

**RHB BANK BERHAD (6171-M)**

Minutes of the Fifty First (“51<sup>st</sup>”) Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “the Company” or “the Bank”) held on Wednesday, 26 April 2017 at 10.30 a.m. at Ballroom 1 & 2, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur.

- Present** : **Directors**  
 YBhg Tan Sri Azlan Zainol - Chairman  
 YBhg Tan Sri Saw Choo Boon - Senior Independent  
 Non-Executive Director  
 YBhg Tan Sri Ong Leong Huat  
 @ Wong Joo Hwa  
 Mr Mohamed Ali Ismaeil Ali Alfahim  
 Mr Ong Seng Pheow  
 Encik Abdul Aziz Peru Mohamed  
 YBhg Dato’ Sri Haji Syed Zainal Abidin  
 Syed Mohamed Tahir  
 YBhg Tan Sri Dr Rebecca Fatima Sta Maria  
 YBhg Dato’ Khairussaleh Ramli  
 - Group Managing Director (“Group MD”)
- In Attendance** : Encik Azman Shah Md Yaman  
 - Group Company Secretary  
 Ms Ivy Chin So Ching  
 - Company Secretary
- Shareholders, Proxies And Corporate Representatives** : A total of 1,982 Members (comprising shareholders, proxies and corporate representatives) for a total of 3,402,920,254 shares representing approximately 84.86% of the total shareholdings, registered for the Company’s 51<sup>st</sup> AGM per the Attendance Record.  
 (Collectively be referred to as “Members” hereinafter)
- Chairman** : YBhg Tan Sri Azlan Zainol took his seat as the Chairman of the AGM.
- Quorum** : The requisite quorum was present pursuant to Article 54 of the Company’s Articles of Association. The 51<sup>st</sup> AGM was duly convened.
- Notice Of Meeting** : The Notice of the 51<sup>st</sup> AGM dated 28 March 2017 as included in the Annual Report having been served on all Members, was taken as read.

**Preliminary**

The Meeting was called to order and the Chairman welcomed the Members to the 51<sup>st</sup> AGM of the Company.

The Chairman then introduced the Directors, Company Secretary and Senior Management of the Group as well as the representative(s) from the external auditors and external solicitors of the Company who were present at the AGM.

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, RHB Bank, being a listed issuer, must ensure that all resolutions set out in the notice of AGM, are voted by poll. In this regard, the Chairman put the Meeting on notice of the exercise of his right as the Chairman of the Meeting to demand for a poll in accordance with Article 58 of the Company's Articles of Association, in respect of all resolutions which will be put to vote at the Meeting. He further informed the Meeting that the Company had appointed Symphony Share Registrars Sdn Bhd as the Poll Administrator to conduct the polling process, and Messrs KPMG has been appointed as the independent scrutineers to verify the poll results. For orderly conduct of the proceedings, the electronic poll voting process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

## 1. Financial Performance Highlights

1.1 The Chairman invited YBhg Dato' Khairussaleh Ramli ("YBhg Dato' Khairussaleh"), Group MD of RHB Banking Group, to present the financial performance highlights of the Group, as summarised below:

### (i) Overview of financial year ("FY") 2016 performance

- (a) Completed Group Internal Reorganisation with listing of RHB Bank in June 2016; creating a leaner and stronger capitalised group and well positioned for future growth.
- (b) Launched the new brand promise "Together We Progress" to mark the commitment towards delivering simple, fast and seamless experiences to the customers.
- (c) Delivered a healthy 8.4% growth in pre-provisioning operating profit on the back of higher net fund based income and lower overheads, though higher provisions affected the bottom line.
- (d) Achieved good growth in key focus areas of Affluent, Small and Medium-Sized Enterprises ("SME") and Asset Management and maintained leadership position in Investment Banking.
- (e) Recorded total shareholders' returns of 18.7% since the last AGM, exceeding FTSE Bursa Malaysia KLCI Index ("FBMKLCI") and KL Finance Index ("KLFIN").
- (f) Reward shareholders with 12 sen dividend per share or 28.6% dividend payout for the financial year.

### (ii) Performance review

- (a) The restructuring resulted in a stronger capitalised Group which is well positioned for future growth.
- (b) Delivered a healthy 8.4% growth in pre-provisioning operating profit on the back of higher net fund based income and lower overheads, though higher provisions, mainly in the oil & gas sector affected the bottom line.

- (c) Active management of funding and liquidity resulted in good net fund based income growth and Net Interest Margin improvement, mitigated by Overnight Policy Rate (“OPR”) reductions in July 2016.
  - (d) Asset management, trading/investment and insurance businesses continued to deliver strong non-fund based income growth, though slowdown in capital and financial markets and currency fluctuations affected fee income.
  - (e) Expenses well contained from a strong focus on cost management. Personnel costs reduction was mitigated by continued IT investment.
  - (f) Loans grew 2% year-on-year in line with selective pursuit of growth based on profitability; growth driven mainly by Mortgage and SME.
  - (g) Overall deposits grew 5% with Current Account Saving Account (“CASA”) outpacing the market to grow 12%; CASA composition improved from 24.0% to 25.6%.
  - (h) Asset quality impacted by certain corporate accounts in oil and gas and pre-emptive provision for legacy steel related exposure.
  - (i) Market value has improved and total shareholders’ returns stands at 18.7%, exceeding market benchmarks.
  - (j) The Board has proposed a final cash dividend of 7 sen per share, total dividend of 12 sen per share with 29% payout.
- (iii) IGNITE 2017
- (a) IGNITE 2017 continues to deliver value.
  - (b) Maintained leadership position in Investment Banking.
  - (c) Accolades and recognition for Group’s achievements.
- (iv) Economic Outlook for 2017
- (a) Malaysia’s Gross Domestic Product (“GDP”) is forecast to grow 4.5% in 2017:
    - Domestic demand to remain resilient.
    - Exports to show moderate recovery, on the back of higher commodity price, better electrical & electronics export and improving global trade outlook.
    - Public spending and private investment expected to rise, supported by the implementation of major infrastructure projects under the various economic programmes.

- (b) Interest rate expected to be stable, with OPR forecast to remain at 3.0% for the year.
  - (c) Improvement in export is expected to widen current account surplus, providing underlying support to RM.
  - (d) Loans growth in Malaysia is expected to be modest at 5%, with slower corporate loans growth and ongoing consolidation of household loans. Capital market activity is expected to increase on the back of earnings' recovery and improved investor sentiment.
- (v) Concluding Remarks
- (a) The Bank recorded strong pre-provisioning profit in 2016, primarily from prudent funding cost management and lower overheads, though performance was also affected by higher impairment.
  - (b) The Bank is making good progress on the IGNITE Transformation programme, with commendable results for SME, Affluent and Asset Management, and the Bank has maintained leadership position in Investment Banking.
  - (c) Capital and liquidity remain strong, which puts the Bank in a good position to drive growth and create value for shareholders.
  - (d) New regulatory requirements such as MFRS 9 and Basel III may weigh on the Bank's performance.
  - (e) Responsible growth, proactive management of operational efficiencies, productivity and asset quality are the Bank's priority, as the Bank invest for the future (e.g. customer experience, digitalization journey).
- 1.2 With the presentation of the financial performance highlights by the Group MD, the Chairman also briefed the Members on the overall performance of the respective major operating entities within RHB Banking Group for the financial year 2016. He highlighted on the flattish growth in profitability of RHB Bank, but RHB Islamic Bank Berhad, RHB Investment Bank Berhad and RHB Insurance Berhad had achieved a significant profitability growth of 24%, 13% and 40% respectively, as compared to that of the financial year 2015. The profitability of RHB Asset Management business also increased from RM33.0 million (for 2015) to RM53.0 million (for 2016).
- 1.3 The Chairman then proceeded to table to the Members, the resolutions to be considered at the Meeting for notation/approval.

**2. Agenda 1: Audited Financial Statements Of The Company For The Financial Year Ended (“FYE”) 31 December 2016 And The Directors’ And Auditors’ Reports Thereon**

- 2.1 With the Members’ consensus, the Audited Financial Statements together with the Directors’ and Auditors’ Reports thereon, which have been earlier circulated to the shareholders within the prescribed period, were taken as read.
- 2.2 In accordance with Section 340(1) of the Companies Act 2016, the Directors’ Report and Audited Financial Statements were laid before the Meeting for discussion. As the formal approval of the Members was not required for this agenda item, the matter was not put forward for voting.
- 2.3 The Chairman invited the Group MD to brief the Members on the issues raised by the Minority Shareholder Watchdog Group (“MSWG”) which were received by the Company via their letter dated 20 April 2017 and the Company’s responses thereto via letter dated 25 April 2017, as highlighted below (*note: the queries by MSWG are in italics*):-

**Strategy/Financials**

- (i) *The Banking Group aspires to be Top 3 in Malaysia and Top 8 in ASEAN by performance. Since the start of IGNITE 2017 in 2014 and heading towards year 2020, how much progress has the Group achieved the targets set over the last 3 years to become a leading multinational financial services group in the region and given that the 2020 completion date is less than four years?*

*Please explain the importance of transforming the Group into a multinational financial services and what it means and how does it provide the Group with the competitive advantage to its banking peers/competitors and attract the type of market segment, businesses and target customers within its strategy arising from potential opportunities from ASEAN Economic Community integration, going forward.*

*Has the recent global uncertainties and geo-political challenges affected the key progress of IGNITE 2017?*

The Group has made significant progress across the IGNITE 2017 initiatives.

On the business front:

- Mortgage loans grew by 13.3% vs industry growth of 9.2%, and market share has improved from 7.7% in 2014 to 8.6% in 2016.
- SME loans and financing grew 11.3%, with market share improving to 8.8% in 2016.
- Affluent Asset under Management (“AUM”) increased by 12% in 2016, and retail AUM has increased from RM21.3 billion in 2014 to RM24.7 billion in 2016.
- In Investment Banking, RHB is also among the top in Debt Capital Market, Equity Capital Market and Mergers & Acquisitions.

On cost effectiveness, the Group's cost-to-income ratio improved from 53.8% to 50.0% as the Group continued to optimise its resources, which included human resources optimisation, streamlining EASY channels into the branch network and rationalising the Group's office space needs.

The Group also managed to reduce its Risk Weighted Assets by RM5.9 billion in the last financial year, thus ensuring that the Group would require less capital compared to its asset growth as it continued to boost Risk Adjusted Return on Capital and drive portfolio optimisation.

In the Digital space, the Group has continued to roll-out several new and innovative digital offerings with improved customer journey and experience at the forefront. This includes:

- The enhanced RHB Now mobile app, with new Pay Anyone feature which also has a first-in-Malaysia voice-enabled payment command via iPhone.
- Reflex Cash Management, an online service combining cash management, trade and payments solutions together as an integrated online solution for RHB's business banking customers.
- SME e-Retail solution, which provides a Digital Point-of-Sales platform bundled with financial products to allow Retail SME's to start their business in 1 week (1<sup>st</sup> in the market).

Notwithstanding these achievements, it is important to note that the Group's IGNITE 2017 and targets for 2020 were formulated before the slowdown in the global economy and the decline in the oil and commodity prices in late 2015. Given the changes in market conditions, the Group will be conducting a strategic review this year to chart its fresh mid-term plan to continue to deliver value to its shareholders.

- (ii) *In the light of MFRS 9 and the compliance date in January 2018, please share on the Bank's preparation to comply with Basel III - Capital Requirements as well as the assessment of its loans and impairment assets in financial year ("FY") 2018. Would there be any significant additional asset impairments by the Group for FY2017?*

#### MFRS 9

With regard to MFRS 9, higher provisioning is expected as the standard brings forward the recognition of credit losses due to the forward-looking expected credit loss ("ECL") model. The additional ECL arising from the adoption of MFRS 9 will potentially lead to additional capital requirements and lower profitability.

The Group is in the midst of finalising the impact assessment arising from the requirements of MFRS 9. Under the standard, the Group will be able to undertake a Day-1 adjustment of the increase in provision to reserves as the opening balance for its 2018 financial year while ongoing assessment for provisions under MFRS 9 will be done thereafter.

Basel III – Capital Requirements

RHB Bank's capital ratios are strong, and would be able to absorb the expected increase in provisions.

	<b>RHB Bank Group as at 31 December 2016 (after proposed final dividend)</b>	<b>Minimum Regulatory Requirement (including Capital Conservation Buffer)</b>
Common Equity Tier 1 ("CET 1") Ratio	13.11%	5.75%
Tier 1 Ratio	13.40%	7.25%
Total Capital Ratio	17.19%	9.25%

- (iii) *The proliferation of FinTech companies and related activities last two years into the banking sphere had created excitement and challenges to traditional banking activities. How would the Board react to these new challenges and what would be the impact on the overall Group's strategy in the domestic front as well as regionally? What is the total investment that the Bank has allocated for the above and what would be the measurable criteria/results?*

It is inevitable that digital will shape the future of banking. As for RHB, the Board had, in November 2016, reinforced the Group's digital strategy, with emphasis on customer connectivity, better analytics and ecosystem partnership.

On Fintech, the Group takes a pragmatic approach through ecosystem partnership to leverage on each other's strength. For example, the Group has earlier in the month entered into a partnership with Funding Societies Malaysia, a P2P financing platform, to expand funding opportunities for SMEs in the country and provide them with banking services.

Internally, the Group's digital agenda has been strengthened with the appointment of a Chief Digital Officer.

The Group's investment in digital will take into account focus on customer journey and will leverage on the overall IT investment that has been planned out.

- (iv) *One of the key strategy initiatives under its "Customers First" is the use of digital technology and the aim for digital growth. Could the Board share on the significance milestones achieved by the Group's operations in Malaysia and its overseas entities to enhance customers' experiences across regional frontiers?*

Enhancing customer experience and providing a digital ecosystem for RHB's customers are embedded in the Group's mid-term strategy. The Group has launched several initiatives on this front:

- (a) Enhanced the RHB Now Mobile app in May 2016, introducing the RHB Pay Anyone feature which allows customers to transfer funds via mobile phone, e-mail or Facebook (1<sup>st</sup> in market).

- (b) Launched RHB TradeSmart, a multichannel online equities platform in September 2015, enabling customers to trade on multiple markets with enhanced features including eSettlement and eDeposit.
- (c) Launched RHB Smart Account and Smart Account-i in March 2017, a formless online account opening, providing added convenience for customers to open accounts with RHB while expanding the Group's CASA growth.
- (d) Launched the SME e-Retail solution which provides a Digital Point-of-Sales platform bundled with financial products to allow Retail SME's to start their business in 1 week – 1<sup>st</sup> in the market.
- (e) Launched an enlarged ecosystem via integrated Financial Supply Chain ("FSC") & Reflex to capture customers' value chain by establishing domestic and international FSC partnerships and enhancing Reflex capabilities to support regional readiness of large corporates.
- (v) *In respect of the Bank's total credit exposures to vulnerable sectors of oil and gas as well as steel in particular:*

- (a) *What are the latest loan exposures in these sectors? Is the Bank exposed to any concentration of risk to any one single borrower or group?*

The loans exposure as at 31 December 2016 are as follows:

	<b>Oil and Gas</b>	<b>Steel</b>
Loan exposure based on outstanding	3.6%	1.4%

The Bank is not exposed to any concentration of risk to any one single borrower or group.

- (b) *Was there any exercise to reschedule or restructure these loans in FY2016? Please elaborate. Based on the latest review and performance of these loans, would there be any additional impairment or charge-off to be made in FY2017?*

Loans rescheduling and restructuring (R&R) exercise is ongoing based on the needs of the customers and RHB will continue to monitor the market development and customers' performance in 2017.

For the steel sector, impairment has been adequately made and RHB does not foresee any additional impairments to be made in FY2017.

For the oil & gas sector, RHB is closely monitoring the performance of its customers and the adequacy of the allowances will be assessed periodically. The Group is comfortable with its current impaired loan coverage.



**Corporate Governance Matters***(i) Directors' Remuneration*

We refer to Resolution 7 on the payment of Directors' remuneration (excluding directors' fees and Board Committees' allowances) up to an amount of RM1.3 million for the period from 31st January 2017 until the next AGM of the Company to Non-Executive Directors.

Please provide the breakdown of the amount of RM1.3 million payable to Non-Executive Directors.

The breakdown of the payment to Non-Executive Directors ("NEDs") per Ordinary Resolution 7 is as follows:

Meeting Attendance Allowance (RM1,500 per meeting)

	No. of NEDs		No. of Board Meeting		No. of Board Committee Meeting		Total RM'000
	2017	2018	2017	2018	2017	2018	
Board	9	8	15	8			299
Board Audit Committee *	4				14	8	132
Board Nominating & Remuneration Committee *	5				12	6	135
Board Risk Committee *	1				14	8	33
Board Credit Committee *	2				40	21	183
Board Technology Committee *	2				6	4	30

Note:

\* The abovementioned Board Committees are centralised Committees which are shared by RHB Bank and its relevant subsidiaries. Hence, each of the relevant entities will have fair representation on the said Board Committees.

Directors' Remuneration (Excluding Directors' Fees and Board Committees' Allowances)	2017 RM'000	2018 RM'000	2017 + 2018 RM'000
Monthly fixed allowance + Meeting attendance allowances	716	366	1,082
On-Going Recognition & Appreciation Service Award	4	-	4
Farewell Pot	18	8	26
Others (Directors & Officers Liability Insurance, driver, car and fuel allowance, club membership, telephone charges for Chairman)	90	13	103
<b>TOTAL</b>	<b>828</b>	<b>387</b>	<b>1,215</b>

Estimated total (RM1.215 million + Contingency 7% [RM0.085 million or RM85,000]):  
= RM1.3 million [RM0.9 million (2017) + RM0.4 million (2018)]

### **Corporate Governance – Boardroom Diversity Policy**

#### *(ii) Tenure of Independent Director*

*We noted that one of the Independent Non-Executive Directors has served the Bank for more than nine years.*

*Please comment on the requirements under Bank Negara's Guidelines on Corporate Governance for Licensed Institutions on the tenure limit for Independent Directors.*

As disclosed per page 221-222 of the Statement on Corporate Governance in RHB Bank's Annual Report 2016:

“Mr Ong Seng Pheow has served the Group more than 10 years and shall retire at this Annual General Meeting (AGM) of the Company. However, the Board after due consideration and upon the Board Nominating & Remuneration Committee's recommendation, has recommended for his re-appointment as Director and retention as Independent Non-Executive Director of the Company, pursuant to the Internal Guidelines, for shareholders' approval.”

Under the Guidelines on Corporate Governance for Licensed Institutions issued by Bank Negara Malaysia, Mr Ong Seng Pheow has been approved by the regulator to serve the Board of RHB Bank as Independent Non-Executive Director (INED) for three years from 20 November 2014 until 19 November 2017, as follows:

<b>No.</b>	<b>Chronology of Mr. Ong's Appointment per Bank Negara Malaysia's approval</b>	<b>Date of Appointment</b>	<b>Durations Approved</b>
i.	Appointment as INED	20 November 2006	2 years
ii.	1 <sup>st</sup> re-appointment as INED	20 November 2008	3 years
iii.	2 <sup>nd</sup> re-appointment as INED	20 November 2011	3 years
iv.	3 <sup>rd</sup> re-appointment as INED	20 November 2014	3 years

Upon reaching the tenure of nine years, Mr. Ong Seng Pheow retired at the next AGM which was held last year and was subsequently retained upon the shareholders' approval, in line with the Internal Guidelines.

While RHB Bank intends to strictly enforce the requirement of the nine years' tenure in future by revisiting the Internal Guidelines, the Bank aim to retain Mr Ong Seng Pheow until his approval as INED by Bank Negara Malaysia (BNM) lapses in order to ensure continuity, as the Bank expects a new incumbent will be available by then to replace him on the Board.

This practice is consistent with the regulatory requirement per BNM's latest policy on corporate governance, issued on 3 August 2016. This policy document which superseded the above BNM guidelines, mentioned that “The Bank [Negara Malaysia] expects that tenure limits for independent directors should generally not exceed nine years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the financial institution.”

- 2.4 The Chairman thanked the Group MD and further highlighted the Group's commitment and effort in observing the tenure limit for independent directors as well as Board succession planning. The Group is actively searching for new qualified incumbents to ensure smooth transitional arrangement for the anticipated retirement of 3 or 4 Directors of the Group within the next 3 years.
- 2.5 The Chairman welcomed questions from the Members in relation to the Audited Financial Statements.
- 2.6 In summary, the issues raised by the Members and the Board's responses were as follows:

- (i) Mr Quah Ban Aik, a corporate representative of MSWG, expressed his satisfaction with the Board's detailed responses to MSWG's enquiries as stated above. He further sought the Board's view on the achievability of the Group's aspiration to be Top 3 in Malaysia and Top 8 in ASEAN.

The Group MD clarified that RHB Ranking Group had, in 2015, reframed its aspiration to be Top 3 in Malaysia and Top 8 in ASEAN by performance (instead of asset size). The Group's normalised return of equity ("ROE") for the financial year 2016 was about 10%, which ranked in the Top 3 among the Malaysian financial services groups. Currently, the Group is still keeping its particular target on ROE, one of the measurement tool of performance.

The Chairman highlighted that RHB Banking Group is currently the 4<sup>th</sup> largest financial services group (in terms of asset size) in Malaysia. In addition to asset size, the Board was of the view that it is more important for the Group to increase its profitability, hence improving returns to shareholders in terms of capital appreciation and dividends.

- (ii) Encik Muhammad Norazman bin Asmadi ("Encik Norazman") congratulated the Board and Management for being able to sustain the profitability despite the turbulent economic condition. He also shared with the Meeting, his observations on the dividend payout ratio and dividend reinvestment plan, as follows:

- (a) RHB Banking Group's dividend payout ratio was 20%-30% over the past 5 years while the dividend payout ratio of other financial institutions was 30%-40%. Encik Norazman further enquired on the possibility of increasing the Group's dividend payout ratio to be at par with the banking industry.
- (b) RHB Capital Berhad ("RHB Capital") (the former ultimate holding company of RHB Banking Group) has implemented dividend reinvestment plan ("DRP") from 2012 to 2014. However, no DRP was implemented in the last 2 years and there is no proposal on DRP tabled by RHB Bank at this AGM. Encik Norazman enquired on the rationale thereof and the expectation of implementing DRP moving forward.

The Chairman assured the Members that the Group will put its best endeavours to improve the Group's profitability and strive towards higher dividend payout ratio (i.e. at least 30%).

The Group MD informed the Meeting that the Management is assessing the potential impact of MFRS 9 implementation on the Group's capital requirement and dividend payout. The Management would then explore the viability of a DRP taking into account the need to ensure the sustainability of the Bank's capital ratio. The Group MD emphasised that Members should focus on the effective dividend payout ratio post-DRP for benchmarking. For example, another financial institution paid dividends which translated into a payout ratio of 60% while the take up rate of its DRP was 75%. Hence, the effective dividend payout ratio of the said financial institution was only about 20%-25%.

- (iii) Mr Lim Pin Yeong commended the Board and Management for the well-organised AGM arrangements. He sought the Board's clarification on the following matters:
- (a) Based on the Financial Report 2016, consumer banking constitutes about 45% of the Group's loans, advances and financing portfolio. Is Consumer Banking the main business focus for the Group? Is there any expected change of direction in future?
  - (b) The loans, advances and financing to individuals was recorded at RM70.2 billion. Based on his computation, the aggregate total amount for residential property loans/financing, credit card and personal financing was approximately RM54.0 billion. He further enquired on the balance of RM16.0 billion thereof.
  - (c) The total dividend of 12 sen per share for the financial year 2016 translates into a dividend yield of only 2.4% based on the current market share price of RM5.40. It is lower than the interest rate of fixed deposit.

The Chairman apprised the Meeting that the Group is focusing on growing the retail, mortgage and SME segments while remaining cautious in managing the large corporate loans. The Group targets to enhance its retail business to constitute 55%-60% of the loans, advances and financing portfolio.

The Chairman further highlighted on the increase in the shareholders' investment value (after taking into account the capital appreciation and dividend as well) in RHB post implementation of the Group Corporate Restructuring Exercise which was completed in June 2016. For example, a shareholder who held 10,000 RHB Capital Shares with value of RM63,000 then is now holding RHB Bank shares with value of RM69,000. He emphasised that the Board and Management always put their best efforts to improve the Group's financial performance and optimise the dividend payout.

On advances and financing to consumers, the Group MD clarified that in addition to purchase of residential landed property, personal use and credit card, there was also about RM21.0 billion for purchase of securities and transport vehicles. Hence, the total amount of loans, advances and financing to consumers was approximately RM74.0 billion.

2.7 With that, the Chairman concluded the question and answers session for Agenda 1 and proceeded to the next agenda.

**3. Agenda 2: Payment Of Single-Tier Final Dividend Of 7 Sen Per Share In Respect Of The Financial Year Ended (FYE) 31 December 2016 (Ordinary Resolution 1)**

The Chairman informed the Meeting that a single-tier final dividend of 7 sen per share in respect of FYE 31 December 2016, as recommended by the Board, was presented before the shareholders for approval.

There being no question from the Members, the Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 1:

“THAT a single-tier final dividend of 7 sen per share in respect of financial year ended 31 December 2016 as recommended by the Board, be and is hereby approved”.

Madam Loke Swan Yen proposed and Ms Tan Yi-Wan seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**4. Agenda 3: Re-Election Of YBhg Tan Sri Azlan Zainol As Director Under Article 92 Of The Company's Articles Of Association (Ordinary Resolution 2)**

The Chairman declared his interest in the Ordinary Resolution 2 and thereafter passed the chair of the Meeting to YBhg Tan Sri Saw Choo Boon, being the Senior Independent Non-Executive Director of the Company, to carry through Agenda 3.

YBhg Tan Sri Saw Choo Boon informed the Meeting that in accordance with Article 92 of the Company's Articles of Association, one-third (1/3) of the Directors shall retire every year and are eligible for re-election. Accordingly, YBhg Tan Sri Azlan Zainol shall retire pursuant to Article 92. YBhg Tan Sri Azlan Zainol has offered himself for re-election.

YBhg Tan Sri Saw Choo Boon proceeded to invite a proposer and a seconder for the following Ordinary Resolution 2:

“THAT YBhg Tan Sri Azlan Zainol who is retiring under Article 92 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.”

Mr Virendra Tansukhlal Doshi proposed and Mr Ng Kok Kiong seconded the above resolution.

YBhg Tan Sri Saw Choo Boon demanded for a poll being the Chairman of the Meeting for this Agenda in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

YBhg Tan Sri Saw Choo Boon passed back the chair of the Meeting to YBhg Tan Sri Azlan Zainol to carry through the rest of Agenda.

**5. Agenda 4: Re-Election Of Mr Ong Seng Pheow As Director Under Article 92 Of The Company's Articles Of Association (Ordinary Resolution 3)**

The Chairman highlighted that Mr Ong Seng Pheow shall also retire pursuant to Article 92 of the Company's Articles of Association (i.e. one-third (1/3) of the Directors shall retire every year and are eligible for re-election). Mr Ong Seng Pheow has offered himself for re-election.

The Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 3:

"THAT Mr Ong Seng Pheow who is retiring under Article 92 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."

Madam Loke Swan Yen proposed and Mr Lim Pin Yeong seconded the above resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**6. Agenda 5: Re-Election Of YBhg Tan Sri Dr Rebecca Fatima Sta Maria As Director Under Article 96 Of The Company's Articles Of Association (Ordinary Resolution 4)**

The Chairman apprised the Meeting that in accordance with Article 96 of the Company's Articles of Association, any director appointed either to fill a casual vacancy or as an addition to the existing directors, shall hold office only until the next AGM and is eligible for re-election. Accordingly, YBhg Tan Sri Dr Rebecca Fatima Sta Maria, who was appointed on the Board on 1 August 2016, shall retire pursuant to Article 96. YBhg Tan Sri Dr Rebecca Fatima Sta Maria has offered herself for re-election.

The Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 4:

"THAT YBhg Tan Sri Dr Rebecca Fatima Sta Maria who is retiring under Article 96 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."

Madam Loke Swan Yen proposed and Mr Ng Kok Kiong seconded the above resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**7. Agenda 6: Re-Election Of YBhg Tan Sri Saw Choo Boon As Director Under Article 96 Of The Company's Articles Of Association (Ordinary Resolution 5)**

The Chairman highlighted that YBhg Tan Sri Saw Choo Boon, who was appointed on the Board on 15 June 2016, shall also retire pursuant to Article 96 of the Company's Articles Of Association. YBhg Tan Sri Saw Choo Boon has offered himself for re-election.

The Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 5:

"THAT YBhg Tan Sri Saw Choo Boon who is retiring under Article 96 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."

Ms Adeline An proposed and Mr Lim Pin Yeong seconded the above resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

On a separate matter, the Chairman put on record that pursuant to the enforcement of the new Companies Act 2016 effective 31 January 2017, the provision on age limit for directors (i.e. 70 years old) has been abolished. Accordingly, YBhg Tan Sri Ong Leong Huat @ Wong Joo Hwa who is now 72 years old and was re-appointed at the last AGM of the Company pursuant to Section 129 of the Companies Act 1965 until this AGM, shall not be subject to retirement at this Meeting. YBhg Tan Sri Ong Leong Huat @ Wong Joo Hwa will be subject to retirement by rotation moving forward pursuant to Article 92 of the Company's Articles of Association.

**8. Agenda 7: Payment Of Directors' Fees And Board Committees' Allowances Amounting To RM1,577,841.54 For The Financial Year Ended 31 December 2016 (Ordinary Resolution 6)**

The Chairman informed the Members that the Directors' fees are payable on the basis of RM150,000 per annum for each Non-Executive Director and RM180,000 per annum for the Chairman of the Board. These fees are pro-rated in accordance to the respective Director's tenure of service during the financial year. Non-Executive Directors who sit on Board Committees (i.e. Board Nominating & Remuneration Committee, Board Audit Committee, Board Risk Committee, Board Credit Committee and Board Technology Committee) are also entitled to receive Board Committees' allowances on an annual basis. Generally, the Board Committee's allowance for each member is RM30,000 per annum and RM40,000 per annum for the Chairman of the Board Committee. The abovementioned Board Committees are centralised committees, the fees of which are shared by RHB Bank and its relevant subsidiaries. The Board Committees' allowances are also pro-rated in accordance to the respective Director's tenure of membership during the financial year.

The Board members (save for YBhg Dato' Khairussaleh, being the Group MD) declared their interests in respect of the above proposal when the matter was presented before them. The interested Directors abstained from voting in respect of their direct and/or indirect shareholdings (if any) on the resolution relating thereto.

The Chairman then proceeded to invite a Member to propose and to second the following Ordinary Resolution 6:

“THAT the payment of Directors’ fees and Board Committees’ allowances amounting to RM1,577,841.54 for the financial year ended 31 December 2016 be and is hereby approved.”

Mr Lim Pin Yeong proposed and Madam Loke Swan Yen seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company’s Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**9. Agenda 8: Payment Of Directors’ Remuneration (Excluding Directors’ Fees And Board Committees’ Allowances) To The Non-Executive Directors (“NEDs”) Up To An Amount Of RM1.3 Million, From 31 January 2017 Until the Next AGM Of The Company (Ordinary Resolution 7)**

The Chairman informed the Members that the abovementioned Directors’ remuneration consists monthly fixed allowance for Chairman of RHB Bank, meeting attendance allowances, balance of unclaimed entitlement under On-Going Recognition & Appreciation Service Award (which was discontinued with effect from 1 January 2017), Farewell Pot Scheme and other benefits. Details of the said remuneration were clearly set out under Note 2 of the Notice of 51<sup>st</sup> AGM, and as provided in the table below:

No.	Description	Non-Executive Chairman RM	NEDs RM
1	Monthly Fixed Allowance	15,000	Not applicable
2	Meeting Allowance (per meeting): - Board of RHB Bank - Board Committees	1,500 1,500	1,500 1,500
3	On-Going Recognition & Appreciation Service Award Scheme (Discontinued with effect from 1 January 2017)	-	4,180.32 (Balance of unclaimed entitlement)
4	Farewell Pot Scheme (per annum) (Established with effect from 1 January 2017)	2,000	2,000
5	Other Benefits: - Club membership, driver, car and petrol allowance, etc.		

Note:

*The Group MD/Chief Executive Officer does not receive a Directors’ remuneration.*

In determining the estimated total amount of remuneration (excluding Directors’ fees and Board Committees’ allowances) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of NEDs involved in these meetings.

The Chairman then proceeded to invite a Member to propose and to second the following Ordinary Resolution 7:



“THAT the payment of Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) to the Non-Executive Directors amounting to RM1.3 million, from 31 January 2017 until the next AGM of the Company be and is hereby approved.”

Mr Virendra Tansukhlal Doshi proposed and Madam Loke Swan Yen seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company’s Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**10. Agenda 9: Re-Appointment Of Auditors (Ordinary Resolution 8)**

The Chairman apprised the Members that the retiring Auditors, Messrs PricewaterhouseCoopers (“PwC”) have offered to continue to serve as Auditors of the Company. The Board recommended to the shareholders for approval of the re-appointment of Messrs PwC as the Company’s Auditors based on the Group Board Audit Committee’s review of the performance and independence in performing their obligation as Auditors for the financial year 2016.

There being no question from the Members, the Chairman then invited a proposer and a seconder for the following Ordinary Resolution 8:-

“THAT Messrs PricewaterhouseCoopers be and is hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Directors.”

Madam Loke Swan Yen proposed and Mr Ng Kok Kiong seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company’s Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

**11. Agenda 10: Retention Of Independent Non-Executive Director (“INED”) (Ordinary Resolution 9)**

The Chairman highlighted that Mr Ong Seng Pheow was first appointed as an INED in the Group in November 2006. He was therefore regarded as having served for a consecutive term of more than 9 years and shall retire at this AGM pursuant to the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group and in line with the recommendation of the Malaysian Code On Corporate Governance 2012. Based on the Board Nominating & Remuneration Committee’s assessment, the Board has recommended that Mr Ong Seng Pheow continues to act as an INED of the Company until his approval as INED by Bank Negara Malaysia (BNM) lapses in November 2017.

The Chairman then proceeded to invite a Member to propose and to second the following Ordinary Resolution 9:

“THAT pursuant to the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group and in line with the recommendations of the Malaysian Code on Corporate Governance 2012, Mr Ong Seng Pheow be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

Madam Loke Swan Yen proposed and Mr Lim Pin Yeong seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

## **12. Agenda 11: Authority For Directors To Issue Shares (Ordinary Resolution 10)**

The Chairman mentioned that an ordinary resolution in relation to a general mandate for Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 was presented before the shareholders for approval.

The Chairman then proceeded to invite a Member to propose and to second the following Ordinary Resolution 10:

“THAT subject always to the Companies Act 2016, the Company's Articles of Association and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 does not exceed 10% of the total number of issued shares of the Company for the time being.”

Madam Loke Swan Yen proposed and Ms Adeline An seconded the said resolution.

The Chairman demanded for a poll being the Chairman of the Meeting in accordance with Article 58 of the Company's Articles of Association, which would be conducted upon completion of the remaining businesses of the Meeting.

## **13. Poll Process**

13.1 There being no other business to be transacted at the Meeting, the Chairman declared to proceed with the electronic vote polling process for all the above resolutions. The registration of attendance was closed at this juncture.

13.2 The Company Secretary explained the procedures for the conduct of electronic poll voting at the Meeting. The Members are entitled to one vote for every share that they hold. Pursuant to the Company's Articles of Association, in a poll, each share shall carry one vote. A total of 18 e-polling stations have been set-up at the adjacent room at the back of the Ballroom. The representatives of Share Registrars were present at each polling station to assist the Members with the voting process while the scrutineers, Messrs KPMG, monitored the e-polling process.

The Members have been given a bar coded wristband during registration. At the polling station, the Members were required to scan their respective bar coded wristbands to the barcode reader. Upon the scanning of the barcode:-

- (a) If a Member is a Proxy, the name and shareholdings of the shareholder(s) who appointed him as his proxy will appear on the screen.
  - (i) If the shareholder who appointed the Member as his proxy has indicated on the proxy form the manner his vote is to be casted for the resolution, his vote would be reflected on the screen and the Member needs to press the "VOTE" button, followed by the "CONFIRM" button to submit his vote.
  - (ii) If the shareholder who appointed a Member as his proxy has not indicated his voting instructions on the proxy form, the Member may exercise his discretion to vote in any manner as he thinks fit on the resolution. He could select one of the 3 buttons on the screen, i.e. "FOR", "AGAINST" or "ABSTAIN". Then, press the "VOTE" button followed by the "CONFIRM" button to submit his vote.
- (b) If a Member is a shareholder, he should follow the above procedures and vote in any manner he thinks fit.
- (c) If a Member is a shareholder and a proxy, he should cast his votes twice, i.e. to vote in his capacity as shareholder first before proceeding to vote in his capacity as proxy.

The Company Secretary highlighted that no alterations or deletions can be made to the votes casted once the Members have pressed the "CONFIRM" button.

- 13.3 The Chairman informed the Meeting that he has been appointed to act as proxy for a number of shareholders and he should vote in accordance with the instructions given.
- 13.4 The Chairman then adjourned the Meeting at 11.35 a.m. for the electronic poll voting process and vote count, and the Meeting resumed at 12.05 p.m. for the declaration of poll results in respect of the above ten resolutions.

#### **14. Announcement Of Poll Results**

- 14.1 At 12.05 p.m., the Chairman called the Meeting to order for the declaration of the poll results. He informed the Meeting that he had received the poll results from the independent scrutineers, Messrs KPMG and Poll Administrator, Symphony Share Registrars Sdn Bhd.
- 14.2 Ordinary Resolution 1: Payment Of Single-Tier Final Dividend Of 7 Sen Per Share In Respect Of The Financial Year Ended ("FYE") 31 December 2016

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 1	2,866,699,010	100	0	0	0

The Chairman declared that Ordinary Resolution 1 pertaining to the payment of single-tier final dividend of 7 sen per share in respect of the FYE 31 December 2016, details of which were contained under item 3 above, duly passed.

14.3 Ordinary Resolution 2: Re-Election Of YBhg Tan Sri Azlan Zainol As Director Under Article 92 Of The Company's Articles Of Association

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 2	2,684,844,597	99.8584	3,806,682	0.1416	178,047,731

The Chairman declared that Ordinary Resolution 2 in respect of the re-election of YBhg Tan Sri Azlan Zainol as Director under Article 92 of the Company's Articles of Association, details of which were contained under item 4 above, duly passed.

14.4 Ordinary Resolution 3: Re-Election Of Mr Ong Seng Pheow As Director Under Article 92 Of The Company's Articles Of Association

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 3	2,688,379,374	99.9899	272,035	0.0101	178,047,601

The Chairman declared that Ordinary Resolution 3 in respect of the re-election of Mr Ong Seng Pheow as Director under Article 92 of the Company's Articles of Association, details of which were contained under item 5 above, duly passed.

14.5 Ordinary Resolution 4: Re-Election Of YBhg Tan Sri Dr Rebecca Fatima Sta Maria As Director Under Article 96 Of The Company's Articles Of Association

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 4	2,688,307,663	99.9872	343,746	0.0128	178,047,601

The Chairman declared that Ordinary Resolution 4 in respect of the re-election of YBhg Tan Sri Dr Rebecca Fatima Sta Maria as Director under Article 96 of the Company's Articles of Association, details of which were contained under item 6 above, duly passed.

14.6 Ordinary Resolution 5: Re-Election Of YBhg Tan Sri Saw Choo Boon As Director Under Article 96 Of The Company's Articles Of Association

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 5	2,688,637,454	99.9995	13,955	0.0005	178,047,601

The Chairman declared that Ordinary Resolution 5 in respect of the re-election of YBhg Tan Sri Saw Choo Boon as Director under Article 96 of the Company's Articles of Association, details of which were contained under item 7 above, duly passed.

14.7 Ordinary Resolution 6: Payment Of Directors' Fees And Board Committees' Allowances Amounting To RM1,577,841.54 For The Financial Year Ended 31 December 2016

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 6	2,866,067,080	99.9998	5,430	0.0002	626,500

The Chairman declared that Ordinary Resolution 6 in respect of the payment of Directors' Fees and Board Committees' Allowances amounting to RM1,577,841.54 for the financial year ended 31 December 2016, details of which were contained under item 8 above, duly passed.

14.8 Ordinary Resolution 7: Payment Of Directors' Remuneration (Excluding Directors' Fees And Board Committees' Allowances) To The Non-Executive Directors Up To An Amount of RM1.3 Million, From 31 January 2017 Until The Next AGM Of The Company

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 7	2,866,067,080	99.9998	5,430	0.0002	626,500

The Chairman declared that Ordinary Resolution 7 in respect of the payment of Directors' Remuneration (excluding Directors' Fees and Board Committees' Allowances) to the Non-Executive Directors up to an amount of RM1.3 Million, from 31 January 2017 until the next AGM of the Company, details of which were contained under item 9 above, duly passed.

#### 14.9 Ordinary Resolution 8: Re-Appointment Of Auditors

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 8	2,866,069,120	99.9999	3,260	0.0001	626,630

The Chairman declared that Ordinary Resolution 8 in respect of the re-appointment of auditors, details of which were contained under item 10 above, duly passed.

#### 14.10 Ordinary Resolution 9: Retention Of Independent Non-Executive Director

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 9	2,688,570,911	99.9969	83,628	0.0031	178,044,471

The Chairman declared that Ordinary Resolution 9 in respect of the retention of Independent Non-Executive Director, details of which were contained under item 11 above, duly passed.

#### 14.11 Ordinary Resolution 10: Authority For Directors To Issue Shares

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

	FOR		AGAINST		ABSTAIN
	Number of Shares	%	Number of Shares	%	Number of Shares
Ordinary Resolution 10	2,670,352,216	99.2433	20,359,421	0.7567	175,987,373

The Chairman declared that Ordinary Resolution 10 in respect of the authority for Directors to issue shares, details of which were contained under item 12 above, duly passed.

**15. Close Of Meeting**

There being no other business to be transacted, the Meeting ended at 12.15 p.m. with a vote of thanks to the Chairman. The Chairman also thanked the Members for their support and attendance.

**CONFIRMED**

**TAN SRI AZLAN ZAINOL**