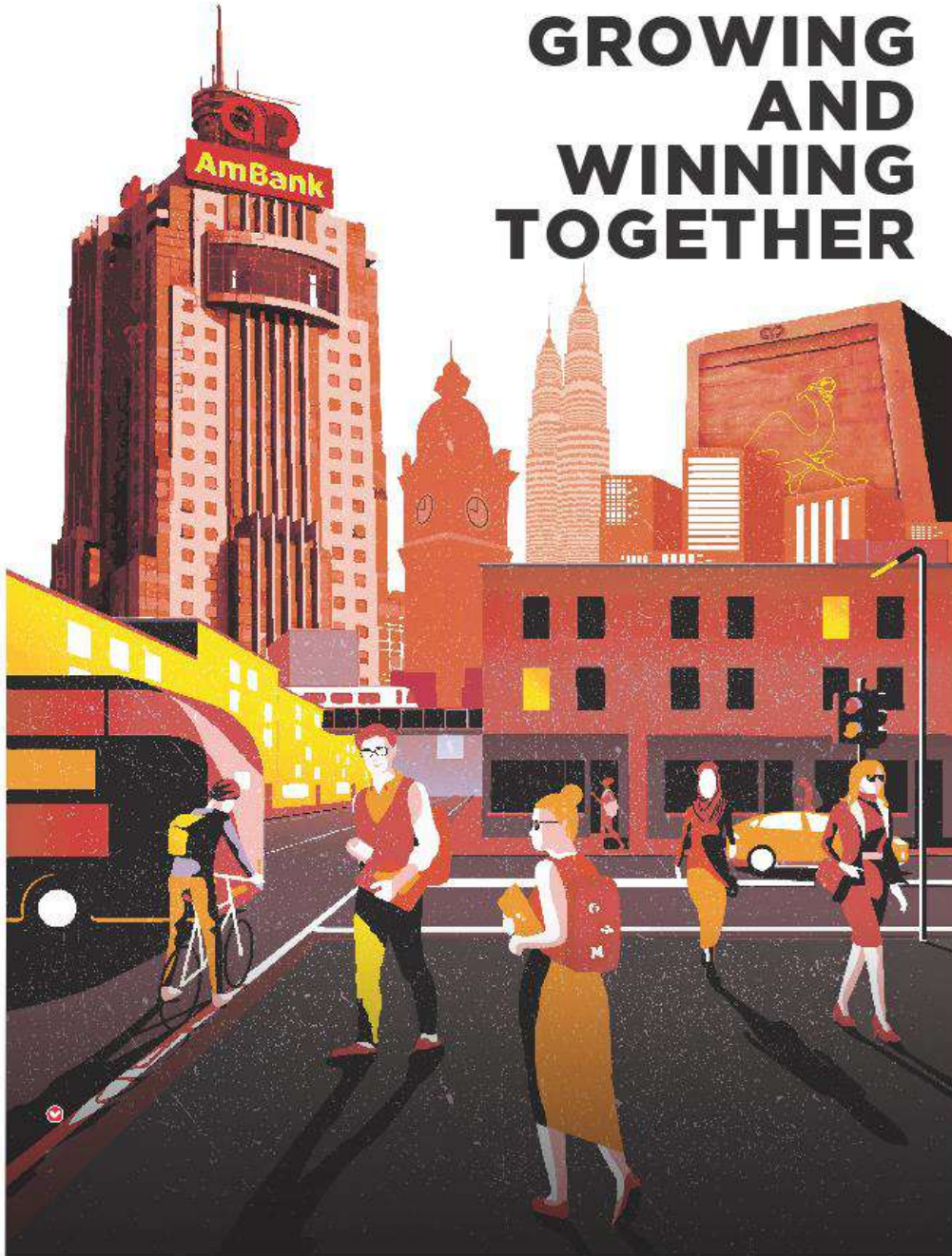
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There being no other business, the Meeting ended at 1.05 p.m. with a vote of thanks to the Chairman and the Board.

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**GROWING  
AND  
WINNING  
TOGETHER**



**AMMB Holdings  
Berhad's  
response to enquiries  
from MSWG ...**



# AMMB's Response to MSWG Enquiries ...



No.	Questions	Response																		
1.	<p>The Group's financial priorities on revenue growth as stated in the "Prospect for FY2020" (page 35, Annual Report) is to continue to increase penetration in the targeted segments and products, especially in the areas of transaction banking, foreign exchange, Small Medium Enterprise and wealth management including accelerating its current account and savings account growth and improve its retail assets yield in order to better the cost of funds and Net interest Margin.</p> <p>a) What are the target for each of the segment are stated above for FY2020?</p> <p>b) What is your targeted Cost to Income ratio for FY2020? (FY2019 : 54.3%)</p>	<p>a) What are the target for each of the segment are stated above for FY2020?</p> <p><b>Retail Banking:</b></p> <table border="1"> <thead> <tr> <th>Product / Segment</th> <th>Growth Target (%)</th> </tr> </thead> <tbody> <tr> <td>Wealth Management</td> <td>Circa 20%</td> </tr> <tr> <td>SME</td> <td>Circa 40%</td> </tr> <tr> <td>FX</td> <td>Circa 80%</td> </tr> </tbody> </table> <p><b>Wholesale Banking:</b></p> <table border="1"> <thead> <tr> <th>Product / Segment</th> <th>Growth Target (%)</th> </tr> </thead> <tbody> <tr> <td>Transaction Banking</td> <td>Circa 15%</td> </tr> <tr> <td>FX</td> <td>Circa 55%</td> </tr> </tbody> </table> <p><b>Business Banking:</b></p> <table border="1"> <thead> <tr> <th>Product / Segment</th> <th>Growth Target (%)</th> </tr> </thead> <tbody> <tr> <td>Business Banking</td> <td>Circa 20%</td> </tr> </tbody> </table> <p>b) What is your targeted Cost to Income ratio for FY2020? (FY2019 : 54.3%)</p> <p><b>We set ourselves a targeted cost-to-income ratio of ≤ 52.5% for FY2020.</b></p>	Product / Segment	Growth Target (%)	Wealth Management	Circa 20%	SME	Circa 40%	FX	Circa 80%	Product / Segment	Growth Target (%)	Transaction Banking	Circa 15%	FX	Circa 55%	Product / Segment	Growth Target (%)	Business Banking	Circa 20%
Product / Segment	Growth Target (%)																			
Wealth Management	Circa 20%																			
SME	Circa 40%																			
FX	Circa 80%																			
Product / Segment	Growth Target (%)																			
Transaction Banking	Circa 15%																			
FX	Circa 55%																			
Product / Segment	Growth Target (%)																			
Business Banking	Circa 20%																			



# AMMB's Response to MSWG Enquiries ...

No.	Questions	Response
2.	<p>As stated on page 34, Annual Report, "As a result of the OPR hike in January 2018 and the repricing of our term deposits, the Group saw an increase in cost of funds during the year. The higher liquidity surplus coupled with the lending rate pressures in Retail Banking have weighted on our net interest margin (NIM) with a net compression of 11bps to 1.89%".</p> <p><b>How do you address this margin compression to improve your operating income?</b></p>	<p><b>Excluding the one-off effective interest rate (EIR) adjustment on our auto finance portfolio, our NIM contracted 7bps year-on-year due to the reasons stated above. Our levers in managing NIM include:</b></p> <ul style="list-style-type: none"> <li>• <b>Continue to improve assets mix</b> by driving growth in the higher-margin segments and products such as SME loans and stabilise the decline in the auto finance portfolio;</li> <li>• <b>We will pare down some of costlier term deposits and augment our funding sources to interbank</b> as a mean to manage our cost of funds;</li> <li>• <b>Part of the surplus liquidity in FY2019 was invested in the lower yielding treasury assets as we were positioning for a potential rate cut. Given that OPR cut has now crystallised, we will be gradually selling down some of our bonds to realise these gains and manage our assets base;</b> and</li> <li>• <b>We have refinanced part of our term debts in FY2019 and made some debt repayments in Q1FY20, which provides some savings in cost of funds.</b></li> </ul>





# AMMB's Response to MSWG Enquiries ...



No.	Questions	Response
3.	<p>Non-interest income declined by 10.2% YoY. Volatilities in the financial markets and rising geopolitical risks, including the escalating trade tensions between the United States and China which emerged in the second half of the year, had dampened the Investment Banking fee income and financial market trading income (page 34, Annual Report).</p> <p><b>What is the expectation for this segment in FY2020 if the trade uncertainties between China and United States prolong? How will you address this, going forward?</b></p>	<p><b>Overall, the banking industry suffered a dip in non-interest income (Noll) in the second half of 2018 due to softer market conditions and lower corporate activities affected the income from Investment Banking and Group Treasury &amp; Markets.</b></p> <p><b>Since Q4FY19, we have seen Noll picked up from stronger financial markets trading income as a result of the rally in local bonds market post the dovish stance by the FOMC.</b></p> <p><b>The Fed Fund Futures has priced in an 80% chance of a 25bps rate cut in July. The expected rate cut would translate to relative strength, especially in emerging market currencies vs. USD; as investors' search for relative yield is expected to continue globally. Further rate cuts are premised on data coming out from the US and is dependent on the global economic landscape.</b></p>



# AMMB's Response to MSWG Enquiries ...

No.	Questions	Response
3.	<p>Non-interest income declined by 10.2% YoY. Volatilities in the financial markets and rising geopolitical risks, including the escalating trade tensions between the United States and China which emerged in the second half of the year, had dampened the Investment Banking fee income and financial market trading income (page 34, Annual Report).</p> <p>What is the expectation for this segment in FY2020 if the trade uncertainties between China and United States prolong? How will you address this, going forward?</p>	<p><b>Continue ...</b></p> <p><b>We remain mindful of potential headwinds arising from US-China trade war, repercussions of BREXIT, etc., which could derail global economic growth. The accommodative monetary policy, however, could work to our advantage from our holdings in our banking and trading book which is largely fixed income in nature. Also, we have put in place strategies to insulate our Group's revenue from all this volatility, by growing fee income through FX revenue and we are now seeing traction on the drivers which could potentially translate into revenue uplift.</b></p> <p><b>The <a href="#">near-term catalysts to the local equity market</a> could potentially come from:</b></p> <ol style="list-style-type: none"> <li><b>1. FBM KLCI's inexpensive valuations from a historical standpoint;</b></li> <li><b>2. The easing cycle in the US, ushering in a new capital inflow cycle to emerging markets (EMs) including Malaysia, as investors return to the game of yield hunting;</b></li> <li><b>3. Earnings surprises from Corporate Malaysia driven by improved efficiency, particularly in government-linked companies (GLCs) and better pricing power amidst consolidation in various sectors;</b></li> <li><b>4. The pendulum of the US-China trade tensions swinging from escalating to easing; and</b></li> <li><b>5. Optimism on Malaysia's longer term economic prospects driven by trade/FDI diversion to Malaysia amidst the US-China trade war.</b></li> </ol>





# AMMB's Response to MSWG Enquiries ...



No.	Questions	Response
4.	<p>The Business Review on the performance metrics of Family Takaful division for both new business gross annual premium and value of new business have declined from RM75.1 million to RM51.6 million and from RM8.3 million to RM5.9 million in FY2018 to FY2019 respectively (page 74, Annual Report).</p> <p><b>What is the reason for the lower new business in the division performance and what is your target for FY2020?</b></p>	<p><b>There was lower new business in Family Takaful division as FY2019 saw much <b>lower credit related business</b> as compared to FY2018.</b></p> <p><b>We expect the business to pick up and target to hit a combined gross contribution of RM128 million in FY2020.</b> The value of new business is primarily driven by the business growth.</p>



**AMMB HOLDINGS BERHAD**

(Company No. 223035-V)

(Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

**QUESTIONS AND ANSWERS**

**28<sup>TH</sup> ANNUAL GENERAL MEETING  
HELD ON WEDNESDAY, 31 JULY 2019**

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**Audited Financial Statements and Report of the Directors and Auditors for the financial year ended 31 March 2019 (“AFS 2019”)**

1. **Mr Gursharan Singh A/L Khajan Singh (‘Mr Gursharan Singh)**, a shareholder, congratulated the Board on the good performance of the Company for the financial year ended 31 March 2019 (‘FY2019’) but commented that the Company’s share price did not reflect the same.

Mr Gursharan Singh remarked that the Company reported a total of 41 subsidiaries, two (2) associates companies and two (2) joint venture companies, out of which 11 are dormant companies. He enquired on the reason for the Company to retain the dormant companies as it would incur additional cost. As part of the cost saving initiatives, he suggested to the Board to liquidate those dormant companies. Mr Gursharan Singh further commented that there were lack of transparency in disclosing the financial performance of each of the subsidiaries although it was not a requirement of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Mr Gursharan Singh also commented that the valuation of the top ten (10) properties disclosed in the Integrated 2019 Annual Report were grossly understated as the amount was not based on the current value of the assets and buildings owned by the Company and its subsidiaries (‘the Group’).

The Chairman informed the Meeting that one of the measurement of a company’s share price was its return on equity (‘ROE’). He stated that there had been improvement in the Company’s ROE and the target was to achieve a ROE of 10%.

On the list of dormant companies, the Chairman highlighted that some of those dormant companies were in the process of liquidation. The Chairman further highlighted that the performance of operating subsidiaries were presented by way of business segment, as illustrated and disclosed in the business review section in the Annual Report and Note 55 to the financial statements. The business segment information was prepared based on internal management reports, which was regularly reviewed by the Chief Operating Decision-Maker in order to allocate resources to segment and to assess its performance. The Group’s main business segments were Retail Banking, Business Banking, Wholesale Banking, Investment Banking, Fund Management, Insurance comprise of General, Life and Takaful and Group Funding and others

On the valuation of the top ten (10) properties, the Chairman explained that the properties listed in the Annual Report are properties owned by the Group and that a majority of the properties or branches are managed by AmREIT Managers Sdn Bhd, a wholly-owned subsidiary of AmInvestment Group Berhad, which in turn is a wholly owned subsidiary of the Company.

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**QUESTIONS AND ANSWERS**

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2. **Mr Chee Sai Mun ('Mr Chee')**, a shareholder, raised the following questions:
- a) Page 18 of the Annual Report (Financial) - For FY2019, an amount was reported for "financial assets at fair value through profit or loss" and "financial investment at fair value through other comprehensive income" but no amount was reported for the same items in the previous financial year ended 31 March 2018 ('FY2018'). He noted the same for "securities sold under repurchase agreement".
  - b) The reason for the increase of "financial investment" of RM11.837 million in FY2019 compared to RM1.483 million in FY2018.
  - c) Page 147 of the Annual Report (Financial) – Would the reduction in total personnel costs from RM1.401 billion in FY2018 to RM1.260 billion in FY2019 arising from the Mutual Separation Scheme ('MSS') continue in the coming financial year(s) or was the reduction a one-off event?
  - d) The strategies or initiatives of the Group to address the lacklustre performance of some of the Group's business segments, namely Corporate Banking, Investment Banking, Fund Management and Insurance which underperformed in FY2019. The contribution of Takaful business to the insurance business segment of the Group.
  - e) The timeline for the Group to achieve the target ROE of 10%.
  - f) The cost allocated by the Company to buy-back its shares from the market for purpose of the Group's Employees' Share Scheme ('ESS').

The Chairman invited Mr Jamie Ling, the Group Chief Financial Officer ('Group CFO') to respond to Mr Chee's questions. The responses were as follows:

- a) The changes in classifications needed was to comply with the new accounting standards, i.e. Malaysian Financial Reporting Standards ('MFRS') 9 upon adoption. Consequently, there were new classifications of financial investments made to meet the new requirements and the previous classification discontinued as presented on page 18 of the published financial statements. The classification for "financial assets at fair value through profit or loss" under MFRS 9 had replaced "Financial assets held for trading", and "financial investment at fair value through other comprehensive income" replaced "Financial investments available for sale", and "Financial investments held at amortised cost" replaced "financial investments held to maturity" in FY2019.

For "securities sold under repurchase agreement" of RM5.339 billion in FY2019, the Group had sought to tap these funding sources as it had not done so before as it was a more cost effective means to fund the Group's assets.

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**QUESTIONS AND ANSWERS**

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- b) The increase of impairment on “financial investment” from RM1.483 million (FY2018) to RM11.837 million (FY2019) was due to the marked down of the securities held in accordance with the credit impairment assessments undertaken.
- c) The reduction in total personnel costs from RM1.401 billion in FY2018 to RM1.260 billion in FY2019 was after the Group had launched the MSS exercise two (2) years back, where the Group had to incur a one-off expense as severance cost for staff who had opted for the scheme in FY2018. The Group had benefited from the reduction in staff headcount as reflected in the FY2019 financial statements.
- d) On the weak performance of certain business segments, Mr Jamie Ling highlighted that the decline in income of Corporate Banking and Investment Banking in FY2019 was due to cyclical events, i.e. lesser corporate activities and corporate finance deals. The Group would look at alternative ways to support the growth of these business segments. He stated that Wholesale Banking is a good business segment which provide lower cost to income ratio (‘CTI’) and high returning business.

As to Fund Management division, its performance was mainly derived from fee based income, i.e. assets under management (‘AUM’) and value generated through investments. The weaker performance in FY2019 was attributed by the natural cause of global economic environment which impacted investors’ confidence.

- e) The Group went through a commendable journey in registering an underlying ROE of 6% in the past three (3) years to more than 8.5% in FY2019. Based on the Group’s performance in FY2019, there is some level of confidence of the Group achieving an underlying ROE of 9% in FY2020, while an ROE of 10% would be a matter of time and depending on market environment.

The contribution from Takaful business was less than 10% of the profitability of the insurance business.

- f) The cost allocated for the share buy-back would depend on the performance of the Group and the share price throughout the duration of the ESS, i.e. ten (10) years. The number of shares to be purchased would be lower than the maximum number of shares (up to 3% of the total number of issued shares) under the share buy-back mandate as the Group would benchmark the performance bonus payout against other peer banks. In the event the shares purchased (held as treasury shares) are not utilised, the treasury shares would be resold to the market.

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**QUESTIONS AND ANSWERS**

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3. **Mr Tan Teong Huat ('Mr Tan')**, a shareholder, opined that the Group should reward the Senior Management in terms of bonus for good performance rather than through the ESS as shares in the market were meant for shareholders.

The Chairman stated that similar share incentive scheme had been approved by the shareholders in the past. By rewarding shares to Senior Management, it would give them ownership of the Company and thus, the motivation to grow the Group for better returns.

4. **Madam Chong Siew Yoon ('Madam Chong')**, a shareholder, enquired whether the Group had made any progress in achieving its Top 4 Aspirations and the Group's current position among its peers.

Dato' Sulaiman stated that the Group was currently ranked sixth (6th) in terms of asset size. He stressed that the comparison should not be based solely on asset size but also in terms of business segments, products and sustainability of the Group.

The Chairman highlighted that shareholders should make comparison in terms of profitability and ROE in order to see if the Group was performing better than the peer banks. He informed the Meeting that the Group were ranked top among the peer banks for certain business segments and highlighted that the current focus of the Group was to increase profitability.

5. **Mr Soh Kok Chong ('Mr Soh')**, a shareholder, raised the following questions:
- In view of the soft market environment, would the Group consider a merger with other financial institution as an avenue for expansion?
  - Has the on-going trade war between the United States ('U.S.') and China affected the Group's business?
  - How has the on-going trial of 1Malaysia Development Berhad ('1MDB'), particularly news involving staff of the Group, affected the Group's business?
  - Would the digital online business replace the function of bank branches and encourage customers to go cashless?

The Chairman's responses were as follows:

- There was a proposed merger with RHB Bank Berhad a few years back but the merger did not materialise. As of to-date, there was no merger proposal presented to the Group.

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**QUESTIONS AND ANSWERS**

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- b) Although the on-going trade war between U.S. and China had impacted the global economy, including Malaysia, the Group still registered a better performance compared to the previous year. Nonetheless, the Group's performance would be affected by the slowdown in the Malaysian economy and he was hopeful that the government of Malaysia would come up with some initiatives to stimulate growth in the country.
- c) The Chairman stated that he was unable to comment on 1MDB-related news due to the on-going trial. He assured shareholders that the on-going trial would not have any impact on the Company's share price as investors still have confidence with the Group.
- d) The Chairman invited the Group CEO, Dato' Sulaiman to respond to the question regarding digital online business.

Dato' Sulaiman highlighted that digital online business had changed the way a bank does business. Due to online platform that is available to customers at their convenience, the number of transactions performed at automated teller machine ('ATM') and over the counter transactions in bank branches had reduced significantly over the years.

Dato' Sulaiman highlighted that financial institutions would have to embrace digitisation as failure to do so would cause the bank to lose its market share. In order for the Group to gain market share through digital means, the Group had entered into strategic partnerships with industry players such as PayNet, WeChat, Digi and Maxis to diversify its e-payment offerings and accelerate access to new markets as well as customers. The strategic alliance would also improve the Group's competitive position as the Group would be able to provide better and more integrated value proposition for customers.

6. **Mr Ho Yueh Weng ('Mr Ho')**, a shareholder, raised the following questions:
- a) The Group's strategic direction in relation to financial technology ('FinTech') and whether the Group was in the process of implementing FinTech to the businesses.
  - b) Gender imbalance in the staff composition of the Group, i.e. the number of male employees was more than female employees. Training cost incurred by the female employees was higher than the male employees.
  - c) Whether Australia and New Zealand Banking Group Limited ('ANZ') has any plan or proposal to sell the shares of the Company since ANZ had exited its business in South East Asia ('SEA') in the past few years.



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**QUESTIONS AND ANSWERS**

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The Chairman highlighted that the Group had been investing in digital and technology capabilities in the last two (2) years and that all financial institutions would be on the same level playing field.

Mr Voon Seng Chuan ('Mr Voon'), the Chairman of the Group Information and Technology Committee ('GITC') informed the Meeting that the Group had taken many initiatives on digitisation to enhance the Group's service and product offerings to its customers.

Mr Voon highlighted that an independent report which assessed online capabilities and features of online banking platforms in Malaysia had placed the Group's online platform, i.e. AmOnline at the top among the peer banks in Malaysia, an affirmation that the Group had performed exceptionally well for the past three (3) years in building its online capabilities.

He stated that the Group would continue to adapt and position itself to be relevant in the digital world, including potential collaboration with suitable FinTech companies.

On the higher training cost incurred by female employees compared to male employees, the Chairman explained that the Group recruited more female employees as there were more female graduates and talent in the workforce. As such, trainings organised by the Group were attended by new recruits, who were predominantly female. The Chairman stressed that the recruitment of employees as well as Directors would be based on merits and not gender preference.

On potential disposal of shares by ANZ, Mr Graham Kennedy Hodges ('Mr Hodges') informed that ANZ had reshaped its business by selling some of its assets across SEA, which reflected the change in ANZ's focus. Notwithstanding that, ANZ would still maintain its investment in the core business of institutional banking in SEA and it would continue to have a significant presence across the Asia region. He stated that ANZ has been a shareholder of the Company for ten (10) years and has no current plans to dispose its interest in AMMB.

Mr Hodges stated that although ANZ is the largest shareholder of the Company with 23.78% shareholding, ANZ does not make decision on behalf of the Group as the decisions are made based on consensus of all Directors on the Board. ANZ also do not have any Board representatives in the subsidiaries of the Company.

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## QUESTIONS AND ANSWERS

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### **Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration**

1. **Mr Soh Kok Chong ('Mr Soh')**, a shareholder, enquired whether there had been any prior discussion between the external auditors and the Directors in view that the appointment and re-appointment of external auditors require the approval of the shareholders.

Mr Soh further enquired on whether there were reviews and monitoring of the fees quoted by the external auditors. He opined that the Group should give an opportunity to other external auditors to audit the Group to encourage competition in the audit industry.

The Chairman highlighted that Messrs Ernst & Young ('EY'), the external auditors of the Company had acted independently in giving their opinion and was not influenced by Management or Directors. Apart from shareholders, the appointment and re-appointment of auditors would also require the prior approval of Bank Negara Malaysia.

The Chairman explained that the EY's fees had been reviewed by the Audit and Examination Committee. The Committee had also assessed EY's performance and concluded that EY had performed their duty diligently and their scope of work commensurate with the fees paid by the Group.

2. **Mr Chee Sai Mun ('Mr Chee')**, a shareholder, enquired on the significant increase in audit fees for FY2019 compared to FY2018.

Mr Jamie Ling, the Group CFO clarified that the increase in the audit fees was due to additional audited related requirements arising from the implementation of a new accounting standards, MFRS 9. The additional cost from the audit of MFRS 9 would not be a recurring event.

With regard to regulatory and assurance related audit by EY, Mr Jamie Ling explained that the Group had updated the prospectus of the Medium term debt programme which was established five (5) years and that required EY to perform additional assurance work. Other major regulatory and assurance related audit was in relation to the review of interim financial statements for verification of profits each quarter as part of the preparation for the Financial Holding Company requirements which came into effect on 1 January 2019.