

AMMB Holdings Berhad

[Registration No. 199101012723 (223035-V)]
(Incorporated in Malaysia)

MINUTES OF THE 33RD 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, NO. 55, JALAN RAJA CHULAN, 50200 KUALA LUMPUR ON WEDNESDAY, 21 AUGUST 2024 AT 10.00 A.M.

DIRECTORS

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

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

Mr Seow Yoo Lin
(Senior 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

Mr Ling Fou-Tsong @ Jamie Ling ('Mr Jamie Ling')
(Group Chief Executive Officer ('Group CEO'))

Encik Shafiq bin Abdul Jabbar
(Group Chief Financial Officer ('Group CFO'))

GROUP COMPANY SECRETARY

Ms Koid Phaik Gunn
(Group Company Secretary)

OTHERS (BY INVITATION)

Encik Ahmad Qadri bin Jahubar Sathik#
(Representative from Messrs. Ernst & Young PLT)

Mr Krishman Varges#
(Moderator from Deloitte Business Advisory Sdn Bhd)

Mr Chuah Poo Sian#
(Scrutineer from Coopers Professional Scrutineers Sdn Bhd)

Note: * via video-conferencing
via tele-conferencing

The Meeting was conducted virtually in line with the Guidance Note and Frequently Asked Questions on Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022.

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33/1 CHAIRMAN'S WELCOME REMARKS

Tan Sri Md Nor bin Md Yusof, the Chairman of the Board of Directors of the Company ('Board') ('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 notified that the Company had a good return for financial year ended 31 March 2024 ('FY2024'), and this has enabled the Company to resume its dividend payout. He added that the Company share price has performed well the previous few weeks which augured well going forward. He expressed his gratitude to the Board for their guidance and support as well as to Tan Sri Azman Hashim, Chairman Emeritus/ Honorary Adviser for his continuous counsel.

The Chairman informed the shareholders and proxies present of the Company's drive to institutionalise its strategic aspiration of Winning Together with all stakeholders and to ensure the Company's sustainability as well as complying with good governance practices.

The Chairman introduced members of the Board, the Group CEO, the Group CFO, the Group Company Secretary and the representative from Messrs. Ernst & Young PLT, the Company's external auditors. Aside from the Group CEO and the Group CFO, other senior management team also joined the meeting remotely.

The Chairman also informed the shareholders and proxies present that AMMB had appointed Deloitte Business Advisory Sdn Bhd ('Deloitte') 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.

33/2 QUORUM AND PROXY

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

The Group Company Secretary also reported that a total of 723 proxy forms were received, representing 68.65% or 2,269,237,219 of the total issued shares (exclude treasury shares) of the Company.

The Chairman encouraged shareholders to download AMMB's Integrated Annual Report and Share Buy-Back Statement from the Company's website in support of AMMB's green effort. He added that shareholders could ask questions by clicking on the 'messaging icon' on their screens, which would be compiled by Deloitte to ensure that questions were responded to in an efficient, objective and impartial manner.

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33/3 NOTICE OF MEETING

The Chairman stated that the Notice of the 33rd AGM, which was circulated to all shareholders and advertised in the The Star newspaper on 19th July 2024, would be taken as read.

33/4 GENERAL INSTRUCTIONS ON VOTING PROCEDURES

The Chairman informed the shareholders and proxies present that pursuant to Paragraph 8.29A 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 and is intended to be moved at any general meeting, be voted by poll electronically.

In that regard, the Chairman stated that shareholders and proxies could submit their votes for Ordinary Resolutions 1 to 8 as set out in the AGM notice at any time from the commencement of the 33rd AGM at 10.00 a.m. or during the voting session.

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

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

A video was played to demonstrate to the shareholders and proxies who were present at the AGM virtually on the use of the meeting platform and the process of online voting via the Boardroom Smart Investor portal.

33/5 GROUP CHIEF EXECUTIVE OFFICER PRESENTATION

The Chairman invited Mr Jamie Ling, the Group CEO to give a brief presentation to the shareholders and proxies covering the following areas:

- a) Key highlights on FY2024 financial results
- b) Overview of the Focus 8 strategy
- c) Dividend payout for FY2024

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- d) Financial snapshot for the first quarter of the financial year ending 31 March 2025 ('Q1FY2025')
- e) Winning Together strategy for financial year ending 31 March 2025 to 2029
- f) Further details on FY2024 financial results

For the benefit of the shareholders and proxies present, the Group CEO presented the questions raised by Minority Shareholders Watch Group which were received before the AGM. The corresponding responses were as set out in **Appendix 1** to the Minutes.

ORDINARY BUSINESS (AGENDA 1 – 5)

33/6 AGENDA 1: AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Chairman stated that the first item on the agenda was to receive the audited financial statements ('AFS') of the Company for FY2024 and the Reports of the Directors and Auditors thereon.

The AFS for FY2024 and the Reports of the Directors and Auditors were taken as received and tabled at the 33rd AGM by the shareholders and proxies present.

The Chairman explained to the shareholders and proxies that the AFS for FY2024 tabled at the Meeting were for discussion only and not for shareholders' approval. Hence, it was not put forth for voting.

33/7 AGENDA 2: PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Chairman proceeded to Ordinary Resolution 1 which was to seek shareholders' approval for the payment of Directors' fees for FY2024.

The Directors' fees of RM1,850,000 for FY2024 include a revision to the fee of the Chairman of the Board from RM210,000 to RM250,000.

Ordinary Resolution 1 on the payment of Directors' fees of RM1,850,000 for FY2024 was duly tabled to the Meeting.

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33/8 AGENDA 3: BENEFITS PAYABLE TO DIRECTORS (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 21 AUGUST 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman stated that the benefits payable to the Directors (excluding Directors' fees) up to an aggregate amount of RM2,100,000 for the period from 21 August 2024 until the next AGM of the Company include a revision to the following allowances:

Board Committee Allowances (per annum)	Chairman		Member	
	Existing	Starting 21 August 2024	Existing	Starting 21 August 2024
Audit and Examination Committee	RM40,000	RM50,000	RM20,000	RM35,000
Risk Management Committee	RM30,000	RM50,000	RM20,000	RM35,000
Group Nomination & Remuneration Committee	RM30,000	RM50,000	RM20,000	RM35,000
Group Information Technology Committee	RM30,000	RM50,000	RM20,000	RM35,000

Ordinary Resolution 2 on the benefits payable to the Directors (excluding Directors' fees) up to an aggregate amount of RM2,100,000 as recommended by the Board for the period from 21 August 2024 until the next AGM of the Company was duly tabled to the Meeting.

33/9 AGENDA 4: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO CLAUSE 94 OF THE COMPANY'S CONSTITUTION

The Chairman stated that two (2) Directors retired by rotation in accordance with Clause 94 of the Company's Constitution and being eligible had offered themselves for re-election under the following resolutions:

- i) Mr Soo Kim Wai – Ordinary Resolution 3
- ii) Mr Seow Yoo Lin – Ordinary Resolution 4

The profiles of Mr Soo Kim Wai and Mr Seow Yoo Lin were set out on pages 118 and 119 of the Integrated Annual Report 2024 of the Company.

Ordinary Resolutions 3 and 4 on the re-election of Mr Soo Kim Wai and Mr Seow Yoo Lin were duly tabled to the Meeting.

33/10 AGENDA 5: 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 FY2025.

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The Auditors, Messrs. Ernst & Young PLT had given their consent for re-appointment as Auditors of the Company and Bank Negara Malaysia had, vide its letter dated 9 July 2024, given its approval on the re-appointment.

Ordinary Resolution 5 on the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and authority for the Directors to determine their remuneration was duly tabled to the Meeting.

SPECIAL BUSINESS (AGENDA 6 – 8)

33/11 AGENDA 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 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 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 tabled to the Meeting.

33/12 AGENDA 7: 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 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 tabled to the Meeting.

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33/13	AGENDA 8: RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES
	<p>The Chairman stated that the aggregate number of ordinary shares which might be purchased and/or held by the Company should not exceed three percent (3%) of the total number of issued shares of the Company at any point in time.</p>
	<p>The Chairman reported that since the last AGM in August 2023 and up to 28 June 2024, 6,440,000 shares had been bought back by the Company using internal funds. During the preceding 12 months and up to 28 June 2024, a total of 5,543,450 of the shares bought back had been transferred to eligible employees under AMMB Executives' Share Scheme. As to-date, 8,535,500 shares were retained as treasury shares.</p>
	<p>Ordinary Resolution 8 on the renewal of authority for the Company to purchase its own ordinary shares was duly tabled to the Meeting.</p>
33/14	ANY OTHER BUSINESS
	<p>The Chairman stated that no notice had been received by the Company to consider any other business at the Meeting.</p>
33/15	QUESTIONS & ANSWERS ('Q&A') SESSION
	<p>As all resolutions had been tabled, the Chairman proceeded with the Q&A session and invited questions from the shareholders and proxies.</p>
	<p>Deloitte, the independent Moderator appointed by the Company for the AGM, read out the questions submitted by the shareholders/ proxies and the responses were provided by the Group CEO. A summary of the questions raised during the Meeting together with the corresponding responses as set out in Appendix 2 to the Minutes.</p>
33/16	VOTING SESSION
	<p>The Chairman announced the close of registration and the Q&A session.</p>
	<p>The Chairman informed the shareholders and proxies that he had been appointed to act as proxy for several shareholders and he would vote in accordance with the instructions given.</p>

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The Chairman announced the commencement of the voting session and that shareholders and proxies who had yet to vote would be given ten (10) minutes to cast their votes. The Chairman further announced that upon the closure of the voting session, the independent Scrutineer would take approximately 15 minutes to tabulate and verify the votes casted. The Meeting was adjourned at 11.55 a.m. for the voting session and verification of votes to take place.

33/17 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order at 12.20 p.m. to announce the results of the poll.

17.1 Directors' fees for the Financial Year Ended 31 March 2024

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	2,272,916,468	99.9819	412,053	0.0181

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

THAT the Directors' fees of RM1,850,000 for the financial year ended 31 March 2024 be approved for payment.

17.2 Benefits payable to Directors (excluding Directors' fees) for the period from 21 August 2024 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	2,272,497,690	99.9532	1,062,981	0.0468

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 RM2,100,000 for the period from 21 August 2024 until the next Annual General Meeting of the Company be approved.

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

17.3.1 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	2,204,948,861	96.9763	68,750,163	3.0237

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

THAT Mr Soo Kim Wai, who retired by rotation pursuant to Clause 94 of the Company's Constitution, be re-elected as a Director of the Company.

17.3.2 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	1,442,870,041	99.6543	5,005,646	0.3457

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

THAT Mr Seow Yoo Lin, who retired by rotation pursuant to Clause 94 of the Company's Constitution, be re-elected as a Director of the Company.

17.4 Re-appointment of Auditors

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	2,261,085,876	99.4453	12,613,248	0.5547

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

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.

ITEM MINUTES

17.5 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 6 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	2,270,033,031	99.8388	3,666,093	0.1612

The Chairman declared that Ordinary Resolution 6 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 ('DRP') 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.

17.6 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 7 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	1,849,071,081	81.3244	424,628,046	18.6756

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.

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17.7 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 8 which was carried as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	2,254,869,337	99.1754	18,748,190	0.8246

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

THAT, subject to the Companies Act 2016 ('Act'), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Malaysia') ('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 Malaysia ('Proposed Renewal of Share Buy-Back Authority') at any time through Bursa Malaysia, 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 Malaysia 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.

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 34th Annual General Meeting ('AGM') of the Company, at which time the authority will lapse unless by ordinary resolution passed at the 34th AGM, the authority is renewed, either unconditionally or subject to conditions;

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- b) the expiration of the period within which the 34th 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 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.

33/18 VALEDICTION

The Chairman took the opportunity and the honour on behalf of the Board, to express gratitude and appreciation to Mr Voon Seng Chuan, who had retired on 18 June 2024 after he had reached his nine (9) year tenure with the Company, for his exemplary services and invaluable contribution to the Group.

33/19 CLOSURE

There being no other business, the Meeting ended at 12.25 p.m. with a vote of thanks to the Chairman and the Board.



Response to Pre-AGM questions raised by MSWG





Our response to MSWG Questions

Operational and Financial Matters

- 1a. Digitalisation is the first strategy pillar introduced in WT29. **What is the role of Digitalisation in realising the financial and operational goals of WT29?**

Please elaborate on the programmes, technologies to be deployed, intended outcomes, short, medium and long-term priorities as well as resources allocated e.g., financial, capabilities and expertise, for the successful execution of this strategy pillar.

There are 3 parts to the questions, and we will take them in turn.

i) Digitalisation agenda

- The role of **digitalisation and digitisation** is absolutely **critical in the success of our strategy**. As we know, the financial services landscape is fast changing due to technological advancement. These developments have enabled all of us to have **more choices**, e.g. how we conduct our banking transactions have changed and will continue to do so. When and where we consume financial services will have to fit in with the lifestyle and preferences of that individual customer. The advent of **open banking** concept is a reality, having been adopted in several countries and the use of **data analytics** for personalisation of services, augmented by artificial intelligence and machine learning are disruptions to the status quo.
- Our digitalization programmes cover **data analytics and big data management**. We have established a **Chief Data Officer** function to drive this agenda and build skills and tools capabilities. The data management infrastructure is a large investment to lay the foundations and we have started on enhancing our data infrastructure for the past few years (Project Orion) and the **data infrastructure is now ready**.
- The application of data analytics are now augmented by **artificial intelligence and machine learning**. We are at the early stage with several use cases being tested. For example (i) on **credit default predictions** of retail borrowers to help filter the loan applications before the credit approval process, (ii) identification and monitoring of Anti Money Laundering typologies using **data profiling** to be more effective in our detection, (iii) **payments transaction analytics** to help engage our corporate customers on their cash management needs and propensity to place deposits with us.



Our response to MSWG Questions

Cont.

ii) Operational Excellence agenda

- Embracing technology to **improve productivity and customer experience** will require additional digitisation of the bank's activities across the front, middle and back offices. **Automation of our processes** with the use of robotics process automation has started for several years and we will continue with that to increase our productivity and reduce cost. We are piloting **the use of AI** now as we learn these capabilities to augment the way we work and how we process transactions.
- **Digitisation of the bank's documentation** is an area that we are exploring, to make it searchable and also to be ready for **e-contracts and open banking** when the industry moves towards a more digitised way to manage contracts and consent for data sharing.

iii) What priorities over the short / medium / long term?

- In the **short term** – we have our physical branch channels, interactions and processes will increasingly **go digital**. We believe competition will be increasingly inevitable to balance driving **low cost-to-serve versus customer experience**. We will continue to leverage data analytics capabilities to expedite **customer insights** usage for more personalised and effective services; both direct to customers, and indirectly through our employees.

- In the **medium term** - digitalisation will unlock new business opportunities through **embedded finance** as more adoption takes hold. Developing Banking Application Programming Interfaces (APIs) across our **partnership ecosystem** will continue to be strengthened and to extend our virtual reach across selected segments and industries. These ecosystems will hopefully enable us to acquire **new customers at scale**. We have the opportunity to monetise further our merchant ecosystem and we have established a **Chief Digital Officer** function to focus on building **new fintech capabilities** as well as established more **ecosystem partners**. In order to enable a more cohesive use of data via **customer consent becomes a key requirement** to enable the full benefit of data for personalization of services and customer insights.
- In the **long term** - we believe that technology and financial services will converge and we have to continuously adapt our **technology architecture and infrastructure** as well as establish new job families and roles to develop our **Human Resources capabilities and skill gaps**. Initiatives related to cloud, automation, Generative Artificial Intelligence (Gen AI), and many more are already underway as we have identified more use cases for adoption.

We believe our strategy pillar of digitalisation, as an individual pillar, complements and mutually reinforces the other strategy pillars of Operational Excellence and Sustainability. **Collectively these strategy pillars are core to our WT29 strategy reconstruct.**

Each business has a key role to play in delivering the Winning Together strategy. We considered our lending strategy, funding strategy, product profitability and development, customer segment definitions and also the future of banking tech enablers as part of the strategy reconstruction.



Our response to **MSWG** Questions

1b) The rollout of WT29 requires active involvement of Wholesale Banking, Retail Banking (RB), Business Banking, Investment Banking and Islamic Banking.

What are the roles of each banking segment towards the realisation of WT29 by FY2029?

Accordingly, what are the short, medium and long-term targets set for each banking segment?

Retail Banking

To be a more focused lender and to generate commercial surplus.

- **Mass Market** segment strategy driven collaboratively with **Islamic Banking**:
 - Drive growth through **cross-selling** products and services to our existing customers, increasing customer lifetime value targeting graduates and young professionals.
 - Acquire deposits through **payroll proposition**, banking the ecosystem of the SME owners and employees.
 - Acquire mass customers efficiently leveraging **digital channels** e.g. AmOnline 3.0 with lower acquisition costs.
- **Integrated Wealth** (Distribution channel in **Retail Priority and Private Banking, stockbroking and asset management** are business capabilities across the Group to serve the investor segment):
 - Strengthen our integrated wealth proposition across the **growing wealth segment** as well as our deposit business.
 - Build on **integrated wealth advisory** across our funds business, stockbroking, priority bank and private banking offerings.
 - Invest in capabilities to drive wealth income including deploying a **wealth management platform** to drive self-service digital wealth.
 - **Enhance RM productivity** and reduce RM loading to foster deeper client relationships.
- **Operational Excellence**:
 - We are improving our operational efficiency through **process streamlining and automation** across key products, including mortgages, credit cards, deposits, and auto finance, to **improve CTI**.
 - We are **reconfiguring our branches** through collaboration with partners to reduce branch costs.



Our response to MSWG Questions

Cont.

Business Banking

SME and Mid Corp to lead lending growth.

- SME & Mid Corp segments continue to be the key driver of growth for AmBank Group and is a better returning segment.
- The integrated SME strategy would accelerate the financials of the SME segment, with an increase in SME market share to 9.1% by FY29 and expansion of SME loan book by +12% (5Y CAGR) by FY29.

Wholesale Banking

Wholesale Banking to originate and distribute **large loans** and **maintain commercial surplus**.

- The Group has a **strong presence** in Wholesale Banking.
- In the next 5 years, WB will continue to grow the **next 20 clients** to achieve income diversification, drive transition financing to assist clients in their sustainability journey, and deepen focus on investment and wealth product.
- Through the **Supply Chain Financing** initiative, the Group will be able to participate in the entire value chain, from raw material suppliers to end consumers financing. This will also enable access to the **SME** segment, which is the key driver for future growth.

Investment Banking

Become Top 3 Investment Bank.

- **Private Banking** - growing wealth for customers:
 - Improve RM productivity.
 - Optimise customer experience.
 - Expansion of product offerings.
- **AmFunds:**
 - Establishing a **one-stop digital marketplace** to attract new retail customers and improve customer experience and operational efficiency.
 - **Enhancing our product offerings**, focusing on our strengths in institution, direct sales, corporate clients, and fixed income products. AmFunds would work with best-of-class global fund managers to set up feeder funds, build strategic collaborations for technology transfer, especially on global equity products, and strengthen domestic equity, environmental, social and governance ('ESG'), and Shariah-compliant product offerings.
 - **Deepening internal & external collaboration**, working closely with **Retail Banking and Private Banking** to provide tailored products for distribution. AmFunds would also explore leveraging the existing relationship with **Liberty and our life insurance and takaful partner**, potentially offering investment-linked products and tapping onto their agency force.



Our response to **MSWG** Questions

1c) AMMB sets three Financial Goals under the WT29, namely Improve Dividend Payout, Lower CTI (cost-to-income) to 40% and Improve ROA (return on assets) to 1.1%.

i) The current dividend payout ratio stood at 40%. **What is the dividend payout ratio the Group aspires to achieve by the end of FY2029?**

ii) As of FY2024, AMMB's CTI ratio remains stable at 44.2%, marginally lower than 44.3% as of FY2023 and 44.9% in FY2022. **Considering the planned investments into digitalisation initiatives and cost escalation in line with inflation, what are the key levers of achieving the CTI of 40%? What are the projected income growth rate and cost reduction rate (in percentage) to achieve this?**

Our **3 financial goals** are aligned to deliver superior returns within existing financial resources and risk appetite.

i) In relation to the first goal, to improve dividend payout, we have reverted back to 40% historical level. As our **capital ratio position is now at comfortable levels**, we believe this **dividend payout ratio can increase over time to 50% to 60%**. This will be subject to, amongst others, achieving profit projections, achieving the desired capital ratios, and will also be dependent on regulatory approval.

ii) In relation to our second goal of achieving a **CTI of 40%** from current level, the **planned investment spend** will have to be paced and we continue to make investments to add capabilities to generate future revenue growth. Achieving a CTI of 40% will be a stretch target, and requires our income growth against expenses growth of **2% - 2.5% positive jaws**, i.e. income to grow faster than expenses over 5 years. Cost pressure is real but we have demonstrated that we have managed expenses well to keep CTI at ~44% for FY25. Our **operational excellence pillar is necessary to improve our productivity by 10%** to move the CTI from current levels to 40% as a target in FY29.



Our response to **MSWG** Questions

2a) The net interest income (NII) declined 6.7% y-o-y to RM3.3 billion due to much higher interest expenses, resulting in a 28bps decline in net interest margin (NIM) to 1.79%.

The industry outlook pointed to stabilised NIMs with the OPR likely to remain unchanged at 3% throughout 2024. This statement suggests the outlook on deposit competition is easing.

What is the management guidance and outlook on NIM in FY2025?

How has it been so far, and do you foresee any changes to the deposit competition dynamics for the remainder of the year?

Our Net Interest Margin (NIM) outlook for FY25 show an improvement from last financial year. As we announced in our Q1FY25 results, our **NIM has indeed improved to 1.89%, a 13 bps increase against Q1FY24.**

We will continue to manage **cost of funds and diversify funding sources** and adapt to liquidity conditions in the market. We expect a **further improvement in NIM** albeit such improvement will be at a lower amount in the remaining period of the year.

Deposit competition has eased, and market liquidity remains ample. We foresee this trend to largely continue in the near term.



Our response to **MSWG** Questions

2b) RB also chalked in a higher net impairment of RM642.4 million compared to RM301.1 million, resulting in a 69.3% decrease in segmental net profit to RM125.7 million. Included in the impairment for RB was an additional RM261.6 million credit impairment overlay recognised in Q3FY2024, mainly stemming from mortgages and retail SMEs.

i) How will RB perform in FY2025 in terms of loan growth and profitability? Please indicate the targeted loan growth for the Group in FY2025.

ii) Upon the massive impairment made on RB's loan book, what is the current state of RB's asset quality? Please indicate whether a similar quantum of impairments is required in the near term.

i) In line with RB's strategy to be a more focused lender, **FY25 loan growth is expected to be in line with prior year, and profitability is expected to improve**, driven by improving NIMs and lower impairment. The targeted loan growth for the **Group** as a whole is in line with the **GDP growth**. **RB profitability improved in Q1 FY25, with lower provisions as we traded off loans growth volume** to be more focused in our lending strategy.

ii) **Overall gross impaired loan (GIL) ratio for RB Consumer portfolio has been stable over the last 6 months**. RB Consumer portfolio GIL is mainly attributed to the housing loan portfolio, representing 81% of the overall RB Consumer GIL.

GIL ratio for housing loans have remained stable for the last 6 months, averaging 2.1%. **Other portfolios within RB Consumer** i.e. commercial property, hire purchase, credit card, personal loan have also been generally **stable**.

In the near term, GIL for the Retail Consumer portfolio is expected to remain at the same level. We continue to monitor GIL as macroeconomic risks exist, considering possible cost-push inflationary pressures from subsidy rationalisation in 2024. We have **conducted a thorough assessment on the RB Consumer portfolio with credit provision overlays set aside as additional prudent buffers**.

GIL ratio for Retail SME has been on an upward trend over the last six months. We have set aside additional provisions for identified vulnerable segments. **Exercising risk vigilance and additional risk control measures** have also been implemented to improve the credit quality of new sales origination, stepping up portfolio monitoring activities, evaluate collection productivity and recovery efforts to mitigate the rise in impairments.

We have established additional overlay for the vulnerabilities we identified in Q3FY24. We will continue to assess the adequacy of these provisions as we progress through the financial year and with stability in our GIL ratios, it is **unlikely that we will require such levels of provisions in FY25**. As you have seen in our Q1FY25 results, our provisions have reduced significantly year on year.



Our response to **MSWG** Questions

3a) i) **Why did the Group make the RM328.8 million additional impairment when the provisioning of impairment allowances for vulnerable borrowers should have been “frontloaded”?**

ii) **Why was the RM328.8 million credit impairment considered a one-off as the provisioning of impairment allowances is part and parcel of the banking business?**

i) The **credit provisioning overlay which we recorded in Q3FY24 of RM328.8 million**, was additional buffers we established against the NPL portfolio. ~ 80% or RM262million of that was in relation to the Retail Consumer and Retail SME portfolio is **explained in the previous Question #2**.

As the Gross NPL balances have increased, we **applied the most recently observed collection and recovery rates achieved to the identified NPL customers and took additional overlay buffers against our NPL exposures**. We believe this is the right course of action, one that has been conducted in accordance with the accounting standards and BNM regulations. This has been audited by the external auditors.

ii) Our provisions methodology are calibrated to **conform to accounting standards and ECL provisions are established in accordance with Stage 1, Stage 2 and Stage 3 criteria**. We consider our provisions taken in Q3FY24 as a one-off as that provisions was additional overlays we took as **additional prudence against the NPL portfolio**. Adequacy of provisions is a continuous process of judgement, and this **assessment process will be made at each balance sheet reporting date**.

The credit impairment of **RM328 million was made against an identified portfolio of NPL assets in Q3FY24**. We believe that this provision is reasonable and adequate. As at FY24, **we do not expect additional provisions** will be required for this portfolio of assets.



Our response to **MSWG** Questions

3b) **What was the nature of the RM111.9 million and RM80 million impairment made on non-financial assets (NFA) and restructuring expenses? Which category of NFA saw its value impaired?**

Impairment RM111.9 million – **relates to impairment of computer software (intangible assets)**. We capitalise software and amortise such software and applications cost over the useful life as allowed under accounting standards. Our Winning Together strategy has a **technology roadmap** which necessitated the **acceleration of the amortisation of certain capitalised software** as an outcome. You may refer to the non-financial assets disclosures in our FY24 Annual Report – Financial Statements page 98.

The **RM80 million** is not impairment, instead it relates to provision for **corporate structure changes and restructuring charges estimates** as we review our physical distribution network and automation plans

4. AMAB, MetLife, GELM and GETB will execute the definitive agreements upon obtaining regulatory approvals and satisfaction of certain conditions.

The Monetary Authority of Singapore gave its approval for the transaction in February 2024. The transaction is **subject to the final approval from Bank Negara Malaysia which we engage actively**.

How is the progress of obtaining approval from Malaysian and Singaporean authorities?



Our response to **MSWG** Questions

5. Employees Provident Fund (EPF) is now the largest shareholder of AMMB with a 16.11% stake, following the exit of Australia & New Zealand Banking Group Ltd (ANZ) in June this year.

We are **not aware of any indication of changes** in board composition, business strategy and direction from the EPF.

What are the expected changes to be made by EPF to AMMB in terms of board composition, business strategy and direction?

Has EPF approached the Board to discuss these matters?



Our response to **MSWG** Questions

Sustainability Matters

1. In FY2025, AMMB will be assessing and validating its GHG emissions, as well as developing a transition plan with sectoral pathways for hard-to-abate sectors to achieve Net Zero as early as 2050.
 - a) **At which stage the Group is currently at towards the finalisation of the Net Zero by 2050 Roadmap? When will the Group roll out the Roadmap?**
 - b) **On disclosure of GHG emissions, AMMB has not committed to reducing the total GHG emissions by a certain percentage against the baseline emissions. Does the Group plan to make such commitments, which is a common practice among banking peers?**

- a) We are working with a **consultant** to conduct a **detailed assessment of the Banks' financed emissions** after which sector decarbonization pathways and position statements will be developed. These will be announced as part of our FY2025 Integrated Annual and Sustainability Reports. Roll out of the **Net Zero Transition Plan** will commence thereafter in **FY2026**.
- b) We understand the urgency of the climate change agenda, and have **committed to be net zero by 2050**, which we announced in our FY2023 Integrated Annual and Sustainability Reports.

Our enterprise (or own) emission control actions are undertaken on a progressive basis with many initiatives to reduce our GHG emissions. While we have seen a **marginal increase in our enterprise emissions in FY2024 (mainly due to limited availability of TNB green energy tariff)**, we achieved a **16% decrease in our total GHG emissions from the 2019 baseline**. This has been disclosed in the FY2024 Sustainability Report.

As part of the Net Zero Transition Plan that is currently under development, **metrics and targets** will be set following a comprehensive review of our **business strategies and risk appetite**. This process is crucial to ensure that commitments are robust, actionable, and balanced to ensure an equitable transition, **taking into consideration Malaysia's socio-economic realities**.



Our response to **MSWG** Questions

2. In FY2024, AMMB began measuring the Scope 3 financed emissions for customers to identify critical areas needing focused attention.

- a) However, **the Group did not disclose the Scope 3 financed emissions data in detail.** Our internal tracking identified six out of nine banks with a financial year ending after 31 Dec 2023 have disclosed their Scope 3 financed emissions in their latest sustainability reports/statements, including banks that are smaller than AMMB by asset size. Such disclosures are critical for stakeholders to assess, evaluate and compare AMMB's sustainability efforts against peers.

Why was the Group not ready to disclose the data? What challenges or restrictions does AMMB face in the collection, calculation, management and reporting of Scope 3 financed emissions? Has the Group set a baseline for the Scope 3 financed emissions? When will the Group be ready to do so?

- a) There is **no regulatory requirement or standard in Malaysia** presently that requires Banks to disclose their financed emissions numbers in a particular format or detail. The Banks referenced do so in varying degrees of detail and with different boundaries, which makes it difficult to have a clear basis for a peer comparison.

For us, we had used a **licensed tool** to initially assess **financed emissions of our non-retail portfolio as a proxy (two million tCO₂e)**. Following assessment of our customer base we took a view that a more detailed methodology with the appropriate data classifications would be needed to provide a more representative number for **Category 15 under the GHG Protocol** – which relates to **Scope 3 financed emissions** (the Bank's lending and investment exposure).

This effort is currently being undertaken using **Partnership for Carbon Accounting Financials (PCAF)** as part of work being performed to develop our **Net Zero Transition Plan**. The appropriate disclosures will be provided in our FY2025 Sustainability Report. This will also be aligned with the requirements for **TCFD disclosures in accordance with BNM's and Bursa Malaysia's timelines**.



Our response to **MSWG** Questions

2b) **AMMB's initial analysis has identified six sectors which are responsible for over half of the Group's Scope 3 financed emissions or the non-retail lending portfolio.**

The initial estimated emissions for this portfolio were two million tCO2e.

i) What are the criteria set in the analysis and selection of sectors for the measurement of **Scope 3 financed emissions**?

ii) What is the **lending size for each identified sector** vis-a-vis the overall non- retail lending portfolio?

iii) Given that the six identified sectors are collectively responsible for just over half of the Group's Scope 3 financed emissions for the non-retail lending portfolio, **will the Group include more sectors** to enhance the comprehensiveness of coverage?

i) The criteria used in this analysis were **multi-faceted**, focusing on the quantitative aspect of each sectors' impact. Some of the **key considerations** included:

- Economic activity and impact on the environment
- Size of the company by assets

ii) The six identified sectors account for around **24.4% of our overall non-retail lending portfolio as at 31 March 2024**. Below is the breakdown of the six identified sectors.

Sectors	Outstanding (%)
Manufacturing	14.3
Electricity, Gas and Water Supply	3.9
Oil & Gas	3.5
Basic Metals	1.2
Iron & Steel	1.4
Cement	0.1

iii) Given the larger impact of these sectors to Scope 3 financed emissions, these sectors will be prioritized for consideration as we design our Net Zero Transition Plan. We will be **concentrating our efforts where more climate action is required**, thus directing our resources for meaningful impact.



Our response to **MSWG** Questions

2c) Meanwhile, AMMB committed to ensuring at least 70% of the non-retail loan/financing portfolio (with limits of at least RM10 million) comprises exposures with low Environmental, Social, and Governance (ESG) Risk rating by FY2030.

What is the **current ratio of non-retail loans with low ESG risk ratings?**

Two years ago, we had set a **high-level risk direction** to ensure that at least **70% of the non-retail loan/ financing portfolio** (for limits of at least RM10 million) will consist of exposures with **low ESG Risk Ratings by FY2030**. This ratio for new loans approved in FY2024 was **65%**.

As indicated in the FY2024 Sustainability Report, we anticipate to further **refine our metrics and targets** for our non-retail portfolio as we **study decarbonisation pathways in FY2025** as part of our Net Zero Transition Plan.



Our response to **MSWG** Questions

3. Some of the key approaches to fair income distribution are pay equality across genders and reducing pay gaps across employee levels (page 94 of SR2024).

What are the available data to illustrate the current state of pay equality and pay gap between genders and employees?

Our employee **gender mix** has been stable over the past 3 years, i.e. female versus male ratio at **60:40**.

While we do not disclose specific pay data due to its sensitive nature, an internal review of average pay by job grade has shown **no significant pay gap between the genders**, i.e. salary structure is **gender agnostic**.

Nonetheless, below are the steps that we have taken towards ensuring pay equality between men and women:

- Regularly **conduct pay audits** to identify and address any gender-based pay disparities. We compare salaries of men and women in similar roles with similar experience
- We also established **clear pay structures** for specific grades to ensure that these are based on objective criteria such as experience, education, and responsibilities
- We have implemented a clear and transparent process where **pay decisions are based on merit**, ensuring all employees are compensated fairly for their roles and responsibilities
- We **continuously review and update our job descriptions and classifications**, applying clear and objective criteria for pay decisions and promotions

Ultimately, career and promotion opportunities are based on individual performance and both genders have **equal opportunities**, therefore enabling pay equality.



Our response to **MSWG** Questions

Corporate Governance Matters

1. AMMB is seeking shareholders' approval for the payment of directors' fees (amounting to RM1.85 million) and benefits (up to RM2.1 million) for FY2024 and for the period from 21 August 2024 until the next AGM of the Company (Ordinary Resolution 1 & 2, Notice of 33rd Annual General Meeting).

The proposed amounts represent a 2.78% and 16.67% increase compared to RM1.8 million each approved in the previous AGM.

The Bank explained that the proposed revisions are to better align the remuneration of the board members to the practices of local peer banks.

- a) **What analyses or studies were conducted on the board remuneration before recommending the revision?** Were these studies performed by internal or external parties? **Please name the parties who conducted the studies.**

The Group uses an external party for such reviews. Ernst & Young Consulting Sdn Bhd ('**EY Consulting**') had been appointed to conduct the Board Evaluation Effectiveness ('**BEE**') exercise for FY2024, which included **a review on Directors' remuneration** based on a comparative analysis of peer banks' remuneration practices.



Our response to MSWG Questions

1b) **What were the key findings of these studies? What were the strengths and weaknesses of AMMB’s existing remuneration framework compared to peers?**

What recommendations were made to strengthen AMMB’s Board remuneration framework and the appeal in drawing and retaining talents?

Which were the **local peer banks** shortlisted for your comparative analysis?

EY performed a comparative analysis of Remuneration practices of local banking groups. Based on **analysis with peer banks (In terms of asset size and revenue)**, the following areas were highlighted for consideration:

- Alignment of **Chairman fixed fees** closer to median range of peer banks
- Alignment of **Committee fixed fees** closer to median range of peer banks
- Alignment of **medical benefit coverage** to selected local banking groups

The following increases were proposed:

<i>Director’s Fee (per annum)</i>	<i>Existing</i>	<i>Proposed</i>
<i>Chairman</i>	<i>RM210,000</i>	<i>RM250,000</i>

<i>Board Committee Allowances (per annum)</i>	<i>Chairman</i>		<i>Member</i>	
	<i>Existing</i>	<i>Starting 21 Aug 2024</i>	<i>Existing</i>	<i>Starting 21 Aug 2024</i>
<i>Audit and Examination Committee</i>	<i>RM40,000</i>	<i>RM50,000</i>	<i>RM20,000</i>	<i>RM35,000</i>
<i>Risk Management Committee</i>	<i>RM30,000</i>	<i>RM50,000</i>	<i>RM20,000</i>	<i>RM35,000</i>
<i>Group Nomination & Remuneration Committee</i>	<i>RM30,000</i>	<i>RM50,000</i>	<i>RM20,000</i>	<i>RM35,000</i>
<i>Group Information Technology Committee</i>	<i>RM30,000</i>	<i>RM50,000</i>	<i>RM20,000</i>	<i>RM35,000</i>



Our response to **MSWG** Questions

1c) The **increase in total fees and benefits** ranged between 2.78% and 16.67%. **What is the basis for recommending such an adjustment?**

The increase in the **Director's fee** is only applicable for the **Chairman** of the Board from **RM210,000 to RM250,000** (2.21%).

The increase of RM300,000 (16.67%) in the amount of **benefits payable** from **RM1,800,000 to RM2,100,000** is due to the increase in the **Board Committees' allowances** and for the **additional member to the AEC and GITC**, as well as the increase in the **medical benefit for the Directors**.

Increases of fees are based on alignment to median practices of selected peer banks.

1d) AMMB proposed to increase allowances for board committee members while keeping directors' fees unchanged at RM200,000 per annum. **Why is there no revision made on directors' fees?**

No changes were recommended based on comparison with median of local peer banks.



Our response to **MSWG** Questions

1e) AMMB's current board size decreased to seven directors from nine earlier, following the resignation and retirement of Mr Robert William Goudswaard and Mr Voon Seng Chuan.

Are the proposed directors' fees and benefits calculated based on the current board size of seven directors? Is the Board satisfied with the current boardroom composition? Is there any plan to appoint new directors?

1f) **The GNRC summary of key activities during FY2024 did not state whether a review or recommendation of remuneration of NEDs was being made in FY2024.**

Please clarify whether such a review or recommendation was made by GNRC to the Board in FY2024.

The total payment of Directors' fees of **RM1,850,000** is for **9 Directors** who had rendered their services for **FY2024**.

As for the estimated benefits payable of **RM2,100,000**, it was calculated based on **eight (8) members**. The increase of RM300,000 to the Directors is due to the **increase in the Board Committee allowance** and for the **additional member to the AEC and GITC**, as well as the **increase in the medical benefit for the Directors**.

The GNRC and Board had evaluated the composition of the Board and Board Committees and concluded that **there are sufficient members with the relevant skills** to be placed on the Board Committees to fill in the vacant positions of the retired and resigned Directors. In addition, the **GNRC** is currently looking into the appointment of a **new Director to succeed Mr. Seow Yoo Lin**, who will reach his **9-year tenure** in the Company in **June 2025**.

The proposed revision to the remuneration was recommended by GNRC to the Board in **June 2024** which was **tabled together with the outcome of BEE** exercise conducted by EY Consulting. **It was not disclosed in the key activities during FY2024 as it took place in FY2025.**



Our response to **MSWG** Questions

2. AMMB has adopted Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG), which states that the board comprises at least 30% of women directors’.

What benefits has the board experienced from in the the increased participation of female directors boardroom over the years?

How has the board's performance been impacted in relation to these benefits?

What aspects of the Board have experienced improvements or declines before and after the appointment of female directors?

The Company conducts Board Evaluation Effectiveness (“**BEE**”) exercise every year which **tracks the individual performance of each and every Director**. The BEE exercise **does not differentiate** nor relate the directors’ performance **according to their gender**.



Our response to **MSWG** Questions

3. **Key sustainability-related KPIs** such as GHG emission reductions and Green Financing, were incorporated into the scorecards of all C-Suites, including the Group CEO (pages 26 – 27 of Corporate Governance Report 2024). [Pending from Sustainability]

a) **How did the senior management perform in relation to these metrics?**

b) **What was the weightage of sustainability-related KPIs (by percentage) vis-à-vis operational and financial metrics in the overall evaluation of senior management?**

c) **Moving forward, which area requires more focus and attention from the Board and management?**

a) In FY21, the Group started to include **sustainability performance measures** (including sustainability related KPIs) into the annual performance metrics of the management team (C-suites).

FY24 is therefore the 4th year of measurements and overall, **83% of senior management (C-Suites) scored a performance rating 3** (on target) or better (score range of 1 to 5) for the sustainability KPIs component. Of the 83%, the breakdown by performance rating 1, 2 and 3 is **61%, 13% and 9%** respectively.

b) Sustainability-related KPIs are part of the **balanced scorecard** of C-Suites which covers the following dimensions: 1. Financial performance, 2. Compliance & Governance, 3. Customer & strategy, and 4. People – culture, engagement and development.

The Sustainability-related component forms part of the Customer & strategy element, and the weightage ranges between **5-30% depending on the role** of the individual C-Suite (excluding the Chief Sustainability Officer).

The **Chief Sustainability Officer** carries a **70%** weightage given the relevance of that role to drive the agenda.

c) In FY2025, the **key focus areas for sustainability** include:

- i. Transition finance opportunities: Sustainable Finance and Green Loans growth
- ii. Development of sector position statements
- iii. Development of a Net zero Transition plan (including scope 1 and 2 own emissions reduction, and Scope 3)
- iv. Climate Risk Management and Scenario Analysis (CRMSA) and Climate Risk Stress Testing (CRST)



Our response to **MSWG** Questions

4. Referring to Practice 13.5 of the MCCG on the conduct of a virtual general meeting (fully virtual or hybrid) to support interactive participation and meaningful engagement between the board, senior management, and shareholders, **will the Board consider holding an AGM via hybrid format in the future, as what we have seen in some banks recently?**

We believe that virtual AGMs provide access for more shareholders to participate, as a virtual meeting is **agnostic to the locations of the participants**. It is also more cost efficient, without reducing the effectiveness of achieving our general meeting objectives. Hence, AMMB will **continue to hold future general meetings virtually**.

Regarding whether the Group will hold hybrid annual general meeting in future, **the Board will review and consider the merits of such an approach**, taking into consideration the prevailing regulatory requirements.

AMMB Holdings Berhad
(hereinafter refer to as 'AMMB' or 'the Company')
[Registration No. 199101012723 (223035-V)]

**RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS DURING
33rd Annual General Meeting ('AGM')**

(Unless indicated otherwise, all questions here were addressed by the Group Chief Executive Officer, Mr Jamie Ling at the AGM and reproduced here for shareholders' information.)

CONDUCT OF AGM

1. Would AMMB be rewarding the shareholders attending this AGM with door gifts/ e-vouchers?
 - *As stated in the Administrative Guide, there is no distribution of door gifts/ e-vouchers to shareholders who participated in this year's AGM.*
 - *The Group is committed to rewarding shareholders through dividend payouts.*

2. Can the printed annual report be sent to shareholders?
 - *As part of the Group's sustainability drive, shareholders are encouraged to download the softcopy version of the Integrated Annual Report 2024 which is available on the Company's corporate website. Nonetheless, a hardcopy of the Integrated Annual Report 2024 can be sent to shareholders upon request in writing.*

3. How much did the Company spend on this virtual AGM?
 - *The cost of conducting this virtual AGM is approximately RM120,000. For comparison purposes, a physical AGM which will cost the Group approximately RM450,000.*
 - *Virtual AGMs provide convenient access for shareholders from any location to participate, as long as they have internet access. A virtual AGM is therefore more inclusive for all shareholders. Furthermore, a virtual AGM is more cost efficient compared to holding a physical AGM without reducing the efficacy of achieving the Company's objective of holding an AGM.*

Nonetheless, the Company will continue to review and consider the merits of holding its AGMs virtually or via other methods while taking into consideration prevailing regulatory requirements on AGMs.

4. Should all the Directors be present at the general meeting physically unless there is a valid and reasonable reason?
- *All local Directors are physically present, in the Board Room and other meeting rooms in Bangunan AmBank Group. Ms Felicity Ann Youl is the only Director who joins the AGM virtually as she is based in Sydney, Australia*

FINANCIALS AND STRATEGY

5. Will 2024 be better/ worse than 2023 due to new challenges?
- *Having announced a strong first quarter for financial year 2025 ('Q1FY2025') (i.e. financial year ending 31 March 2025), where the Group demonstrated commendable performance that includes strong Profit After Tax and Minority Interest ('PATMI') growth of 32% to RM500 million and an annualised Return On Equity ('ROE') of 10.2%, the Group is optimistic about its prospects for FY2025 and confident that its financial performance will continue to improve as it executes its new 'Winning Together' strategy.*
6. Recently the National Union of Bank Employees ('NUBE') held a nationwide picketing over a breakdown in contract negotiations with commercial banks.
- a) Is AmBank amongst the banks alleged for union-busting activity and violating bank workers' rights to life, free association and other demands?
- *The Group is not involved in the above incidents. The Group's employees are represented by an in-house union, i.e. Kesatuan Pekerja-Pekerja AmBank ('KEPPA').*
 - *The Group believes in resolving conflicts (if and when they arise) amicably through mutually beneficial solutions that ensure all parties involved are heard and respected. The Group strengthens its relationships and builds trust with its employees by addressing concerns openly and honestly.*
- b) How does the staff welfare and remuneration packages at AmBank compare against other Banks?
- *The staff welfare and remuneration packages are in alignment with market and industry standards. The Group performs wage benchmarking exercises regularly through pay audits to ensure fair and reasonable remuneration packages are offered to employees.*
 - *From time to time and when appropriate, the Group also adjusts living wages to recognise the importance of social mobility for employees in the lower salary brackets.*

7. Senior Management is seen to have benefited from the increase in the Company's share value, due to the presence of the Long-Term Incentive ('LTI') Plan. Will shareholders also benefit from the increase in the company's share value/ price?
- *The Group has a LTI scheme (share-based compensation) in place whereby eligible Senior Management are vested subject to satisfactorily meeting key performance indicators ('KPI').*
 - *For shareholders, the Group aims to increase shareholders' returns through share price appreciation and dividend returns. The Group's LTI scheme for Senior Management is aligned with shareholders' interest as all shareholders (including Senior Management holding AMMB shares) will benefit from share price appreciation and healthy dividend payouts.*
8. The Group recognised a one-off provision of RM80 million in restructuring expenses in the third quarter of financial year ended 31 March 2024 (page 37 of Financial Reports 2024). Please explain in detail what is this restructuring expense and why there was a need to make a provision for it.
- *The one-off provision of RM80 million in restructuring expenses is due to the estimated costs associated with changes in corporate structure and the estimated amount of restructuring charges, following the Group's review of its physical distribution network and automation plans.*
9. The federal and state government have undertaken salary revision for the civil service workforce. May I know whether AmBank will undertake any salary revision across the board to all the staff apart from the annual increment?
- *A salary adjustment was made for staff during FY2024. The adjustment in salary was benchmarked against inflation and cost of living. The increase in the Group's expenses was partly due to these salary adjustments. The Group constantly reviews and benchmarks its employees' salaries to ensure that employees' salaries do not fall below the minimum wage and remain competitive.*
 - *From time to time and when appropriate, the Group also adjusts living wages to recognise the importance of social mobility for employees in the lower salary brackets.*
10. Foundation Internal Rating-Based ('FIRB') was mentioned in the Group CEO's presentation. What does it mean by FIRB ready in relation to the capital adequacy?
- *FIRB is a Basel approach that allows the Group to have modelled assessed risk for balance sheet exposures.*
 - *Bank Negara Malaysia had on 1 August 2024 approved the Group's implementation of the FIRB approach for computing its risk weighted assets.*

11. What is the strategy that the Group plans to undertake to generate segments with high profit margins?

- *The Group's focus is for the small and medium enterprises ('SME') and middle corporations ('Mid-Corp') segments to lead lending growth as these segments typically generate higher returns and profit margins.*
- *Moving forward, Retail Banking's key focus will be more on lending as the Group repositions its lending to a more value accretive sub-segment, whilst balancing the needs for inclusive banking. The Group also emphasises the integration of wealth solutions for investors, combining offerings across retail wealth, structured products, private banking, fund management, and stockbroking to cater across spectrum of segment needs i.e. mass affluent, affluent, and high net worth clients.*

12. To provide a balanced view, could you also provide some input with regards to the drawbacks and underperformance of targets during the year?

- *Underperforming business segments (including areas for improvement) had been highlighted by our Group CEO in his presentation. These areas and measures put in place for improvement are as follows:*
 - *Margin compression – To better manage the Group's cost of funding.*
 - *Credit quality issues in Retail Banking – To allocate adequate provisions to address the issue.*
 - *Unintegrated business portfolios – To integrate the Retail SME businesses under a new leadership and monitor quality of these portfolios closely.*

13. What are the benefits of digital banking in terms of business opportunities and transactional volume?

- *Digital banking brings convenience to customers in performing their banking transactions. Also, transactional data is used by the Group to understand its customers better which allows the Group to personalise services according to its customers' needs.*

With digital banking, 84% of the Group's Retail transactions were conducted via AmOnline and as of to-date, approximately 1.8 million users have been onboarded to AmOnline. The monthly amount of transactions transacted via AmOnline in FY2024 was more than RM100 million, double the amount recorded in FY2020.

For corporate customers, the number of users and the amount of transactions had increased by 20% and 45% respectively year-on-year.

NOMINATION AND REMUNERATION

14. This question refers to Ordinary Resolution 2. Do Directors receive allowances for attending the Annual General Meeting? If yes, why should there be a meeting allowance, given that shareholders do not receive any allowances for attending the AGM?
- *Directors were not paid for attending the AGM.*

FUTURE PLAN

15. Does the Group plan to open another branch in Kuala Ketil/ Sungai Petani, given the increasing population in that area?
- *The Group has two (2) branches located at Jalan Kampong Baru and Lagenda Heights, Sungai Petani. The Group believes that these two (2) branches are sufficient to serve and capture the business opportunities of the surrounding areas. In addition, the Group's Personal Bankers and Priority Relationship Managers proactively meet clients and customers to cater to their banking needs.*
- Furthermore, there are eight (8) automated teller machines ('ATMs')/ cash recycler machines ('CRMs') located at the branches and nearby convenience stores (i.e. 7-Eleven), which operate twenty-four hours daily. With that, the Group has no plans to add new branches in the said area. Nevertheless, the Group will, from time to time, assess the need for additional branches, if deemed appropriate.*
16. Are there plans to expand banking operations in other countries?
- *In the immediate term, the Group has no plans to expand its banking operations to other countries as the Group's focus is on domestic markets and the capturing of opportunities from Foreign Direct Investments.*
17. Are there any plans to create more employee positions by segregating the duties of Bank and the Holding Company (i.e. Group Level)?
- *The Group has no plans to create additional positions to segregate the duties of the C-Suites for the holding company and the operating entities as the only personnel who is currently double-heading is the Group CEO, holding the CEO position of AMMB and AmBank (M) Berhad.*
- Nevertheless, the Group continuously evaluates its organisational structure and its C-Suites' capacities to optimise the efficiency of its operations.*

18. Will there be any new departments established to align with current and future business needs?
- *The Group had introduced several new positions/ functions, i.e. Chief Digital Officer, Chief Sustainability Officer and Chief Data Officer in 2023 and 2024. The functions were established in the recognition of business requirements and to focus on driving the Group's strategy.*
 - *At the moment, the Group does not need new departments to be formed as the current operating and organisational models are deemed sufficient for optimal growth. However, the Group will continue to revisit this matter should new skills be required for future growth, especially in the area of digitalisation.*
19. Does the Bank intend to revamp the branch operating model through collaborations with business partners and the introduction of a boutique concept?
- *The Bank has revamped its branch operating model through co-sharing of space with partners, namely Bask Bear, HWC Coffee, etc.*
 - *The Group has plans to establish a boutique concept branch for priority private banking customers in Penang, focusing on wealth management proposition.*
 - *Physical branches are still required, especially in the community of Tier 1 and/ or Tier 2 cities where relationships with the community are crucial for long-term business success. Physical presence is also deemed integral for growing and building its SME and Mid-Corp businesses.*

ADDITIONAL QUESTIONS – WRITTEN RESPONSE

20. The Inland Revenue Board granted the Group a one-off tax deduction of RM772.3 million for exceptional expenses incurred in FY2021. Please explain what these exceptional expenses refer to and why such a large tax deduction was granted.
- *This relates to expenses claimed as a deduction pertaining to the RM2.83 billion settlement with the Ministry of Finance Malaysia (and its related expenses of RM21.0 million) in the Year of Assessment 2021 tax returns, as disclosed in note 5.4 of the Financial Report 2023, which can be found here: <https://www.ambankgroup.com/eng/InvestorRelations/AnnualReports/Documents/2023/renamed%20files/Financial%20Report%202023.pdf>*
21. AmBank is the largest unit holder of AmFirst REIT, controlling a 26.73% stake. However, AmFirst REIT has performed poorly over the past few years in terms of Net Property Income and unit holder returns, due to several low-yielding assets and bad investments.
- a) Is the 26.73% stake in AmFirst REIT marked to market?
- *This is an investment in associate. Accordingly, there is no requirement for this investment to be marked to market. Instead, the requirement is to perform an assessment of carrying amount against recoverable amount. The carrying value was impaired by RM148 million in FY2021 to reflect the recoverable amount.*
- b) Given the downtrend in AmFirst REIT's share price over the past few years, does AmBank need to recognise any loss on this investment?
- *No additional impairment loss was recognised in the current financial year and the preceding financial year as its recoverable amount is higher than the carrying value of the investment.*
- c) What is the total loss associated with AmBank's 26.73% stake in AmFirst REIT?
- *There is no loss associated with AmBank's stake in AmFirst REIT. The profit from AmFirst REIT was RM16 million, of which the Group equity accounted RM4 million for FY2024.*
- d) Does the management have any plans to improve the performance of AmFirst REIT?
- *For the Group, this is an investment in an associate. The management teams work closely to improve occupancy rates and yields on AmFirst REIT assets. Where possible, divestiture options are considered for lower yielding assets.*

22. How will the progressive wage policy introduced by the government impact on AMMB in terms of cost?
- *The Group regularly indexes employee salary bands (by employee grades), against market benchmarks and adjusts these in line with inflation. This is a key part of the Group's talent retention initiative, ensuring that remuneration packages of employees remain competitive with peers.*
 - *The Group believes that its employee remuneration packages are attractive and within wage policy levels. The Group will continue to monitor developments in wage policies and its onward implications to the Group.*
 - *The Group's strategy pillars include Digitisation and Operational excellence, both of which are key tenets towards process simplification. These are expected to yield improvement opportunities in the form of shorter workflows, automation, robotics and others, resulting in cost reduction and/or increased productivity. The Group views this as an integral initiative towards achieving its long-term financial goal of 40% cost to income ratio ('CTI').*
23. How does AMMB embody integrity, honesty and transparency to stakeholders?
- *The Group has a structured governance process for approval, escalation, monitoring and reporting aligned to regulatory requirements for all matters related to the business and operations of the Bank.*
 - *The Group's code of conduct and ethics mandates delivery and conduct at the highest level of integrity and transparency. The Group has zero tolerance for behaviour that does not meet the standards set by its code of conduct.*
 - *The Group also has second and third lines of defences that conduct reviews on its businesses and operations to ensure the standards for integrity, transparency and honesty are met and upheld at all times.*
24. How has the Bank ensured that all questions have been addressed during the virtual AGM?
- *Deloitte Business Advisory Sdn Bhd ('Deloitte') is the independent moderator for the AGM this year. This was following the advice from Minority Shareholders Watch Group ('MSWG') to appoint an independent party to facilitate the Questions & Answers ('Q&A') session during the AGM in an objective and independent manner.*
 - *Deloitte ensures that all questions raised during the time allocated in the virtual AGM were addressed. Any unanswered questions that could not be addressed during the AGM due to time constraint will be included in the AGM minutes which will be uploaded to the Company's corporate website within 30 business days, which is in line with the practice of Malaysian Code on Corporate Governance 2021 ('MCCG 2021').*

25. The terms lending and funding have been used interchangeably. Kindly advise on the difference between these terms in the context of the bank.

- *Lending refers to the act of providing money or capital to another party with the expectation that it will be repaid, with interest. It involves a loan/financing agreement with specified terms, such as the repayment schedule, interest/profit rate and collateral (if any) (e.g. mortgage loans/financing, personal financing, auto loans/financing, etc.) For full list of the lending/financing products, please refer to <https://www.ambank.com.my/eng/Loans>.*
- *Funding refers to the financial resources or capital providers to the bank (e.g. sources of funding for a bank usually include deposits from customers or financial institutions and issuance from debt/ capital programmes).*

26. Is there a possibility of a bonus issue in the near future?

- *The Group has no immediate plans for any bonus issues. The Group remains steadfast in implementing its Winning Together strategy and maximising shareholders' value, which includes the progressive increase in dividends payout.*