



ALLIANCE BANK

Alliance Bank Malaysia Berhad (88103-W)

Private & Confidential

Minutes of **36th Annual General Meeting** (“AGM” or “the Meeting”) of **ALLIANCE BANK MALAYSIA BERHAD** (“Alliance Bank” or “the Bank”) held at the Grand Ballroom, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on **Wednesday, 11 July 2018** at **11.00 a.m.**

- Directors Present** : Tan Sri Dato’ Ahmad Bin Mohd Don – Chairman
Mr. Ou Shian Waei
Mr. Lee Ah Boon
Mr. Kung Beng Hong
Mr. Kuah Hun Liang
Datuk Wan Azhar Wan Ahmad
Mr. Lee Boon Huat
Mr. Ho Hon Cheong
Mr. Thayaparan S. Sangarapillai
Mr. Tan Chian Khong
- Members and Proxies Present** : A total of 1,629 Members (including 838 proxies) holding/representing a total of 923,122,115 shares or 59.63% of the issued share capital of the Bank, registered for the Meeting.
- In Attendance** : Mr. Joel Kornreich (Group Chief Executive Officer) (“GCEO”)
Mr. Raymond Wong Lai Loong (Group Chief Financial Officer)
Mr. Lee Wei Yen (Group Company Secretary)
Mr. Soo Hoo Khoon Yean (Partner, Messrs Pricewaterhouse-Coopers (“PwC”))
- Chairman** : Tan Sri Chairman took the Chair and called the Meeting to order at 11.00 a.m.
- Welcome Address/ Announcement** : Tan Sri Chairman extended a warm welcome to the members/proxies (“the Members”) present and introduced the Directors present to the Members.
- Quorum** : The Group Company Secretary confirmed the presence of a quorum.
- Business Performance Presentation** : Mr. Joel Kornreich, GCEO presented to the Meeting the financial highlights and the key accomplishments of the Group for the financial year ended 31 March 2018, and the financial targets for the financial year ending 31 January 2019.
- Notice of Meeting** : On the proposal of Tan Sri Chairman and with consent of the Members present, the Notice convening the AGM having been duly served on members, was taken as read.

Before proceeding with the business of the Meeting, Tan Sri Chairman announced that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the AGM would be voted by poll and BDO Governance Advisory Sdn Bhd (“BDO”) had been appointed as the Independent Scrutineer for the poll voting. For a more efficient meeting at the AGM, the poll would be carried out by way of electronic polling or E-Polling.

Tan Sri Chairman invited Mr Tee Yee Loon, the representative from ShareWorks Sdn Bhd, Share Registrar of the Bank, who would act as the Poll Administrator, to brief the Members on the conduct of E-Polling and how to use the Polling Device.

Upon completion of the briefing on E-Polling process, Mr Kuganishvaran a/l Ulaganathan from BDO confirmed to the Members that the E-Polling procedures and system had been tested and proven reliable by BDO.

1. Audited Financial Statements for the Financial Year Ended 31 March 2018

The Audited Financial Statements for the financial year ended 31 March 2018 were laid before the Meeting in accordance with Section 340(1) of the Companies Act, 2016 for discussion. As formal approval of the Members was not required, the matter was not put forward for voting.

Before the question and answer session, Tan Sri Chairman invited the Group Company Secretary to read out the question raised by the Minority Shareholder Watchdog Group via its letter dated 4 July 2018 and the Bank’s responses thereto (please refer to **Appendix I** attached).

After dealing with questions from the floor (please refer to **Appendix II** attached), the Meeting proceeded to the next item on the agenda.

2. Payment of Directors’ fees and Board Committees’ fees – Ordinary Resolution 1

On the proposal of Mr. Soo Thien Ming and seconded by Mr. Lee Chin Kee, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 99.92% shares voted for and 0.08% shares voted against, the resolution carried:

“THAT the payment of Directors’ fees and Board Committees’ fees amounting to RM1,530,165 in respect of the financial year ended 31 March 2018 be and is hereby approved.”

3. Directors’ Benefits (other than Directors’ fees and Board Committees’ fees) – Ordinary Resolution 2

On the proposal of Mr. Soo Thien Ming and seconded by Mr. Andrew Ng, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 99.86% shares voted for and 0.14% voted against, the resolution carried:

“THAT the Directors’ benefits (other than Directors’ fees and Board Committees’ fees) up to an amount of RM1,100,000 from 12 July 2018 to the next Annual General meeting be and is hereby approved.”

4. Re-election of Mr. Ou Shian Waei who retires by rotation pursuant to Article 87 of the Bank's Constitution – Ordinary Resolution 3

On the proposal of Mr. Yoong Kwee Soon and seconded by Mr. Lee Chin Kee, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 84.44% shares voted for and 15.56% shares voted against, the resolution carried:

“THAT Mr. Ou Shian Waei, who retires in accordance with Article 87 of the Bank's Constitution, be and is hereby re-elected as a Director of the Bank.”

5. Re-election of Mr. Ho Hon Cheong who retires by rotation pursuant to Article 87 of the Bank's Constitution – Ordinary Resolution 4

On the proposal of Mr. Lee Chin Kee and seconded by Mr. Adrian Ooi Lye Beng, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 96.02% shares voted for and 3.98% shares voted against, the resolution carried:

“THAT Mr. Ho Hon Cheong, who retires in accordance with Article 87 of the Bank's Constitution, be and is hereby re-elected as a Director of the Bank.”

6. Re-election of Mr. Thayaparan S. Sangarapillai who retires by rotation pursuant to Article 87 of the Bank's Constitution – Ordinary Resolution 5

On the proposal of Mr. Adrian Ooi Lye Beng and seconded by Mr. Lee Chin Kee, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 98.75% shares voted for and 1.25% shares voted against, the resolution carried:

“THAT Mr. Thayaparan S. Sangarapillai, who retires in accordance with Article 87 of the Bank's Constitution, be and is hereby re-elected as a Director of the Bank.”

7. Re-election of Mr. Tan Chian Khong who retires pursuant to Article 93 of the Bank's Constitution – Ordinary Resolution 6

On the proposal of Mr. Soo Thien Ming and seconded by Mr. Adrian Ooi Lye Beng, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 99.79% shares voted for and 0.21% shares voted against, the resolution carried:

“THAT Mr. Tan Chian Khong, who retires in accordance with Article 93 of the Bank's Constitution, be and is hereby re-elected as a Director of the Bank.”

8. Re-appointment of PricewaterhouseCoopers PLT as Auditors – Ordinary Resolution 7

On the proposal of Mr. Lee Chin Kee and seconded by Mr. Adrian Ooi Lye Beng, and there being no question from the floor, Tan Sri Chairman put the following motion to the vote by way of E-Polling and declared, that with 99.31% shares voted for and 0.69% shares voted against, the resolution carried:

“THAT PricewaterhouseCoopers PLT be and are hereby re-appointed as Auditors of the Bank for the ensuing year at a remuneration to be fixed by the Directors.”

9. The last item on the agenda was to transact any other business for which due notice shall have been given. Tan Sri Chairman informed the Meeting that the Bank did not receive any notice to transact any other business.

Conclusion

There being no other business to consider, Tan Sri Chairman declared the Meeting closed at 12.30 p.m. and thanked members for their presence.

The meeting ended with a vote of thanks to the chair.

CONFIRMED AS A CORRECT RECORD

**TAN SRI DATO' AHMAD BIN MOHD DON
CHAIRMAN**



ALLIANCE BANK

Alliance Bank Malaysia Berhad (88103-W)

36TH ANNUAL GENERAL MEETING (“AGM”)
WEDNESDAY, 11 JULY 2018 AT 11.00 A.M.

QUESTION FROM THE MINORITY SHAREHOLDER WATCHDOG AND THE BANK’S RESPONSES

Strategy/Financials

Q1 Note 44(a)(iv), “Credit Risk”, on page 195 of the Annual Report states that the gross impaired loans at group level has increased to RM577.5 million in FY2018 from RM393.3 million in FY2017. The Group’s gross individually assessed impaired loans have also increased to RM209.9 million from RM129.1 million during the same period.

What were the reasons for the increase? What measures have been taken to address this increase?

Answer

- **Gross impaired loans** (including **gross individually impaired loans**) increased by RM184.2 million, mainly from non-residential property loans (+RM103.4 million), working capital loans (+RM26.5 million), others: mainly business loans (+RM15.6 million), personal use (+RM13.4 million) and residential property loans (+RM12.0 million).
- The increase in gross impaired loans (including gross individually impaired loans) are mainly due to:
 - Higher number of impaired accounts as a result of the Bank’s strategy in helping our customer through proactive Restructured & Rescheduled (R&R) remedial action;
 - Higher impairment charges from several large business accounts which are fully secured;
 - Consumer financing portfolio but it has been stabilised over the quarters in FY2018.
- The Bank had taken a number of proactive actions during the year, these include:
 - Enhancing early warning triggers criteria:** to improve overall detection of potential problematic exposure and implementation of early remedial / recovery action.
 - Enhancing credit underwriting policies:** by enhancing existing scorecard for SME programs and having new scorecards for mono programs (for example Business Premises Financing) to secure better quality loans.

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**36TH ANNUAL GENERAL MEETING (“AGM”)
WEDNESDAY, 11 JULY 2018 AT 11.00 A.M.**

KEY MATTERS DISCUSSED AT THE AGM

- 1. Alliance Bank invested RM74.2 million in its Transformation initiatives for financial year ended 31 March 2018 (“FY2018”). Will the Transformation investments be tapered down in the next two years?**

Answered by Tan Sri Dato’ Ahmad Don, Chairman of Alliance Bank Board:

The Transformation initiatives in FY2018 were focused on scaling up frontline manpower to increase sales capacity and improving backroom efficiency through restructuring. Alliance Bank expects to reap the rewards from the Transformation initiatives in the medium term and will continue to invest strategically based on business needs to deliver higher growth.

- 2. What is Alliance Bank’s plan for the SME business segment going forward?**

Answered by Tan Sri Dato’ Ahmad Don, Chairman of Alliance Bank Board:

The Bank will continue to focus in the SME business segment by putting in more resources.

- 3. For FY2019, Alliance Bank targets to achieve more than 10% in Loans Growth, Net Profit After Tax growth and Return on Equity. How confident is Alliance Bank in achieving these targets on the back of the prevailing uncertainties in the local and international economies? What are the Bank’s medium and long term strategies?**

Answered by Tan Sri Dato’ Ahmad Don, Chairman of Alliance Bank Board:

The Bank remains grounded on delivering the FY2019 targets against the backdrop of economic uncertainties on the local as well as international fronts by focusing and prioritising the execution of its Transformation initiatives involving scaling up the Alliance One Account, SME Banking Expansion and Alliance@Work.

In keeping pace with the competitive landscape of the financial industry, the Bank will continue to invest in Information Technology infrastructure to augment the competitive advantage of the Bank’s operation nimbleness.

- 4. According to media news reports, Alliance Bank had initiated legal action against its former staff who purportedly took the Bank's confidential information to their new employer. What is the status of the legal action?**

Answered by Tan Sri Dato' Ahmad Don, Chairman of Alliance Bank Board:

Alliance Bank and the relevant parties had reached an amicable settlement in respect of the matter. This accordingly has brought the matter to an end.

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