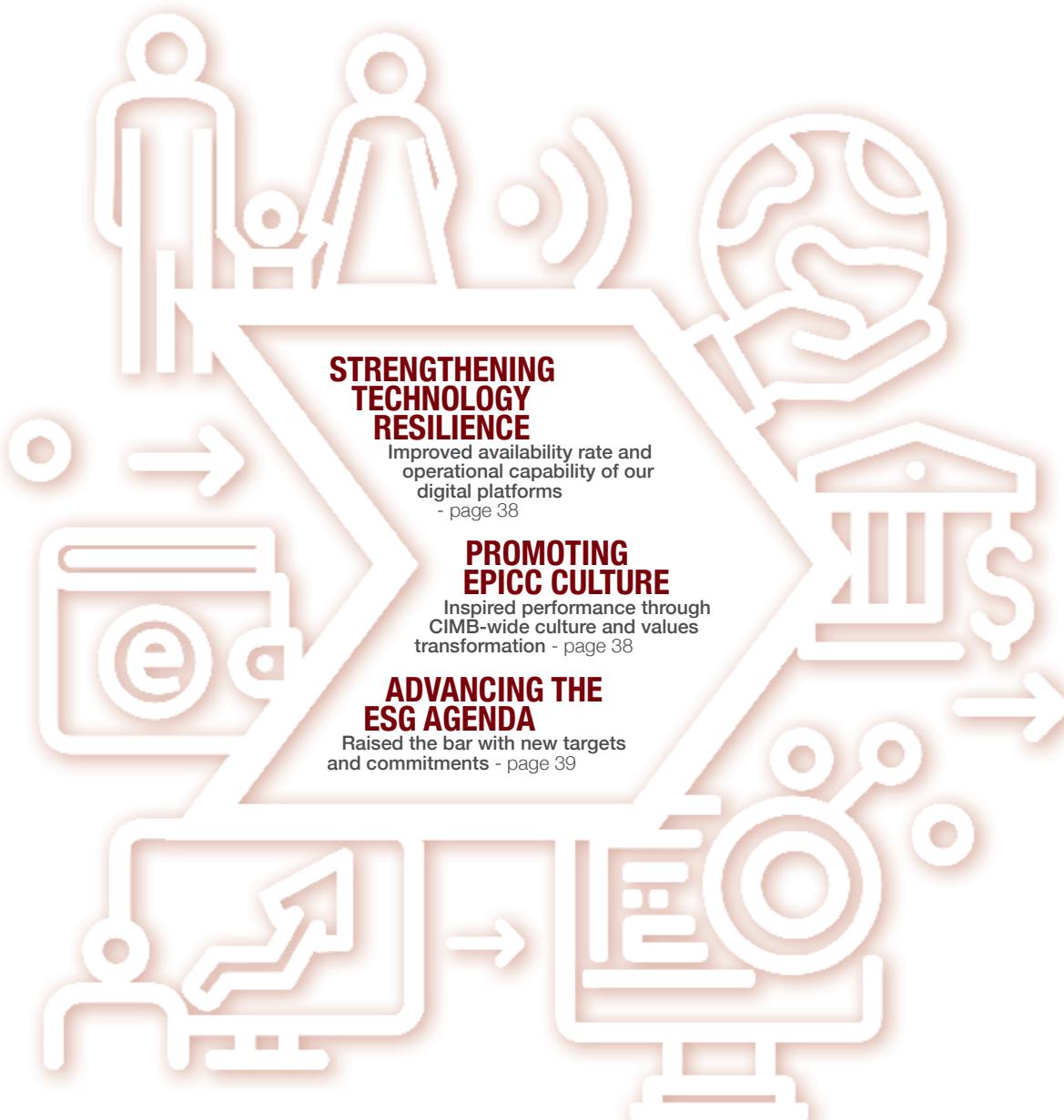


# FUTURE FORWARD



CIMB GROUP HOLDINGS BERHAD  
INTEGRATED ANNUAL REPORT 2022



Delivering Sustainable  
Financial Returns

Disciplined  
Execution

Customer  
Centricity

Transform  
Fundamentals

Purpose-Driven  
Organisation



# Reducing the Environmental Impact of this Integrated Annual Report

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However, you can make the greatest difference. Did you know that the equivalent of **one football field of forest is cut down every second?** Play your part. If you can, download the soft copy of CIMB's Integrated Annual Report, Financial Statements and Sustainability Report, instead of requesting for a hard copy.



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| Read more about our Integrated Annual Report and other information about  
CIMB Group Holdings Berhad

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CIMB GROUP HOLDINGS BERHAD

66<sup>th</sup>

Annual  
General  
Meeting



Level 31, Menara CIMB,  
Jalan Stesen Sentral 2,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur, Malaysia



Thursday, 13 April 2023



10.00 a.m.

# About This Report

**Beyond our ASEAN leadership, CIMB has earned the reputation amongst the top global banks, who are most influential on their contribution to a just and sustainability economy. This puts us in a position of greater responsibility to not just build a profitable business, but a resilient enterprise through responsible banking principles and practices. Our focus during the year has been to provide all kinds of support to our multiple stakeholders in building back and building better in the post-COVID-19 era. From access to seamless banking solutions to sustainable financing, from inclusive policies to impactful programmes, from shareholder returns to principles and purpose – our journey in 2022 has been consistent. This Integrated Annual Report is a factual narrative covering areas of our performance, the progress on our Forward23+ strategy and Sustainability Roadmap. This report is also our call-to-action to maintain and accelerate our momentum towards creating value for our shareholders and stakeholders alike.**

## REPORTING SCOPE AND BOUNDARIES

This Integrated Annual Report covers our financial and non-financial performance during the period 1 January 2022 to 31 December 2022.

This report is our sincere effort to keep our stakeholders abreast of key developments; programmes and initiatives; market challenges and business solutions; our achievements; mid- to long-term direction; and the overall health of operations in 2022 in various geographical markets where we operate. The report also presents rich insights and forward-looking statements on initiatives and performance in the year ahead.

Our report is particularly relevant for our stakeholders in the ASEAN markets of Malaysia, Indonesia, Singapore, Thailand, Brunei, Cambodia, Philippines, Myanmar, Vietnam and Laos. A range of other stakeholders across the globe will also find our report informative.

Our financial statements are independently audited and provide in-depth and transparent disclosure of our financial performance. Unless we indicate otherwise, all the data presented relates to the Group, which includes our banking operations and our subsidiaries.

In preparing our report, we were guided by the requirements of local and international statutory and reporting frameworks, including those of Bursa Malaysia and Value Reporting Foundation.

## MATERIALITY

This Integrated Annual Report presents a balanced and accessible assessment of our strategies, performance, governance, sustainability and prospects in relation to our material matters. The material matters are determined by a range of considerations, such as quantitative and qualitative criteria; issues likely to impact our ability to deploy our strategies or create shared value and long-term financial and non-financial performance; the matters covered in reports presented to our Board of Directors; the risks identified; and the interests of our key stakeholders.

We have also assessed dependencies and drivers of impact against each of the material matters and how they affect various capital inputs and outputs. The first phase of this exercise, undertaken in 2021, helped us to better understand the inter-relationships between our strategies, material matters, and capitals in the context of both stakeholder expectations and business priorities.

## INTEGRATED THINKING AND REPORTING PROCESS

In documenting our reports, our attempt this year in particular has been to overcome silos, encourage cross-functional dialogues, and develop a holistic understanding of inter-relationships between the key factors that drive our business, direct resources, and deliver performance and impact. It is a continuous process of learning and improvement as we adopt and work to the principles of Integrated Reporting, making our narrative not just about the year under review, but about areas that will continue to deliver value to our stakeholders in the mid to long term, enhancing brand equity, strengthening our business relationships, and promising meaningful development for all.

## SUSTAINABILITY RISKS AND GOVERNANCE

In all the ASEAN markets where we operate, including the core markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia, material economic, environmental, social and governance (EES&G) risks/factors are taken into due consideration when shaping business strategies, policies, programmes and when planning our outcomes and value creation performance metrics for stakeholders.

In other words, when aligning our business priorities with the Principles for Responsible Banking, we integrate EES&G risk management approaches in our performance modelling. More detailed disclosures on EES&G risks and governance are presented throughout this report, in addition to our independent Sustainability Report.

## DRIVERS AND BENEFICIARIES OF VALUE CREATION

At CIMB, our people are our catalysts and partners in all success and growth. With around 33,000 employees, more than 2,000 suppliers and business associates, we thrive on relationships built on trust. As sustainability is a way of our business and it is an integrated aspect of most of our strategies, we are introducing an independent commentary from our Group Sustainability Head, which will be a regular feature going forward. This is part of the many enhancements on our Integrated Reporting journey as well as to reinforce the values we live by to create value for all the people working with CIMB towards advancing customers and society.

The contents of this report have been reviewed by independent auditors and verification companies:

Assurance Scope	Independent Assurance Provider
Consolidated Financial Statements Audit	PwC
Selected Sustainability Disclosures	KPMG

## FORWARD LOOKING STATEMENTS

We may have included certain forward-looking statements on our future priorities, strategies and growth opportunities. These are based on projections and expectations that may be evolving and subject to change based on market conditions, operating environment and factors that are beyond our control. All forward-looking statements are not conclusive and have not been reviewed by the auditors.

## STATEMENT OF THE BOARD OF DIRECTORS OF CIMB GROUP HOLDINGS BERHAD

The Board acknowledges its responsibility to ensure the integrity of the CIMB Group's Integrated Annual Report 2022. In the Board's opinion, the report addresses all material issues and matters and fairly presents the Group's performance for the year 2022.

Approved by the Board of Directors and signed on behalf of the Board:

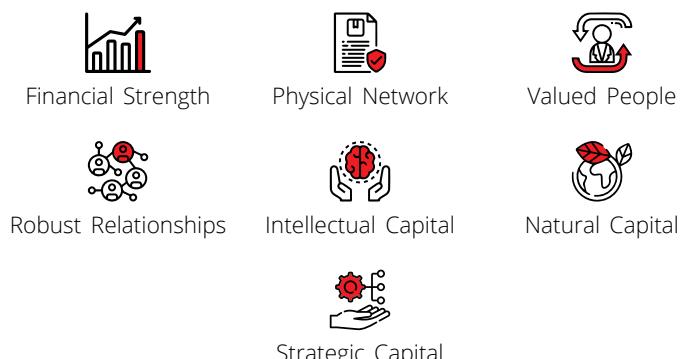
Datuk Mohd Nasir Ahmad  
Chairman

Dato' Abdul Rahman Ahmad  
Group Chief Executive Officer/  
Executive Director

## FORWARD<sup>23+</sup> Strategic Themes



## Capitals



## Material ESG Matters



This interactive report has clickable buttons that enable readers to access more information.

Links to CIMB's or other websites.

Navigates within the CIMB Annual Integrated Report and Sustainability Report 2022.

# Shared Value @ CIMB

**Shared Value at CIMB goes beyond delivering products and services that cater to the needs of our customers, career expectations of our employees, business aspirations of our supply chain partners and delivering returns to our investors and shareholders.**

At CIMB, Shared Value is our motivation to make stakeholders part and parcel of our purpose. Our key objective is to take an inclusive approach by mobilising our stakeholders to participate and play a critical role in shaping a sustainable future and a better tomorrow. In other words, as both catalysts and beneficiaries of our efforts and programmes that create value, our stakeholders and their interests are of primary concern and utmost priority to us.

We are always trying to bridge the gap between the value expected by our stakeholders and the value proposed and delivered by us. Towards this, we optimise our resources, build our capabilities, and leverage our control mechanisms to deliver real value to all our stakeholders.

In the long term, we aim to build a high-performing, sustainable organisation and create positive economic, environmental, social and governance performance and impacts, to bring about positive systemic changes in the economy.

The whole process of value creation requires us to:

Reduce our negative impacts (our footprint) from our business and operations, making our performance resilient and meaningful

Create positive impacts (our handprint) through sustainable finance solutions, as well as by promoting sustainability principles and leadership to advance customers and society



# Stakeholders' Expectations and Material Matters

The process of Shared Value Creation at CIMB starts with credible inputs and feedback from our most critical stakeholders on various aspects of our business and operations. We find opportunities to interact with our stakeholders at every touchpoint, in addition to focused and purposeful engagement efforts annually. We also analyse data collected from various touchpoints for insights on both stakeholders and solutions.

In previous years (2018 and 2020), our materiality assessment across our core markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia was based on the significance of various impacts and business priorities. The ranking exercise included severity, likelihood and urgency in the context of various environmental, social and governance impacts associated with our business, stakeholders and focus areas.

In 2022, we conducted a major materiality update exercise to comprehensively reassess the relevance of material ESG matters to the Group's key stakeholders.

In 2021, we extended our materiality exercise to include a simplified mapping of capital inputs/outputs to each of our material matters. The objective has been to identify various dependencies and drivers of impact and the corresponding capitals critical to addressing these material matters.

Based on the analysis, below is a qualitative assessment of how various capitals are affected in deploying strategies to address our highly material matters. Strategic and Financial capitals are cross-cutting with implications organisation-wide and hence, not represented in the table.

In 2022, we conducted a major materiality update exercise to comprehensively reassess the relevance of material ESG matters to the Group's key stakeholders. For more information, please refer to pages 18 to 24 in the CIMB Group Sustainability Report 2022.

**Capitals Affected (Input and Output)**

Highly Material Topics Assessed	Physical Network	Valued People	Robust Relationships	Intellectual Capital	Natural Capital
Sustainable and Responsible Finance	●	●	●	●	●
Governance and Ethics	●	●	●	●	●
Cybersecurity and Data Privacy	●	●	●	●	●
Financial Inclusion and Literacy	●	●	●	●	●
Risk Management and Business Resilience	●	●	●	●	●
Digitalisation and Innovation	●	●	●	●	●
Human Rights	●	●	●	●	●
Climate Change	●	●	●	●	●

● High ● Medium ● Low ←

# Our Integrated Approach to Managing and Driving Performance

To address the expectations of our critical stakeholders, while effectively responding to various market trends, we plan our resource inputs in the form of various capitals, namely, our Financial Strength, Physical Network, Valued People, Robust Relationships, and our Intellectual, Natural, and Strategic Capitals. We orchestrate the efforts within the various functions of our business, by aligning strategies across our core ASEAN markets, as well as by balancing financial and non-financial indicators of performance.

Last year, we conducted a comprehensive consolidation and mapping exercise to reconcile various indicators that we track and measure against our Forward23+ Strategic Themes, Material Matters, and Capitals. We also established alignment with specific shareholder and stakeholder expectations. As a result, some of the indicators we reported in previous years were either excluded or redefined to better align with how we measure and report our performance consistently across functions, different chapters of this report, and across different reporting years.

The table below establishes the relationships between various components of our business and the impact indicators that contribute to CIMB Group's financial and non-financial performance.

DELIVERING SUSTAINABLE FINANCIAL RETURNS			
FORWARD23+ Strategic Themes		Our Material Matters	
Profitable Growth	Digital Deployment (Automation %)		Economic Performance
Turnaround Underperforming Businesses	Data and Analytics		Risk Management and Business Resilience
Cost Efficiency	Investments		Digitalisation and Innovation
New Technology Investments			Sustainable and Responsible Finance
Impact/Performance Indicators			
Dividend Pay-out (%)	Value Add Features (#)		Physical Network
ROE (%)	Total Technology Investments in Strategic Business (RM)		Financial Strength
Impact ROE (%)	Digital Transactions (%)		Intellectual Capital
CET1 Ratio (%)	Total Technology Investments for Data Projects (RM)		Strategic Capital
CIR (%)	Data Use Cases Implemented (#)		
Total Investments (RM)	Green, Social, Sustainable Impact Products and Services Mobilised (RM billion)		
Structured Trade Financing through Blockchain and IoT (RM)			
Capitals Assessed/Affected			



## DISCIPLINED EXECUTION

### FORWARD23+ Strategic Themes

Performance Culture	Regional Operating Model
Corporate Oversight and Management Structure	

### Impact/Performance Indicators

Organizational Health Index (%)	Forward23+ Milestones Met (%)
TEAM Pulse Check Score (%)	

### Our Material Matters

	Economic Performance
	Governance and Ethics

### Capitals Assessed/Affected

	Valued People
	Strategic Capital



## CUSTOMER CENTRICITY

### FORWARD23+ Strategic Themes

Reliability	Treating Customers Fairly (TCF)
Customer Journey Transformation	

### Impact/Performance Indicators

Value Chain Operations	Customer Satisfaction Score (%)
Digitalised/Customer Interactions or Transactions	
Digitalised (%)	
Active Online Inquiries and Transactions (#)	Customer to Branch Ratio/Physical Touchpoints per Customer
Active Internet/Mobile Banking Customers (#)	Complaints/Cases Assessed Related to TCF policy (#)
NPS (%)	Lending through E-Commerce Platforms (RM, Beneficiary Profiles)
Financing Provided to Underserved Communities (RM)	

### Our Material Matters

	Customer Experience
	Digitalisation and Innovation

### Capitals Assessed/Affected

	Physical Network
	Robust Relationships
	Valued People
	Intellectual Capital



## TRANSFORM FUNDAMENTALS

### FORWARD23+ Strategic Themes

Risk Management	Finance and Compliance
Capital Optimisation	

### Impact/Performance Indicators

CET1 Ratio (%)	Compliance and Audit Ratings
Credit Costs (RM)   Risk Rating/Credit Ratings	Breaches Reported on Governance and Compliance (#)
Capital Efficiency (%)	Cases Assessed for Reported Financial Crime and Corruption (#)

### Our Material Matters

	Governance and Ethics
	Risk Management and Business Resilience

### Capitals Assessed/Affected

	Robust Relationships
	Strategic Capital

# Our Integrated Approach to Managing and Driving Performance

## PURPOSE-DRIVEN ORGANISATION

### FORWARD<sup>23+</sup> Strategic Themes

Culture and Values	Human Capital	Sustainability
--------------------	---------------	----------------

#### Our Material Matters



Talent Attraction, Growth and Retention



Diversity and Inclusion



Sustainable and Responsible Finance



Financial Inclusion and Literacy



Governance and Ethics



Human Rights



Climate Change



Biodiversity and Ecosystem Integrity

#### Impact/Performance Indicators

Training Hours Delivered (#)

Value Creation/Knowledge Platforms (#, Partnerships)

Total Training Investments (RM)

Female Directors on the Board (%)

Employees Trained under Digital and Data Academy (#)

Women in leadership (GCEO-2 level and above)

Employees Trained on Sustainability (#)

Internal Talent Mobility (%)

Key Compulsory e-Learning Modules Completion Rate (%)

Gender Pay Gap (Ratio)

Relative Net Promoter Score (NPS) compared to peers (%)

#### Impact/Performance Indicators

S&P Global Corporate Sustainability Percentile (%)

Material Issues Supported by Policy Commitments (#)

Financing Clients with Environmental and Social Action Plans (%)

Improvement in Governance Score on S&P Global Corporate Sustainability Assessment (CSA)

Published Papers for the Industry (#)

Suppliers Engaged on Sustainability Issues (#)

GHG emissions reductions (Scope 1 and 2) (#)

Reductions in financed emissions (#)

Clients with E&S Action Plans that implemented them (#)

CSR investments disbursed (RM) and Employee Volunteer Hours (#)

Brand Value (Ranking)

#### Capitals Assessed/Affected



Financial Strength



Physical Network



Robust Relationships



Natural Capital



Valued People



Strategic Capital

## HOW DO WE DEFINE CAPITALS?

CAPITALS	IN CIMB'S CONTEXT and APPLICATION
 <b>Financial Strength</b>	Our management of financial flows ensures a healthy balance sheet and enables us to invest for the future, while meeting the needs of our customers. Maintaining a strong financial position allows us to deliver monetary value to our shareholders, as well as to help other capitals contribute to the overall performance of the organisation and deliver healthy returns to our stakeholders. Additionally, managing our financial capital will positively impact the stability of the Group in the various countries where we operate.
 <b>Physical Network</b>	Our physical networks and technological capabilities form the critical infrastructure needed to achieve high operational performance. Digital infrastructure, in particular, allows us to unlock the potential of our other capitals and is especially important for our sector to create a safe, secure, and superior customer experience. Our manufactured capital also helps to improve financial inclusivity through the creation of opportunities and facilities for expanding the scope and delivery model of our financial services.
 <b>Valued People</b>	Human capital is one of the most critical inputs into our business. Our focus is not just on building a productive and skilful workforce, but also on preparing them to compete in the disruptive marketplace of the future. A nurturing environment and empowering culture allow our people to seamlessly deliver to organisational needs and expectations while catalysing their own personal and professional growth. Our ultimate objective is to continuously improve our staff's human capital development, diversity, inclusion and well-being.
 <b>Robust Relationships</b>	Our brand and reputation are strengthened by the relationships and trust that we build with our stakeholders. Being a regional Group, social networks and relationship equity help us to forge partnerships, expand our customer base and build ecosystems with a shared purpose, principles and progress. We work with our wide network of stakeholders to create a healthy and stable financial services environment in our markets. Our regional network and brand equity improve our social and relationship capital, while strengthening our position in ASEAN.
 <b>Intellectual Capital</b>	As a focused ASEAN banking group, we rely on our knowledge, experience, unique systems, technologies, and innovative processes to create disruptors and differentiators, setting us apart from our competitors and giving us a value advantage.
 <b>Natural Capital</b>	Our operations, as well as the clients we support, consume water, energy, and other raw materials, while producing waste and emissions. Our management of natural capital rests on minimising our direct and indirect negative footprint across the value chain, while creating positive handprints through strategic business interventions. It also includes our investments into priority SDGs as per our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. We measure our direct footprint and Scope 3 financed emissions for carbon-intensive sectors, and have set 2030 sector targets for thermal coal mining and cement.
 <b>Strategic Capital</b>	CIMB's distinct statement of purpose, where we aspire to build a high-performing sustainable organisation to help advance customers and society, is the core of our Forward23+ strategies, which are enabled by our anchor Target Empowerment and Alignment Model (TEAM), and supported by principles of sound governance, risk management, and human rights, as well as CIMB's differentiated EPICC values ( <b>E</b> nabling Talent; <b>P</b> assion; <b>I</b> ntegrity and Accountability; <b>C</b> ollaboration; and <b>C</b> ustomer Centricity).

# How Do We Create Shared Value?

## FOR CIMB AND #teamCIMB\*

**We manage our business and people with the responsibility of delivering sustainable and impactful financial returns.**

A commitment to principles of good governance and the strategic role of our Board, Senior Leadership and skilled workforce collectively contribute to shaping a profitable organisation.

What Matters	Risk, Governance and Culture	Talent, Diversity, Inclusion, Health, Safety and Well-being
 <b>What Matters</b>	<ul style="list-style-type: none"> <li>• Remain resilient and responsive to the dynamic operating environment</li> <li>• Integrate environmental, social and governance risks into our risk management framework</li> <li>• Uphold high standards of corporate governance in the conduct of business and value chain</li> <li>• Create a culture of high-performance, by promoting #teamCIMB ethos, and EPICC values</li> <li>• Operate with integrity and transparency towards stakeholders</li> <li>• Strengthen risk management, compliance, monitoring and reporting controls and mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Future-proof employees by upskilling and reskilling talent, enabling them to manage emerging risks and opportunities</li> <li>• Safeguard health, safety, and well-being towards enhancing productivity and motivating performance</li> <li>• Promote diversity to foster innovation and drive performance</li> <li>• Create growth and development opportunities for employees and value chain partners</li> <li>• Operationalise inclusive and agile policies and processes that contribute to employee productivity and well-being</li> </ul>

\* Investors, Shareholders, Employees, Suppliers

## FOR CUSTOMERS AND CLIENTS

**We support the aspirations of our customers and clients by taking an inclusive approach to development.** Our objective is to create a net positive impact through our products and services, positively advancing customers and making business a force for good.

What Matters	Customer Centricity, enabled by Technology	Sustainable and Responsible Finance	Financial Inclusion and Literacy
 <b>What Matters</b>	<ul style="list-style-type: none"> <li>• Cultivate a 'customer-first' mindset</li> <li>• Transform customer journeys to create a consistently excellent experience</li> <li>• Design and deliver suitable, secure, reliable and accessible financial and digital solutions that contribute to well-being and welfare</li> <li>• Protect customers' data and safeguard customers against cyber-crimes and scams through enhanced safety checks and awareness</li> <li>• Offer bespoke products, services, and advisory to empower businesses to achieve their ambitions</li> <li>• Establish partnerships to raise awareness and build capacity to drive responsible and competitive businesses of the future</li> </ul>	<ul style="list-style-type: none"> <li>• Mobilise capital flows towards the whole-of-economy climate transition needed to meet global climate goals while meeting business objectives</li> <li>• Establish policies and guidelines manage exposure to various sustainability risks, including climate change, biodiversity loss, and human rights risks</li> <li>• Create positive impacts, and reduce potential negative impacts through products and proactive engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to socio-economic development by creating banking opportunities and improving financial literacy for underserved and disadvantaged communities and demographics, towards building a more resilient and financially secure population</li> <li>• Encourage and enable individuals and businesses to manage their finances better, improving their well-being and quality of life</li> </ul>

 <b>How We Create Value</b>	<ul style="list-style-type: none"> <li>Strengthen our value proposition and ability to deliver returns to investors and shareholders</li> <li>Allocate our resources strategically and reinforce our ability to plan and achieve resilient value creation</li> <li>Create a healthy and conducive work environment that is safe, efficient, empowered, inclusive, diverse and participative, with horizontal and vertical growth opportunities for employees</li> </ul>
 <b>Key Drivers of Shared Value</b>	<ul style="list-style-type: none"> <li>Group Enterprise-Wide Risk Management Framework</li> <li>Group Dividend Policy</li> <li>Group Human Resources Policies and Procedures: Code of Ethics and Conduct; Human Rights Policy; Employee Engagement and Inclusiveness; Recruitment and Remuneration Policy</li> <li>CIMB Group Diversity and Inclusion Policy: Board Diversity</li> <li>Performance Management Framework; Learning and Development Policy</li> <li>Group Occupational Safety and Health Policy and Procedures</li> <li>Group Procurement Policy: Vendor Code of Conduct</li> </ul>
 <b>2022 Highlights</b>	 <b>46.5%</b> Cost to Income or Efficiency Ratio   <b>9.0%</b> Return on Equity   <b>77%</b> Organizational Health Index Score   <b>30%</b> Female Representation on Board of Directors   <b>RM1.7 billion</b> Procurement Spend Towards Suppliers/ Vendors

 <b>How We Create Value</b>	<ul style="list-style-type: none"> <li>Treat customers fairly, with integrity and commitment to financial inclusiveness and well-being</li> <li>Provide access to finance to all and offer responsible products and services while enabling and encouraging sustainable business and lifestyle practices</li> <li>Improve credit quality by meeting responsible lending standards</li> <li>Protect medium to long-term shareholder and stakeholder value by incorporating ESG risks (such as climate change) into business and financing decisions</li> <li>Enable a just transition to a low-carbon economy through our financial solutions</li> </ul>
 <b>Key Drivers of Shared Value</b>	<ul style="list-style-type: none"> <li>Customer Experience (CX) Policy: Treating Customers Fairly</li> <li>Group Sustainable Financing Policy (GSFP) and Sector Guides</li> <li>Group Human Rights Policy</li> <li>IT Security Policy and Group Personal Data Protection Policy</li> </ul>

## How Do We Create Shared Value?

### FOR SOCIETY AND THE COMMUNITY

We champion purposeful programmes that empower communities and create a better planet. From financial literacy to entrepreneurship, community empowerment to environmental stewardship, we identify issues that hinder socio-economic development in communities that matter to us. We tackle these challenges head-on, working towards a brighter, more sustainable future for all.



**What Matters**

#### Corporate Citizenship

- Understand the needs and expectations of communities
- Instil a sense of social responsibility and community stewardship among employees
- Encourage partnerships with grassroots organisations, lead NGOs and community groups for greater impact

#### Climate Change and Biodiversity

- Minimise the negative impact of our operations and financed activities on the environment and communities
- Manage our direct carbon and biodiversity impacts by monitoring and reducing emissions and waste from our operations
- Work with industry peers and stakeholders to raise awareness and mobilise action on climate resilience and the importance of nature in the financial services sector and beyond

#### Community Development and Human Rights

- Establish safeguards to respect human rights, mitigate social inequalities and injustices in communities that matter to us
- Empower communities by equipping them with skills, resources, and opportunities that will advance their welfare and well-being
- Integrate community members into the mainstream marketplace by promoting entrepreneurial and education programmes

 <b>How We Create Value</b>	<ul style="list-style-type: none"><li>Provide opportunities for employees to design as well as contribute to community programmes</li><li>Channel significant investments to impactful community programmes and initiatives</li><li>Create long-term net positive environmental and social impact in areas that matter to communities</li></ul>
 <b>Key Drivers of Shared Value</b>	<ul style="list-style-type: none"><li>Group Sustainability Policy</li><li>Group Administration and Property Management Policy</li><li>Group Corporate Responsibility Policy</li><li>Flex4Sustainability Policy (Employee Volunteerism)</li></ul>
 <b>2022 Highlights</b>	 <b>80th Percentile</b> in the S&P Global Corporate Sustainability Assessment
 <b>22%</b> Reduction in Scope 1 and Scope 2 GHG Emissions (vs 2019 baseline)	

  
**140,000**  
volunteer hours  
invested  
towards  
communities

# CIMB's Value Creation Model

As part of our efforts to continuously strengthen our integrated approach, our cross-functional teams will periodically review our value creation business model so it reflects the evolving needs of our business and stakeholders. It provides a holistic and long-term view of our resources, market landscape, strategic progress, tangible outcomes, as well as our impact on society. Through this process, we remain steadfast in our commitment to delivering meaningful value for our stakeholders and emerge as a leading focused ASEAN bank.

CIMB		Physical Network	Intellectual Capital	Strategic Capital	
Financial Strength	Robust Relationships	Valued People	Natural Capital		



| Read more about Our Integrated Approach to Managing and Driving Performance on page 8 of this report for CIMB's scope/definitions of the Capitals

Our value creation model showcases the seamless integration of critical business aspects with CIMB's seven priority sustainable development goals (SDGs). These SDGs serve as the foundation of our sustainability agenda, which align with our business priorities and stakeholder expectations. By incorporating these essential elements, we are empowered to make a positive impact on the environment, society, and the economy while upholding our corporate responsibilities.



| Read more about Sustainability Principles for our Scorecards and how we meet our priority SDGs on pages 26-28 of the CIMB Group Sustainability Report 2022

## EPICC VALUES



| Read more about Our Integrated Approach to Managing and Driving Performance for various value creation and impact/performance indicators on pages 8-11 of this report, mapped against our Forward23+ strategic themes, our material matters and capitals

# CIMB's Value Creation Model

## INPUTS

### OUR RESOURCES AND RELATIONSHIPS

#### FINANCIAL STRENGTH

Strong balance sheet with invested capital and total assets valued at RM666.7 billion and market capitalisation at RM61.9 billion as at end December 2022



#### PHYSICAL NETWORK

604 retail branches, 7,383 self-service customer access points



#### VALUED PEOPLE

Around 33,000 workforce across 15 countries



#### ROBUST RELATIONSHIPS

Over 20 million customers and >1,500 registered suppliers, 140,000 hours of employee volunteerism



#### INTELLECTUAL CAPITAL

Engagement, advocacy, capacity building and knowledge platforms such as The Cooler Earth Sustainability Summit and CEO Action Network



#### NATURAL CAPITAL

Seven sector guides with No Deforestation, No Peat, No Exploitation embedded where relevant



#### STRATEGIC CAPITAL

Target Empowerment and Alignment Model (TEAM) driven by our EPICC values



## BUSINESS

### OUR STRATEGY AND FOCUS AREAS

#### FORWARD 23+ STRATEGIC THEMES



**Delivering Sustainable Financial Returns**



**Customer Centricity**



**Disciplined Execution**



**Transform Fundamentals**



**Purpose Driven Organisation**

### OUR BUSINESS PILLARS



#### WHOLESALE BANKING

#### COMMERCIAL BANKING

#### CONSUMER BANKING

#### ISLAMIC BANKING

#### TRANSACTION BANKING

#### CIMB DIGITAL ASSETS

### OUR KPIs (2024)

ROE Top Quartile	CET1 >13.5%	CIR ≤45%	NPS and S&P Global Corporate Sustainability Assessment Top Quartile	Overall Net Zero GHG by 2050 including Scope 3 and financed emissions	GHG Scope 1 and 2 Net zero emissions in our operations by 2030
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### MATERIAL ESG MATTERS



Sustainable and responsible finance



Climate change



Governance and ethics



Diversity and inclusion



Cybersecurity and data privacy



Customer experience



Financial inclusion and literacy



Biodiversity and ecosystem integrity



Risk management and business resilience



Talent attraction, growth and retention



Digitalisation and innovation



Corporate citizenship



Human rights



**OUR VISION** → To be the leading focused ASEAN bank

**OUR PURPOSE** → To build a high performing sustainable organisation to help advance customers and society

## PURPOSE

### OUR STAKEHOLDER PROPOSITIONS



#### CUSTOMER VALUE PROPOSITION

We place customers at the heart of everything we do through:

- Easy and efficient banking, and always going the extra mile
- Personalised financial solutions
- Safe and secured digital platforms
- Treating customers fairly



#### EMPLOYEE VALUE PROPOSITION

We make CIMB the best place for the best talent to work through:

- Competitive remuneration and benefits
- Learning and talent development
- Diversity and inclusion and corporate responsibility
- Health, safety, well-being and welfare



#### SUPPLIER VALUE PROPOSITION

We forge partnerships that advance mutual interests and aspirations through:

- Suppliers' safety, well-being and project continuity
- Inculcation of sustainable procurement practices
- A competitive landscape aligned to the strategies of the bank for suppliers to develop and grow



#### INVESTOR VALUE PROPOSITION

We observe highest standards of governance and integrity to build confidence through:

- Timely and adequate disclosures
- Differentiated and responsible approach to planning and delivering growth
- Oversight, controls, independent assurance, and reporting



#### COMMUNITY VALUE PROPOSITION

We work towards building healthy and resilient communities in ASEAN through:

- Supporting communities from the lowest 40% of income earners
- Prioritising of at-risk and most vulnerable communities
- Channeling finance to enable a low-carbon and just economy

## ACCOUNTABILITY

### OUR INTERNAL CONTROLS

#### GOVERNANCE AND LEADERSHIP

##### Focus

Governance for oversight of effectiveness, adequacy and integrity of CIMB's system of internal controls and risk management

##### Accountability

Board of Directors (BOD), Group Executive Committee, Group Chief Risk Officer (GCRO), Group Legal and Compliance (GLC)

##### Controls

Internal and External Independent Audits and Assurance

#### GROUP KPIs And SCORECARDS

##### Focus

Key measures on profitability, cost, capital, mid- to long-term strategic initiatives, people, sustainability, risk, audit and compliance

##### Accountability

BOD, Special Purpose Committees and Group CEO

##### Controls

Group Nomination and Remuneration Committee, BOD

#### CORE VALUES

##### Focus

EPICC Values to deliver impact the right way across CIMB

##### Accountability

Group Chief People Officer and Functional Heads

##### Controls

Organizational Health Index (OHI); People Engagement/Enculturation

## IMPACT

### OUR VALUE CREATION 2022



#### CIMB AND #teamCIMB\*

**77/100** Group Organizational Health Index

**30%** Female Directors on the Board

**9.0%** Return on Equity

**RM27.8 billion** of Sustainable Finance in Green, Social, Sustainable Impact Products and Services



#### CUSTOMERS AND CLIENTS

**74%** NPS Score, relative to peers

**8.8 million** CIMB Digital Users (MY & ID Clicks/Octo users)

**444** Clients undergoing Enhanced Sustainability Due Diligence

**99.5%** Clicks Availability<sup>1</sup>

**99.99%** Bizchannel Availability<sup>1</sup>

**33,328:1** Customer to Branch Ratio



#### SOCIETY AND COMMUNITY

**80th percentile** on S&P Global Corporate Sustainability Assessment

**22%** Reduction in Scope 1 and Scope 2 GHG Emissions (vs. 2019 baseline)

**RM34.4 million** Investment in communities

**12 of 13** Material issues supported by policy commitments

\* Investors, Shareholders, Employees, Suppliers

<sup>1</sup> Average of uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance

**Dear Stakeholders,**

**2022 was the year where the COVID-19 virus was largely contained and the economy showed early signs of normalcy and healthy growth. Our collective efforts from the COVID-19 targeted assistance programmes accelerated significantly, with governments and the private sector firmly focused on rebuilding the economies. The formation of the new unity government of Malaysia was historical in itself. The new power brings with it a beacon of hope for positive change for the Rakyat as well as the country. As businesses made it through many looming uncertainties, some vital questions beg to be asked: where do we go from here, and how can we make that journey a positive one for all our stakeholders? The year was an opportunity to practice mindfulness in the process of building back, with an emphasis on rebuilding better. Besides the obvious business priorities of profit and recovery, the concern for leadership is to decide which legacies should be kept and improved on, and which to be left behind.**



# Message from the Chairman

DATUK MOHD NASIR AHMAD  
Chairman

## IN RECOVERING AND REBUILDING FROM COVID-19, WHAT IS YOUR TAKE ON THE NEED TO DEMONSTRATE RESILIENT LEADERSHIP AND YOUR ABILITY TO DRIVE CONTINUED VALUE CREATION?

During the recovery period, we learnt that resilience and value creation share a profound relationship. The pandemic caused the inequities of the current economic setup. We have defined our patterns of resilient leadership by thoughtfully navigating the numerous challenges that characterise the recovery process with particular sensitivity to the injustices that the pandemic has created. At CIMB, we have always recognised the building back journey as an opportunity to reimagine pathways to realise our corporate ambitions and value creation model. In response to the present needs of our stakeholders, CIMB has envisioned a new proposition

of 'Moving Forward with You'. If anything, this is even more relevant now than ever. Customers are rebuilding their lives, the economy is rebounding, countries are building back and they all need support. The challenges of the pandemic era have affirmed our conviction in our purpose to serve. Financial institutions are bearers of capital with the responsibility to allocate it where it is most needed, and our new brand proposition pivots the organisation to be ready to step up to that challenge in the new normal.

We continue to recalibrate our strategies with a commitment to leave no one behind, an underlying principle in the Group's orientation towards value creation. We continue to prioritise stakeholder concerns and we strive to be transparent in this process by disclosing our efforts throughout the year in our annual Integrated Report, drawing connections between business strategies, stakeholders, and value creation.

**“We continue to recalibrate our strategies with a commitment to leave no one behind, an underlying principle in the Group’s orientation towards value creation.”**



## Message from the Chairman



Addressing shareholders at the 65th AGM via live streaming.

**“ We deployed rapid-response mechanisms during the crisis management period, leveraging on the inbuilt agility of our systems and processes. ”**



### HOW DID CIMB STRENGTHEN ITS RISK AND GOVERNANCE MECHANISM IN 2022, WITH WHAT YOU’VE LEARNT FROM THE GLOBAL PANDEMIC OVER THE LAST YEAR?

Year three of the pandemic provided many lessons in anticipating risks and strengthening the resilience of our governance systems. Governance concerns were focused on recovery outcomes, a process which involves testing and evolving existing contingency plans, our risk management architecture, and human capital strategies. Enhancing our risk assessment and mitigation systems was a top priority especially given the circumstances underscored by the COVID-19 pandemic. We deployed rapid-response mechanisms during the crisis management period, leveraging on the inbuilt agility of our systems and processes. The Group’s Board of Directors undertook a comprehensive assessment of business risks stemming from technology, digital infrastructure, and cybersecurity; employee wellbeing, productivity, and performance; human rights; climate change; supply stability; and community relations, with an eye to minimising the potential risks to business continuity while maximising stakeholder value.

During this period, the tension between long-term value and short-termism was particularly evident in our considerations of business risks. The Board of Directors navigated trade-offs between temporary solutions to mitigate short-term risks and more deep-seated, transformative changes to keep the organisation robust and responsive to anticipated future risks.

### HOW ARE YOU PROGRESSING WITH YOUR FORWARD23+ STRATEGY, ESPECIALLY WITH LESS THAN FAVOURABLE MARKET CONDITIONS IN 2022?

The pandemic offered invaluable lessons in resilience-building and in refocusing our energies in the pursuit of our five-year growth strategy. These were the years where our organisational resilience was put to the test, and I am pleased to report that we are on track to realise our Forward23+ strategy by 2024, which was pushed back a year from the original Forward23 timeline as we adapted to the delays brought about by the pandemic-related setbacks.

During the year, our five strategic priorities remained unchanged while the immediate focus at hand was to rebuild better with our stakeholders through reshaping our portfolio, strengthening our technological ecosystem, driving cost-efficiencies, fostering peak performance in the workforce, centering customers, and making strategic investments across our regional Group. Our turnaround efforts have allowed us to push forward with our Forward23+ objectives in the new normal and minimise any negative impact to our value creation abilities.

We made progress across all five priority areas of the Forward23+ strategy i.e. delivering sustainable financial returns, disciplined execution, customer centricity, transform fundamentals, and become a purpose-driven organisation. The Forward23+ strategy positions CIMB in our pursuit to be the leading focused ASEAN bank.



At the launch of CIMB's Sustainability Summit The Cooler Earth with royal keynote speaker Duli Yang Maha Mulia Paduka Seri Sultan Perak Darul Ridzuan, Sultan Nazrin Muizzuddin Shah Ibni Al-Marhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah, with CIMB Foundation's Mah Meri Cultural Village.

## HOW DID YOU PRIORITISE AND PERFORM ON THE SUSTAINABILITY PILLAR OF FORWARD23+ STRATEGY?

The 2022 Financial System Benchmark assessed 400 global financial institutions on their progress to supporting a just and sustainable economy. Proudly, CIMB has been ranked amongst the top 5 (4th) banks of the world. While this is a proud moment, such global recognition reinforces our critical role and responsibility towards advocating responsible banking principles and agenda for greater benefit of the industry and our stakeholders.

During the year, we doubled our sustainable finance target from RM30 billion to RM60 billion by 2024. Under our Green, Social, Sustainable Impact Products & Services (GSSIPS) framework,

the initial RM30 billion target was mobilised two years ahead of schedule. We also entered into a strategic Memorandum of Understanding (MoU) with Bursa Malaysia to promote sustainable business practices. Under the MoU, we will be providing access to finance for public-listed companies in Malaysia for improving their sustainability performance and striving to be admitted into the FTSE4Good Bursa Malaysia index. This #financing4ESG initiative is in line with CIMB's responsibility as a financial services provider to facilitate ESG adoption among companies.

Meanwhile, through CIMB Foundation, we also continued to address the widening gap between low-income households, i.e. B40s and the growing middle class by alleviating the personal struggles of the B40 community and the institutional marginalisation they face when it comes to access to finance, housing, and entrepreneurial opportunities. In our bid to leave no one behind, RM33.4 million was channelled (through various programmes) to underprivileged communities in our operating markets. These efforts speak to CIMB's continued focus on integrating principles of

value-based intermediation (VBI) into our banking and community solutions.

In 2022, CIMB's flagship sustainability summit, The Cooler Earth was held for the fourth consecutive year, this time in a hybrid format. With an encouraging participation from more than 2,000 leaders and change-makers from public and private sectors as well as civil society, we focused the conversations on Facilitating a Just Transition. At the event, we launched the CIMB ESG-SME Pitch Challenge to provide an equity crowdfunding platform for SMEs with sustainability at the heart of their business models. The Pitch Challenge attracted applications from more than 50 sustainability-focused SMEs across ASEAN and had the participation of about 15 prospective investors and business partners. Subsequent to the pitches, one-on-one sessions for selected businesses from the top 20 SMEs were also held with prospective investors and business partners from venture capitalists, impact investors, and government-linked investment companies. This was our way to leverage our position in the economy to facilitate a just transition.



Town hall with Team CIMB Niaga

## Message from the Chairman



### WHAT WERE YOUR TOPLINE PRIORITIES IN RELATION TO YOUR #TEAMCIMB?

Some normalcy returned to the workforce as recovery measures took effect three years into the pandemic. With the COVID-19 pandemic largely under control due to successful vaccination programmes, people in our operating markets were finally able to return to physical workspaces. Conditions in the new normal were kept to an optimum to minimise disruption to employees' productivity from movement fluctuations. We prioritised the safety and wellbeing of CIMB employees, including their mental health. Working arrangements were mostly hybrid, with employees offered the flexible option to work-from-home or at our premises, while frontliners continued to serve customers physically at our branches.

I would like to commend #teamCIMB for pulling through the recovery period remarkably. Productivity levels remained at an optimum despite the unprecedented circumstances and the many changes the Group has had to undergo during the year. I am convinced the resilience truly lies with the endurance of our people who kept the wheels turning on the ground, come rain or shine. Our ability as an organisation to pivot to these challenges, minimise losses, and turnaround what could have been major impairments is testament to the resilience of the #teamCIMB spirit. As always, I am proud to count myself a colleague to a stellar team.

| Read more on our Group CPO's message on pages 52-55 of this report and/or pages 82-97 of the CIMB Group Sustainability Report 2022



Spending time with Team CIMB during Majlis Berbuka Puasa at Menara CIMB.

**“ We prioritised the safety and wellbeing of CIMB employees, including their mental health. ”**



**WERE THERE ANY SIGNIFICANT LEADERSHIP MOVEMENTS OR SIGNIFICANT DEVELOPMENTS IN THE BOARD OR IN YOUR BUSINESS UNITS?**

Yes. In 2022, Group Wholesale Banking underwent a leadership change with the appointment of Chu Kok Wei and Novan Amirudin as Co-CEOs. The joint heads are responsible for leading the Wholesale Banking business unit, which is a key contributor to the Group's regional presence. The Board welcomes them both and appreciates the experience and qualifications that they bring to the management team.

For the third year in a row, the Board maintained a female ratio of 30% in line with our commitment to increase Board-level diversity. We welcome qualified female leaders in decision-making positions, not to mention the boost to governance capabilities that are attributed to gender diversity. Increasing Board diversity aligns with best practices for well-rounded risk management and blended competencies.

**“ The Board maintained a female ratio of 30% in line with our commitment to increase Board-level diversity. ”**



**“ The strength and speed of our recovery could not have been possible without the resilience and perseverance of our customers, partners, suppliers, and communities, each playing an integral role in the recovery of the economy and the health of our society. ”**



Celebrating CIMB Singapore's new office at the famed Change Alley Mall which is renamed as CIMB Plaza.



CIMB Cambodia's staff Town hall with Chairman and Group CEO.



In Bangkok with CIMB Thai's President/CEO and Consumer Banking leaders.

**FINAL REMARKS AND ACKNOWLEDGEMENT**

I would like to put on record our appreciation to our many stakeholders – #teamCIMB, regulators, suppliers, partners, investors and members of the community, for being a part of our recovery journey. The strength and speed of our recovery could not have been possible without the resilience and perseverance of our customers, partners, suppliers, and communities, each playing an integral role in the recovery of the economy and the health of our society. I look forward to another progressive year with our people. As always, CIMB will continue to be a reliable pillar of strength for our stakeholders to build back better.

**Datuk Mohd Nasir Ahmad**  
Chairman

# Overview of CIMB Group

## To be the leading focused ASEAN bank

**CIMB Group is a leading focused ASEAN bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic finance.**

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2022, had around 33,000 staff and over 20 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM61.9 billion as at 31 December 2022. Total assets at the end of 2022 were RM666.7 billion, with total shareholders' funds of RM62.5 billion and total Islamic assets of RM183.3 billion. At the end of 2022, the major shareholders were Khazanah Nasional Berhad with 24.1%, Employees Provident Fund with 12.9% and Kumpulan Wang Persaraan (Diperbadankan) with 6.1%.

### Net Profit

**RM5.44**

Billion



### Total Assets

**RM666.7**

Billion



### Market Capitalisation

**RM61.9**

Billion



## Leading

We seek to be amongst the leading ASEAN banks (top quartile) when measured by financial metrics such as ROE and CIR as well as non-financial metrics such as NPS, Organisational Health and Sustainability.

## Focused

We will not be everything to everyone. We shall focus on key markets and segments, where we play to win.

## ASEAN

We are a local ASEAN bank and this is our key differentiation. This identity resonates with our staff and external stakeholders.

## Our Values

*"Deliver impact together the right way"*



### E Enabling Talent

We enable and develop our people.  
We want to be the best place for the best talent.



### P Passion

We pursue excellence in all we do and deliver beyond the ordinary.



### I Integrity and Accountability

We act in an ethical and trustworthy manner.  
We take ownership of all our actions.



### C Collaboration

We commit to team over individual success.  
CIMB's success is our success.



### C Customer Centricity

We put customers at the heart of everything we do. We always do right by them.

### How we will win

Lead the market on **customer experience** and **service** for focused customer segments

Stay competitive in **providing value** to customers by becoming more efficient

Leverage our **ASEAN footprint** as a **differentiator** where relevant

Invest in **technology, digital and analytics** to lead on service, experience and value

Be **brilliant at the basics**; end to end risk management, controls, performance orientation

### How we will compete

#### Universal in appeal:

Focus across all segments



#### Focused Bank:

Consumer and SME; high quality wholesale



**ASEAN focus:** ASEAN wholesale and Preferred; niche in commercial



#### Focused player:

ASEAN wholesale and Preferred; niche in consumer finance



#### Strong position:

Community-focused bank

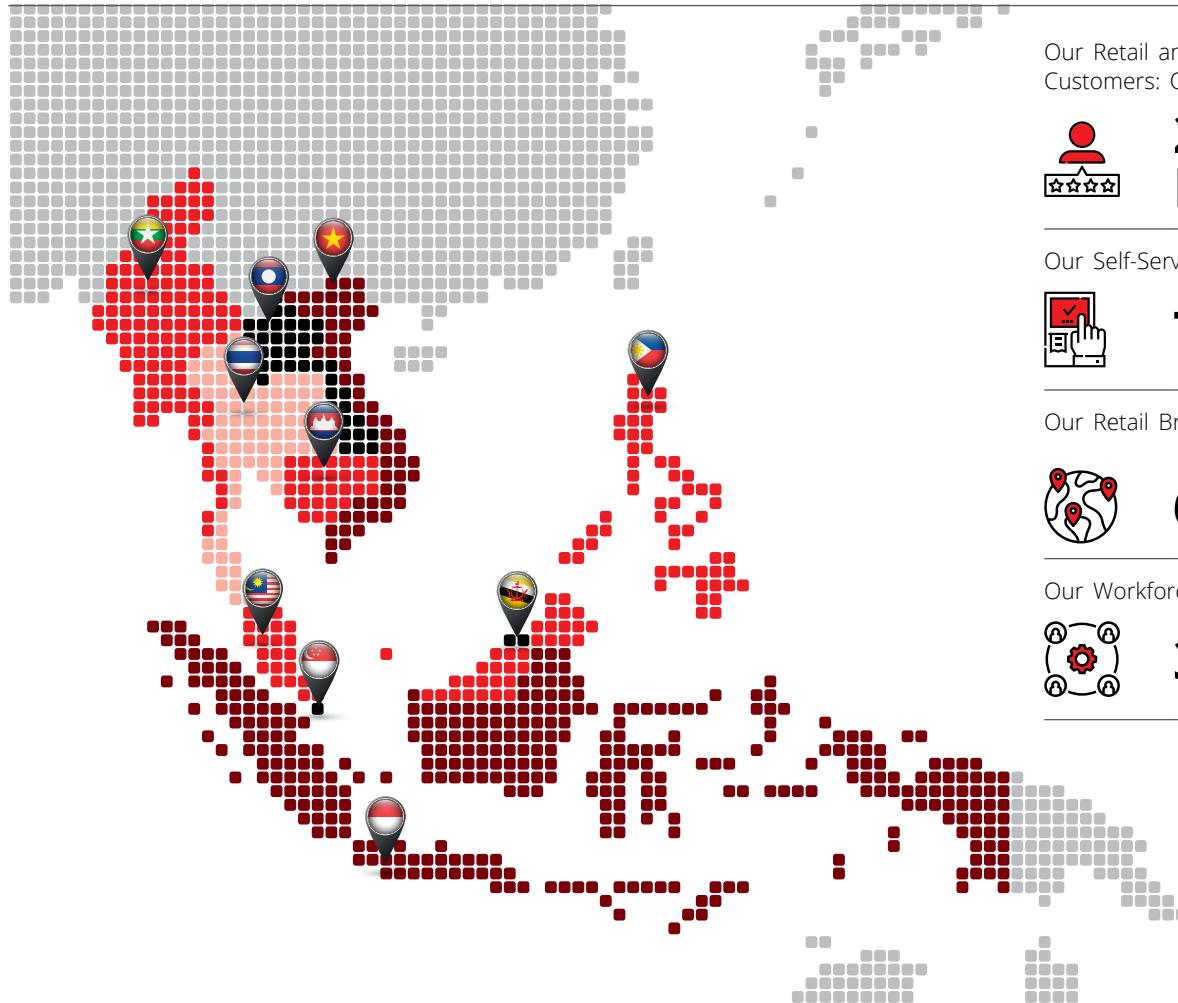


#### Selective investments:

Digital attacker leveraging on partnerships to create a hedge for the future



# Our Presence



Our Retail and Institutional Customers: Over



**20  
Million**

Our Self-Service Access Points:



**7,383**

Our Retail Branches:



**604**

Our Workforce: around



**33,000**



## ASEAN MARKETS



**CIMB**

CIMB GROUP HOLDINGS BERHAD



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**



**ASEAN MARKETS**

## OTHER MARKETS



**CHINA AND HONG KONG**

Branches: 2  
(Shanghai,  
Hong Kong)



**U.S.A.\***



**UNITED KINGDOM**

Branch: 1



**INDIA\***



**KOREA\***

**INDONESIA**  
Branches: 312  
Payment and  
Cash Centres,  
Digital Lounges  
and Mobile Cash  
Vans: 89

**PHILIPPINES**  
Office: 1

**Vietnam**  
Branches/  
Offices: 2

**BRUNEI**  
Office: 1

**CAMBODIA**  
Branches/  
Offices: 14

**LAOS**  
Branch/Office: 1

**MYANMAR**  
Representative  
Office: 1

\* Stockbroking Collaboration via CGS-CIMB

## OUR PROFILE

### CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia with 217 branches across the country. It has subsidiaries in Thailand, Cambodia and Vietnam, as well as branches in Singapore, Philippines, London, Hong Kong, Shanghai and Laos and a representative office in Yangon.

### CIMB INVESTMENT BANK

CIMB Investment Bank is the Group's investment banking franchise which operates in 15 countries, which includes operations through CGS-CIMB Securities, an associate of CIMB Group, which provides institutional and retail equity broking services and equities research.

### CIMB ISLAMIC

CIMB Islamic is the Group's Islamic banking and financial services franchise, with an extensive suite of innovative Shariah-compliant products and services. It operates in parallel with the Group's banking platform.

### CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia with 312 branches across the archipelago. It has been listed on the Indonesia Stock Exchange since 1989 and is the sixth largest bank in Indonesia by assets at the end of 2022.

### CIMB THAI BANK

CIMB Thai is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand and is the ninth largest commercial bank in Thailand by assets, with 53 branches nationwide and one overseas branch in Vientiane, Laos.

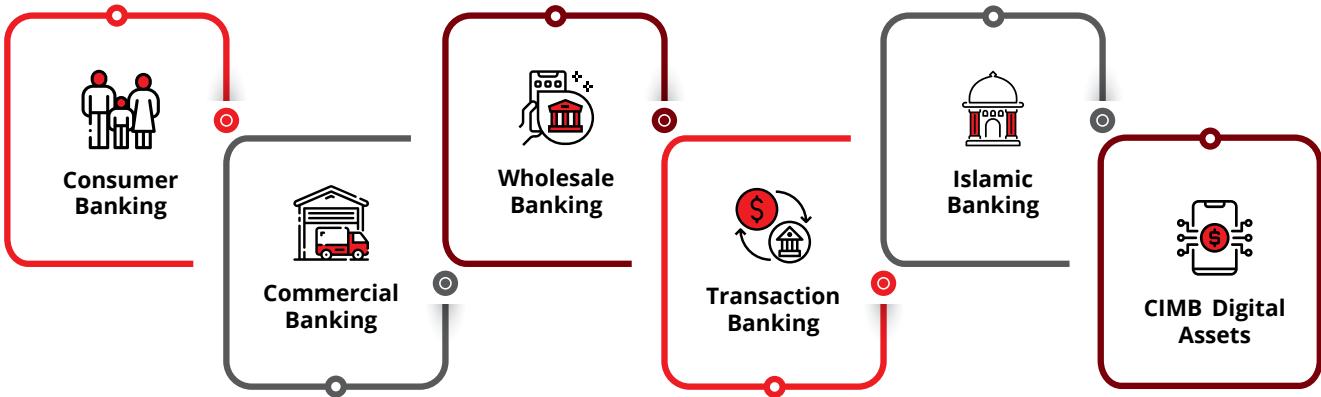
### CIMB BANK PLC

CIMB Cambodia is the Group's banking franchise in Cambodia, with 14 branches across the country. It offers a wide range of banking products and services for individuals, businesses and corporates.

### CIMB BANK VIETNAM

Established in 2016, CIMB Vietnam was the first within the Group's franchise to adopt digital bank model. It is today recognised as one of Vietnam's most innovative and emerging digital banks.

## OUR PRODUCTS AND SOLUTIONS



# Corporate Milestones and Our Heritage



PBSM changes name to Commerce International Merchant Bankers Berhad (CIMB) after acquisition by Bank of Commerce.

**1986**



Bank of Commerce merges with United Asian Bank. In a major restructure, the merged banks become Bank of Commerce (Malaysia) Berhad, under holding company Commerce-Asset Holding Berhad (CAHB). CIMB becomes a separate CAHB subsidiary.

**1991**



CAHB takes a majority stake in Indonesia's PT Bank Niaga Tbk.

**2002**

CIMB Niaga established through a merger between Bank Niaga and Bank Lippo. CIMB Group acquires BankThai and the following year renames it CIMB Thai.

**2005**

CIMB acquires Southern Bank. The new-look CIMB Group launches in the presence of the Malaysian Prime Minister Dato' Sri Abdullah Ahmad Badawi.

**2008**

**1974 – 1999**

**2002 – 2008**

**1974**

**1987**

**1999**

**2003**

**2006**



Pertanian Baring Sanwa Multinational Bank (PBSM) established in Kuala Lumpur and launched by Prime Minister Tun Abdul Razak Hussein.



Bank of Commerce successfully lists on Bursa Malaysia.



Bank of Commerce (Malaysia) Berhad merges with Bank Bumiputra Malaysia Berhad to form Bumiputra-Commerce Bank Berhad.



CIMB lists on Bursa Malaysia. The listing lasts only three years and delivers returns of 340% to shareholders.

CIMB acquires GK Goh Securities in Singapore. In a major corporate restructure to create a universal bank, CIMB acquires sister company Bumiputra-Commerce Bank from holding company CAHB. Holding company CAHB is renamed Bumiputra-Commerce Holdings Berhad.

CIMB Group launches banking operations in Cambodia, bringing retail banking presence to five ASEAN nations – Malaysia, Indonesia, Singapore, Thailand and Cambodia.



CIMB opens its first branch in Vietnam. This 100% owned subsidiary allows CIMB to establish its presence in the country as a universal banking platform and strengthen its banking franchise in ASEAN.

2010

2016

2017

## 2009 – 2017

CIMB Group launches retail banking operations in Singapore. CIMB Group acquires a 19.99% stake in the Bank of Yingkou, China. Holding company BCHB is renamed as CIMB Group Holdings Berhad.



CIMB Group completes its Asia Pacific investment banking platform with new operations in Taiwan and India and Korea. The Group moves into its new 40-storey headquarters in Menara CIMB, located at the high-tech hub of Kuala Lumpur Sentral.



CIMB and China Galaxy Securities Group become 50:50 shareholders in CIMB Securities International Pte, Ltd., repositioning CIMB's stockbroking business as a pure play broker with the client base of a universal ASEAN bank.

CIMB Group, as a Founding Member of the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (PRB), makes a public commitment to mobilise and influence its networks towards sustainable business and lifestyle practices. The Group launches a sustainability roadmap to realise CIMB's priority UN Sustainable Development Goals and held our inaugural The Cooler Earth Sustainability Summit 2019.



2019

2022

## 2018 – 2022

2009

2013

2018

2020

2021



CIMB received approvals from the Bangko Sentral Ng Pilipinas (BSP) to establish and operate its banking business in the Philippines. With these approvals, CIMB Bank Philippines Inc, launched its digital retail banking business in December 2018 establishing CIMB's presence in all 10 ASEAN countries.



CIMB became the first bank in Malaysia and the first significant emerging market bank globally to commit to phasing out coal from its portfolio by 2040, reinforcing the Group's commitment to effectively manage its footprint and create positive impact through green and sustainable products and services.



CIMB introduced CIMB OCTO App, our next generation mobile banking app delivering new features and personalisation to customers, marking the next phase in CIMB's digital-led banking experience. The app is supported by a new technology stack and operational infrastructure with a focus on providing enhanced stability and security.

CIMB became the first ASEAN bank to join the Net Zero Banking Alliance and announced strengthened sustainability commitments, including mobilising RM30 billion towards sustainable finance by 2024 and achieving overall Net Zero GHG by 2050 (including financed emissions).

# Key Highlights of 2022

## FORWARD23<sup>+</sup>

We developed our Forward23+ Strategic Plan with the ambitious aim to be the leading focused ASEAN bank.

We are at the midpoint and our strategy is making positive progress and building strong momentum towards delivering our FY2024 targets.

### BUSINESS HIGHLIGHTS



#### DELIVERING SUSTAINABLE FINANCIAL RETURNS

The Group surpassed all our financial targets for the year amidst the global headwinds and delivered a reported ROE of 9.0%.

Our focus to digitise for value is paying off with system uptime exceeding our targets coupled with significantly lower number of unscheduled downtime incidents for both CIMB Clicks and BizChannel.

Cost optimisation continued being our focus as we successfully crystallised another RM382 million of cost savings in FY22, bringing our CIR from a high of 54.8% in FY19 to 47.1% in FY22. Together with cost savings since FY20, we met the target set at the inception of Forward23+ to take out RM1.0 billion of cost from our business.



#### CUSTOMER CENTRICITY

Customers remained at the centre of all our efforts. The NPS of most key markets improved, particularly in Singapore and Indonesia.

We rolled out multiple initiatives such as the Journey Transformation and Digitalisation (JTD) and CIMB Innovator to improve both customer and employee experience. We also launched our refreshed brand proposition "Moving Forward With You", driven by our purpose of advancing customers and society, to reinforce our continued support to our stakeholders as they rebuild their lives and livelihoods.



#### TRANSFORM FUNDAMENTALS

We remained focused on enhancing operational resilience, managing risk and asset quality to mitigate downside risks.

Total provisions declined significantly by 31.5% YoY due to portfolio de-risking, as well as higher writebacks. Considerable progress has been made to sustainably reduce our credit cost, achieving our Forward23+ FY2024 target ahead of schedule. Our Common Equity Tier 1 (CET1) ratio remained resilient and stood at 14.5%.



#### PURPOSE-DRIVEN ORGANISATION

2022 marked the start of our refreshed values and culture journey, EPICC, as we aim to deliver impact the right way across the Group.

We reached the 80th percentile on the S&P Global Corporate Sustainability Assessment, with a score of 69 and achieved our sustainable finance target two years ahead of schedule. Following this, a new set of commitments which includes increasing our sustainable finance target from RM30 billion to RM60 billion, have been announced to demonstrate our continuing focus on the sustainability agenda.

**FINANCIAL HIGHLIGHTS****SUSTAINABILITY HIGHLIGHTS**

**OPERATING INCOME:**  
**RM19.84 billion**



**NET PROFIT:**  
**RM5.44 billion**



**GROSS LOANS:**  
**RM407.1 billion**



**TOTAL ASSETS:**  
**RM666.7 billion**



**DEPOSITS FROM CUSTOMERS:**  
**RM460.6 billion**



**ROE:**  
**9.0%**



**CET1:**  
**14.5%**



**DIVIDEND PER SHARE:**  
**26.00 sen**



Ranked 4th globally among banks in the World Benchmarking Alliance Financial System Benchmark



Established and published our Scope 3 Financed Emissions Baseline



Mobilised RM27.8 billion of sustainable finance in Green, Social, Sustainable Impact Products and Services including RM14.3 billion of financing provided to underserved communities



Approved the Group Human Rights Policy



Set 2030 Paris-aligned targets for cement and thermal coal mining sectors



Over 140,000 employee volunteer hours recorded in 2022



Invested RM34.4 million in our communities

# Group CEO's Reflections

DATO' ABDUL RAHMAN AHMAD

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Group Chief Executive Officer

**Although the worst of the pandemic was behind us, the year 2022 presented the world with highly challenging situations, ranging from elevated geopolitical tensions caused by the invasion of Ukraine and heightened trade conflict between the US and China to the rapid rise in interest rates to quell escalating inflation. These events together with grave concerns on climate crisis, not only caused seismic shifts in the global landscape but also presented the world in a new perspective.**

**With most countries reopening its borders and lifting economic restrictions, country GDPs showed promising recovery, including the major markets CIMB operates in; Malaysia recorded GDP growth of 8.7%, Indonesia 5.3%, Singapore 3.6%, and Thailand 2.6%. With the first ever unity government in Malaysia, the year ended with a sense of hope for transformative change that will bring positive benefits to the economy, the Rakyat as well as the nation as a whole.**

In the post pandemic recovery era, supply chain disruptions reverberated across the globe causing economies, particularly the US, to grapple with higher than expected inflation. This, coupled with Europe plunging into an energy crisis from the Russia-Ukraine war, and China's Zero COVID Policy, affected the three largest economies.

These challenges led governments to attempt to cool inflation by curbing demand via rapid interest rate hikes, and constraints on government spending and fiscal policy. In Asia Pacific, several additional factors including rising debts, and labour shortages dampened optimism for a fast recovery.

In this context, stakeholders continue looking to us for critical support in their personal journeys over a myriad of ways. CIMB Group's new brand proposition of "Moving Forward With You" is a manifestation of these circumstances and expectations. Our intent is to refocus energies to a path of regrowth that makes sense for every stakeholder with whom we have interdependent relationships. With this in mind, driven by our purpose of advancing customers and society, we delivered continued support to our stakeholders as they rebuild their lives and livelihoods.



PBT (BAU):



**RM8,492  
MILLION**

ROE (BAU):



**10.2%**

The financial performance stated in this section is on a BAU basis which excludes cukai makmur of RM665 million and RM101 million of exceptional items

## Group CEO's Reflections

### CAN YOU SHARE CIMB GROUP'S 2022 RESULTS? WHAT WERE THE PRIMARY FACTORS THAT CONTRIBUTED TO THE PERFORMANCE AND WHAT ITEMS CONTINUED TO POSE CHALLENGES?

Despite the continued macro-economic challenges, 2022 was generally more positive in the regional countries we operate in, catalysed by the reopening of economies post pandemic. The Group surpassed all our financial targets for the year amidst the global headwinds. Our Profit Before Tax (PBT) and Net Profit grew by 33.8% and 33.5% YoY to reach RM8.49 billion and RM6.21 billion respectively. We achieved a Return on Equity (ROE) of 10.2%, compared to 8.1% in FY21. We are pleased that this is the first time in many years that CIMB Group has delivered a double digit ROE.

Our Operating Income rose 8.0% YoY to RM19.8 billion, driven by Net Interest Margin (NIM) expansion, fee income and a healthy 7.7% rise in loans, surpassing industry growth/market benchmarks. Deposits grew steadily while the Group's CASA ratio stood at 39.9% as at December 2022, lower than last year due to increased economic activity and intense deposit competition.

We remain disciplined in cost management with Operating Expenses (OPEX) rising by only 3.2% YoY, enabling our Cost-to-Income Ratio (CIR) to improve by 210bps YoY to a record low of 46.5%. Consequently, Pre-Provisioning Operating Profit grew strongly by 12.5% YoY to RM10.61 billion from the positive JAW. Total provisions declined significantly by 31.5% YoY due to lower provisions and overlays benefiting from our portfolio de-risking, as well as higher writebacks. The Group's allowance coverage stood at 93.1% with Gross Impaired Loans Ratio (GIL) improving slightly to 3.3%. Credit cost fell from 73bps in FY21 to 51bps in FY22, meeting our Forward23+ target ahead of schedule.

The positive income growth, contained cost escalation and lower provisions meant that we were able to deliver a significant increase in profitability. Including exceptional items, such as Cukai Makmur, our reported Net Profit was 26.7% higher to reach RM5.44 billion with reported ROE at 9.0%. Our Common Equity Tier 1 (CET1) ratio remained resilient and stood at 14.5%. Given the strong capital position, we have announced an all-cash second interim dividend of 13.00 sen per share, bringing full year dividends of 26.00 sen per share equivalent to RM2.75 billion, translating to a dividend payout ratio of 50.5%, in line with our dividend policy.

Talent retention and turnover remained at healthy levels. Our Organizational Health Index (OHI) score has improved by 2 points, moving the Group to the second quartile. 2022 also marked the start of our refreshed values and culture framework, EPICC, as we work towards delivering impact together the right way in order to become the best organisation for the best talent with the right values to thrive in.

The Group has also grown leaps and bounds on the ESG front. As a bank committed in its journey to become a sustainability leader in ASEAN, we have once again made considerable progress on the S&P Global Corporate Sustainability Assessment and achieved our sustainable finance target of RM30 billion two years ahead of plan.

CIMB's steady performance during the year is the product of #teamCIMB responding to challenges with agility and their commitment to our ambition of becoming the leading focused ASEAN bank.



Strategising before our FY22 results press conference with Khairul Rifaie, our Group Chief Financial Officer

	FY22 Results	FY22 Targets
<b>ROE (Reported)</b>	9.0%	7.5-8.0%
<b>ROE</b>	10.2%	8.5-9.0%
<b>Dividend Payout Ratio</b>	50.5%	40-60%
<b>Total Loan Growth</b>	7.7%	5-6%
<b>Cost to Income Ratio</b>	46.5%	<49.0%
<b>Loan Loss Charge</b>	51bps	60-70bps
<b>CET1 (CIMB Group)</b>	14.5%	>13.0%



## CIMB IS NOW AT THE MIDPOINT OF ITS FORWARD23+ STRATEGY. COULD YOU HIGHLIGHT THE PROGRESS AND SHARE HOW IT CONTRIBUTED TO YOUR FY2022 PERFORMANCE?

When we first formulated our Forward23+ Strategic Plan, it was predicated on resolving our lagging ROE which impacted shareholder value. With two years to go, our strategy is making positive progress and building strong momentum towards delivering our FY2024 targets.

We have substantially completed re-shaping our portfolio through growing key profitable segments in focused areas such as Consumer and Wealth Management, SME, Treasury & Markets and ASEAN network business. Considerable progress has been made to sustainably reduce our credit cost, achieving our Forward23+ FY2024 target ahead of schedule. Cost optimisation continued being our focus as we successfully crystallised another RM382 million of cost savings in FY22, bringing our CIR from a high of 53.4% in FY19 to 46.5% in FY22, which is closer to market benchmarks. Together with cost savings since FY20, we met the target set at the inception of Forward23+ to take out RM1.0 billion of cost from our business.

Our focus to digitise for value is paying off with system uptime exceeding our targets coupled with significantly lower number of unscheduled downtime incidents for both CIMB Clicks and BizChannel.

Country	% Availability		
	FY21	FY22	FY22 Targets
<b>CIMB Clicks</b>			
<b>Clicks</b>	99.25%	<b>99.75%</b>	99.00%
<b>Octo Clicks and Mobile</b>	99.75%	<b>99.20%</b>	98.75%
<b>Clicks</b>	99.51%	<b>99.75%</b>	98.86%
<b>Thai Digital App</b>	98.75%	<b>99.31%</b>	98.05%
<b>BizChannel</b>			
<b>BizChannel</b>	99.99%	<b>100.00%</b>	99.75%
<b>BizChannel</b>	99.93%	<b>100.00%</b>	99.50%
<b>BizChannel</b>	100.00%	<b>100.00%</b>	99.75%
<b>BizChannel</b>	99.87%	<b>99.95%</b>	99.75%

## Group CEO's Reflections

### ON THE BACK OF RECOVERING ECONOMIES AND IN ORDER TO BALANCE THE EXPECTATIONS OF DIFFERENT STAKEHOLDERS, WHAT DID CIMB PRIORITISE IN 2022?

The Group remains committed to creating long-term value for all stakeholders and continues to review and refine our strategies in light of changing economic conditions. Underlying every decision and strategic priority is a thoughtful measure of the value created.

A key focus area for the year was our digital reliability, where we invested almost RM900 million to enhance our digital platforms and further strengthen our technology resilience. The returns on such investments are clearly shown in the improved availability rate and significantly reduced downtime incidents of our digital platforms. As planned, we launched the early release version of our next generation mobile banking app in Malaysia, the CIMB OCTO App, in August 2022. With the upcoming new enhancements, we aim to provide a personalised and future-ready customer experience, while protecting and safeguarding customers' interests and safety.

On the Customer Centricity front, the NPS of most key markets improved. We recognise that extra effort, especially in Malaysia, needs to be put in to regain customers' trust and be their bank of choice. With that, we have launched our refreshed brand proposition 'Moving Forward with You' to reinforce our promise of placing customers at the heart of everything we do and be with them every step of the way.

On our journey to becoming a Purpose-Driven Organisation, we also made positive progress in addressing these areas:-

- 2022 marked the start of our refreshed values and culture journey. Our EPICC culture which stands for Enabling Talent, Passion, Integrity & Accountability, Collaboration and Customer Centricity was successfully rolled out in the beginning of the year and we have since then conducted various cascades and engagement sessions across the region and levels to ensure participation, understanding and that #teamCIMB embraces the true meaning of EPICC.
- We continued to place staff wellbeing and their personal development as our top priority. To ensure our people are able to navigate challenges skilfully, regular mental wellbeing workshops and a wide range of learning programmes were made readily available for their selection.
- We also made progress developing innovative Islamic finance solutions, the Sustainable Term Investment Account-i, which is the first-of-its-kind in ASEAN, and the Sustainable Collateralised Commodity Murabahah transaction, and delivered significant headway on our Sustainability front that I will elaborate on later.



At the soft launch of Malaysia's new CIMB OCTO App in August 2022

 **“...improved availability rate and significantly reduced downtime incidents of our digital platforms.”**



Senior Management attending the EPICC Leadership Alignment Session



**“Revised sustainable finance target from RM30 billion to RM60 billion.”**



## AT THE FOREFRONT OF CHAMPIONING SUSTAINABLE BUSINESS PRACTICES, WHERE ARE YOU NOW WITH ESG INTEGRATION EFFORTS? HOW IS CIMB POSITIONED TO DEMONSTRATE ITS SUSTAINABILITY LEADERSHIP?

With only eight years left to 2030, we must take drastic and immediate measures to accelerate progress on the Sustainable Development Goals (SDGs) or fall victim to the tragedy of the commons. Cooperation between every entity is fundamental to a just transition into a future state where universal human rights and respect for the environment are safeguarded.

At CIMB, we are always working on solutions to aid speedy transitions to a sustainable economy. For instance, during the year, we championed our MicroBizReady programme, where 55 female entrepreneurs were empowered with skills to grow a small business, enabling them to build financial independence. Another target segment has been SMEs and MSMEs, through CIMB Islamic's Sustainable Term Investment Account-i Tranche - a business and SME-friendly investment fund that finances Shariah-compliant assets which contribute to SDG 8, Decent Work and Economic Growth.

In addition, RM5 million in rebates was offered to eligible MSMEs through the NCIA-CIMB Entrepreneur Scheme in an endeavour to stimulate the recovery of the Northern Corridor Economic Region. Separately, an additional RM100 million was allocated to the Low Carbon Transition Facility (LCTF) that supports small and medium businesses in adopting low-carbon and sustainable practices. This is in line with our intent to bridge the transition finance gap for all levels of business especially amongst the often overlooked smaller SMEs that cannot qualify for green finance.

During the year, we also launched the Group Human Rights Policy, which outlines our firm stance on the fair and just treatment of anyone in contact with our business including our employees and crucially, the human rights requirements that extend to our clients' operations as well.

At our flagship event, The Cooler Earth Sustainability Summit 2022, further commitments and announcements were made on CIMB's progress towards becoming an ASEAN sustainability leader:

- Obtained baseline Scope 3 financed emissions across all our operating markets

- Committed to reducing thermal coal mining exposure by half from end-2021 levels by 2030 and fully by 2040
- Announced a carbon intensity reduction target of 36% for the cement sector
- Raised the sustainable finance target from RM30 billion to RM60 billion

In the coming year, our sustainability focus will continue to be on expanding our sustainable finance solutions through our GSSIPS framework, engaging with clients in high-impact sectors on their sustainability performance, and meeting new regulatory changes that can potentially affect our operations. In the meantime, we are looking at other high-impact sectors in our portfolio and actively engaging with these clients on systematically reducing their emissions footprint in line with our reduction targets.

All our efforts culminated in our S&P Global Corporate Sustainability Assessment score of 69, achieving the 80th percentile. We have surpassed our Forward23+ targets but will continue to put in the effort, ensuring CIMB stays at the forefront of the sustainability agenda.

In addition, the 2022 Financial System Benchmark assessed 400 global financial institutions on their progress to supporting a just and sustainable economy. Proudly, CIMB has been ranked amongst the top 5 (4th) banks of the world. While this is a proud moment, such recognition reinforces the need for us to continue to sustain and accelerate our efforts in line with our critical role and responsibility towards advocating responsible banking principles and agenda for greater benefit of the industry and our stakeholders.

| Read more about our Sustainability Performance in the CIMB Group Sustainability Report 2022 and/or Sustainability Statement on pages 174-185 of this report

## Group CEO's Reflections



Offsite meeting with Group Executive Committee (GEXCO) and their respective teams, where we brainstormed on the 2023 Budget and Business Plans

### HOW DO YOU SEE THE GLOBAL TRENDS, REGIONAL MARKET FORCES AND LOCAL EMERGING REGULATIONS SHAPING 2023 AND WHAT IS IN STORE FOR CIMB GROUP?

The global economy is expected to remain uncertain due to supply disruptions and inflationary pressure. The International Monetary Fund (IMF) has forecasted that global inflation will rise from 4.7% in 2021 to 8.8% in 2022, but is expected to decline to 6.5% in 2023 and 4.1% by 2024. The Global Economic Prospects report estimates that global growth will slow down sharply from 2.9% in 2022 to 1.7% in 2023 due to factors such as monetary policy tightening, financial stress, and geopolitical tensions. Shipping bottlenecks, critical supply shortages, and labour shortages have caused higher inflation, and emerging market and developing economies are expected to experience subdued growth. Policymakers need to prioritise reforms to promote long-term growth and bolster the resilience of vulnerable groups, and global cooperation and national policies are necessary to support investment and growth prospects.

ASEAN was among the fastest growing regions in 2022 and it is projected to moderate to 4.3% in 2023 largely due to slower trade demand which outweighs the positive impact of China's reopening. However, the outlook for the emerging Southeast Asian countries like Vietnam, Indonesia and the Philippines remain relatively positive compared to other parts of the world.

With the anticipated economic outlook as such, our broad strategy remains, and we will stand guided by our Forward23+ Strategic Plan. For 2023, our business plan and strategic themes have been refined further to navigate the prevailing economic uncertainty. In summary we intend to:

- Aggressively strengthen our CASA and deposit franchise, accelerate the execution of our Affluent strategy, grow Islamic Finance, adopt the one-bank client approach for Wholesale and drive Non-Interest Income (NOII) growth;
- Move to the next phase of enhancing our operational resilience and institutionalise it across the Group;
- Double down on digitisation to invest deeply in our digital capabilities and technology resiliency. This includes transforming our end-to-end customer journey and internal processes;
- Optimise asset quality and focus our attention on addressing our gross impairment loan ratio which currently lags behind our peers;
- Remain focused on cost discipline, risk management and asset quality to mitigate downside risks;
- Continue executing our planned culture and human capital transformation programmes across EPICC, employee experience and talent management; and
- Intensify efforts to advance our ESG agenda particularly in developing key capabilities to deliver sustainable products and services to our clients.

Our headline targets for FY2023 are:

	FY23 Targets
<b>ROE</b>	10.2-11.0%
<b>Dividend Payout Ratio</b>	40-60%
<b>Total Loan Growth</b>	5-6%
<b>Cost to Income Ratio</b>	<46.5%
<b>Loan Loss Charge</b>	45-55bps
<b>CET1 (CIMB Group)</b>	>13.5%

At the Board level, the leadership team and I are pleased to welcome Hafriz Abdul Rahman and Christina Ong Soo Chan to the Board of CIMB Bank Berhad, Surina Shukri to the Board of CIMB Investment Bank Berhad and Zuhaida Zulkifli to the Board of CIMB Islamic. We are confident their diverse experience and exposure will add value to the Board's strategic decision-making.

Meanwhile, allow me to thank Tan Sri Md Nor Md Yusof for his service as the Chairman of CIMB Foundation and Datin Grace Yeoh Cheng Geok for her service on the Board of CIMB Bank Berhad. Their guidance has been instrumental in the strength of CIMB's business performance, and we wish them all the best in their future endeavours.

To our Chairman and Board of Directors, thank you for your continued trust, support and confidence. I would also like to thank the regulatory authorities for another year of guidance to the banking industry and helping us navigate the new normal. We also owe thanks to our shareholders, customers, clients, peers and partners for having faith and placing their trust in us throughout the recovery period.

My final appreciation is dedicated to #teamCIMB, who have demonstrated incredible resilience during trying times, and continued to be the backbone of the Group. Let us move forward together in this new year, working as a team in our on-going journey to becoming the leading focused ASEAN bank.

**Dato' Abdul Rahman Ahmad**  
Group Chief Executive Officer

## CONCLUSION AND APPRECIATION

Several key leadership changes occurred in 2022 to help the Group strive towards our Forward23+ targets and ambitions. We welcomed the appointment of Chu Kok Wei and Novan Amirudin as Co-CEOs of Group Wholesale Banking. Chu's appointment demonstrates the strength and expertise of our existing leadership bench, whilst Novan's appointment will introduce new perspectives and complementary networks that will help us to build on our leading Wholesale Banking franchise.

I would also like to thank Samir Gupta, CEO of Group Consumer Banking, for his contributions to the Group in the past 12 years. Samir was an outstanding member of our GEXCO team and I will forever be grateful for his strong support and counsel. I wish him all the best in his future endeavours. Effendy Shahul Hamid, who was CEO of CIMB Digital Assets, took over Group Consumer and Digital Banking effective 1 January 2023. His strong background in forward-looking banking and financial services trends bodes well for the consumer banking and digital business franchise we want to build for the future.

# Economic Review and Outlook

## 2022: YEAR OF RECOVERY AND RESILIENCE

### WHAT WERE THE ECONOMIC AND MARKET FORCES IN PLAY IN 2022?

During the year under review, several unexpected shocks impacted the growth that was predicted from a post-pandemic recovery. We witnessed a more significant than anticipated decline in global economic activity, with inflation at its highest level in many years. The prognosis is adversely impacted by the rising cost of living, tightening financial conditions across the board, Russia's invasion of Ukraine, and the persisting COVID-19 pandemic. From 6.0% in 2021 to 3.2% in 2022, global growth has declined substantially. Except for the global financial crisis and the severe phase of the pandemic, this is the worst growth profile since 2001. Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017-2019) levels of about 3.5%<sup>1</sup>.

2022 also saw a deceleration in the U.S. GDP growth in the first half of the year and in the eurozone in the second half, and extended COVID-19 outbreaks and lockdowns in China with a worsening housing sentiment. Several emerging markets dipped into a recession amid volatile exchange rates.

The future health of the global economy heavily depends on the successful adjustment of monetary policy, the outcome of the war in Ukraine, and the potential for additional supply-side disruptions arising from new virus strains.

## HOW DID THE MALAYSIAN ECONOMY PERFORM OR RESPOND TO THE CHALLENGING LANDSCAPE?

The Malaysian economy exceeded expectations in the first half of the year followed by a slower second half. Domestic demand strengthened due to improved labour market conditions and ongoing policy support. Economic activity normalised following the reopening of borders and the country's pandemic status moved to endemicity. Demand for E&E products continued to underpin exports and the manufacturing and services sector remained a key driver of economic activity.

Loan demand remained at healthy levels on the back of strong home and car purchase. Business and household loan repayments have been positive since the end of repayment assistance programmes and the reopening of the domestic economy.

The Ringgit depreciated against the strengthening of the Dollar in the second quarter of 2022. This was mitigated by higher commodity prices and the recovery of the domestic economy. The impact of general volatility on the domestic financial markets was contained by Malaysia's healthy external position and robust banking system.

## 2023: RISK OF GLOBAL RECESSION

### WHAT IS THE GLOBAL OUTLOOK AS PER YOUR ANALYSIS?

The future still carries significant risks. The monetary policy aimed at reducing inflation may end up backfiring. The divergent policy trajectories of the developed economies could result in a greater strengthening of the US currency and increased conflicts between nations. Longer-lasting inflation

could result from more abrupt changes in the price of energy and food. The emerging market debt crisis could escalate due to the global contraction of financial conditions. Russia's suspension of gas shipments could reduce productivity in Europe. Growth may be further hampered by a COVID-19 comeback or fresh health concerns worldwide. A worsening of the crisis in China's real estate market might have negative cross-border repercussions, affect the domestic financial industry, and have a significant impact on the nation's GDP. Additionally, geopolitical fragmentation may obstruct trade and money movements, making it harder to coordinate climate policies.

According to the World Economic Outlook update by the International Monetary Fund, "The global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery."

## WHAT DOES YOUR CRYSTAL BALL SAY ABOUT ASEAN-5, INCLUDING YOUR HOME MARKET?

Amidst an unfavourable global outlook, collective GDP growth in the ASEAN-5 is estimated at 4.3%. Malaysia's 2023 outlook is expected to ease from an unexpectedly strong year in 2022. The economy is projected to experience slower growth of 4-5%, returning it to pre-COVID-19 pandemic levels, which registered 4.7% in 2018 and 4.3% in 2019<sup>2</sup>. Even while it represents a slowdown from the better-than-anticipated 8.7% growth for 2022, this is consistent with expectations of slower global growth.

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

<sup>2</sup> <https://www.theedgemarkets.com/article/malaysias-economic-growth-expected-ease-45-2023>

Considering our progress on our Forward23+ strategy, CIMB is confident that we are well-prepared to handle the challenges of the coming year and on track to deliver value to a myriad of stakeholders despite slower growth predictions.

The execution of new and continuing high-multiplier infrastructure projects, continued exports, a thriving services sector, and strong domestic demand will be the main drivers of the domestic economy. In spite of this, analysts predict that gross export growth would decelerate significantly drop to 2.2% in 2023 from 17.4% in 2022 due to weak external demand and volatile commodity prices.

Private consumption growth is projected to slow to 6.3% from an 8.7% increase in 2022 during the same period, while domestic demand growth is predicted to drop to 5.1% in 2023 from 6.3% growth in 2022. A revival of the labour market and tourism-related activities will help to maintain this momentum.

A 2% increase in public consumption is anticipated in 2023 due to higher spending on civil servant salaries and special financial assistance for government employees and pensioners in January 2023.

In contrast, a greater growth rate of 3.7% in 2023 is predicted for private investment, up from 3% in 2022. An increase in capital investment in the technology-intensive industrial and service sectors, particularly in machinery and equipment connected to information and communications technology, will be credited with the expansion.

After growing by an expected 2.2% in 2022, public investment is predicted to increase by 2.1% in 2023 due to several notable infrastructure projects such as the Mass Rapid Transit Line 3 (MRT 3), Phase 2 of the Sarawak-Sabah Link Road, and the Trans-Borneo Highway.

## CLIMATE CHANGE: THE ECONOMICS OF A JUST TRANSITION

### HOW EXPENSIVE ARE OR WOULD BE THE IMPACTS OF CLIMATE CHANGE?

Experts at the recent Conference of the Parties (COP27) at the 2022 United Nations Climate Change Conference in Egypt reinforced that the rising costs of natural disasters can be attributed to global heating and rising sea levels and the frequency and severity of floods, cyclones, wildfires amongst others. The cost of the 10 most expensive climate events of the last decade was USD1.5 trillion<sup>3</sup>. Most of these events occurred in the last five years.

According to a report commissioned by Egypt and Britain, to deal with damages from climate change and restore nature and land, there is a need to mobilise US\$1 trillion (from the current US\$500 million) in external climate finance by 2030 for emerging markets and developing countries other than China.

### WHAT HAS BEEN SOME GLOBAL ACTION TO ADDRESS MITIGATION AND JUST TRANSITION?

COP27 witnessed a breakthrough agreement to launch a "loss and damage" fund for climate-vulnerable countries, i.e., those impacted by climate disasters. Meanwhile, the G7 and V20 (including Asia-Pacific 20 Vulnerable countries such as the Philippines and Cambodia) committed over US\$200 million as initial funding under the auspices of Global Shield against Climate Risks. Similarly, the Adrienne Arsht-Rockefeller Foundation Resilience Center (Arsht-Rock) committed to a Cool Capital Stack worth US\$750 million as an investment pipeline to fund projects and technologies to protect the world's most vulnerable from climate-driven extreme heat.

## Economic Review and Outlook

COP27 also saw the first-ever commitment from 85 insurers to underwrite USD14 billion of cover for climate risks by 2030. An Insurance Adaptation Acceleration Campaign was also launched with the objective to mobilise 3,000 insurance companies (making up 50% of the market) by COP 28.

### HOW DOES CLIMATE CHANGE AFFECT THE ECONOMICS OF THE FINANCIAL SECTOR?

The global action and urgency are evidence that the economic and financial consequences can be complex and seriously impact the business and finance world. Research indicates that public borrowing costs can be affected by climate change, contributed by a decline in capital, financial losses from climate-induced disasters, and government spending on mitigation and adaptation. The correlation between increased vulnerability and lower resilience to climate risks and higher bond yields has been noted. Another research predicts that the credit spreads in Caribbean countries will increase by more than 30% should the frequency and severity of hurricanes continue to get worse. Similarly, countries that suffer from climate vulnerability pay an average of 1.17% higher cost of debt than those with lesser exposure to climate risks and disasters.

The Climate Emergency demands that financial markets be prudent in accounting for the risks and costs of climate change in financial contracts. Failure to take decisive action or accurately assess these risks may lead to significant consequences such as increased public debt, potential sovereign defaults, greater fiscal vulnerability, financial instability, and other systemic risks that could significantly impact both businesses and the financial sector as a whole.

### HOW IS CIMB BUILDING THE RESILIENCE OF ITS ASEAN INFRASTRUCTURE AND ITS FINANCING PORTFOLIO TOWARDS JUST TRANSITION?

CIMB Group stands firmly with its commitments to the climate agenda. We will continue to advocate a just transition with the goal of simultaneously addressing the environmental crisis and socio-economic needs. In 2022, we doubled our sustainable finance target to RM60 billion by 2024 under our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. These include, among others, mobilising the capital flows needed for climate adaptation projects and climate-resilient infrastructure.

Concurrently, we have intensified our efforts to support and incentivise existing and new clients in the transition towards a low-carbon, climate-resilient economy. We are focused on our engagements with energy clients, governments, and other stakeholders, to support their energy and electrification plans, with a focus on financing cleaner forms of energy such as solar and wind. We will reduce the Group's coal exposure, which is less than 1% of the Group's financing assets as at end-2022, down to zero in a just and orderly manner over time.

In 2022, we published our scope 3 financed emissions baseline in accordance with the Partnership for Carbon Accounting Financial (PCAF), which is the recommended calculation methodology for financed emissions under the Task Force on Climate-Related Financial Disclosures. With the baseline, we have set Paris-aligned reduction targets for the thermal coal and cement sectors. This year, we will set reduction targets for the remaining seven carbon-intensive sectors that are expected of the Net Zero Banking Alliance's signatories.

# Key Risks and Mitigation



## CREDIT RISK

### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with failure of an obligor, market counterparty or an issuer of securities or other instruments held to perform contractual obligations to the Group

### HOW DOES IT IMPACT SHARED VALUE?

Such risk creates potential losses and depletes financial capital, compromising our ability to allocate adequate investments to manage other material matters

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Review and enhance credit risk policy framework to adapt existing prudent lending/financing guidelines to current operating environment with the objective of minimising credit defaults and losses
- Maintain a portfolio of credit risk which is adequately diversified by country, industry, market, sector, product, customer segment and duration
- Monitor through Early Warning Indicators and Watchlist Process credit risk management tool to identify deteriorating credits at early stages, thereby minimising any potential credit loss
- Conduct thematic stress test exercise on portfolio for early identification of potential problematic accounts as part of the Group's proactive management of portfolio
- Assess quality of loans/financing approved via a regular independent post-credit review process
- Enhance management of asset quality by utilising improved Group Asset Quality Committee (GAQC) Dashboard and Heatmap to better forecast and manage Expected Credit Loss (ECL) and Gross Impaired Loan (GIL)
- Ensure provisioning sufficiency through management overlay provisioning for portfolio under repayment/payment assistance
- Review and set direction periodically under the guidance of the Board Risk and Compliance Committee (BRCC) and Group Risk and Compliance Committee (GRCC) using the Risk Posture and Risk Appetite frameworks
- Identify, measure, monitor and manage credit risk within the approved Risk Appetite as well as within the confines of the Group's credit policies
- Provide oversight on various credit risk and governance, as well as review and report exposures regularly to GRCC and BRCC
- Leverage data and analytics to assess portfolios, identify problem areas and decide on corrective actions
- Active monitoring of Repayment Assistance (RA) portfolio and identification of non-viable business for forced impairment
- Adopt best practices for credit risk management in the region
- Keep abreast of market and regulatory developments which impact the Group's credit risk metrics and make recommendations for suitable changes

### HOW DO WE MEASURE SHARED VALUE?

- Credit quality (i.e. Delinquency, Impairment and Loan Loss Provision)
- Risk appetite metrics (Risk Adjusted Return on Capital or RAROC)
- Earnings and Growth

### Capitals Affected:



Financial  
Strength



Robust  
Relationships

# Key Risks and Mitigation



## MARKET RISK

### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility

### HOW DOES IT IMPACT SHARED VALUE?

Market risks affect our financial capital and losses beyond our risk appetite would pose challenges to managing performance and growth

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Identify, measure, monitor and manage market risk within the approved Risk Appetite as well as the confines of the Market Risk Policy Framework
- Design and implement a best-in-class Market Risk Management and control environment across the Group, supported by consistent and effective Group policy and procedures
- Provide oversight on various areas of risk and governance through the Group Market and Conduct Risks Committee, a subcommittee of the GRCC that is supported by several working groups
- Provide constructive challenge to the first line-of-defence
- Introduce, promote and constantly evolve a culture which adopts the best practices for market risk management in the region with the highest standards of quality and integrity
- Provide clear and considered guidance to the regional teams, to ensure any revision to operating practices or processes is appropriately agreed by all stakeholders and communicated effectively
- Keep abreast of market and regulatory developments which impact the Group's market risk metrics and make recommendations for suitable changes

### HOW DO WE MEASURE SHARED VALUE?

- Market Risk Limits
- Risk appetite metrics
- Earnings and Growth

#### Capitals Affected:



Financial Strength



Robust Relationships



Valued People



## LIQUIDITY AND FUNDING RISK

### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with the inability to efficiently meet the present and future funding needs or regulatory obligations, when due

### HOW DOES IT IMPACT SHARED VALUE?

Such risks may adversely affect business continuity and result in unacceptable losses in the mid-term

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Maintain high-quality liquefiable assets (HQLA) and well-diversified sources of funds as liquidity risk buffer under both business-as-usual (BAU) and stress scenarios
- Measure, monitor and manage liquidity risk positions to comply with regulatory Basel III liquidity risk requirements and internal risk appetite
- Perform semi-annual consolidated stress tests to identify vulnerable areas in portfolio
- Discuss and deliberate on liquidity risk and funding profile at the Group Asset Liability Management Committee (Group ALCO), a subcommittee of GRCC

### HOW DO WE MEASURE SHARED VALUE?

- Adequate HQLA
- Well diversified funding sources

#### Capitals Affected:



Financial Strength



Robust Relationships



## INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK (IRRBB/RORBB)

### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with the current and potential risk to the Group's earnings and economic value arising from movement in interest rates/profit rates

### HOW DOES IT IMPACT SHARED VALUE?

Such risks may affect the Group's financial position in the form of short term Net Interest Income (NII)/Net Profit Income (NPI) or longer term financial position

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Measure, monitor and manage IRRBB/RORBB benchmarking against minimum Basel requirement and internal risk appetite
- Perform semi-annual consolidated stress tests to identify vulnerable areas in portfolio
- Discuss and deliberate IRRBB/RORBB at the Group Asset Liability Management Committee (Group ALCO), a subcommittee of GRCC

### HOW DO WE MEASURE SHARED VALUE?

- Balance Sheet Composition
- Earnings and Growth



## COUNTRY RISK

### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with country/market specific regulations, limits, and even socio-political factors

### HOW DOES IT IMPACT SHARED VALUE?

Such risks may influence the internal policies and effectiveness of various credit and other strategies

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Establish country limits to capture and manage country risk arising from credit exposure to obligors
- Review relevant country limits and business requirements through the Group Credit Committee before approval of country limits

### HOW DO WE MEASURE SHARED VALUE?

- Country positions (brand and ranking)
- Earnings and Growth

#### Capitals Affected:



Financial  
Strength



Robust  
Relationships

#### Capitals Affected:



Financial  
Strength



Robust  
Relationships

## Key Risks and Mitigation



### SHARIAH NON-COMPLIANCE (SNC) RISK

#### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with non-compliance to various policies and regulations mandated by the Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM) and Securities Commission (SC), Board Shariah Committee (BSC) of the Group and other Shariah regulatory authorities of the jurisdictions where the Group operates

#### HOW DOES IT IMPACT SHARED VALUE?

Such risks may pose serious consequences in terms of compromised market reputation and credibility, profit could not be recognised, as well as legal sanctions and punitive damages

#### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Establish the BSC and four Shariah functions, as required under BNM Shariah Governance Policy Document
- Develop Shariah-related policies and procedures, with necessary approvals from BSC for all Islamic banking business and operations
- Deploy risk management tools to facilitate how Business Units (BU)/Business Enablers (BE) identify and manage such inherent risks to business
- Develop SNC risk scenarios and stress test impact of non-compliance on bank's capital position

#### HOW DO WE MEASURE SHARED VALUE?

- Market positions (brand and ranking of Islamic banking)
- Integration of Value-based Intermediation (VBI) principles
- Earnings and Growth



### SUSTAINABILITY RISKS

#### WHAT IS THE RISK AND WHAT DOES IT MEAN?

Associated with various economic, environmental, social and governance (EES&G) issues stemming from banking transactions/activities, business operations or supply chain activities

#### HOW DOES IT IMPACT SHARED VALUE?

Such risks may negatively impact our assets, relationships, reputation, costs, profitability, capital, competitiveness and our ability to deliver resilient long-term growth

#### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Institutionalise Sustainability Risk Management Framework, and integrate sustainability considerations (including climate-related matters) into business decision-making
- Monitor sustainability risk profile of the Group's business through the Group Sustainability Council (GSC)
- Subscribe to local, regional and international standards and best practices to adopt and promote principles for responsible banking
- Ensure effective implementation of appropriate policies, procedures and controls to enhance EES&G performance
- Engage with high sustainability risk sector clients, as well as financing clients with sustainability action plans

#### HOW DO WE MEASURE SHARED VALUE?

- Market positions (EES&G performance on market indices)
- Adoption of Sustainability Standards (GRI, SASB etc.)
- Alignment to the UNEP FI Principles for Responsible Banking and climate-related guidelines such as Guidelines for Climate Target Setting for Banks

#### Capitals Affected:



Financial Strength



Robust Relationships



Intellectual Capital

#### Capitals Affected:



Financial Strength



Natural Capital



Robust Relationships



Valued People



## NON-FINANCIAL RISK

### WHAT IS THE RISK AND WHAT DOES IT MEAN?



#### Operational Risk

Associated with losses resulting from inadequate or failed processes, people and systems or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks.



#### Technology Risk

Associated with inadequate or weaknesses in strategy, people, process, technology or external events, which includes financial risk, regulatory/compliance risk and the risk of reputational loss/damage.



#### Outsourcing Risk

Associated with risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage.



#### Fraud Risk

Associated with the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify, etc.



#### Business Continuity Management

Associated with the challenge to manage disruptions well in order to get back to the business of running the organisation as quickly as possible.

### HOW DOES IT IMPACT SHARED VALUE?

Non-financial risks may negatively impact the Group's productivity, in particular, the Group's Operational Resilience and its ability to continue to operate and provide the essential financial services to its customers when faced with disruption. Such risks, upon materialising, may also result in financial losses, negative customer experience, loss of competitive advantage and business failure, and these would eventually adversely impact the returns to our shareholders

### WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?

- Undertake on-going thematic and focused review/gap analysis on non-financial risk areas in an effort to improve the governance and effectiveness of control practices
- Carry-out operational risk stress tests focusing on the material risks impacting the Group's key business segments and systems
- Operationalise the Enterprise Risk Management Framework to drive an effective identification, assessment, reporting and management of such risks with the use of various tools, methodologies and processes
- Have in place a senior management committee (i.e., Group Operational and Resiliency Risk Committee) at the Group and respective local countries, tasked to oversee the non-financial risk framework and policies, and to ensure they are appropriate for the size and complexity of the current and future operations of CIMB Group
- Institutionalise a Business Continuity Management (BCM) Steering Committee to promote and maintain sound BCM practices, which reports directly to the Group Executive Committee (GEXCO)
- More robust outsourcing governance with involvement of subject matter experts from IT Security, Business Continuity Management, Technology Risk Management, Procurement and Legal and establishment of Key Risk Indicators for monitoring of Outsourced Service Providers
- Review and enhance various tools, methodologies and processes for the identification, assessment, reporting and management of non-financial risks
- Strengthening of Technology & Cyber Resilience to support the Group's Digital Transformation with implementation of Group-wide Technology Risk Management Framework and Policy along with robust independent assurance programmes such as Red Teaming, and Independent Risk Assessment Programme for Technology (iRAPT)

### HOW DO WE MEASURE SHARED VALUE?

- Earnings and Growth

#### Capitals Affected:



Financial  
Strength

# Group's FORWARD23+ Strategic Themes

Launched in October 2020, Forward23+ (2020-2024) is the Group's new turnaround plan in response to the extremely challenging and disruptive market landscape. The recalibrated strategy takes into account the 'new normal' brought about by the COVID-19 pandemic, trade-offs, clear performance metrics and tracking mechanisms with collective ownership of the strategic plan across the Group. Our vision is to become the leading focused ASEAN bank by passionately embracing a customer-centric mindset to advance customers and societies in the markets where we operate.

**Five strategic themes drive the turnaround plan, namely Delivering Sustainable Financial Returns; Disciplined Execution; Customer Centricity; Transform Fundamentals; and Purpose-driven Organisation.**

## FORWARD23+

### Strategic Themes

	What Does It Mean?	Stakeholders' Expectations
1 <b>Delivering Sustainable Financial Returns</b>	→ Catalyse growth and turn around businesses by tapping into high potential opportunities across ASEAN	→ <ul style="list-style-type: none"> <li>Build a robust business portfolio, with promising returns</li> <li>Champion responsible banking operations that focus on sustainable business growth</li> <li>Ensure a data-driven and fact-based dynamic asset allocation</li> </ul>
2 <b>Disciplined Execution</b>	→ Instil disciplined execution amongst #teamCIMB at all levels to manage performance, inculcate operational resiliency, improve efficiencies and accelerate growth	→ <ul style="list-style-type: none"> <li>Deliver organisational targets consistently</li> <li>Reduce organisational complexity to improve the speed of decision making</li> <li>Recalibrate the operating model of the bank across its different markets and businesses</li> </ul>
3 <b>Customer Centricity</b>	→ Deliver on our CX promises to make banking Easy, Efficient and always going the Extra Mile for our customers – CIMB Group's key differentiator	→ <ul style="list-style-type: none"> <li>Deliver superior customer experience consistently across all customer touchpoints</li> <li>Treat customers fairly</li> <li>Deploy agile solutions and accelerate digitalisation to make operational processes and services delivery simpler, faster and more efficient</li> </ul>
4 <b>Transform Fundamentals</b>	→ Ensure the ASEAN franchise has the right level of support and a uniform set of standards and guidelines to operate optimally	→ <ul style="list-style-type: none"> <li>Adopt a holistic approach to client selection, underwriting, market risks and collections</li> <li>Drive finance as the single source of truth, modernisation and automation of support processes, and enhance risk management and compliance culture</li> <li>Ensure robust management of our capital position, asset quality and balance sheet</li> <li>Instil culture of operational resiliency awareness and responsibility across the organisation</li> </ul>
5 <b>Purpose-driven Organisation</b>	→ Advance customers and society through our corporate values and responsible banking practices, shaping a better tomorrow and a sustainable planet	→ <ul style="list-style-type: none"> <li>Build a culture that is reflective of a purpose-driven organisation</li> <li>Instil a #teamCIMB mindset through EPICC values of Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity</li> <li>Demonstrate environmental stewardship in own operations and financed activities, and deploy capital to green and low-carbon projects and sectors</li> <li>Reduce social inequalities by enabling financial inclusion and respecting and promoting human rights</li> <li>Encourage Sustainable Supply Chain Practices</li> <li>Adopt international standards such as the Principles for Responsible Banking, and Value-based Intermediation (VBI)</li> </ul>

# FORWARD23<sup>+</sup>

## VISION

*To be the leading focused ASEAN bank*

### Strategic Themes

<b>1 Delivering Sustainable Financial Returns</b>	a) <b>Reshape portfolio &amp; Focused investments</b> <ul style="list-style-type: none"> <li>Accelerate loan growth in profitable segments (Consumer, Commercial MY &amp; selected Wholesale)</li> <li>Expand CASA franchise growth</li> <li>Address MOCA and commercial ecosystem</li> <li>Rejuvenate NOLI growth</li> <li>Execute Affluent strategy</li> </ul>	b) <b>Digitise for value</b> <ul style="list-style-type: none"> <li>Implement IT Blueprint</li> <li>Roll out Next Gen Clicks</li> <li>Commence BizChannel 2.0</li> <li>Roll out Wealth &amp; RM portal</li> <li>Develop individual BU Technology strategic plan/roadmap</li> <li>Develop Data &amp; analytics strategic plan</li> </ul>	c) <b>Drive cost efficiency</b> <ul style="list-style-type: none"> <li>Technology CAPEX and OPEX optimisation review</li> <li>Canvas execution</li> <li>[Digital branch visualisation]</li> </ul>
<b>2 Disciplined Execution</b> <ul style="list-style-type: none"> <li>Roll out New Operating model (TEAM)</li> <li>Change management programme</li> </ul>	<b>3 Customer Centricity</b> <ul style="list-style-type: none"> <li>Double down on CX transformation</li> <li>End-to-end Production Transformation</li> <li>Journey Transformation &amp; Digitisation</li> </ul>	<b>4 Transform Fundamentals</b> <ul style="list-style-type: none"> <li>Risk management</li> <li>BSM, FTP, EXCO Book Risk Appetite and Portfolio Strategy</li> <li>Capital optimisation &amp; RWA dynamic asset allocation framework</li> <li>Group Ops transformation</li> <li>Enhancing operational resilience</li> </ul>	<b>5 Purpose-driven organisation</b> <ul style="list-style-type: none"> <li>EPICC roll out</li> </ul>
	a) <b>Culture and Values</b> <ul style="list-style-type: none"> <li>EPICC roll out</li> </ul>	b) <b>Human Capital</b> <ul style="list-style-type: none"> <li>Talent management</li> <li>Employee experience</li> <li>HR operating model and blueprint</li> </ul>	c) <b>Sustainability</b> <ul style="list-style-type: none"> <li>Climate change</li> <li>Responsible banking</li> <li>Communities</li> </ul>

### Priority Focus Areas (2022)

- Complete portfolio reshaping by exiting Thailand Commercial, right-sizing Singapore business, reforming Indonesia COMBA, and deconsolidating TNGD
- Accelerate profitability through optimising RAROC-driven growth in Consumer and SME
- Execute implementation of Wealth and Affluent strategies
- Tackle cost-efficiency by continued implementation of cost control framework and optimisation of tech projects' cost of execution
- Launch of Octo, CIMB Malaysia's next-generation consumer banking mobile application with enhanced functionalities and improved user experience
- Develop Digital Blueprints for business units and execute key technology modernisation programmes in order to future-proof the bank's digital capabilities
- Build a culture of risk and compliance awareness and responsibility as part of "Safeguarding the Bank" campaign
- Improve the performance management and KPI framework continuously
- Link performance to rewards in new KPI and bonus framework, and Long Term Incentive Plan (LTIP)
- Implement the Target Empowerment and Alignment Model (TEAM)
- Transform customer journeys by accelerating digitalisation efforts
- Implement process reengineering and digitisation initiatives to drive superior customer experience and operational excellence
- Review and improve targets related to existing indicators on service level agreements (SLA), channel reliability and customer touchpoints' uptime
- Review bank-wide operations comprehensively to remediate gaps and strengthen operational resiliency
- Deploy strategies to optimise capital, asset allocation and balance sheet management
- Validate and enhance existing financial framework and governance to improve guidance on pricing and return
- Roll out group-wide finance transformation plan to be the single source of truth
- Drive cost efficiency by strengthening cost monitoring and controls and drive cost savings initiatives to ensure cost targets are met effectively by enhancing the CAPEX prioritisation framework
- Strengthen environmental and social safeguards in financing, via enhancement of sector guides, including implementation of NDPE commitments
- Develop and promote innovative sustainable financial products and services, including for financial inclusion
- Develop and implement strategies to achieve Net Zero for our operational and financed emissions
- Channel impactful investments and interventions in local communities
- Establish a Group Human Rights Policy
- Implement an integrated sustainability operating model to accelerate sustainability integration

### Headline KPIs (2020-2024)\*

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>To become a leading ASEAN banks (top quartile) when measured by financial metrics</li> <li>Top quartile ROE</li> <li>CIR of ≤45%</li> <li>CET1 of &gt;13.5%</li> </ul>  | <ul style="list-style-type: none"> <li>Collective scorecards for bonus pool determination</li> <li>Implementation of initiatives to embed Target Empowerment and Alignment Model (TEAM)</li> </ul> |
| <ul style="list-style-type: none"> <li>Top quartile in NPS</li> </ul>  | <ul style="list-style-type: none"> <li>Capital Adequacy Ratio</li> <li>Best in Credit Cost</li> <li>CIR of ≤45%</li> </ul>   |
| <ul style="list-style-type: none"> <li>Top quartile on S&amp;P Global Corporate Sustainability Assessment</li> <li>Increase female representation in Board and leadership roles</li> <li>Close gender-based remuneration gaps</li> <li>Mobilise RM60 billion in sustainable finance by 2024</li> <li>Invest RM150 million over 5 years and 100,000 hours a year in employee volunteerism by 2024</li> <li>Net zero GHG Scope 1 and 2 emissions in our operations by 2030</li> <li>Overall Net Zero GHG by 2050 (including Scope 3 financed emissions)</li> </ul> |  |

**Dear #teamCIMB and friends,**

**During the year, CIMB remained committed to 'moving forward with you', where we actively engaged with #teamCIMB to meet their present needs and future aspirations. It is also our continuing effort to achieve Forward23+ goals in partnership with our people while also recovering and recalibrating new growth strategies in the post-pandemic era. Rebuilding lives of people who matter to us may take time, but CIMB is committed to this cause.**

Our people or #teamCIMB remain at the centre of planning and delivering value for CIMB and its stakeholders. At >32,000, our workforce is formidable and our greatest asset. Engaged and passionate employees efficiently deliver on customer and social commitments. In summary, we believe that engaged employees drive satisfied customers and collectively, they contribute to financial and other measures of performance. In 2022, we continued to engage and listen to #teamCIMB. Based on the key findings, we identified three thematic areas of interest: values and culture, talent attraction and development, and employee experience.

## WHAT IS OUR APPROACH TO PEOPLE AND PEOPLE MANAGEMENT AND WHAT HAVE BEEN THE TOP THREE PRIORITY AREAS OF FOCUS IN 2022?

### VALUES AND CULTURE

Our aspiration is to be the best organisation for the best talent with the right values to thrive as stewards of responsible and meaningful growth. Towards this, values and culture play an important role. Following the launch of EPICC in 2021, our focus has been on Group-wide cascade of our new values and to celebrate the spirit of EPICC with #teamCIMB. Our three-pronged approach included:



Awareness via omnichannel engagement to include physical and virtual town halls and events. More than 70 town halls, forums, roadshows and engagement sessions were organised in our key markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia, with active participation of more than 20,000 employees.



Commitment and action planning that reflects the vision of top leadership, with a structured roll-out for effective implementation. We conducted 25 culture masterclasses across the region to equip over 500 change leaders with the right mindset and knowledge to drive EPICC in behaviour and action.



Hardwiring or hard interventions via changes in policies and processes to reinforce behavioural change. We ensured EPICC is ingrained and reflected in areas which are key drivers of culture transformation including recruitment, performance management, talent management and learning and development.

# Group CPO's Message

GURDIP SINGH SIDHU

Group Chief People Officer &  
Group Chief Sustainability Officer

## EMPLOYEE EXPERIENCE

During the year, in keeping with Forward23+ priorities to improve process efficiency and employee experience, we identified key employee journeys to be transformed, adding a "wow" factor to the overall employee experience. The transformation of these journeys allows employees to self-initiate processes through our online platforms that are designed to be simple, intuitive and transparent. Heightened transparency into our processes is made possible with clearer policy and guidelines, as well as automation for optimisation of end-to-end processes. Among the enhancements rolled out include:



A fully online platform for seamless browsing of and application for internal job openings



Automation of the learning experience, with a dashboard to track self and team progress



Optimised new employee onboarding journey



## Group CPO's Message

We are also committed to safeguarding our employees' wellbeing, enabling them to be effective and productive without neglecting their personal commitments. In 2022, we continued our focus on creating a safe and healthy work environment for #teamCIMB, with diversity and inclusivity in mind. We extended support to our diverse workforce and their evolving needs and expectations through, among others, the implementation of hybrid working as a way of working beyond the pandemic phase, focus on mental wellbeing, as well as inclusive practices and benefit offerings.

### TALENT ATTRACTION & DEVELOPMENT

Developing and nurturing talent through targeted learning and development efforts continued to be one of our focus areas. In 2022, we invested a total of RM95.8 million towards the review, refresh and delivery of our training curriculum. The idea has been to keep the content relevant and address emerging business and individual development needs, especially in the areas of Credit, Wealth Management, Customer Experience, Sustainability and Leadership & Management.

On the recruitment front, we continued to identify and offer opportunities to young and high-potential talent. During the year, we welcomed 4 new cohorts to our flagship graduate programme, The Complete Banker (TCB). This includes graduate trainees in the general track and digital and technology track (TCB Digital). We also introduced the CIMB Headstart Internship Programme (CHIP), which is a promising initiative to help create a pool of high-quality interns or a pipeline of talent for TCB.

We are also increasing focus on international mobility opportunities for our high-potential employees by leveraging our ASEAN presence. Our primary focus is to provide learning opportunities and exposure to new areas or functions to accelerate progress of individual career paths as well as become more nimble in allocating resources to key areas of demand within the Group.

Additionally, as part of our succession planning efforts to strengthen the leadership talent pipeline, we formulated a framework for accelerated development, particularly targeting junior high performers, emerging leaders and successors. In 2022, we supplemented the development journey for our senior leaders with executive coaching which is highly personalised and targeted to individual development needs.

**Over 500**  
top leaders trained to  
understand the impact of  
values and culture at CIMB

### HOW DOES THE #teamCIMB CULTURE & EPICC VALUES HELP SHAPE A RESPONSIBLE AND RESILIENT WORKFORCE AND WORKPLACE?

It has been long established that progressive and principle-based work culture drives human innovation and productivity, motivates performance, increases employee loyalty, and builds reputation in the marketplace. From our learnings in the last two years, we recognise the need for building relationships based on mutual trust and respect, while promoting a culture of stability and growth.

We believe the EPICC values is crucial in not just shaping a high-performance culture, but also inspiring people to find a purpose that is meaningful to them as well as the organisation. In 2022, our intent has been to set leadership by example, where we accelerated efforts to ensure our leaders are EPICC-ready at the early stages of our cascade process. We trained over 500 of our top leaders to understand the impact of values and culture at CIMB. We also enhanced accountability among our leaders to behave in the EPICC manner that is expected of them. We piloted a bottom-up feedback mechanism where employees are able to provide feedback to their supervisors, specific to EPICC behaviours. We want our leaders to own EPICC, set divisional and personal commitments, and achieve CIMB's aspirational to-be EPICC state.

We believe that a strengthened organisation health will drive a more consistent and sustainable internal environment that will lead to the organisation becoming more resilient. We are now in our third year of benchmarking ourselves on organisational health and we are pleased that we have made good progress and moved up a quartile in 2022. It is still early days but keeping a laser focus on this will help us achieve further improvements in the year ahead.

### WHAT IS YOUR BIG STRATEGY TO FUTURE-PROOF YOUR PEOPLE AND BUILD YOUR TALENT FOR LEADERSHIP?

As I often share with our new recruits when I host them at our staff orientation, the relationship between the company and the employer is a dynamic one where both sides should always strive to give as much as they get. What this means from my perspective is that it is critical for the company to invest in and guide our employees in developing themselves and progressing their career.

How do we do that? The main levers include having visible career paths, drive focused and quality training, provide career mobility opportunities as well as stretch them in leadership roles such as committees and special assignments.

The test of true leadership lies in its ability to inspire new leadership. At CIMB, 'leadership' is not about a top-down approach, but is an expectation from each of our people to demonstrate within their respective teams, their circle of work and influence. Leadership is also about the extent to which our people imbibe the EPICC values in conducting their day-to-day functions and in translating their behaviour into actions that create a thriving work environment that positively impacts others.

In 2022, we formulated a framework for accelerated development to build a new league of leaders to support business continuity and our sustainability ambition in this volatile environment. The accelerated development journeys focus on actualising leadership potential through education, engagement and immersive learning, as well as enhancing leadership agility and capability development.

Our continuing focus is on improving efficiencies of our people as well as to provide equitable opportunities for learning and growth. In the coming years, we will invest in the development of our people to keep them relevant and competent in the competitive market. During the year, we facilitated reskilling, upskilling and movement of employees to high-demand functions to fulfil business needs. We also focused on strengthening the CIMB University curriculum to drive internal capability building efforts in critical areas such as digital, data, risk and sustainability.

In future-proofing our people and building leadership pipeline, we strive to embrace diversity in our workforce. One of our key goals is to increase female representation in leadership to ensure there is balance in decision-making at the highest levels of the organisation.

## WHAT IS YOUR BIG DIFFERENTIATOR WHEN TALKING ABOUT TALENT DEVELOPMENT?

Talent, at CIMB, is not taken for granted as something absolute. We believe it is a continuous process of recognising, nurturing, and growing talent within our people that goes a long way into building a high-performance, happy and healthy organisation. As of December 2022, 66% of CIMB comprises of Millennials and Gen Z. This essentially means, as a business and as an employer, we need to rethink our priorities in terms of talent acquisition, retention and development. Our employees today expect meaningful job scopes, steep learning curves, upskilling opportunities, horizontal and vertical growth, flexible and fair policies, and above all, a company that truly listens their voices.

**“We allow our people to pursue their passion, grow at their ideal pace and have a meaningful career at CIMB”**



In driving performance at CIMB, we believe in enabling and empowering our employees to take charge of their own career growth. In other words, our performance and talent management processes are designed to enable employees to chart their desired growth, take up training programmes to enhance their skills and address skill gaps and move into different roles within the Bank in keeping with their career aspirations.

In 2022, we shifted our focus on performance and growth planning to one that is employee-driven i.e. allowing our people to pursue their passion, grow at their ideal pace and have a meaningful career at CIMB. We continued to equip our employees with tools to map their careers, facilitate development dialogues and transparently and indiscriminately communicate opportunities across the Bank.

## WHAT IS YOUR CALL TO ACTION FOR #TEAMCIMB AND WHAT IS YOUR COMMITMENT TO THEM IN 2023?

I take this opportunity to call upon #teamCIMB to embrace, live and breathe EPICC values in behaviour and in action, which will go a long way into shaping fulfilling careers at CIMB. We will reciprocate by delivering on our commitment to support talent development at all levels through employee-initiated career planning, accelerated development tracks for high-performers and greater ASEAN exposure. We will also strive to create an enabling work environment for employees from diverse backgrounds with diverse needs through our policies, benefits and way of working.

Towards strengthening #teamCIMB, we will continue to listen to our employees' feedback through various channels such as our annual organisational health survey, periodic pulse checks and various engagement sessions. Feedback from employees help us focus on areas to improve, gain insights on what is valued by employees and close the gaps between employee expectations and what we practice at CIMB. We will continue to benchmark our progress to remain relevant and competitive as an employer of choice.

### Gurdip Singh Sidhu

Group Chief People Officer &  
Group Chief Sustainability Officer

The year 2022 kicked off with cautious optimism on the back of a positive recovery in the economy as major concerns brought about by the COVID-19 pandemic slowly dissipated with consumer spending and investments starting to pick up. Nevertheless, market sentiment was continuously clouded by global headwinds such as the geopolitical tensions, rising inflation and the threat of a global recession. Against this backdrop, we are proud of the Group's 2022 financial performance with net profit of RM5.44 billion, translating to a net Earnings Per Share (EPS) of 52.2 sen. We exceeded all our financial targets for the year and achieved a record reported PBT of RM8.37 billion as all business segments and core countries recorded strong financial performance. On a Business As Usual ("BAU") basis, we achieved an ROE of 10.2% and our lowest recorded Cost to Income Ratio ("CIR") of 46.5%. The strong CET1 ratio of 14.5% helped us to sustain the 50.5% dividend payout for the year, in line with our 40-60% target. Our Loan Loss Charge ("LLC") reduced to 51bps, exceeding our 60-70bps target, as we proactively managed the asset quality throughout the year.

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**“ We exceeded all our financial targets for the year and achieved a record reported PBT of RM8.37 billion as all business segments and core countries recorded strong financial performance. ”**



# Group CFO's Financial Performance Review

**KHAIRUL RIFAI**

Group Chief Financial Officer

## HOW WAS THE OPERATING ENVIRONMENT IN 2022?

The operating backdrop for 2022 improved significantly from 2021 although the recovering global markets remained fraught by uncertainties and volatility. The year kicked off with concerns over the spread of a more infectious COVID-19 strain and the Russian invasion of Ukraine. This was closely followed by constant news flow of record high commodity prices, inflationary pressures, fiscal tightening across the world, and ultimately, the risk of a global recession. Nevertheless, high global vaccination rates contributed to a continuous easing of global movement and travelling restrictions, as well as abating concerns over new COVID-19 variants. This spurred the reopening of economies, a sharp rise in consumer spending and trading activities as evidenced by the 8.7% GDP growth in Malaysia (c.3.1% in 2021). Loan repayments improved as the pandemic-driven support measures expire, while missed payments were closely monitored. The swift resumption of economic activity and consumer expenditure played a part in declining CASA balances which precipitated into stiffer deposit competition towards the year end, underlining the Group's strategic focus on CASA retention. In spite of the various challenges, we ended the year exceeding all our targets underscored by execution of the Forward23+ initiatives which drove revenue growth, as well as controlled costs and provisions.

## HOW DID CIMB PERFORM FINANCIALLY AND WHAT DID YOU DO STRATEGICALLY AGAINST THIS CHALLENGING BACKDROP?

We achieved a record reported PBT of RM8.37 billion, while the higher tax rate from Cukai Makmur this year brought the reported net profit in at RM5.44 billion. To provide a better reflection of the Group's underlying operational performance, all reference in this report thereafter will be on a BAU basis, which excludes the write-off of intangible assets, accelerated amortisation and restructuring costs of RM121 million in 2022 and RM482 million in 2021, gain from the deconsolidation of Touch 'n Go Digital of RM1,156 million and impairment of Thai goodwill of RM1,215 million, both in 2021, as well as the impact of Cukai Makmur.

On a BAU basis, we delivered a strong 2022 performance with net profit rising 33.5% to RM6.21 billion compared to RM4.65 billion in 2021. This was equivalent to an EPS of 59.5 sen and a much improved ROE of 10.2% (vs 8.1% in 2021). The robust bottomline improvement was underpinned by an 8.0% increase in operating income driven by net interest income ("NII"), stringent cost management, as well as a 31.5% decrease in provisions. Credit risk management remained a primary focus given the sustained macroeconomic headwinds, along with cost management which includes initiatives on structural cost take outs in view of the rising expenditures on technology and operational investments. The strict cost controls, coupled with a robust revenue growth brought about another year of improvement in CIR to a record low of 46.5%. The Group ended the year with a strong balance sheet and capitalisation, allowing us to declare a dividend payout of 50.5% based on the reported net profit.

## Group CFO's Financial Performance Review

The Forward23+ strategic plan was critical for the Group to navigate 2022 with a focus on growing targeted loan segments, optimisation of Risk-Adjusted Return On Capital (RAROC) and identifying cost savings and scrutinising cost spend. Enhancing customer experience and technology resiliency were also core initiatives under the strategic plan and we invested in our technology infrastructure and architecture to enhance our IT reliability and stability. This resulted in CIMB Malaysia digital channels (Clicks and BizChannel) recording significantly lower unscheduled downtimes during the year. We continue to be vigilant on risk management and asset quality, with early warning indicators to identify segments and businesses of potential stress and ensuring that appropriate precautionary measures were taken. All of this was undertaken with Sustainability at the forefront.

### WHAT WERE THE KEY FACTORS TO THE STRONGER BAU PERFORMANCE?

Some of the key contributing factors to our positive financial performance in 2022 included:

- The Group's 2022 revenues were 8.0% higher at RM19.84 billion compared to RM18.37 billion in 2021.
- NII improved by 8.6% YoY to RM15.16 billion underpinned by a robust 7.7% Group gross loan growth and a 6bps Net Interest Margins (NIM) expansion to 2.51% largely attributed to Malaysia and Singapore.
- Non-interest income ("NOII") grew 6.0% YoY to RM4.68 billion on the back of stronger fee income from Consumer and Commercial, Wholesale trading and fee income, as well as non-performing loan ("NPL") recoveries mainly from Indonesia.
- Prudent cost management resulted in operating expenses rising by only 3.2% YoY to RM9.23 billion. Coupled with the operating income expansion, the Group reported a pre-provision operating income ("PPOP") growth of 12.5% YoY which translated to a positive JAW bringing the Group's CIR to a record low of 46.5% compared to 48.6% in 2021.
- Asset quality continues to be closely monitored as the Group's Expected Credit Loss ("ECL") on loans, advances and financing reduced to RM1.95 billion compared to RM2.61 billion in 2021. The decrease was attributed mainly to lower management overlays and macroeconomic factor adjustments and COVID-19 related provisions. The Group's gross impaired loans ratio stood at 3.3% with a significantly improved LLC of 51bps for the year as compared to 73 bps the year before.
- Total gross loans expanded by 7.7% YoY across key markets and segments in tandem with improved macroeconomic backdrop. Gross loans in Wholesale Banking grew 9.3%, followed by Consumer Banking at 7.2% and Commercial Banking at 6.1%. By geography, Malaysia, Indonesia, Thailand and Singapore grew 6.0%, 8.3%, 11.3% and 6.5% respectively, all above their industry's loan growth.

- Group deposits expanded by 4.6% YoY contributed by strong deposit growth in Thailand (29.9%) and Singapore (35.3%). This was offset by the lower CASA of 1.8% YoY from the expected attrition on the back of the uptick in economic and travel activity, bringing the CASA ratio to 39.9% as at end-2022. Commercial and Consumer deposits grew steadily at 11.6% and 7.3% respectively, while Wholesale deposits fell marginally by 0.7% YoY. We maintained a healthy liquidity and funding position with Loan to Deposit Ratio at 88.4%, whilst the Liquidity Coverage Ratio stood comfortably above 100% for all banking entities.
- The Group's CET1 ratio stood at 14.5% as at end-2022 maintaining its position from end-2021 with strong capital adequacy levels for all banking entities.

### IS CIMB GROUP OPTIMALLY CAPITALISED?

The Group ended the year with a CET1 of 14.5%, unchanged compared to end-2021, reflecting a healthy preservation of capital through effective capital management. The Group's Tier-1 and total capital ratios stood at 15.3% and 18.5%, respectively. Capital adequacy and efficiency remains a pertinent focal point both for regulatory and business requirements. As the Group's CET1 is now amongst the upper range within the Malaysian banking industry, both the 2023 and the Forward23+ targets are maintained at >13.5%. The Liquidity Coverage Ratio and Net Stable Funding Ratios remains comfortably above target levels and regulatory requirement. Forward23+ plans continue to focus on driving RAROC, which should steer the Group's capital deployment over the next 2 years. Optimal capital utilisation for identified growth segments and businesses across the region are expected to bring about strong RAROC and subsequently, drive the Group's ROE.

The Group will continue to focus the same efforts to strategically manage its capital via: (i) RAROC driven capital deployment, (ii) evaluation of options on optimising capital, (iii) continued prudent liability management and (iv) RWA-optimisation exercises.

## HOW MUCH DIVIDENDS ARE THE GROUP PROPOSING FOR 2022 AND WHAT IS THE PAYOUT RATIO?

The Board approved and declared total dividends amounting to RM2.75 billion or 26.00 sen per share to be distributed to shareholders for 2022. The first interim dividend of 13.00 sen per share was paid in October 2022, with an option of either cash or via a Dividend Reinvestment Scheme ("DRS") with an 80% electable portion. The first interim dividend achieved a DRS take up rate of 83.6%. The second interim of 13.00 sen per share is an all cash dividend to be paid by April 2023. With the Group's strong capital position and profitability, we maintained a dividend payout ratio of 50.5% on the reported net profit.

## HOW DID NON-FINANCIAL MEASURES CONTRIBUTE TO YOUR RESILIENT BUSINESS AS WELL AS DRIVING YOUR PURPOSE-DRIVEN ORGANISATION?

Non-financial measures are equally crucial to evaluate our performance. Such measures have material impact on our business strategies, the productivity of our people, and our overall position as a leading ASEAN banking group. These also form strong evidence on not just the current year performance, but future potential for responsible and sustainable growth.

**Sustainability:** We deployed the Green, Social, Sustainable Impact Products and Services (GSSIPS) framework to drive our focus on sustainability under the Forward23+ strategic plan. This approach aims to create positive impacts through our financial solutions while minimising negative outcomes across our value chain. In 2022, we doubled our sustainable finance commitment to RM60 billion by 2024, having achieved the initial RM30 billion target ahead of schedule. In support of SMEs, we have committed RM100 million in financing through BNM's Low Carbon Transition Facility (LCTF) scheme to help smaller businesses decarbonise their operations and thrive in a low-carbon economy. How did these impact other forms of capital?

- **Financial Capital:** Adopting sustainable practices can help increase the share of income from the growing green economy, while reducing the Group's exposure to high transition risk sectors. This will help CIMB remain financially stable while addressing environmental and social concerns;
- **Human Capital:** By upskilling key employees to drive sustainable finance and responsible banking practices, the Group can strengthen its human capital and improve its competitive advantage in the market;

- **Social and Relationship Capital:** Addressing the growing concerns on sustainability can help build CIMB's reputation as a responsible and trustworthy financial institution. It can also improve the Group's social and relationship capital by promoting financial inclusion and reducing social inequalities within its network of stakeholders;
- **Natural Capital:** The positive environmental impact created by championing greener and more sustainable products can help preserve natural resources, reduce the Group's Scope 3 emissions, and promote environmental sustainability.

**Customer Centricity:** 2022 focus was on understanding the needs and achieving the most for our customers, employees and the communities we serve. During the year, we channelled our budgets to the most critical aspects to improve our customer experience (CX), this includes:

- 43 high impact projects completed in 2022 in terms of 28 operational improvements and 24 customer journey enhancements;
- CIMB WoWeek that was implemented regionally, reaching >8 million customers through various engagement initiatives designed to reinforce trust and our commitment;
- Group Human Resource delivering EPICC Culture programmes through the gametisation of CX modules and empowering employees with new skills and knowledge that will enhance their competency levels;
- A customer communications policy to elevate our consistent performance on treating customers fairly and overall CX.

The financial outlays that were channelled towards these positively affected our:

- **Financial Capital:** By significantly reducing both the number of customer complaints and the cost of servicing such complaints;
- **Social and Relationship Capital:** By reinforcing customer confidence in #teamCIMB as well as CIMB's commitment to positive and fair customer experience;
- **Human Capital:** By fostering learning, innovation, and growth, while recognising their continued contributions to advancing customers and society;
- **Intellectual Capital:** By introducing some critical processes and new policies which will go a long way into improving customer satisfaction.

## Group CFO's Financial Performance Review

**Compliance:** The significance of compliance continues to rise each year. In response, we have ingrained a compliance culture across the organisation, particularly across the pertinent lines of defence. The Forward23+ plan aims to streamline the corporate structure, Board of Directors, and management committees to improve reporting and operational efficiencies, and raise the governance bar even higher. We conduct virtual staff training programmes to entrench the importance of compliance and governance. Additionally, we strengthened our anti-corruption agenda by establishing the CIMB Anti-Corruption Plan which was approved by the Group Sustainability and Governance Committee in 2022. How did these impact other forms of capital?

- **Financial Capital:** Compliance and governance can help protect the Group's financial capital by avoiding legal penalties and regulatory fines;
- **Social and Relationship Capital:** Strengthening compliance practices demonstrates CIMB's commitment to ethical and responsible business practices, which can improve the Group's reputation among customers, investors, and other stakeholders;
- **Human Capital:** Conducting virtual staff training programmes can strengthen CIMB's human capital by improving employee skills, knowledge, and awareness of compliance and governance practices.

**People and Culture:** As a purpose-driven organisation, we place great importance on our people, values and culture. Our "CIMB Culture" is based on enabling our talent, driving strong performance and customer focus, upholding high integrity and fostering strong collaboration within our team. To reinforce this, the Group embarked on a culture transformation programme. How did these impact other forms of capital?

- **Human Capital:** The culture transformation initiative reinforces CIMB's values and culture, improves employee engagement, productivity, and job satisfaction. It can also help attract and retain talent, which is crucial for the Group's long-term success;
- **Financial Capital:** Investing in employees can lead to increased productivity, efficiency, and innovation, which can result in higher revenues and profits for CIMB in the longer term.

### WHAT ARE THE GROUP'S OUTLOOK, STRATEGIC PLAN AND TARGETS FOR THE COMING YEAR?

We approach 2023 with greater optimism whilst keeping a close eye on the challenges that we continue to face. Global growth is expected to be slower, interest rates are likely to remain on an uptrend, while the elevated inflation world-wide continues to put further pressure on the cost of living. Within our sphere, we expect the tapering of economic growth in ASEAN to have some effect on segmental growth. Despite these challenges, we expect the Malaysian economy to still expand and we expect a positive momentum in our financial performance in 2023, focusing on sustainable businesses, stringent risk management and proactively managing our funding to weather the intensified deposit competition.

The Group stands guided by the Forward23+ strategic plan as we continue to grow carefully within our targeted segments, tighten credit risk management and cost controls and strengthening our deposit/CASA proposition. While many customers have exited the relief programmes, we will continue to monitor repayments and keep a conservative view on asset quality. We also plan to further invest on improving our technological and operational resiliency and digital capabilities, while keeping strong controls on expenditure and further strengthening our commitments made on the Sustainability front.

With this, the financial targets for 2023 are an ROE of between 10.2-11.0%, total loan growth of 5-6%, CIR of below 46.5% and an LLC of between 45-55bps. We expect to maintain our CET1 target at above 13.5% and the dividend payout ratio within the 40-60% range. These targets will be another stepping stone towards our path in achieving our Forward23+ ambitions by 2024.

## SUMMARY ANALYSIS OF GROUP'S FINANCIAL PERFORMANCE

The Group's 2022 bottom-line performance was underpinned by a combination of loan growth and NIM expansion, coupled with a recovery in fee income, conservative cost management and lower provisions from prudent risk management and recoveries. We remained focused on effective asset quality management throughout the year in 2022.

- As part of the Forward23+ strategy, the portfolio de-risking exercise carried out in 2021 provided a firm footing for businesses to focus on their targeted loan segments. Malaysia's loans grew 6.0% YoY across all divisions, with Consumer loans expanding in mortgages (+7.6%), auto loans (+5.9%) and credit cards (+14.0%). The recalibration of the Commercial and Corporate businesses in Indonesia allowed CIMB Niaga to focus on the targeted segments of Consumer and SME resulting in a gross loan growth of 8.3% YoY. CIMB Thai's loan book expanded by 11.3% YoY buoyed by the consumer finance segment after exiting the Commercial business in 2021. Singapore grew loans decently at 6.5% YoY, predominantly from the Consumer segment (+10.3% YoY) driven by term loans (+5.2%) and credit cards (+7.6%).
- The Group's NIM improved by 6bps over the year largely attributed to the positive impact of rising interest rates across all geographies, particularly in Malaysia and Singapore, partially offset by more intense deposit price competition at the year end. The NIM expansion was also attributed to the strong balance sheet management and portfolio optimisation across all core countries and businesses. Thailand's NIM was constrained by lower loan yields and a build-up in liquidity, while Indonesia's NIM was lower. Malaysia and Singapore NIMs expanded by 4bps and 20bps YoY respectively.
- Total NOII growth was sustained at 6.0% YoY contributed by all segments. Fee and commission income expanded by 9.3% mainly from Wholesale banking and Consumer banking. Other income grew 28.9% owing to a higher level of recoveries in Indonesia. While trading and FX income recorded muted growth due to the challenging and volatile capital markets environment in 2022.
- Operating expenses were well controlled for the year. The Group successfully identified up to RM1 billion in cost savings over the past 3 years, with RM382 million recognised in 2022. The cumulative savings were contributed by the deconsolidation of Touch 'n Go Digital, optimisation in Indonesia, Thailand and Singapore, write-offs and accelerated amortisation of intangible assets, real estate optimisation and initiatives in Consumer Malaysia such as reduction in courier and printing, as well as rental negotiations. This will be supplemented by sustained productivity gains going forward from an enhanced capital expenditure prioritisation framework and stringent operating expense management, particularly in technology capex and expenses.
- ECL on loans, advances and financing and other provisions were monitored closely as most of the payment relief schemes come to expiry. The emphasis remains on asset quality and credit risk management across segments and geographies particularly within the pandemic-impacted customers and sectors. On a whole, ECL reduced 25.3% YoY from the lower top-ups in management overlays and macroeconomic factor adjustments ("MEF"), as well as reduced COVID-19 related provisions. The 2022 Loan Loss Charge ("LLC") improved significantly by 22bps YoY to 0.51%, exceeding our target for the year.

### Operating Income Breakdown

(RM million)	2022	2021 BAU*	YoY
Net interest income	15,158	13,958	8.6%
Non interest income	4,680	4,414	6.0%
<b>Total</b>	<b>19,838</b>	<b>18,372</b>	<b>8.0%</b>

**Note:** \* Excludes gain on deconsolidation of Touch 'n Go Digital of RM1,156 million and exceptional items loss of RM15 million

## Group CFO's Financial Performance Review

### GROUP'S BUSINESS UNIT PERFORMANCE

This section serves as an overview of the performance of the Group's business units. Further details can be obtained from the Business Review section from pages 84-95 of this report

- **Consumer Banking** had a good year as PBT grew 42.5% YoY from a combination of strong NII growth and lower provisions. Operating income grew on the back of NII expanding 9.7% from improved NIM and loan growth, coupled with a 4.2% growth in NOII from fee income and wealth management. Operating expenses rose by 5.2% YoY, bringing about a 12.2% YoY improvement in PPOP. ECL declined 22.6% YoY mainly from lower management overlays and underlying provisions. As a result, the Consumer PBT came in higher at RM2.75 billion for 2022 compared to RM1.93 billion in 2021.
- **Commercial Banking** recorded a PBT of RM1.48 billion in 2022, a 37.7% increase compared to RM1.07 billion in 2021. The improvement was largely attributed to higher

operating income and lower provisions from higher recoveries. Operating income was 7.8% higher YoY as NII performed well from a 6.1% loan growth, healthier NIM and its strong CASA franchise (+11.5%) which underpinned the 11.6% deposit growth. This was supplemented by the 11.3% growth in NOII from higher fees and commission income in Malaysia, Thailand and Singapore. Operating expenses rose marginally by 2.0% YoY bringing about a 13.5% growth in PPOP which underpinned the much improved PBT.

- **Wholesale Banking** posted a higher PBT of RM3.05 billion in 2022, a 23.2% YoY increase compared to RM2.48 billion in 2021 from improved trading and fee income, lower provisions, offset by an uptick in operating expenses. Wholesale income was 4.8% higher driven by a strong NOII growth of 25.2% from Treasury & Markets and Corporate Banking. This was offset by the lower NII of 3.3%, from the higher funding cost, despite a 9.3% increase in gross loans. Overhead expenses were 9.9% higher YoY while the significant decline in provisions of 71.1% from reduced COVID-19 provisions, translated to the higher YoY PBT.

- **CIMB Digital Assets & Group Funding's** (CDAF) PBT improved by 40.2% YoY to RM1.22 billion compared to RM0.87 billion previously. Operating income was 16.9% higher YoY driven by a 42.9% NII growth mainly from the Philippines and Vietnam businesses. This is offset by a 63.8% decline in NOII from lower realised gains from the fixed income portfolio in line with rising bond yields. The digital businesses continue to build momentum with CIMB Philippines hitting 6.5 million customers as at December 2022 and a deposit book of RM1.68 billion. Touch 'n Go Digital registered a 10.7% YoY increase in registered users from 16.8 million to 18.6 million and increased the number of merchants to 727,000 as at end-2022 from 557,000 merchants as at end-2021. CDAF operating expenses were 23.9% lower YoY as a result of continued cost optimisation.

### Revenue by Segment

(RM million)	2022	2021 BAU*	YoY
<b>Consumer Banking</b>	<b>8,684</b>	<b>8,016</b>	<b>8.3%</b>
<b>Commercial Banking</b>	<b>3,774</b>	<b>3,502</b>	<b>7.8%</b>
<b>Wholesale Banking</b>	<b>5,471</b>	<b>5,221</b>	<b>4.8%</b>
Corporate Banking	3,024	2,763	9.4%
Treasury & Markets	2,029	2,042	(0.6%)
Investment Banking	418	416	0.5%
<b>CIMB Digital Assets &amp; Group Funding</b>	<b>1,909</b>	<b>1,633</b>	<b>16.9%</b>
<b>Total Revenue</b>	<b>19,838</b>	<b>18,372</b>	<b>8.0%</b>

### PBT by Segment

(RM million)	2022 BAU^	2021 BAU*	YoY
<b>Consumer Banking</b>	<b>2,749</b>	<b>1,929</b>	<b>42.5%</b>
<b>Commercial Banking</b>	<b>1,476</b>	<b>1,072</b>	<b>37.7%</b>
<b>Wholesale Banking</b>	<b>3,049</b>	<b>2,475</b>	<b>23.2%</b>
Corporate Banking	1,739	931	86.8%
Treasury & Markets	1,275	1,431	(10.9%)
Investment Banking	35	113	(69.0%)
<b>CIMB Digital Assets &amp; Group Funding</b>	<b>1,218</b>	<b>869</b>	<b>40.2%</b>
<b>PBT</b>	<b>8,492</b>	<b>6,345</b>	<b>33.8%</b>

**Note:** ^ Excludes RM121 million of exceptional items encompassing: Intangible assets write off and accelerated amortisation of RM97 million; and other EI of RM24 million

\* Excludes RM556 million of exceptional items encompassing: Gain on deconsolidation of Touch 'n Go Digital of RM1,156 million; Impairment of CIMB Thai goodwill of RM1,215 million; Intangible assets write off and accelerated amortisation of RM402 million; and other EI of RM95 million

### GROUP'S PERFORMANCE BY COUNTRY

We remain committed to executing the Forward23+ strategic plan in line with the Group's aspiration to be the leading focused ASEAN bank, deriving benefits of our diversification efforts across ASEAN with focused investments and having gained positive traction in the reshaping of our portfolio. With this, the Group continued to take a measured approach to loan growth across core markets whilst ensuring that risk-adjusted returns were the underlying basis for all strategic and credit decisions. Malaysia continued its positive trajectory with a focus on the Consumer secured segment business and SME, while

Indonesia's recalibration in the Commercial and Corporate segments last year made room for a greater concentration on the Consumer mortgages and auto loans segments, as well as SME and targeted Corporates. With the exit of the Thailand Commercial business which started early 2021, Thailand was focused on expanding the consumer finance segment, specifically in the 4 and 2-wheeler businesses, and wealth management. Singapore maintained its course within the consumer franchise, while Cambodia continued its positive momentum. Philippines and Vietnam gained market share over the year and has begun contributing to the Group's revenue as they seek growth via partnerships.

The following section provides an overview of the Group's performance by country:

- **Malaysia** PBT grew 31.4% YoY underpinned by solid NII growth and lower provisions, and remains the biggest profit contributor to the Group at 61%. Gross loans grew by 6.0% YoY, coming in above the industry, with all segments showing good momentum. Deposits were flattish at -0.2% YoY as the expected CASA attrition occurred in tandem with the revitalised economy. NIM strengthened over the year from the rising interest rates and liability optimisation. Malaysia ECL declined YoY primarily due to lower management overlays and

## Group CFO's Financial Performance Review

macroeconomic factor adjustments and COVID-19 specific provisions, partially offset by the higher underlying provisions in Commercial banking.

- **Indonesia** PBT increased by 28.1% YoY to RM2.02 billion underpinned by revenue growth from strong NOII mainly from trading income and NPL recoveries, and lower provisions. Gross loans grew 8.3% YoY as CIMB Niaga scaled and accelerated on key focus segments in Consumer, SME and the recalibrated Commercial and Corporate businesses. Indonesia's priority remains on expanding their CASA franchise and maintaining a balanced CASA portfolio mix in retail and non-retail segments. NIMs were lower by 17bps YoY at 4.69% in 2022. Operating expenses continued to be well managed, improving its

CIR further to 44.9% from 45.9% previously. More notably, CIMB Niaga reported a record net profit locally for the year.

- The **Thailand** operations improved significantly with its PBT rising 59.3% to RM486 million in 2022, despite a weaker topline. The solid performance was attributed to good cost controls and effective provision management with the reduction of Commercial and Corporate provisions. Although gross loans grew strongly at 11.3%, the contraction in NIM from higher cost of funds and lower loan yields, coupled with lower gains on sale from investment led to a drop in CIMB Thai's operating income. ECL declined by 36.9% YoY from lower impairment of assets from improved risk management, asset quality

management and loan collection processes. Despite the weaker revenue, Thailand's CIR was relatively unchanged at 57.1% from 57.0% in 2021 due to strong cost controls.

- **Singapore** continued its positive trajectory, recording a 31.5% YoY increase in PBT to RM756 million in 2022. This was predominantly due to strong operating income and asset recoveries. Singapore's topline growth was attributed to the 6.5% YoY gross loan growth coupled with a solid NIM expansion, with NOII expanding from the growth of its Consumer franchise. Deposits rose 35.3% YoY contributed by all segments, despite a drop in CASA bringing down its CASA ratio to 44.6% from 62.5% in 2021.

### Revenue by Country

(RM million)	2022	2021 BAU	YoY
Malaysia	10,659	10,106	5.5%
Indonesia	5,504	5,020	9.6%
Thailand	1,661	1,707	(2.7%)
Singapore	1,483	1,261	17.6%
Other countries	531	278	91.0%
<b>Total Revenue</b>	<b>19,838</b>	<b>18,372</b>	<b>8.0%</b>

### PBT by Country

(RM million)	2022 BAU	2021 BAU	YoY
Malaysia~	5,248	3,995	31.4%
Indonesia^	2,018	1,575	28.1%
Thailand+	486	305	59.3%
Singapore*	756	575	31.5%
Other countries#	(16)	(106)	84.8%
<b>PBT</b>	<b>8,492</b>	<b>6,345</b>	<b>33.8%</b>

**Notes:** BAU excludes exceptional items of:

2022: ~RM120 million; \*RM1 million

2021: ~RM1,618 million; ^RM42 million; +RM11 million; \*RM42 million; # RM1,158 million

**Gross Loans by Country as at 31 December 2022****Deposits by Country as at 31 December 2022****Gross Loan Growth**

	YoY
Malaysia	6.0%
Indonesia ^	8.3%
Thailand ^	11.3%
Singapore ^	6.5%
Others**	16.7%
<b>Group</b>	<b>7.7%</b>

**Deposit Growth**

	YoY
Malaysia	(0.2%)
Indonesia ^	(5.6%)
Thailand ^	29.9%
Singapore ^	35.3%
Others**	15.0%
<b>Group</b>	<b>4.6%</b>

**Notes:** ^ In local currency

# Based on geographical location of counterparty

\*\* Including Labuan, London, Cambodia, Vietnam, Hong Kong &amp; Shanghai

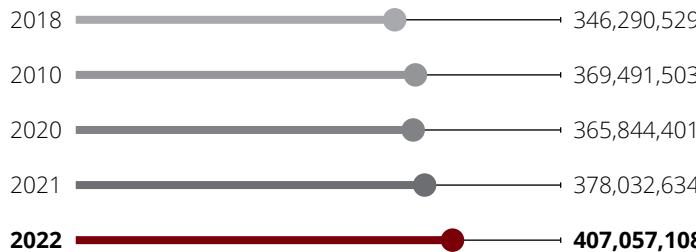
**Operating Income, PBT, and Tax by Country (Based on Reported Numbers)**

Total Group (RM million)	2022				2021			
	Revenue	PBT	Current year tax	Taxation paid	Revenue	PBT	Current year tax	Taxation paid
Malaysia	10,659	5,128	(2,119)	(1,733)	10,089	2,377	(1,206)	(1,332)
Indonesia	5,504	2,018	(490)	(505)	5,020	1,533	(413)	(334)
Singapore	1,661	755	(26)	-	1,707	293	(5)	(17)
Thailand	1,483	486	(141)	(199)	1,277	534	(135)	(33)
Other countries	531	(16)	(38)	(37)	1,420	1,052	(35)	(29)
	<b>19,838</b>	<b>8,371</b>	<b>(2,814)</b>	<b>(2,474)</b>	<b>19,513</b>	<b>5,789</b>	<b>(1,794)</b>	<b>(1,745)</b>

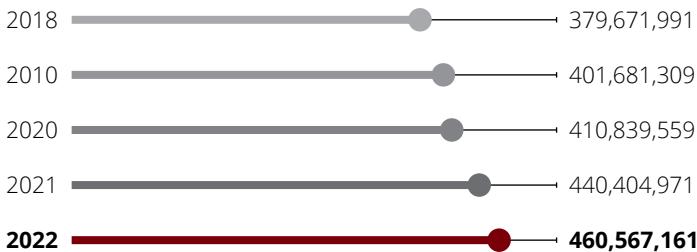
**Note:** In this section for the purpose of analysis, Malaysia numbers includes some foreign branches and excludes Touch n' Go. Details of the names, jurisdiction and principal activities of all constituent entities within the Group are disclosed in Note 13 (i.e. pages 118-125) of the Audited Financial Statements.

# 5-Year Group Financial Highlights

## GROSS LOANS, ADVANCES AND FINANCING (RM'000)



## DEPOSITS FROM CUSTOMERS<sup>1</sup> (RM'000)



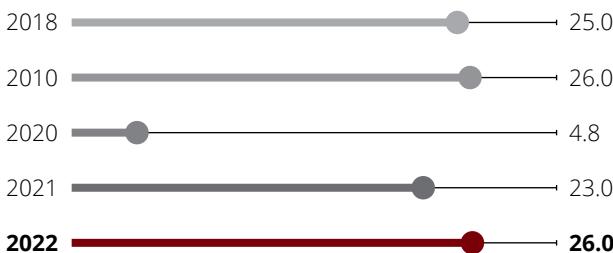
## ROE

(%)



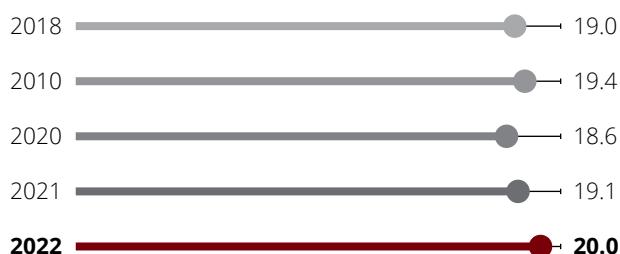
## DIVIDEND PER SHARE

(Sen)



## TOTAL CAPITAL RATIO (CIMB BANK)<sup>2</sup>

(%)



<sup>1</sup> Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities

<sup>2</sup> Before deducting proposed dividend

# 5-Year Group Financial Summary

Key Highlights	Financial Year Ended 31 December				
	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
<b>Consolidated Statement of Income</b>					
Operating income <sup>5</sup>	<b>19,837,516</b>	19,512,940	16,987,379	17,539,165	17,144,789
Overheads <sup>5</sup>	<b>9,345,507</b>	9,418,949	8,775,170	9,616,191	8,418,642
Profit before expected credit losses	<b>10,492,009</b>	10,093,991	8,212,209	7,922,974	8,726,147
Expected credit losses on loans, advances and financing	<b>1,952,725</b>	2,613,587	5,342,209	1,638,785	1,432,661
Profit before taxation and zakat	<b>8,371,010</b>	5,789,478	1,530,329	5,974,840	7,200,667
Net profit for the financial year	<b>5,439,863</b>	4,295,334	1,194,424	4,559,656	5,583,510
<b>Consolidated Statement of Financial Position</b>					
Gross loans, advances and financing	<b>407,057,108</b>	378,032,634	365,844,401	369,491,503	346,290,529
Total assets	<b>666,721,225</b>	621,907,058	602,354,899	573,245,655	534,089,043
Deposits from customers <sup>1</sup>	<b>460,567,161</b>	440,404,971	410,839,559	401,681,309	379,671,991
Total liabilities	<b>602,937,372</b>	561,798,310	545,180,777	515,776,579	481,501,072
Shareholders' funds	<b>62,491,206</b>	58,863,263	55,925,641	56,237,171	51,374,295
Commitments and contingencies	<b>1,371,423,297</b>	1,213,155,193	1,123,995,768	1,146,023,486	1,129,138,654
<b>Financial Ratios (%)</b>					
Common equity tier 1 ratio (CIMB Group) <sup>2</sup>	<b>14.9</b>	14.6	13.3	13.3	n/a
Tier 1 ratio (CIMB Group) <sup>2</sup>	<b>15.8</b>	15.5	14.6	14.4	n/a
Total capital ratio (CIMB Group) <sup>2</sup>	<b>18.9</b>	18.4	17.6	17.1	n/a
Common equity tier 1 ratio (CIMB Bank) <sup>2</sup>	<b>15.5</b>	14.9	13.1	13.8	12.9
Tier 1 ratio (CIMB Bank) <sup>2</sup>	<b>16.3</b>	15.8	14.8	15.2	14.3
Total capital ratio (CIMB Bank) <sup>2</sup>	<b>20.0</b>	19.1	18.6	19.4	19.0
Return on average equity	<b>9.0</b>	7.5	2.1	8.5	11.4
Return on average total assets	<b>0.84</b>	0.70	0.20	0.82	1.07
Net interest margin	<b>2.51</b>	2.45	2.27	2.41	2.45
Cost to income ratio	<b>47.1</b>	48.3	51.7	54.8	49.1
Gross impaired loans to gross loans	<b>3.3</b>	3.5	3.6	3.1	2.9
Allowance coverage ratio	<b>93.1</b>	100.2	91.6	80.7	91.0
Loan loss charge	<b>0.51</b>	0.73	1.51	0.45	0.43
Loan deposit ratio	<b>88.4</b>	85.8	89.0	92.0	91.2
Net tangible assets per share (RM)	<b>5.09</b>	4.95	4.65	4.70	4.39
Book value per share (RM)	<b>5.86</b>	5.76	5.64	5.67	5.37
CASA ratio	<b>39.9</b>	42.5	41.3	34.4	32.7
<b>Other Information</b>					
Earnings per share (sen)					
– basic	<b>52.2</b>	42.9	12.0	47.0	59.7
Dividend per share (sen)	<b>26.0</b>	23.0	4.8	26.0	25.0
Dividend payout ratio (%)	<b>51</b>	50	40	56	42
Number of shares in issue ('000) <sup>3</sup>	<b>10,665,102</b>	10,221,452	9,922,966	9,922,966	9,564,455
Weighted average number of shares in issue ('000)	<b>10,425,806</b>	10,022,287	9,922,966	9,705,987	9,356,695
<b>Non-Financial Highlights</b>					
Share price at year-end (RM)	<b>5.80</b>	5.45	4.30	5.15	5.71
Number of employees <sup>4</sup>	<b>32,696</b>	33,265	34,183	35,265	36,104

<sup>1</sup> Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities

<sup>2</sup> Before deducting proposed dividend

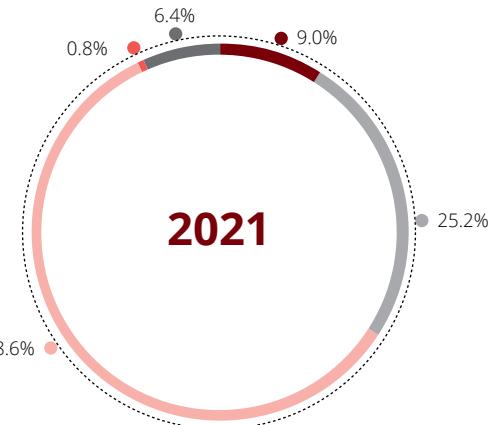
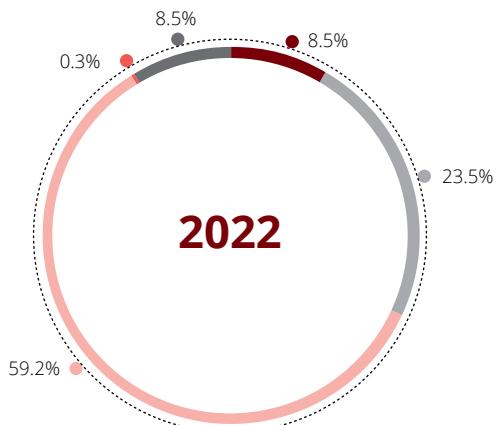
<sup>3</sup> Excludes 4,908 ordinary shares held as treasury shares

<sup>4</sup> Excludes headcount borne by third parties

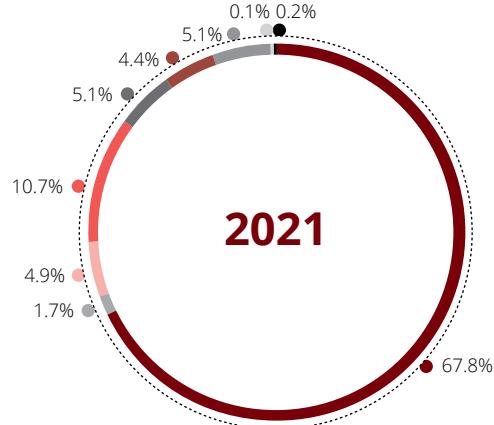
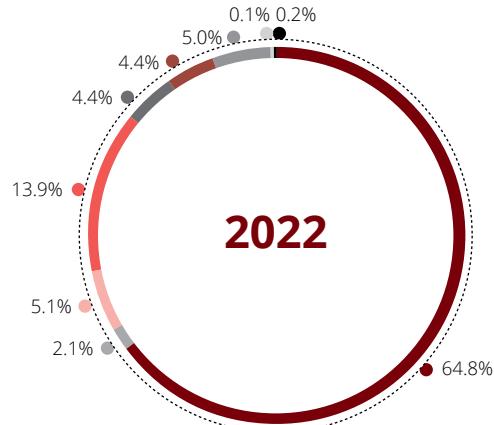
<sup>5</sup> 2018 to 2020 restated for certain expenses which are considered as incremental and directly attributable to the acquisition of a financial liability and treated as an integral part of the effective interest/profit rate. These expenses were previously included under overheads and is now recognised as interest expense.

# Simplified Group Statements of Financial Position

## ASSETS



## EQUITY AND LIABILITIES



- Cash and short term funds, reverse repurchase agreements/reverse Collateralised Commodity Murabahah and deposits and placements with banks and other financial institutions
- Portfolio of financial investments
- Loans, advances and financing
- Statutory deposits with central banks
- Other assets (including intangible assets)

- Deposits from customers
- Investment accounts of customers
- Deposits and placements of banks and other financial institutions
- Bills and acceptances payable and other liabilities
- Debt securities issued and other borrowed funds
- Ordinary share capital
- Reserves
- Perpetual preference shares
- Non-controlling interests

# Quarterly Financial Performance

RM'000	2022			
	Q1	Q2	Q3	Q4
Operating revenue	4,736,369	4,884,369	4,997,115	5,219,663
Net interest income (after modification loss)	2,720,211	2,822,141	2,980,062	3,107,214
Net non-interest income and income from Islamic banking operation	2,016,158	2,062,228	2,017,053	2,112,449
Overheads	(2,277,538)	(2,299,546)	(2,280,963)	(2,487,460)
Profit before taxation and zakat	2,047,666	2,104,838	2,201,877	2,016,629
Net profit attributable to owners of the Parent	1,426,984	1,280,695	1,407,232	1,324,952
Earnings per share (sen)	13.96	12.30	13.43	12.49
Dividend per share (sen)	-	13.00	-	13.00
RM'000	2021			
	Q1	Q2	Q3	Q4
Operating revenue	5,908,754	4,621,768	4,395,755	4,586,663
Net interest income (after modification loss)	2,663,555	2,757,226	2,726,876	2,726,756
Net non-interest income and income from Islamic banking operation	3,245,198	1,864,543	1,668,879	1,859,907
Overheads	(2,290,474)	(2,402,862)	(2,266,769)	(2,458,844)
Profit before taxation and zakat	2,897,739	1,577,696	332,794	981,249
Net profit attributable to owners of the Parent	2,457,233	1,084,183	(100,593)	854,511
Earnings per share (sen)	24.76	10.80	(1.07)	8.37
Dividend per share (sen)	-	10.44	-	12.55

# Key Interest Bearing Assets and Liabilities

## Financial Year Ended 31 December 2022

	As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million
<b>Interest earning assets:</b>			
Cash and short-term funds & deposits and placements with banks and other financial institutions	47,105	2.23	1,093
Financial investments at fair value through profit or loss	33,200	2.39	907
Debt instruments at fair value through other comprehensive income	58,376	3.54	2,100
Debt Instruments at amortised cost	64,533	3.43	2,083
Loans, advances and financing	394,557	4.81	18,430
<b>Interest bearing liabilities:</b>			
Total deposits*	497,929	1.65	8,066
Bonds, Sukuk, debentures and other borrowings	18,183	3.16	590
Subordinated obligations	11,015	3.86	408

## Financial Year Ended 31 December 2021

	As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million
<b>Interest earning assets:</b>			
Cash and short-term funds & deposits and placements with banks and other financial institutions	50,283	1.31	571
Financial investments at fair value through profit or loss	40,279	1.53	706
Debt instruments at fair value through other comprehensive income	60,119	3.39	1,855
Debt Instruments at amortised cost	56,006	3.50	1,966
Loans, advances and financing	364,685	4.46	16,009
<b>Interest bearing liabilities:</b>			
Total deposits*	474,214	1.30	5,982
Bonds, Sukuk, debentures and other borrowings	21,488	2.26	488
Subordinated obligations	10,129	3.74	438

\* Total deposits include deposits from customers, investment accounts of customers, deposits and placements of banks and other financial institutions, financial liabilities designated at fair value through profit and loss and structured deposits.

# Statement of Value Added and Value Distributed

	2022 RM'000	2021 RM'000
<b>Value Added</b>		
Net interest income (before modification loss)	<b>11,622,921</b>	10,936,491
Modification loss	<b>6,707</b>	(62,078)
Net interest income (after modification loss)	<b>11,629,628</b>	10,874,413
Income from Islamic banking operations	<b>3,999,849</b>	3,533,481
Net non-interest income	<b>4,208,039</b>	5,105,046
Overheads excluding personnel costs, depreciation and amortisation, payments to community and suppliers/vendors	<b>(959,814)</b>	(839,051)
Expected credit losses on loans, advances and financing	<b>(1,952,725)</b>	(2,613,587)
Expected credit losses made for commitments and contingencies	<b>(30,756)</b>	(110,222)
Other expected credit losses and impairment allowances made	<b>(177,757)</b>	(433,525)
Impairment of goodwill	-	(1,215,197)
Share of results of joint ventures	<b>(26,022)</b>	64,223
Share of results of associates	<b>66,261</b>	3,795
<b>Value added available for distribution</b>	<b>16,756,703</b>	14,369,376

## Distribution of Value Added

### To employees:

Personnel costs	<b>5,539,404</b>	5,428,400
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### To the Government:

Taxation and zakat	<b>2,778,079</b>	1,396,853
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### To providers of capital:

Cash dividends paid to shareholders	<b>649,579</b>	266,902
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### Non-controlling interests

	<b>153,068</b>	97,291
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### To the community<sup>1</sup>:

Community investments	<b>34,000</b>	28,700
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### To the suppliers/vendors<sup>2</sup>:

Suppliers/Vendors	<b>1,700,000</b>	1,900,000
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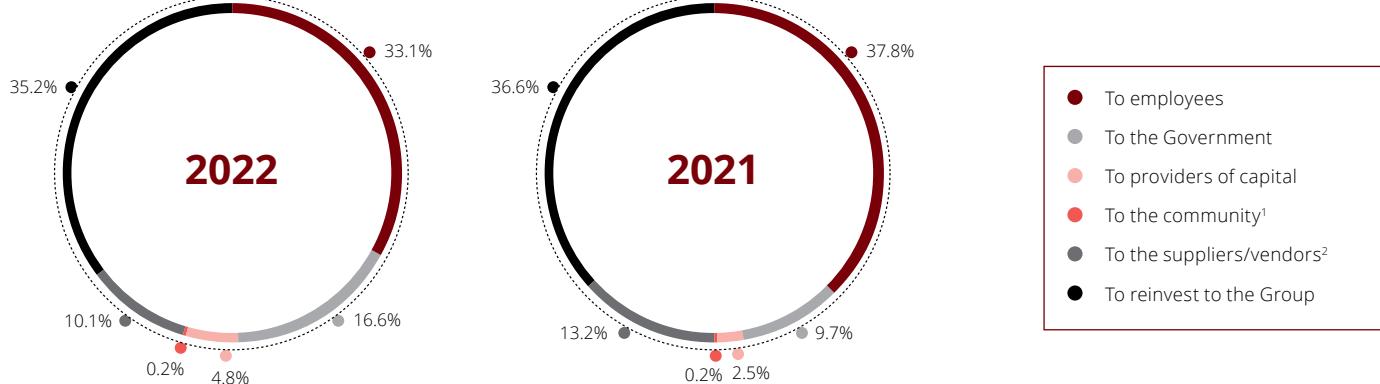
### To reinvest to the Group:

Dividend reinvestment plan	<b>1,994,866</b>	1,255,874
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Depreciation and amortisation	<b>1,112,289</b>	1,222,798
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Retained earnings	<b>2,795,418</b>	2,772,558
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<b>Value added available for distribution</b>	<b>16,756,703</b>	14,369,376
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<sup>1</sup> Community investments include contributions to charities, NGOs and research institutes (unrelated to the organisation's commercial research and development); funds to support community infrastructure, such as recreational facilities; and direct costs of developing and implementing social and environmental programmes, including arts, and educational events – all channelled through CIMB Foundation as well as respective business units. Community investments in 2020 and 2019 was RM29.3 million and RM45.8 million respectively.

<sup>2</sup> Suppliers/Vendors include payment made towards products or services or investments in any supplier education or development programmes. Payments made to suppliers/vendors in 2020 and 2019 was RM1,200.0 million and RM945.0 million respectively.

# Capital Management

## OVERVIEW

Capital management at CIMB Group ("Group") remains focused on maintaining a healthy capital position through building an efficient capital structure. The capital position and structure of the Group are designed to meet the requirements of the Group's key stakeholders i.e. shareholders, customers, regulators, external rating agencies, and others. Guided by CIMB Group's Capital Management Policy and Procedure, the objectives of capital management are as follows:

To maintain a strong and efficient capital base for the Group and its entities to (a) meet regulatory capital requirements at all times; (b) realise returns for shareholders through sustainable return on equity and stable dividend payout; and (c) withstand stressed economic and market conditions.

To allocate capital efficiently across the business units and subsidiaries to (a) support the organic growth generation; (b) take advantage of strategic acquisitions and new businesses when opportunities arise; and (c) optimise the return on capital for the Group.

To maintain capital at optimal levels to meet the requirements of other stakeholders of the Group, including rating agencies and customers through (a) liability management; (b) dividend reinvestment scheme; (c) deployment of capital based on risk-adjusted return on capital (RAROC) performance measurement; (d) risk-weighted assets (RWA) optimisation exercise; and (e) exploring strategic divestments, if any.

The Group's regulated banking entities have always maintained a set of internal capital targets which provide a strong buffer above the minimum regulatory requirements. The following table shows the relevant capital ratios of each of the regulated banking entities of the Group in comparison to the minimum level required by the respective central banks under the Basel III framework.

Capital Ratios	Common Equity Tier 1 Capital		Tier 1 Capital		Total Capital	
	As at 31 December 2022	Minimum Regulatory Ratio	As at 31 December 2022	Minimum Regulatory Ratio	As at 31 December 2022	Minimum Regulatory Ratio
CIMB Group	<b>14.526%</b>	8.000%	<b>15.375%</b>	9.500%	<b>18.474%</b>	11.500%
CIMB Bank	<b>14.918%</b>	7.000%	<b>15.736%</b>	8.500%	<b>19.458%</b>	10.500%
CIMB Islamic	<b>14.040%</b>	7.000%	<b>14.670%</b>	8.500%	<b>17.078%</b>	10.500%
CIMB Investment Bank Group	<b>94.645%</b>	7.000%	<b>94.645%</b>	8.500%	<b>94.645%</b>	10.500%
CIMB Niaga*	<b>20.779%</b>	10.000%	<b>20.779%</b>	11.500%	<b>21.862%</b>	13.500%
CIMB Thai	<b>15.068%</b>	7.000%	<b>15.068%</b>	8.500%	<b>20.780%</b>	11.000%

\* Inclusive of risk profile no 2 and capital surcharge buffer.

The Group also monitors the leverage ratio which stood at 7.26% as at the financial year ended 31 December 2022, which is above the minimum level required of 3%. The leverage ratio is computed by dividing the Tier 1 capital of RM51,121 million with Total Exposures\*\* of RM704,580 million. For reference, the leverage ratio for financial year ended 31 December 2021 was 7.29%, based on Tier 1 capital of RM48,046 million with Total Exposures\*\* of RM658,673 million.

\*\* Total Exposures computed in accordance to BNM Basel 3 Leverage ratio guideline.

## KEY INITIATIVES

Our goal is to continuously maintain sustainable and robust capital position, whilst optimising its utilisation to create shareholders' value. Tools that are employed to achieve this include but not limited to the following:

- (1) liability management via redemption and issuance of new Basel III instruments;
- (2) dividend reinvestment scheme (DRS);
- (3) RWA optimisation; and
- (4) Group-wide stress testing and impact assessment.

Key capital management initiatives that were undertaken during the 2022 calendar year include:

- (1) CIMB Group redeemed RM1.5 billion Basel III Tier 2 Subordinated Debt on 30 November 2022.
- (2) CIMB Group issued RM1.5 billion Basel III Tier 2 Sukuk Wakalah and RM1.0 billion Basel III Tier 2 Sustainability Sukuk Wakalah on 8 September 2022 and 2 December 2022 respectively.
- (3) The continuing RWA optimisation initiatives during the year, largely through active loan portfolio rebalancing, system and data enhancements and model recalibrations.

## DIVIDEND POLICY

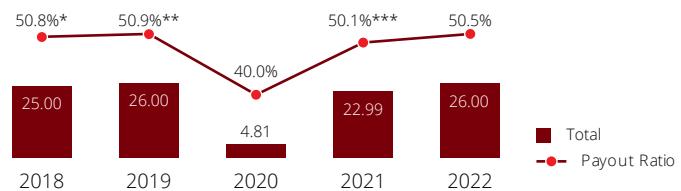
For the financial year ended 31 December 2022, the first interim single tier dividend of 13.00 sen per ordinary share, on 10,474,253,317 ordinary shares amounted to RM1,361,652,931 was approved by the Board of Directors on 28 July 2022. The dividend consisted of an electable portion of 10.40 sen per ordinary share which shareholders can elect to reinvest in new ordinary shares in accordance with the DRS. Following the

completion of the DRS, a total cash dividend of RM451,306,144 was paid on 28 October 2022.

A second interim single tier dividend of 13.00 sen per ordinary share on 10,665,101,700 ordinary shares amounting to RM1,386 million in respect of the financial year ended 2022 was approved by the Board of Directors on 31 January 2023. The second interim single tier dividend will be paid fully in cash by April 2023 without a DRS option.

## DIVIDEND REINVESTMENT SCHEME

The DRS was implemented in 2013 to provide shareholders with an option to reinvest dividends into new ordinary shares of CIMB and at the same time to help preserve the Group's capital. It was first applied to the Group's second interim dividend for the financial year ended 31 December 2012. The dividend reinvestment rate has been encouraging, with an average take up rate of approximately 80.1% since inception and the average increased to 82.5% in recent years (2020 onwards).



\* Payout ratio based on PAT excluding CPAM and CPIAM gain.

\*\* Payout ratio based on BAU PAT excluding transformational cost.

\*\*\* Payout ratio based on BAU PAT excluding exceptional items.

# Credit Ratings

## CIMB BANK BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2023	1. Long-term Foreign Currency Bank Deposits Rating 2. Short-term Foreign Currency Bank Deposits Rating 3. Long-term Domestic Currency Bank Deposits Rating 4. Short-term Domestic Currency Bank Deposits Rating 5. Senior Unsecured Notes 6. USD1.0 billion Multi-Currency Euro Medium Term Notes Programme 7. USD5.0 billion Euro Medium Term Note Programme (Senior Unsecured/Subordinated)	A3 P-2 A3 P-2 A3 (P)A3 (P)A3/(P)Ba1	Stable
Standard & Poor's Ratings Services (S&P)	November 2022	1. Long-term Foreign Currency Rating 2. Short-term Foreign Currency Rating 3. Long-term Local Currency Rating 4. Short-term Local Currency Rating	A- A-2 A- A-2	Stable
RAM Rating Services Berhad (RAM)	August 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Tier-2 Basel III Compliant Subordinated Debt Programme a. Issuances on or after 1 January 2016 with non-viability events linked to CIMB Bank Berhad as well as CIMB Group Holdings Berhad and its subsidiaries 4. RM10.0 billion Additional Tier-1 Capital Securities Programme 5. RM20.0 billion Medium Term Notes Programme 6. RM15.0 billion Senior Sukuk Wakalah Programme 7. RM15.0 billion Tier-2 Subordinated Sukuk Wakalah Programme 8. RM15.0 billion Additional Tier-1 Sukuk Wakalah Programme	AAA P1 AA <sub>2</sub> A <sub>1</sub> AAA AAA AA <sub>2</sub> A <sub>1</sub>	Stable
Malaysian Rating Corporation Berhad (MARC)	July 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Tier-2 Subordinated Debt Programme	AAA MARC-1 AA+	Stable

## Credit Ratings

### CIMB GROUP HOLDINGS BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2023	1. Long-term Issuer Rating 2. Short-term Issuer Rating	Baa1 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2022	1. Corporate Credit Rating 2. Corporate Credit Rating 3. RM6.0 billion Conventional and Islamic Medium-term Notes Programme 4. RM6.0 billion Conventional Commercial Paper Programme 5. RM10.0 billion Additional Tier-1 Capital Securities Programme 6. RM15.0 billion Senior Sukuk Wakalah Programme 7. RM15.0 billion Tier-2 Subordinated Sukuk Wakalah Programme 8. RM15.0 billion Additional Tier-1 Sukuk Wakalah Programme	AA <sub>1</sub> P1 AA <sub>1</sub> P1 A <sub>1</sub> AA <sub>1</sub> AA <sub>2</sub> A <sub>1</sub>	Stable
Malaysian Rating Corporation Berhad (MARC)	July 2022	1. Long-term Corporate Credit Rating 2. Short-term Corporate Credit Rating 3. RM10.0 billion Tier-2 Basel III Compliant Subordinated Debt Programme	AA+ MARC-1 AA	Stable

### CIMB INVESTMENT BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	November 2022	1. Long-term Issuer Rating 2. Short-term Issuer Rating	A3 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating	AAA P1	Stable

### CIMB ISLAMIC BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	November 2021	1. Long-term Foreign Currency Bank Deposits Rating 2. Short-term Foreign Currency Bank Deposits Rating 3. Long-term Domestic Currency Bank Deposits Rating 4. Short-term Domestic Currency Bank Deposits Rating	A3 P-2 A3 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Sukuk Wakalah Programme	AAA P1 AAA	Stable
Malaysian Rating Corporation Berhad (MARC)	July 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM5.0 billion Tier-2 Junior Sukuk Programme 4. RM10.0 billion Senior Sukuk Wakalah Programme	AAA MARC-1 AA+ <sub>IS</sub> AAA <sub>IS</sub>	Stable

## CIMB THAI

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	January 2022	1. Long-term Issuer Rating 2. Long-term Foreign Currency Bank Deposits Rating 3. Short-term Foreign Currency Bank Deposits Rating 4. Long-term Domestic Currency Bank Deposits Rating 5. Short-term Domestic Currency Bank Deposits Rating	Baa2 Baa2 P-2 Baa2 P-2	Stable
RAM Rating Services Berhad (RAM)	June 2022	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM2.0 billion Tier-2 Subordinated Debt Programme	AA <sub>2</sub> P1 AA <sub>3</sub>	Stable
Fitch Ratings	September 2022	1. Long-term National Rating 2. Short-term National Rating 3. Long-term Rating on Subordinated Lower Tier-2 4. Short-term Rating for Short-term Debt	AA-(tha) F1+(tha) AA-(tha) F1+(tha)	Stable

## CIMB NIAGA

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	February 2023	1. Long-term Issuer Rating 2. Long-term Foreign Currency Bank Deposits Rating 3. Short-term Foreign Currency Bank Deposits Rating 4. Long-term Domestic Currency Bank Deposits Rating 5. Short-term Domestic Currency Bank Deposits Rating	Baa2 Baa2 P-2 Baa2 P-2	Stable
Pefindo	September 2022	1. Corporate Rating 2. Shelf Registration Bond 3. Shelf Registration Sukuk Mudharabah 4. Subordinated Bond	idAAA idAAA idAAA(sy) idAA	Stable

# Balance Sheet Management

The core functions of Balance Sheet Management team include generating balance sheet strategies and providing guidance to business units on sustainable value creation for the Group by optimising structural funding and liquidity profile of the Group's Banking book. The team also maintains a robust and responsive Funds Transfer Pricing (FTP) framework, which is governed by the Group Asset Liability Committee (GALCO). The FTP mechanism is reviewed and calibrated based on best market practices and various regulatory principles while accommodating for balance sheet strategies as approved by the management and the Board of Directors.

The FTP framework promotes an efficient Group-wide allocation of funding costs and benefits to the business units by taking into account the interest rate and liquidity positions of the Bank. In ensuring sustainable balance sheet funding, a liquidity premium is charged to the user of funds based on the tenure of the transactions; and liquidity credit incentivises the provider of funds that generate long-term, stable funding. Presently, we focus on attracting stable retail deposits to provide sustainable funding required to extend long-term retail and SME credit that are beneficial to the economic livelihood of the society.

The Group maintains a robust liquidity profile to comply with internal measures that adhere to the best market practices as guided by the Basel Standards. The Group also observes Basel III Liquidity Framework, namely the Liquidity Coverage Ratio (LCR), with a primary focus on ensuring a sufficient buffer of liquid assets to survive a significant stress scenario lasting 30 calendar days.

Balance Sheet Management team is responsible for implementation of the Standardised Base Rate (SBR) which replaced Base Rate (BR) as the new reference rate for retail floating-rate loans and financing for individuals from 1 August 2022. SBR is set at the prevailing Overnight Policy Rate (OPR). SBR is governed by the Reference Rate Framework (RRF) issued by Bank Negara Malaysia (Aug 2021). Existing BR and BLR/BFR loans will move exactly in tandem with the SBR.

The loans, advances and financing of the Group's assets is funded from a funding mix comprising of customer deposits and investment accounts alongside stable long-term borrowings such as senior funding, subordinated obligations, as well as securitised assets. Our core source of

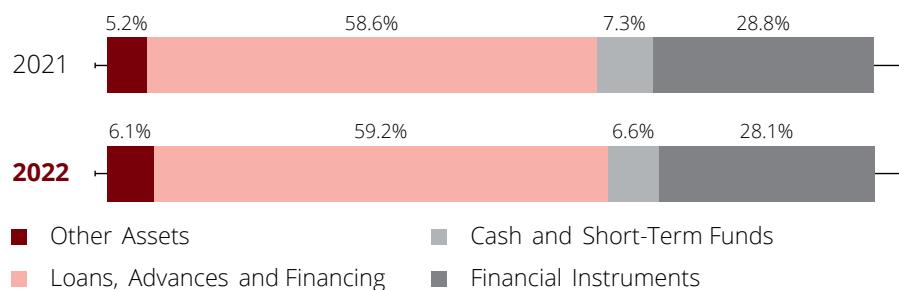
funding, deposits and investment accounts from customers have shown moderate growth of 3.2% in 2022 as growth in Fixed Deposit was partially offset by lower CASA due to increased economic activities. Loans, advances and financing grew healthily by 8.2% in 2022 and coupled with NIM expansion leading to an overall robust growth in Net Interest Income.

## LIQUIDITY MANAGEMENT

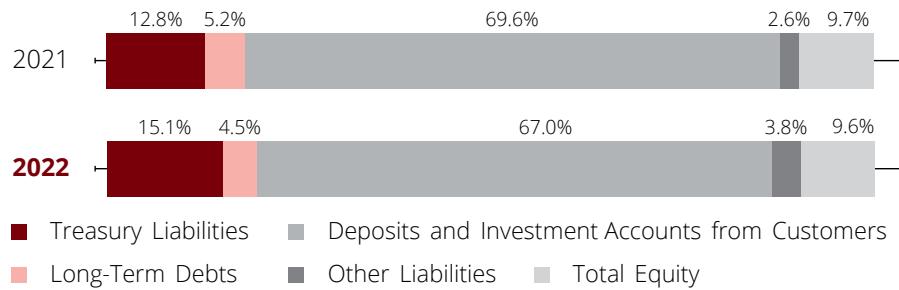
The Group maintained a healthy and stable level of liquid assets, which is well above the minimum requirement of 100% for 2022. The bank also observes

its level of liquidity using indicators such as loans-to-funding (LTF) which includes debt issuances in addition to deposits while loan-to-fund-and-equity (LTFe) expands the measure with the inclusion of equity. The measure for LTF and LTFe for the Group as at 31 December 2022 remains healthy at 83% and 73% respectively. Given the introduction of new liquidity measures such as Net Stable Funding Ratio (NSFR) in the recent years, the Group has been focusing on the growth of high-quality liquid assets as well as sticky deposits in ensuring a sustainable liquidity buffer not only to survive a significant stress scenario lasting 30 calendar days but also for longer time horizons.

## ASSETS



## LIABILITIES AND EQUITY



# Investor Relations

**2022 can be best described as a year of recovery and normalisation despite the continued global macroeconomic challenges. In that vein, the Group's Investor Relations endeavours returned to some form of normalcy as lifting of travel restrictions and social distancing facilitated more personalised interaction with the investing community. This allowed us to build on the foundations from the pandemic years on the Forward23+ strategic plan through new and refreshed face-to-face initiatives including an Investor Day in Jakarta for CIMB Niaga. The Investor Relations team ensured that the investment community was kept abreast of developments of all business units and key operating countries be it operational, financial or within the sustainability spheres. The Group ultimately exceeded all financial targets for 2022 and had provided upgraded guidance at the mid-year point, almost all of which was met or exceeded.**

The Investor Relations team navigated the sustained macro challenges by increased engagement with the investment community, as macroeconomic volatility, geopolitical disruption and domestic political uncertainty cast an ominous cloud throughout the year. Central banks across the globe tightened monetary policy by steeply raising interest rates to combat spiraling inflation brought about in part, by the Russia-Ukraine conflict and global supply chain disruptions. Nevertheless, regional economies were boosted by the dismantling of pandemic-related restrictions which translated to businesses reverting to BAU and a resumption of leisure travel activities. Domestically, Malaysia faced its fair share of challenges with political uncertainty following the change of government after the 15th General Election as well as the implementation of the one-off Prosperity Tax (Cukai Makmur) dampening investor excitement over the year. Fortunately, the favourable operating conditions coupled with reaffirmed sovereign and corporate credit ratings by global rating agencies ensured that 2022 was a good year for the Group.

It was a relatively quiet year on the corporate development front as the Group focused on improving internal operational efficiency and streamlining underperforming businesses with the objective of delivering the Forward23+ strategic plan's targets. One of the core digitalisation initiatives included the introduction of CIMB OCTO, a next generation mobile banking app in Malaysia which will provide greater uptime and reliability of service. There were several senior management changes, most notably the appointment

of Chu Kok Wei and Novan Amirudin as Co-CEOs of Group Wholesale Banking business, and Effendy Shahul Hamid as CEO of Group Consumer & Digital Banking. The Group also reaffirmed its commitment to the sustainability cause by raising the sustainable financing target for GSSIPS to RM60 billion from RM30 billion and implementing the NDPE policy. These were among the many financial and non-financial subject matters that the Investor Relations team strived to communicate, discuss, and clarify to the investment community.

Financial aspects remained the principal focus for investors and CIMB Group is committed to providing as much transparency as possible. High degrees of disclosure are appreciated and valued by the investors particularly when done in a timely manner, as it reflects on management's transparency and integrity. The positive progress made by the Forward23+ plan coupled with clear articulation of the strategic plan and mitigation steps taken to address the various developments over the year was taken positively as evident from the material rise in the Group's foreign shareholding in 2022. These issues included; the impact of the OPR hikes in Malaysia and across the region on NIMs; asset quality trends pertaining to management overlays and MEF adjustments; capital management and optimisation; deposit and CASA strategy in the face of heightened competition; and numerous Sustainability topics.

Through all these developments, the Group's Investor Relations team have consistently provided the best access possible for domestic and foreign stakeholders to CIMB Group's senior management through the coordination

of one-on-one meetings, teleconferences, roadshows and investor conferences. The Group CFO Khairul Rifaie and CEO Dato' Abdul Rahman Ahmad remained the principal spokespersons, supported by other members of senior management, particularly Lani Darmawan (President Director and CEO of CIMB Niaga), Effendy Shahul Hamid (CEO Group Consumer & Digital Banking), Gurdip Singh Sidhu (Chief People Officer & Group Chief Sustainability Officer) and Sieh Luanne (Head of Group Sustainability).

In November 2022, CIMB Niaga conducted a one-day Investor Day in Jakarta to provide the investment community with a detailed overview of CIMB Niaga's strategies and operations in line with the strategic focus on Indonesia under the Group's Forward23+ plan as well as Indonesia's status as one of the world's fastest-growing economies. The event proved to be extremely successful with presentations by principal business units and a physical tour of the CIMB Niaga Digital Lounge, and had a strong attendance by regional and domestic analysts and fund managers. Investor Relations together with CIMB Sustainability also hosted a 1-hour Sustainability Corporate Day session in September 2022 where we provided a progress update on the strides made on the Sustainability front over the past year.

## Investor Relations



Group CFO and CIMB Niaga Senior Management at the CIMB Niaga Investor Day 2022



Group CEO and CFO at the 4Q22 virtual analyst briefing

### SIGNIFICANT EVENTS:

Date	Event	
12 January 2022	Resignation of Omar Siddiq, CEO of Group Wholesale Banking and Deputy CEO, CIMB Malaysia	Bursa Announcement
22 June 2022	CIMB Group Appoints Chu Kok Wei and Novan Amirudin as Co-CEOs of Group Wholesale Banking	Bursa Announcement
19 November 2022	Malaysia 15th General Election	News
23 November 2022	CIMB Group Appoints Effendy Shahul Hamid as CEO of Group Consumer & Digital Banking	Bursa Announcement

### ANNOUNCEMENT OF FINANCIAL RESULTS:

Date	Event	Type of Meeting
31 May 2022	CIMB Group 1Q22 Results	Conference Call
30 August 2022	CIMB Group 2Q22 Results	Conference Call
30 November 2022	CIMB Group 3Q22 Results	Conference Call
28 February 2023	CIMB Group 4Q22 Results	Conference Call

### ANALYST BRIEFINGS

As per previous years, the Group CEO and Group CFO chaired the four customary quarterly financial results analyst and investor briefings, where they presented the Group's financial performance and operational highlights for the quarter, as well as provide milestone updates on the Forward23+ strategy. Despite the lifting of travel and live meeting restrictions, we continued to conduct all briefings virtually via the Webex platform and continued to receive active involvement from both domestic and regional equity and debt analysts and fund managers with exceptionally active Q&A sessions. In keeping with CIMB Investor Relations' efforts towards greater disclosure, transparency and shareholder inclusiveness, the full video recordings of the analyst briefings and briefing materials are accessible on the Group's Investor relations webpage.

The Investor Relations team ensures that financial statements and press releases are uploaded to Bursa Malaysia within the stipulated dates and times. Subsequently, the team emails all relevant documents to internal and external stakeholders, which are also made available on the Group's Investor Relations webpage. The recording of the analyst briefing is also uploaded on the webpage as early as possible. This is in line with the Group's commitment to provide timely, adequate and transparent information to the investment community. The Group continues to host press conferences for the announcement of the half- and full-year financial results. The Group CEO and CFO presents the financial performance to members of the media and provides an avenue to take questions on either the financials or other operational and relevant matters.

### AGM/EGM

The 65th Annual General Meeting (AGM) was held on 21 April 2022 in the Group's corporate headquarters in Menara CIMB and was conducted virtually for the third consecutive year. Whilst COVID-19 restrictions were gradually eased at that time, several non-Malaysian members of the Board of Directors were still not able to travel and had to participate virtually. Similarly, the decision to continue with a fully-virtual AGM was also taken with our shareholders' safety and well-being in mind.

With a sharply improved financial performance in 2021, the Group CEO Dato' Abdul Rahman Ahmad was able to speak to shareholders with a more positive tone compared to the COVID-impacted 2020. He emphasised the recovery of Group revenues, the return of loan growth, the exceptional accumulation of deposits most notably CASA, the strict cost management measures and the significant reduction in loan provisions. These factors contributed to the rebound in profitability and ROE as well as a strengthened capitalisation. In addition, the CEO summarised the positive momentum of the various Forward23+ programmes, which are well on-track to attain the Group's 2024 targets. Despite the improved performance, Dato' Rahman painted a cautiously optimistic outlook for 2022 given the advent of geopolitical conflicts and economic disruptions that had occurred in the weeks prior to the AGM.

The 65th AGM was as engaging as previous years as the virtual Q&A session saw a wide range of pre-submitted and "live" questions, feedback and opinions. These were displayed and responded by the Group CEO, CFO and members of the Board. A list of official questions from the Minority Shareholders Watchdog Group (MSWG) and Permodalan Nasional Berhad (PNB) were also addressed by the Group CEO. The topics brought forth by shareholders centered around the asset quality outlook, Forward23+ initiatives and strategic direction, operational issues in Malaysia as well as Sustainability matters.

## INVESTOR MEETINGS

As travel restrictions eased globally, especially in the second half of 2022, we witnessed a gradual but encouraging return of face-to-face investor meetings as foreign investors began visiting corporates in the region. It was refreshing to welcome institutional investors back into our little-used meeting rooms as face-to-face interactions are an integral part of the investor relations function to allow for direct engagement with senior management to discuss and debate on internal operational, financial and strategic matters as well as pertinent external macro issues. Consequently, the Group also began participating in



The Board of Directors addressing shareholders at the 65th AGM

non-deal roadshows and attend investor conferences hosted by various brokers in different geographies. Similarly, meeting investors in their countries of domicile was positive as it enabled better engagement and more detailed discussion.

During the year, the Group conducted 71 investor meetings, a notable increase from the 60 meetings in 2021. This included 12 in-house meetings and 23 teleconference and virtual calls. Nevertheless, the number of sell- and buy-side analysts and fund managers met was predictably lower at 490 for the year compared to 653 in 2021, largely due to the Group returning to the pre-pandemic practice of conducting higher quality one-on-one, face-to-face meetings and smaller group meetings. The last 2 pandemic years had necessitated virtual calls for ease of logistics and convenience for all parties involved and virtual meetings typically attracted a larger number of participants but conversely, the level of interaction and engagement at these virtual meetings were lower compared to face-to-face meetings.

CIMB Niaga also undertook more one-on-one meetings with foreign investors in 2022, which led to an increase in the number of meetings (29) in light of the opening of Indonesia's borders and its favourable economic developments. Similarly, CIMB Niaga saw a decline in the number of investors met in 2022, as it reduced participation in virtual investor conferences in favour of face-to-face investor engagement.

The Group maintained the practice of hosting eight pre-closed period virtual meetings with the domestic buy- and sell-side to ensure the investment community is kept abreast with the Group's latest developments. This is on top of the four regular quarterly financial announcement briefings, the recordings of which are made available publicly on the Group's Investor relations webpage.

### No. of meetings/No. of fund managers and analysts CIMB Group

RM'000	2021		2022	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house meetings	-	-	<b>12</b>	<b>27</b>
Conferences	16	200	<b>13</b>	<b>155</b>
Non-deal roadshows	-	-	<b>23</b>	<b>50</b>
Teleconferences	44	453	<b>23</b>	<b>258</b>
<b>Total</b>	<b>60</b>	<b>653</b>	<b>71</b>	<b>490</b>

### CIMB Niaga

RM'000	2021		2022	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house meetings	24	150	<b>29</b>	<b>97</b>
<b>Total</b>	<b>24</b>	<b>150</b>	<b>29</b>	<b>97</b>

## Investor Relations

### CONFERENCES AND ROADSHOWS

As borders opened globally, the Group made the immediate decision to resume the practice of attending physical investor conferences and conducting overseas non-deal roadshows (NDRs) in mid-2022. Part of the main responsibility of the Investor Relations division is to ensure members of senior management make the effort to reach out to meet existing and potential strategic institutional investors to outline the Group's latest developments and strategic direction. For many foreign investors, this was the first opportunity to meet the Group CEO in person as he had taken on the position during the pandemic in mid-2020. The Group CEO and CFO committed the time and effort to travel to several countries to personally update on the progress of the Forward23+ plan, discuss the financial performance and engage on various topics impacting the global financial sector. We were able to meet investors in Singapore, London and several financial centers in Europe in 2022 via non-deal roadshows and conferences. That said, there remained many virtual conferences during the year which were primarily led by the Group CFO as well as other members of senior management like Lani Darmawan (CEO CIMB Niaga), Effendy Shahul Hamid (CEO CIMB Digital Assets) and Sieh Luanne (Head of Sustainability).

Given this backdrop, we stepped up our direct engagement efforts and participated in 36 meetings (13 meetings in conferences and 23 meetings in NDRs) and met 205 buy- and sell-side institutional participants in 2022 both physically and virtually. This is a stark improvement compared to the previous year, where we attended 16 online conferences and engaged with 109 existing and potential shareholders. Shareholder analysis remains an essential tool for the Investor Relations team to foster relationships with the investment community.

### CONFERENCES AND ROADSHOWS

Date	Event	Location	Organiser
5 January 2022	CGS-CIMB 14th Annual Malaysia Virtual Corporate Day	Kuala Lumpur	CGS-CIMB
6-7 January 2022	Virtual JP Morgan ASEAN Financial Forum	Singapore	JPM
11 January 2022	UBS Malaysia Corporate Series (Virtual)	Singapore	UBS
8 March 2022	18th Annual CITIC CLSA ASEAN Forum (Virtual)	Kuala Lumpur	CLSA
8 March 2022	UOB Kay Hian ASEAN corporate day 2022 (Virtual)	Singapore	UOB
23 March 2022	Credit Suisse 25th Asian Investment Conference (Virtual)	Hong Kong	Credit Suisse
1-2 June 2022	Non-Deal Roadshow	Singapore	CIMB Group
13-14 June 2022	Invest Malaysia Conference	London	CLSA
15-17 June 2022	Non-Deal Roadshow	Edinburgh, Netherlands, Paris	CLSA
30 June 2022	Morgan Stanley Virtual ASEAN Conference 2022	Singapore	Morgan Stanley
13 October 2022	Nomura Virtual Malaysia Corporate Day	Kuala Lumpur	Nomura
21 August 2022	Credit Suisse ASEAN New Economy Day (Virtual)	Singapore	Credit Suisse

### RESEARCH COVERAGE

CIMB Group continues to be well covered by the investment community given its position as the fourth largest company by market capitalisation on Bursa Malaysia as at end-2022 and a core component of the FBMKLCI Index. Additionally, the Group remains the second largest financial institution in Malaysia by assets and the fifth largest in ASEAN. As of end December 2022, the stock (Bursa: 1023, Bloomberg: CIMB:MK) remains actively covered by a total of 21 sell-side analysts and research houses and has a substantial following amongst domestic, regional and global buy-side analysts and fund managers.

### No Research House

- |    |                                    |
|----|------------------------------------|
| 1  | Affin Hwang Investment Bank        |
| 2  | AmlInvestment Bank                 |
| 3  | Bernstein Research                 |
| 4  | BofA Global Research               |
| 5  | Citi Investment Research           |
| 6  | CLSA Securities                    |
| 7  | Credit Suisse Securities           |
| 8  | Hong Leong Investment Bank         |
| 9  | JP Morgan Securities               |
| 10 | KAF-Seagrott & Campbell Securities |
| 11 | Kenanga Investment Bank            |
| 12 | Macquarie Capital Securities       |
| 13 | Maybank Investment Bank            |
| 14 | MIDF Amanah Investment Bank        |
| 15 | Morgan Stanley Research            |
| 16 | Nomura Securities                  |
| 17 | Public Investment Bank             |
| 18 | RHB Research                       |
| 19 | TA Securities                      |
| 20 | UBS Securities                     |
| 21 | UOB Kay Hian                       |

### CREDIT RATING

The Investor Relations team is primarily responsible for the management of the Group's relationship and dealings with domestic, regional and global credit rating agencies. Following 2 pandemic impacted years and economic uncertainty in 2022, it was crucial that external stakeholders were provided with independent evaluations of the Group's financial well-being, operational stability, soundness of risk management and overall creditworthiness. As counterparty financial institutions,

institutional investors, as well as current and potential business partners and stakeholders rely heavily on views from reputed credit rating agencies, the importance of these relationships cannot be undermined.

The Group has both solicited and unsolicited arrangements with Moody's Investors Services, Standard and Poor's (S&P), RAM Ratings, Malaysian Rating Corporation (MARC) and Fitch Ratings; to provide local- and foreign-currency credit rating profiles for all licensed banking entities within the Group. We maintain year-long engagements with all agencies particularly during annual review periods where meetings with senior members of management are facilitated for a comprehensive discussion on all financial and strategic matters related to each entity as well as the Group in totality. The Investor Relations team compiles and furnishes complete operational data and financial disclosures to enable the rating agencies to conduct a fair and thorough assessment. This relationship correspondingly provides the Group with the latest views and developments on regional and global economies and markets from the rating agencies points of view.

## SHARE PRICE PERFORMANCE AND FOREIGN SHAREHOLDING

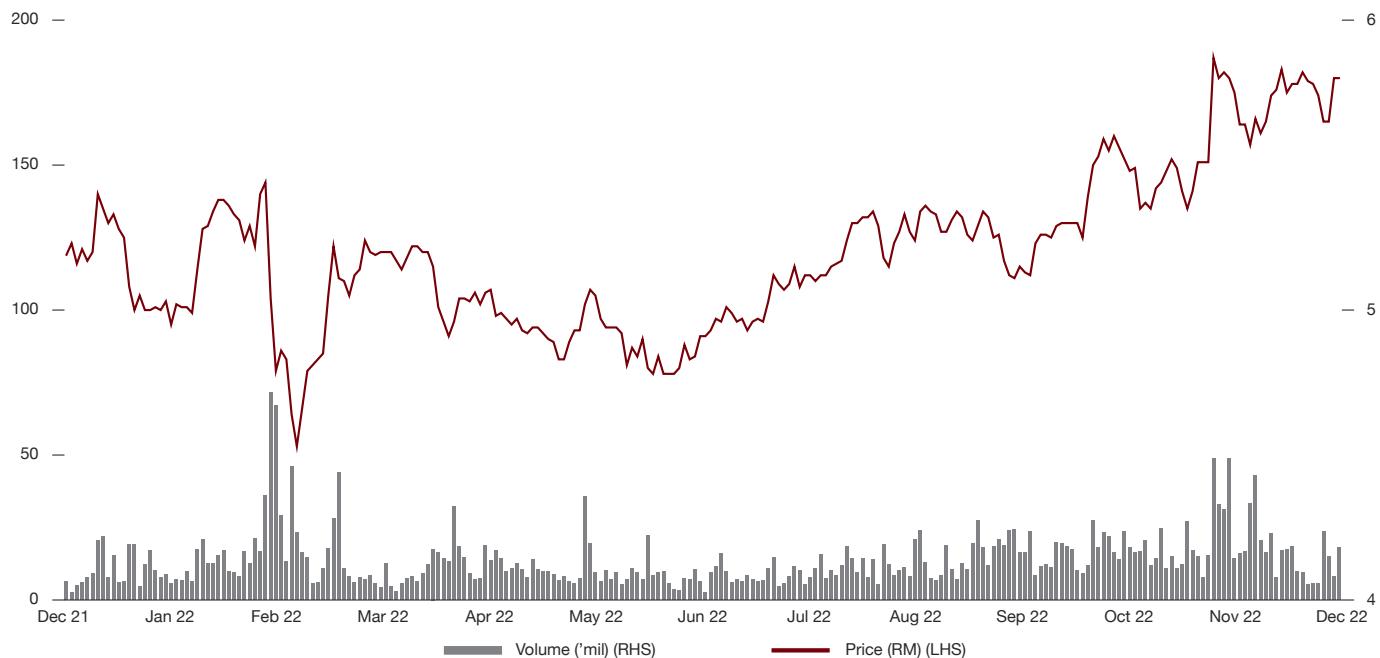
As the world looked forward to a more positive post-pandemic 2022, the outbreak of the Russia-Ukraine war, the ensuing global supply chain squeeze and rapid global interest rate upswing coupled with the General Elections in Malaysia made it another challenging year for equities. Fortunately, underpinned by a stronger financial performance, a more favourable operating environment and the return of foreign shareholders into the stock, the Group's share price appreciated by 11.7% in 2022; closing at RM5.80 as at end-2022 compared to the adjusted end-2021 price of RM5.20. Sentiment improved in the latter part of the year in line with positive economic trends and stabilisation in the domestic political environment, evident from the share rebounding to a high of RM5.87 in November 2022 from a low of RM4.53 in March 2022.

On the whole, this translated to a 16.3% outperformance against the FBMKLCI, which declined by 4.6% over the 12-month period. CIMB Group also outperformed the wider Malaysian financial sector (KLFin Index) which rose by 6.0% in 2022, as financial institutions derived benefits from the recovery in economic activity, improved asset quality and better profitability.

The Group exceeded all its financial targets set out for the year, which was taken positively by the investment community. In addition, the Group also met and exceeded most of the revised FY22 guidance which was made in mid-2022. With all targets met and all Forward23+ initiatives progressing on track, the Group announced a dividend payout of 50.5% for the year, including a proposed all-cash second interim dividend of 13.00 sen per share.

As investor sentiment on the stock continued to improve through the year, the Group's foreign shareholding charted a steady uptrend towards a 5-year high of 30.8% at the end of 2022, marking a 6.1% YoY rise compared to 24.7% as at end-2021. The progressive increase was largely attributed to accumulation from existing regional funds and new foreign investment funds as a result of our long-term relationship cultivation.

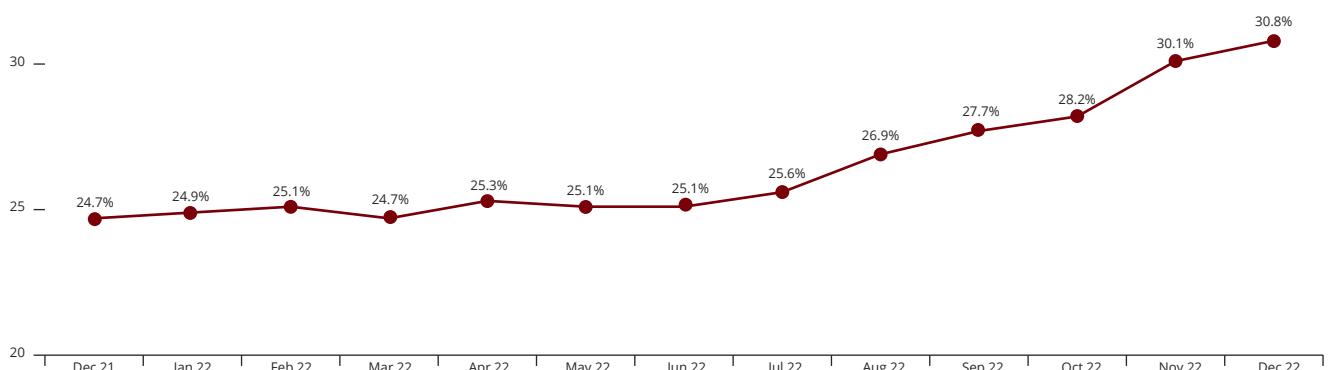
### CIMB Group Share Price and Volume



## Investor Relations

### CIMB Group Foreign Shareholding

35 —



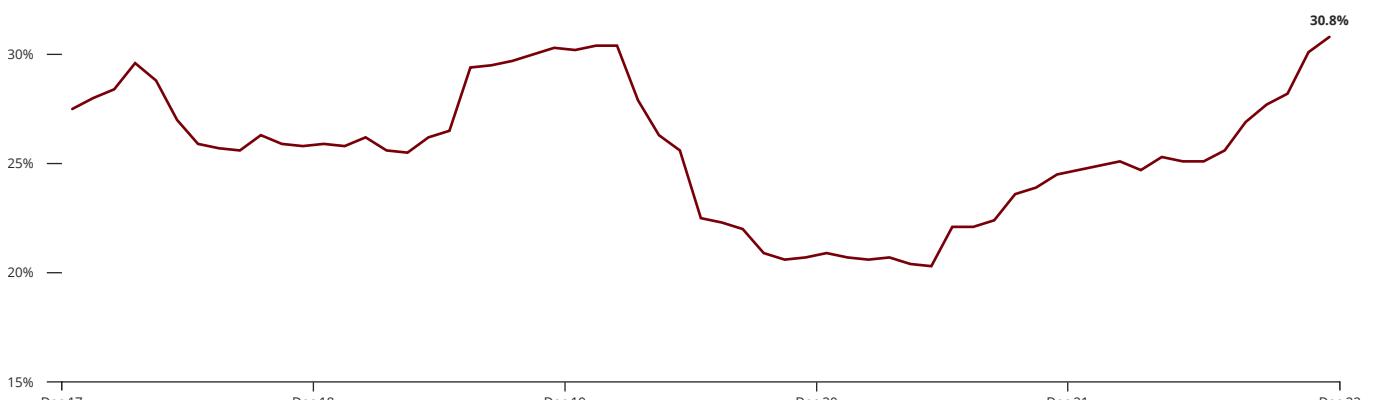
### Shareholders' Returns (6 June 2005\* – 31 December 2022)



Note: \*Date of announcement of the M&A between CIMB Berhad and CAHB

### 5-year Foreign Shareholding Trend (December 2017 – December 2022)

35% —



# Financial Calendar

**28 FEBRUARY 2022**

Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2021.

**23 MARCH 2022**

Notice of 65th Annual General Meeting.

**23 MARCH 2022**

Issuance of Annual Report for the financial year ended 31 December 2021.

**25 MARCH 2022**

Notice of book closure for single tier second interim dividend of 12.55 sen per share for the financial year ended 31 December 2021.

**28 MARCH 2022**

Date of entitlement for the single tier second interim dividend of 12.55 sen per share for the financial year ended 31 December 2021.

**1 APRIL 2022**

Notice of election in relation to the Dividend Reinvestment Scheme. The scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of CIMB.

**21 APRIL 2022**

65th Annual General Meeting.

**25 APRIL 2022**

Payment of the single tier second interim dividend of 12.55 sen per share for the financial year ended 31 December 2021.

**26 APRIL 2022**

Additional listing of 252,801,642 new ordinary shares, via the Dividend Reinvestment Scheme.

**31 MAY 2022**

Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2022.

**30 AUGUST 2022**

Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2022.

**28 SEPTEMBER 2022**

Notice of book closure for single tier first interim dividend of 13.00 sen per share for the financial year ending 31 December 2022.

**29 SEPTEMBER 2022**

Date of entitlement for the single tier first interim dividend of 13.00 sen per share for the financial year ending 31 December 2022.

**5 OCTOBER 2022**

Notice of election in relation to the Dividend Reinvestment Scheme. The scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of CIMB.

**28 OCTOBER 2022**

Payment of the single tier first interim dividend of 13.00 sen per share for the financial year ending 31 December 2022.

**31 OCTOBER 2022**

Additional listing of 190,848,383 new ordinary shares, via the Dividend Reinvestment Scheme.

**30 NOVEMBER 2022**

Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2022.

**28 FEBRUARY 2023**

Announcement of the unaudited consolidated financial results for the fourth quarter ended 31 December 2022.

**2023 TENTATIVE DATES**

**31 MAY 2023**

**1Q 2023**

Financial Results

**30 AUGUST 2023**

**2Q 2023**

Financial Results

**30 NOVEMBER 2023**

**3Q 2023**

Financial Results

**FEBRUARY 2024**

**4Q 2023**

Financial Results

## Business Review



## GROUP CONSUMER BANKING



Despite a challenging post-COVID-19 operating environment driven by economic headwinds and inflationary pressures, we were able to achieve strong pre-provision operating profit growth of 12.2% and PBT growth of 42.5%. Our performance was driven by spread optimisation, expense discipline and balance sheet growth. We continued to invest and enhance our digital capabilities and are committed to continue delivering value added services, growing customer acquisition, strengthening our product offerings and driving efficiency to grow the business and better serve our customers.

**Effendy Shahul Hamid**

### WHO WE ARE AND WHAT WE DO

We provide conventional and Islamic banking solutions to individual customers and small businesses. Our range of products include deposit accounts; loans; personal financing; credit cards; wealth management and investments; bancassurance; remittance and FX. These offerings can be accessed through multiple delivery channels, i.e., online banking, mobile banking, self-service banking via ATM terminals, phone banking, all of which help facilitate financial transactions beyond normal banking hours. Our products and services are also accessible over-the-counter in all our branches regionally. By tapping the potential of digital, big data and advanced analytics, and backed by a holistic product proposition as well as our integrated regional banking model, we aim to deliver superior customer experience while advancing customers and society.

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

In 2022, despite the challenging operating environment, we achieved healthy revenue growth of 8.3%, loans growth of 7.2% and deposits growth of 7.3% YoY. Our performance was mainly driven by strong loans and deposits growth and spread optimisation. Loans were driven mainly by Malaysia, Singapore, Indonesia and Thailand, due to strong momentum in mortgage and auto financing. We also delivered healthy deposits growth with Malaysia growing 2.6% YoY, Singapore 38.1% YoY and Thailand 14.4% YoY.

During the year, digital engagement and acquisition continued to accelerate, resulting in a 14.0% increase in digital transactions YoY, 10.8% growth in active digital users and 46.7% growth in digital acquisition count. We achieved positive JAW of 3.1%, with all key markets recording positive JAW due to higher revenues, while expenses were contained with strong cost controls.

### WHAT OUR STAKEHOLDERS EXPECTED

<b>SHAREHOLDERS</b> Achieve operational stability, customer responsiveness, improved efficiency, resilience and sustainable returns	<b>CUSTOMERS</b> Strengthen trust by providing support to customers impacted by natural disasters and ensuring delivery channels are secured and widely available with minimal system downtime	<b>COMMUNITIES</b> Contribute to community welfare and wellbeing by volunteering hours and championing various sustainability projects	<b>EMPLOYEES</b> Prioritise employee safety and well-being during the pandemic	<b>REGULATORS</b> Remain nimble to regulations and policies and deploy our robust risk management framework and compliance measures to ensure highest level of integrity

### HOW WE CREATED VALUE IN 2022

<b>42.5% YoY</b> PBT growth recorded for the year	<b>CIMB's Flood Relief Assistance Plan</b> supported customers affected by the floods in Malaysia	<b>Over 28.5k* hours</b> volunteered to champion >45 causes adopted to benefit the communities in our ecosystem  <b>RM500 million*</b> disbursed in green financing for homes and vehicles and >RM10 billion in facilities for underserved communities  Committed to introduce Wheel-Chair Assistance across all branches by 2023*	<b>#teamCIMB</b> benefited from split and work-from-home (WFH) measures  All branches, call centres and collection units implemented social distancing and crowd control measures  1,000 training programmes delivered to benefit over 14k employees.  >4k employees gained emerging skills/knowledge (e.g. Sustainability, Digital & Data etc)  >100 employees completed their professional qualifications/post-graduate studies sponsored by CIMB	<b>New risk control unit</b> established in Malaysia to proactively manage operational and compliance risks and strengthen first line of defence
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### FORWARD 23+

#### Our Strategic Focus Areas

- Delivering Sustainable Financial Returns
- Customer Centricity



#### Material Matters

- Sustainable and Responsible Finance
- Financial Inclusion and Literacy
- Customer Experience
- Digitalisation and Innovation
- Cybersecurity and Data Privacy
- Corporate Citizenship



#### Capitals Affected

- Financial Strength
- Intellectual Capital
- Physical Network
- Robust Relationships

### FINANCIAL

#### Loans (RM'bil)



#### Deposits (RM'bil)



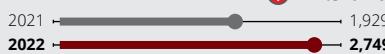
#### Revenue (RM'mil)



#### PPOP (RM'mil)



#### PBT (RM'mil)



### NON-FINANCIAL

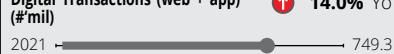
#### Clicks Registered Customers (#'mil)



#### Active Digital Users (#'mil)



#### Digital Transactions (web + app) (#'mil)



#### Digital Acquisition (Sourcing) Sales Count (#'mil)





## AWARDS AND RECOGNITION

### ABF Retail Banking Awards 2022

- Wealth Management Platform of the Year, Thailand

### Global Retail Banking Innovation Awards 2022

- Best Digital Bank, Malaysia
- Best Pure Play Digital Account
- Outstanding Retail Sales Across Digital Channels

### ASNB Starz Awards 2021

- Best Agent of the Year
- Highest Sales All ASNB Funds (Branch)
- Highest Sales by Fund Categories Equity/Growth Funds
- Highest Sales by Fund Categories Mixed Asset Balance Funds
- Highest Sales for ASB (Branch)
- Highest Number of ASNB Transactions by Agent

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
RISK	<b>Risk Management</b> <ul style="list-style-type: none"> <li>Enhancing credit policies and customer segmentation criteria</li> <li>Management and optimisation of credit collection processes</li> <li>Reduction and mitigation of cybersecurity and fraud risks</li> </ul>	<ul style="list-style-type: none"> <li>Monitored and enhanced performance of scorecards and systems</li> <li>Rolled-out robust collection processes and optimised capacity planning and continuous refinement of risk criteria for segments</li> <li>Established new risk control unit to strengthen the 1st line of defence</li> <li>Increased headcount dedicated to operation resiliency, risk and compliance activities</li> <li>Enhanced our digital platforms to strengthen cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Identified and implemented various fraud risk initiatives</li> <li>Enforced compulsory SecureTAC authorisation for transactions of RM100 and above to protect our customers from scams</li> </ul>
CHALLENGE	<b>Operational Refinement &amp; Resilience</b> <ul style="list-style-type: none"> <li>Enforcing compliance &amp; proactive emerging risk identification</li> <li>Acquiring new clients due to COVID-19 restrictions which impacted our customer engagement capabilities</li> <li>Ensuring CIMB Clicks platform stability and reliability</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed SOPs and P&amp;Ps to improve compliance and reduce operational lapses</li> <li>Upgraded risk scorecards and obsolete systems</li> <li>Intensified digital engagement for transactions and acquisitions</li> <li>Invested in our digital platforms to deploy new capabilities and improve stability</li> </ul>	<ul style="list-style-type: none"> <li>Improved Risk-Adjusted Return on Capital (RAROC) with key strategies in place</li> <li>Reported strong digital engagement with increased transactions (web+app)</li> <li>Piloted "CIMB OCTO App", supported by new technology stack and operational infrastructure to enhanced stability and security</li> </ul>
OPPORTUNITY	<b>Big Data, Advanced Analytics and Personalised Banking</b> <ul style="list-style-type: none"> <li>Industrialisation of big data and advanced analytics for targeting profitability</li> <li>Cross-selling to increase average product holding and deepen customer relationship</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated a new subsidiary focused on providing data analytic support and to complement existing data analytics function in the bank</li> <li>Focused on personalisation and cross-selling strategies</li> </ul>	<ul style="list-style-type: none"> <li>Reported 7.9% revenue contribution by big data and advanced analytics to the MIST revenue via acquisition, portfolio management and personalisation initiatives</li> <li>Achieved real-time and near-real-time execution capability to drive higher customer engagement</li> </ul>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
Delivering Sustainable Financial Returns	<b>Accelerate Profitable Growth</b> <ul style="list-style-type: none"> <li>Focus on balance sheet growth and spread optimisation initiatives</li> <li>Increase variable rate acquisition and focus on used car market for auto loans</li> <li>Promote cards growth and continue prudent expansion for personal financing</li> </ul>	<ul style="list-style-type: none"> <li>Launched "CIMB OctoTravel", our 1-stop travel lifestyle booking platform and our new "CIMB Travel Mastercard Credit Card" in Malaysia to capture the travel spend segment</li> <li>Launched "e-Zi Tunai", the first End-to-End digital personal loan launched by a Malaysian Bank</li> <li>Emerged as one of the first Malaysian banks to introduce Google Wallet via CIMB Bank Mastercard Credit Cards, allowing customers to use Google Wallet to transact conveniently and securely where Google Pay is accepted</li> </ul>
	<b>Double Down on Preferred &amp; Wealth</b> <ul style="list-style-type: none"> <li>Deploy a clear segmentation strategy to target growing wealth segments with client centric advisory model</li> <li>Adopt a differentiated product proposition to match customers' goals</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the "I Prefer" rebranding across MIST and collaborated with luxury brands to introduce exclusive regional privileges and recognition for customers across ASEAN</li> <li>Achieved robust segmentation and personalised engagement through the use of prediction models and personalised market insights</li> </ul>
	<b>Digital Led Bank</b> <ul style="list-style-type: none"> <li>Intensify digital engagement with customers</li> <li>Increase digital acquisition via digital sourcing share of select digitally-sourced products over total sales across the countries</li> </ul>	<ul style="list-style-type: none"> <li>Increased active digital users by 10.8% YoY and total digital transactions (web &amp; app) were up 14.0% YoY</li> <li>Increased total sales contribution from digital sourcing, which was up 46.7% YoY (sales count)</li> <li>Increased digital sourcing revenue with MY growing 37.1%, SG 90.8% and TH 49.8% YoY</li> </ul>
Customer Centricity	<b>Disaster Relief</b> <ul style="list-style-type: none"> <li>Treating customers fairly by supporting customers impacted by the floods through CIMB's Flood Relief Assistance Plan</li> </ul>	<ul style="list-style-type: none"> <li>Processed &gt;1.9K applications representing over RM300 million balance registered for CIMB's Flood Relief Assistance Plan</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

In 2022, we saw the relaxation of COVID-19 restrictions and gradual reopening of economies which encouraged customer spending and helped drive business growth. We are expecting 2023 growth momentum to continue across all our key operating markets supported by full reopening of economies. Nevertheless, the current operating environment warrants caution with persisting uncertainties arising from headwinds caused by geopolitical tensions and heightened inflationary pressures.

At CIMB, our focus remains on fulfilling our Forward23+ strategies which entail reshaping of our portfolio, investments in our core growth segments, maintaining stringent cost control and strong risk management as well as intensifying digital transformation. With these, the Group is optimistic on continuing its growth momentum, which will be driven by loan growth and improved credit conditions.

Across Consumer Banking's core businesses, we will continue to support impacted segments, while driving sustainable deposit growth, RAROC optimisation, affluent and wealth management expansion, and expanding digital services and acquisition. In summary, we expect to deliver value-added, sustainable growth and improved profitability through innovation, continuous process improvement, efficient cost management, optimisation of credit cost while driving service excellence, as we strive towards our Forward23+ goals and vision of becoming the leading consumer bank in ASEAN.

## Business Review



# GROUP COMMERCIAL BANKING



2022 was a fulfilling year, as CIMB was well positioned to support our customers' financial growth needs, and at the same time helping those that require assistance to recover from the impacts of COVID-19. We remained competitive by bringing dynamic and needs-based products and solutions to marketplace, while also addressing the most serious pain points of customers. As a result, our loan growth rebounded in 2022, showing early signs of returning to the pre-pandemic levels. Operating income was robust, whereas the operating and credit costs were maintained within acceptable norms. Overall, we strived as #teamCIMB to deliver positive performance.

**Victor Lee Meng Teck**

### WHO WE ARE AND WHAT WE DO

As a leading regional business, we are dedicated to serving the business community in ASEAN, ranging from small and medium enterprises (SMEs) to midcorporates. With an integrated marketing approach, our full suite of financial services and comprehensive financial solutions are tailored to meet specific needs of these segments. Our conventional and Islamic suite of solutions, include credit facilities, cash management solutions, treasury and structured products. We also provide non-financial business solutions and opportunities to support our customers build and operate with resilience while also adapting to the ever changing business environment. Our products and services can be accessed by our customers through multiple channels such as online banking, dedicated relationship managers, SME and Business centres, and CIMB's extensive branch network across the region.

Our strategies are guided by the Group's aspiration to be an ASEAN sustainability leader by 2024, anchored by principles for responsible banking and our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. We continuously take into account sustainability considerations when devising solutions or designing new products, helping our customers transition towards sustainable business models.

### WHAT OUR STAKEHOLDERS EXPECTED



#### SHAREHOLDERS

Grow and deliver sustainable returns, as well as strive towards becoming an ESG-oriented organisation



#### CUSTOMERS

Facilitate and enable the growth needs of customers whilst continuing to extend support to those that require assistance



#### COMMUNITIES

Empower the marginalised segments to stay resilient and provide support and business know-how



#### EMPLOYEES

Create career progression opportunities and improve workplace wellbeing by championing CIMB's EPICC corporate values and hybrid working options



#### REGULATORS

Continue to support and be the key conduit for Regulatory and Government initiatives in the post-pandemic recovery phase

### HOW WE CREATED VALUE IN 2022

**7.8% YoY**  
revenue growth

**RM3.9 billion**  
of sustainable finance mobilised

**35% YoY**  
loans disbursement

**>90%**  
of customers under COVID-19 Repayment Assistance in Malaysia have resumed normal repayments

**>80%**  
of loans provided to SMEs

**>44 sessions**  
totalling 128 hours delivered in Webinar Trainings and Outreach Programmes conducted for targeted SMEs

**>90% employees**  
participated in EPICC Roadshows and workshops

Hybrid working policy rolled-out across all markets and implemented in almost all countries

**22% YoY**  
loans growth under government initiative/schemes

### FORWARD 23+

#### Our Strategic Focus Areas

- Delivering Sustainable Financial Returns
- Customer Centricity
- Purpose-Driven Organisation



#### Material Matters

- Sustainable and Responsible Finance
- Talent Attraction, Growth and Retention
- Customer Experience
- Financial Inclusion and Literacy



#### Capitals Affected

- Financial Strength
- Robust Relationships
- Valued People

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

Commercial Banking recorded strong performance in 2022, with healthy balance sheet and profit and loss accounts on the back of eased COVID-19 restrictions, reopening of borders and a booming retail industry. We registered positive growth in operating income, mainly contributed by fee and commission income growth. Our continued focus on cross-selling cash management products played a strong part in the double-digit growth in deposits over the year. We also saw an increase in loans growth compared to FY2021 driven by our focus on the SME segment across the region. Overall, our effective cost management efforts, coupled with systematic asset management and prudent monitoring and deployment of strategies contributed to the 37.7% growth in profit before tax YoY and improvements across all key performance indicators.

#### Revenue (RM'mil)

2021 → 3,502

2022 → 3,774

**7.8% YoY**

#### PBT (RM'mil)

2021 → 1,072

2022 → 1,476

**37.7% YoY**

#### Loans (RM'bil)

2021 → 61.8

2022 → 65.6

**6.1% YoY**

#### Deposits (RM'bil)

2021 → 76.0

2022 → 84.8

**11.6% YoY**



## AWARDS AND RECOGNITION

### Asiamoney Best Bank Awards 2022 (Malaysia)

- Best Bank for SMEs, Malaysia

### 14th Alpha SEA Best Islamic Finance Awards 2022 (Malaysia)

- Best Islamic Finance SME Bank, Malaysia (CIMB Islamic Bank)

### World Economic Magazine

- Best SME Banking Products, Indonesia
- Most Disruptive SME Current Account Product, Indonesia
- Best Result in Driving Low-Cost Funding, Indonesia

### The Asset Triple A Islamic Finance Awards 2022

- Best SME Solution, Malaysia (GreenBizReady)

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
RISK	<ul style="list-style-type: none"> <li>Global recession, geo-politics and resurgence of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Maintained cautious balance between loans growth and asset quality management</li> <li>Increased focus on deposits and fee income growth</li> <li>Continued to assist customers still recovering from economic disruption</li> </ul>	<ul style="list-style-type: none"> <li><b>Achieved 11.6% YoY</b> deposit growth</li> <li><b>Achieved 11.3% YoY</b> NOLI growth</li> <li>Improved cost of credit to pre-COVID-19 level</li> <li>Restructured and rescheduled over <b>RM500 million</b> facilities post Repayment Assistance in Malaysia</li> </ul>
CHALLENGE	<ul style="list-style-type: none"> <li>Changing needs and expectations of customers, supply-chain disruptions and headwinds in certain industries</li> </ul>	<ul style="list-style-type: none"> <li>Expanded touch points to improve engagement and customers' convenience</li> <li>Accelerated digital on-boarding to improve access to products and services</li> <li>Planned segment/sector based targeted growth, strengthened through Government Guarantee schemes and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Deployed virtual teams to support customers' service needs in Malaysia and Singapore</li> <li>Launched Digital (Self-initiated) and RM assisted on-boarding and solutions</li> <li><b>Achieved 22% YoY</b> loans growth under government initiative/schemes</li> </ul>
OPPORTUNITY	<ul style="list-style-type: none"> <li>Digital-led propositions for targeted segments</li> <li>Easing of inflationary pressure</li> <li>Recovery in key sectors affected by the pandemic. (e.g. aviation, tourism and retail segments)</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced digital on-boarding process for Current Accounts</li> <li>Propelled growth in working capital and trade finance</li> </ul>	<ul style="list-style-type: none"> <li>Enabled digital application and on-boarding processes for Business Current Account</li> <li><b>Achieved &gt;15% YoY</b> trade finance growth in Malaysia and Indonesia</li> <li>Achieved double-digit growth in working capital loans in Malaysia and Cambodia</li> </ul>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
Delivering Sustainable Financial Returns	<ul style="list-style-type: none"> <li>Rebalance and optimise product mix to grow SME segment which is the catalyst for economic growth in the region</li> <li>Introduce needs-based solutions to address the constraints of dynamic SMEs</li> <li>Serve as a trusted partner in enabling growth for customers rebounding from the impacts of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Disbursed &gt;80% of loans to the SME segment</li> <li>Launched innovative products with flexible payment schedules mapped to business cycle as well as eased interest payments</li> <li>Introduced segment-specific machine learning scorecards for improved underwriting</li> </ul>
Customer Centricity	<ul style="list-style-type: none"> <li>Introduce digital-led solutions for enhanced customer experience, lower cost to serve, and improved credit management</li> <li>Develop SME Journey Blueprint for enhanced and consistent customer experience in Malaysia</li> <li>Personalise customer engagement for a delightful experience, enabled through use of data and analytics in Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Digitalised on boarding for Current Account opening and micro SME loan applications</li> <li>Facilitated RM assisted digitalised journeys for larger ticket size loans</li> <li>Introduced SME Virtual Assistant for customer service and support management</li> <li>Personalised reminders and propensity based product offerings to customers</li> </ul>
Purpose Driven Organisation	<ul style="list-style-type: none"> <li>Implement Green, Social, Sustainable, Impact products &amp; Services (GSSIPS) Framework and strengthen sustainability due-diligence</li> <li>Shift from printed to e-statements</li> <li>Champion gender empowerment in local communities in Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Committed RM3.9 billion of GSSIPS related financing across the region</li> <li>Reached out to &gt;40k participants through various empowerment, outreach and green solution programmes conducted via webinars and live-streams</li> <li>Achieved over 60% reduction in printed statements in Malaysia</li> <li>Promoted Giro Kartini account with sustainability focus, offering preferential rates for women entrepreneurs</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

As we move into 2023, inflationary pressures, recessionary trends and geopolitical headwinds will warrant us to be cautious. However, we are also fairly optimistic of the recovery trajectory from the pandemic, which could propel new growth. Our focus will be on:

**Catalysing Growth in SME Segment:** We will continue to address the needs and challenges of the dynamic SME segment as a priority in our key markets.

**Strengthening our Delivery:** We will enhance our value proposition as well as delivery model through sales uberisation, digitalising customer journeys, driving sector-led growth and lowering cost to serve. Additionally, building trust and loyalty through personalised engagement, and omni-channel interaction will be the winning formula to attract and grow our customer base.

**Shaping Sustainable Businesses:** We will continue to integrate ESG principles in designing products and solutions for customers, as well as in helping them build resilient businesses through implementation of our GSSIPS Framework.

## Business Review



# GROUP WHOLESALE BANKING



Despite the challenging global landscape, 2022 was a commendable year for Group Wholesale Banking, with strong financial performance and many achievements in each of our businesses. Overall, we recorded a 4.8% growth YoY with RM5.5 billion in income. We ranked 4th for fixed income volume in Asia on MarketAxess – the largest global buy side platform for institutional clients, and in Investment Banking, we reclaimed our #1 position in Malaysia and maintained our top 10 position across key markets. Along with the Group's effort in driving the sustainability agenda, we continued to innovate – we successfully launched the sustainability-linked treasury programme and mobilised RM27.4 billion of Sustainable Financing, under our Green, Social, Sustainable Impact Products & Services Framework, two years ahead of plan.

**Chu Kok Wei, Novan Amirudin**

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

Wholesale Banking delivered RM5.5 billion of income to the Group in 2022, a 4.8% increase YoY, while Pre-Provision Operating Profit (PPOP) improved by 1.6% against 2021. Both Corporate Banking and Financial Institutions Group grew in PPOP by 10.6% and 19.8% respectively. Our Loan Loss Provisions lowered significantly to RM230 million, a 71.7% decrease YoY, driven by better credit management and recovery. Overall, Wholesale Banking contributed RM3.0 billion of Profit before Tax to the Group, with positive improvement in Return on Capital (ROC) due to our continuous efforts in optimising the utilisation of Risk Weighted Assets (RWA).

The tailwind of COVID-19 recovery benefited Corporate Banking, contributing to a 9.3% YoY growth in loans in 2022. The newly set-up Corporate Coverage and Public Sector Group have successfully deepened client wallet through more systematic coverage. For instance, core non-interest income as a percentage of total income increased to 33.9% in 2022, compared to 28.4% in 2021. Financial Institutions Group saw a good breakthrough with a 18.4% increase in income YoY, supported by a strong income compounded annual growth rate (CAGR) of 19.3% from global investors' sales during the period 2019 to 2022.

In Investment Banking, we are the top Malaysian bank by wallet share in Malaysia, Indonesia, Singapore and Thailand across Debt Capital Markets, Equity Capital Markets, and Mergers & Acquisition in aggregation where we gained 1.4% market share YoY. With Private Banking embarking on its transformation journey to regionalise key business functions as well as systems and operations, we are developing strong domestic teams with regional capabilities, propelling the business to a new level moving forward.

As a regional institution with established presence across ASEAN countries, we focus on supporting the trade and investment flows within the ASEAN network. Our ASEAN network segment income has grown by 4.5% YoY with increased cross-border deal flows. Income contribution outside of Malaysia has increased to 53.9% from 51.2% a year prior.

### WHO WE ARE AND WHAT WE DO

As a leading wholesale banking franchise in ASEAN, we cater to the banking needs of corporate and institutional clients. Our regional banking solutions include corporate and investment banking services, cash and trade products, financing solutions, private banking as well as treasury and markets products. Along with Transaction Banking and Islamic Banking teams, we bring tailored solutions to our clients – corporates, financial institutions, sovereign entities and high net worth individuals.

Our regional operating model, across ASEAN countries and international branches such as Hong Kong, Shanghai, and London, equips us with the competitive advantage to offer insights on regional markets and bespoke products with sustainable returns. Our ultimate goal is to deliver best-in-class and seamless customer experience across all markets.

### WHAT OUR STAKEHOLDERS EXPECTED

SHAREHOLDERS	CUSTOMERS	COMMUNITIES	EMPLOYEES	REGULATORS
Achieve stability, respond to customers' needs and deliver resilient growth and sustainable returns	Continue to strengthen our capabilities to provide best-in-class products and services to our clients	Demonstrate leadership in sustainability and responsible banking	Invest in building capabilities and skills for our employees, in addition to creating a positive working environment	Remain responsive to the changing market regulations and policies and continue to operationalise robust risk management framework

### HOW WE CREATED VALUE IN 2022

<b>RM3.0 billion</b> profit before tax 23.2% YoY growth	<b>#1</b> in Investment Banking Malaysia by share of wallet, and only Malaysian bank in top 10 across key markets	<b>~RM27.4 billion</b> Sustainable Financing mobilised cumulatively up to 2022, two years ahead of plan	<b>~90%</b> of employees completed additional voluntary training in digital, data and ESG related skills	<b>100%</b> compliance with Risk Appetite related to Operational and Compliance KPIs
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<b>FORWARD 23+</b> <b>Our Strategic Focus Areas</b> <ul style="list-style-type: none"> <li>Customer Centricity</li> <li>Purpose-Driven Organisation</li> <li>Delivering Sustainable Financial Returns</li> </ul>	 <b>Material Matters</b> <ul style="list-style-type: none"> <li>Sustainable and Responsible Finance</li> <li>Human Rights</li> <li>Climate Change</li> <li>Biodiversity and Ecosystem Integrity</li> <li>Customer Experience</li> </ul>	 <b>Capitals Affected</b> <ul style="list-style-type: none"> <li>Financial Strength</li> <li>Intellectual Capital and Idea Generation</li> <li>Robust Relationships</li> <li>Strategic Capital</li> </ul>
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## AWARDS AND RECOGNITION



<b>The Asset Country Awards for Sustainable Finance 2022</b>	<b>The Asset Triple A Private Capital Awards 2022</b>	<b>Asia Banking and Finance Corporate &amp; Investment Banking Awards 2022</b>	<b>Euromoney Awards for Excellence 2022</b>	<b>Financial Times Global Private Banking Awards</b>
<ul style="list-style-type: none"> <li>Best Green Loan – Indonesia</li> <li>Best Issuer of Sustainable Finance – Malaysia</li> <li>Best SDG Bond – Malaysia</li> <li>Best Social Bond – Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Best Bank for Investment Solutions, Rates, Credit, FX, Commodities – Malaysia</li> <li>Best Bank for Investment Solutions, Multi-Asset, Equity, Rates, FX – Thailand</li> <li>Best Bank for Investment Solutions, Rates, FX – Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Client Initiative of the Year, Indonesia</li> <li>Corporate &amp; Investment Bank of the Year, Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Best Investment Bank, Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Best Private Bank, Malaysia</li> </ul>

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
<b>RISK</b>	<ul style="list-style-type: none"> <li>Credit and asset quality</li> </ul>	<ul style="list-style-type: none"> <li>Planned early actions to manage credit and asset quality</li> </ul>	<ul style="list-style-type: none"> <li>60 bps further improvement in credit cost in 2022 compared to 111 bps improvement from 2020 to 2021</li> </ul>
<b>CHALLENGE</b>	<ul style="list-style-type: none"> <li>Compressing margins</li> </ul>	<ul style="list-style-type: none"> <li>Focused on tailored client solutions and idea generation</li> </ul>	<ul style="list-style-type: none"> <li>Investment banking wallet share across Malaysia, Indonesia, Singapore and Thailand:</li> <li>ECM increased to 7.1% from 2.7% a year prior</li> <li>DCM increased to 7.2% from 4.9% a year prior</li> <li>M&amp;A increased to 2.2% from 1.3% a year prior</li> </ul>
<b>OPPORTUNITY</b>	<ul style="list-style-type: none"> <li>Sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Developed new products and services</li> </ul>	<ul style="list-style-type: none"> <li>Launched our first sustainability-linked treasury programme with key clients in the region</li> </ul>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Customer Centricity</b>	<ul style="list-style-type: none"> <li>Deepening client wallet through more systematic coverage i.e., creating seamless client experience across the region, invest in content and idea generation</li> </ul>	<ul style="list-style-type: none"> <li>Core non-interest income as a percentage of total income increased to 33.9% in 2022 from 28.4% in 2021</li> </ul>
<b>Purpose Driven Organisation</b>	<ul style="list-style-type: none"> <li>Designing and delivering products and services aligned to the Group's sustainability agenda</li> </ul>	<ul style="list-style-type: none"> <li>~RM27.4 billion Sustainable Financing under our Green, Social, Sustainable Impact Products &amp; Services Framework mobilised cumulatively up to 2022, two years ahead of plan</li> </ul>
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Continuous improvement in Pre-Provision Operating Profit (PPOP)</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Provision Operating Profit (PPOP) grew by 1.6% despite a challenging year, after the strong growth of 7.1% YoY in 2021</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

We expect the global economy to face continued challenges with market volatility in 2023: massive global shift from quantitative easing to quantitative tightening, disruptions to supply chains, political changes etc. To serve our clients better, we will need to refine our Forward23+ strategies and further improve the way we conduct our business.

As we move forward to 2023, our key focus will be on:

- Building and Strengthening Client Relationships:** we will shift our focus to nurturing client relationships, to be a "one-stop shop" for our clients for seamless best-in-class solutions customised to their needs.
- Generating Ideas and Innovative Solutions:** we will invest in content and expertise for key sectors and industries, to provide better and more curated solutions for our clients, meeting their expectations and requirements.
- Exploring New Client/Business Segments:** we will expand into new client and/or business segments in line with evolving global themes and economic landscape, capturing better and new growth opportunities into the future.

## Business Review



# GROUP TRANSACTION BANKING



As the economy emerges from the COVID-19 pandemic, businesses are facing the impact of various macroeconomic headwinds from rising cost and escalating interest rates. Despite the challenging environment, Group Transaction Banking remained resilient in our commitment to develop efficient and customised cashflow and financing programmes. We will continue to drive digitisation, enhancing our digital platforms across the region to improve our ability to provide secure, stable and seamless customer experience.

**Rafe Haneef**

### WHAT OUR STAKEHOLDERS EXPECTED

<b>SHAREHOLDERS</b> Dynamic and quick to adapt to the fast changing industry and clients' needs to be able to deliver sustainable growth and returns	<b>CUSTOMERS</b> Enhancing digital banking capabilities for better security and cashflow efficiencies	<b>COMMUNITIES</b> Financial inclusion and solutioning fit to the needs of businesses by eco-system and industry	<b>EMPLOYEES</b> Prioritising employees' well-being and safety of our employees	<b>REGULATORS</b> Facilitate and support changing market regulations and policies

### HOW WE CREATED VALUE IN 2022

<b>+17%</b> Revenue and PBT growth	<b>NextGen BizChannel</b> Improve existing transactional features, enable new digital services and scale to offer advisory insights	<b>e-KYC</b> Implemented e-KYC; an online onboarding process	<b>Enabling hybrid working arrangements</b> for employees' safety whilst promoting better work efficiency and productivity	<b>&gt;RM20 million Investment</b> Investments in IT CAPEX & OPEX for regulatory compliance related initiatives and new products and enhancements
<b>FORWARD 23+</b> <b>Our Strategic Focus Areas</b>	<ul style="list-style-type: none"> <li>Delivering Sustainable Financial Returns</li> <li>Customer Centricity</li> <li>Disciplined Execution</li> </ul>		<b>Material Matters</b>	<b>Capitals Affected</b>

### WHO WE ARE AND WHAT WE DO

We offer a wide range of products and services covering cash management, trade finance, supply chain financing solutions, online banking and securities services to best serve our clients from large corporates to small and medium enterprises, as well as public institutional clients across the region. Our key value proposition is our unique ability to fully facilitate and customise our solutions to fit clients' processes and their financial transaction interactions with their supply chain partners whether on-shore or off-shore. Empowered by our strong network, and comprehensive digital platforms, we are able to customise our solutions to fit clients' processes and cashflow enabling a smooth onboarding and transition to CIMB. These are made possible with our online banking, dedicated team of Transaction Banking specialists, relationship managers and CIMB branches across the region.

We provide comprehensive end-to-end cash management solutions designed to help our clients manage their cash inflows and outflows safely and effectively. These services are also offered through our online banking platform accessible via our website or mobile to facilitate our clients' business needs at their time of convenience.

Our trade finance products cover a comprehensive range that includes both import and export services, buyer and seller financing – from traditional trade products to structured trade and supply chain financing solutions – designed to cater to our clients' diverse business needs in domestic and international trade. We also provide end-to-end securities services solutions via fund accounting services, custody services, corporate trustee and agency services.

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

Transaction Banking gained good traction in 2022 on the back of a 17% YoY increase in revenue across Malaysia, Indonesia, Singapore, Thailand and Cambodia (MISTC), driven by the strong growth in Net Interest Income (NII). NII's growth is contributed by funding margin from our cash management business, propelled by the rising rate environment and growth in deposit average balances by 8% YoY. Non-Interest Income (NOII) on the other hand also shows a stellar growth of 12% YoY, in line with our efforts to boost transaction fees and contingent liabilities. Our trade finance business registered growth of 7% YoY across the region. Trade business in Malaysia has largely returned to 2019 revenue levels despite credit, pricing volatility and compressed margins, recording a 15% growth YoY. In addition to that, Singapore's revenue grew 141%, driven largely from the cash management business which underwent substantial growth of 189% YoY.



## AWARDS AND RECOGNITION

- Outstanding Digital CX, Cash Management Platform (Thailand) – The Digital Banker
- Best Treasury and Working Capital (Malaysia) – The Asset Triple A
- Corporate Client Initiative of the Year (Indonesia) – The Asian Banking and Finance

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
<b>RISK</b>	<ul style="list-style-type: none"> <li>Striving to remain competitive in tandem with the ramp-up of economic activities post pandemic recoveries, amidst escalating interest and rising cost environment</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen base by growing Main Operating Accounts clients</li> <li>Responded swiftly through repricing strategies</li> <li>Customisation and unique solutioning to cater for clients' needs</li> <li>Well-crafted targeted campaigns and initiatives for specific segments</li> </ul>	<ul style="list-style-type: none"> <li>CASA average balances grew 10% YoY</li> </ul>
<b>CHALLENGE</b>	<ul style="list-style-type: none"> <li>Staying ahead in terms of digital evolution in order to defend position as customers' preferred choice of partner bank for operating and working capital account</li> <li>Keeping up with clients' growing expectations on digitisation in terms of speed and cost-efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Improved customers' experience with more straight-through on-boarding processes</li> <li>Improvising internal processes to enhance customers' experience</li> <li>Lesser system downtime and improve system stability via continuous investments in IT CAPEX</li> <li>Create secure banking platform for clients to transact</li> </ul>	<ul style="list-style-type: none"> <li>Implemented Online Business Current Account with fully digital account opening process</li> <li>Continue to build new digital capabilities via NextGen BizChannel and Open API</li> <li>Conducted technology refresh which enabled us to handle the increased volume while maintaining 99.99% uptime reliability</li> <li>Enhanced our machine learning models which resulted in 15% accuracy in fraud detection</li> </ul>
<b>OPPORTUNITY</b>	<ul style="list-style-type: none"> <li>To grow deposit balances by strengthening our Main Operating Accounts base</li> <li>Intensify focus on NOII from transaction fees and growing contingent liabilities in view of the improved business activities post pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Constant review of Main Operating Account clients for upsell and cross-sell opportunities to drive both NII and NOII</li> <li>Accelerate momentum in ecosystem financing to build up assets and to drive new customer base</li> </ul>	<ul style="list-style-type: none"> <li>Current account average balances grew 24%, while trade outstanding grew 6% YoY</li> </ul>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Diversify our income structure from NII to NOII</li> </ul>	<ul style="list-style-type: none"> <li>Achieved NOII growth of 12% YoY. Our BizChannel platform recorded 36% increase in transaction volume YoY</li> </ul>
<b>Disciplined Execution</b>	<ul style="list-style-type: none"> <li>Captured and grow greater share of intra ASEAN trade flow</li> <li>Improved client value proposition with real time payment within MISTC</li> </ul>	<ul style="list-style-type: none"> <li>Overall intra-ASEAN throughput increased by 73% YoY</li> <li>Active client pairs increased from 12 to 80 with more active participation from commercial clients</li> </ul>
<b>Customer Centricity</b>	<ul style="list-style-type: none"> <li>Channeled investments to enhance reliability of IT infrastructure and service platforms to keep up with growing customer base and their expectations</li> <li>Improved existing transactional features and enable new digital services to support core businesses</li> </ul>	<ul style="list-style-type: none"> <li>Built new digital capabilities via NextGen BizChannel (MY) and Open API (ID)</li> <li>Implementation of Fund Accounting and Valuation Systems by CIMB Securities Services</li> <li>BizChannel maintained 99.99% system uptime and witnessed a 11% increase in BizChannel users as compared to previous year</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

Despite the current operating environment, which warrants caution with the rising recession risk in several major economies and geopolitical uncertainties, we are hopeful that 2023 will continue to deliver positive performance as economic momentum has picked up following the reopening of economies. In the year ahead, we expect to see positive trends in our net interest margin as we remain focused on growing our deposit balances in the region through our efforts to grow targeted segments and improvising operational resiliency. On the trade finance business, we are committed to growing our value chain financing and provide regional trade or working capital solutions while managing lending risks.

Aligned with our Forward23+ strategic initiatives, in 2023, we will continue with our planned expenditure into 2023 to ramp-up our digital capabilities and build technology resilience to increase productivity and improve customer experience. Customer-centricity remains our key focus as we stay committed to offering customers a safe and secure banking experience while striving to increase uptime of digital channels. As we move into 2023, Transaction Banking is committed to accelerating digital and analytics adoption whilst strengthening digital infrastructure to meet the evolving customer demands for better, engaging and more seamless customer experience.

## Business Review



# GROUP ISLAMIC BANKING



The year 2022 saw a gradual recovery from the impacts of COVID-19 pandemic, with progressive easing of restrictions, opening of economies and sustained stimulus measures.

Group Islamic Banking gained further momentum due to strong growth on the back of strategies put in place to adapt to changing market conditions. We took robust and proactive measures to better manage financial and non-financial risks through prudent capital allocation and industry advocacy while serving our customers well. We remained resilient and firm in our commitment to support the economic growth of local Small and Medium Enterprises (SMEs), and develop green and social financing solutions.

Ahmad Shahriman Mohd Shariff

### WHO WE ARE AND WHAT WE DO

We are the Islamic banking and financial services franchise of the Group with an extensive suite of innovative Shariah-compliant products and services. Our solutions include financing, sukuk, investment banking, transaction banking, banca-takaful, and securities services for individual, commercial, corporate and institutional customers across Malaysia, Indonesia and Singapore.

In conducting Islamic business, we monitor and ensure good Shariah governance and compliance across the Group. With the execution of our Islamic First strategy, we aim to extend the value proposition of Islamic products to our customers and the wider public. We aspire to provide world-class Islamic banking and finance solutions, which will progressively integrate environmental, social and governance factors via a value-based approach, a hallmark of Islamic finance.

### WHAT OUR STAKEHOLDERS EXPECTED

<b>SHAREHOLDERS</b> Achieve stability, respond to customers' needs and deliver resilient growth and sustainable returns	<b>CUSTOMERS</b> Provide adequate financial facilities to support operational and growth plans amidst and post COVID-19	<b>COMMUNITIES</b> Support the disadvantaged micro businesses by equipping them with relevant skills and providing access to financing	<b>EMPLOYEES</b> Invest in building capacities and skills of the employees, especially to build digital and technical skillsets that will complement Islamic financing expertise to deliver relevant solutions	<b>REGULATORS</b> Remain responsive to the changing market regulations and policies to relieve economic burden to customers as a result of the COVID-19 pandemic

### HOW WE CREATED VALUE IN 2022

<b>9.3%</b> PBT growth contributed by strong growth from financing income and new revenue streams	<b>10</b> programmes and schemes have been launched to help alleviate the financial burden faced by Micro and SME customers. One collaboration with the Northern Corridor Implementation Authority yielded RM59.7 million in financing for 169 SMEs to boost SME financing growth in Malaysia's northern region	<b>131</b> women entrepreneurs, asnaf and differently-able communities participated in our MicroBizready programme which aims to equip and grow B40 entrepreneurs with the skillset, knowledge, and exposure to the right mentors on their entrepreneurship journey	<b>67%</b> of total GIB staff in Malaysia completed specialised training in either credit, sustainable finance or qualification in Islamic finance as part of competency certification	<b>32</b> individuals have been onboarded in the 2nd installment of iTEKAD Rider Entrepreneur Programme through the concept of Temporary Waqaf in partnership with Yayasan Waqaf Malaysia and Yayasan Belia Malaysia. This programme supports BNM's iTEKAD umbrella initiative to mobilise social finance
<b>FORWARD 23+</b> <b>Our Strategic Focus Areas</b>	<ul style="list-style-type: none"> <li>Sustainable Financial Returns</li> <li>Disciplined Execution</li> <li>Purpose-Driven Organisation</li> </ul>	<b>Material Matters</b>	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>Sustainable Finance</li> <li>Financial Literacy, Inclusion and Well-being</li> </ul>	<b>Capitals Affected</b>

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

Islamic Banking recorded a positive financial year despite the economic environment that was still in recovery mode. The Bank continued to boost its risk mitigation practices to manage rising inflation and the still prevalent threat of COVID-19, while minimising business disruptions and ensuring safety and well-being of our customers and staff.

In Malaysia, Group Islamic Banking had more than 10 new product launches, 5 notable deals in sustainable finance, and valued partnerships to deliver bespoke knowledge and capacity modules to the critical mass of SMEs and B40 entrepreneurs. Overall, regional Islamic financing, including asset under Restricted Agency Investment Account (RAIA), registered financing growth of 18.6% YoY, closing the year at RM137.2 billion gross financing. The growth momentum for financing and deposits continued to be supported by the Islamic First strategy in Malaysia and Indonesia. Despite the challenging environment, CIMB Islamic Bank Berhad's operating income in Malaysia grew 13.3% YoY and its cost to income ratio went down to 32.4% from 33.8%, a result of strict cost discipline. Regionally, CIMB Niaga Syariah in Indonesia reported strong YoY financing growth of 33.4% and remained Indonesia's 2nd largest Islamic bank by assets.

#### Gross Financing (RM'bil)

2021 → 115.6

2022 → 137.2

#### Deposit & IA (RM'bil)

2021 → 123.7

2022 → 134.8

#### Revenue (RM'mil)

2021 → 3,407

2022 → 3,861

**Note:** including RAIA



## AWARDS AND RECOGNITION

### IFN 2022 Best Bank Poll Awards

#### CIMB Islamic Bank (Malaysia)

- Best Islamic Bank
- Best Investment Bank
- Best Corporate Bank
- Most Innovative Bank

#### CIMB Niaga Syariah (Indonesia)

- Best Islamic Bank
- Best Investment Bank
- Best Corporate Bank
- Most Innovative Bank

### FinanceAsia Achievement Awards

#### Best Islamic Finance House of the Year

### Alpha SouthEast Asia

#### CIMB Islamic Bank (Malaysia)

- Best Islamic Finance SME Bank
- Best Islamic Finance Sukuk House

#### CIMB Niaga Syariah (Indonesia)

- Best Islamic Finance SME Bank
- Best Islamic Finance Wealth Management Bank

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
RISK	<ul style="list-style-type: none"> <li>Reviewed customer profiles in order to design offers that will ease their financial burden in light of increase in OPR and rising inflation</li> </ul>	<ul style="list-style-type: none"> <li>Offered financing relief options to impacted customers through various payment assistance programmes beyond the blanket moratorium</li> </ul>	<ul style="list-style-type: none"> <li>Extended assistance to 5,535 individuals, amounting to RM1.3 million in gross financing value to help them navigate through the post-pandemic economy</li> </ul>
CHALLENGE	<ul style="list-style-type: none"> <li>The continued pressure of rising living expenses combined with individuals earning less income, as a result of the economic effect of the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Value-based Intermediation (VBI) principles to create positive impact through CSR, community development, and aid as well as environmental conservation projects</li> </ul>	<ul style="list-style-type: none"> <li>RM4.9 million invested in 20 initiatives benefitting 18,021 individuals</li> </ul>
OPPORTUNITY	<ul style="list-style-type: none"> <li>Creating net positive impact through our responsible products and services while maintaining profitability</li> </ul>	<ul style="list-style-type: none"> <li>Launched Low Carbon Transition Facility (LCTF-i) as part of the financing scheme established by BNM</li> </ul>	<ul style="list-style-type: none"> <li>RM40.2 million approved for adoption of sustainable and low carbon solutions such as installation of solar power systems, use of biodegradable materials and innovation or technology for improved efficiency and reduced waste</li> </ul>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Enhanced our Islamic Preferred Banking proposition with new offerings such as Takaful Sun Uniq-i and CIMB Preferred Visa Infinite-Credit Card</li> <li>Expanded our non-retail Investment Account offering, supported by targeted growth campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Consumer fee income grew to 28% YoY</li> <li>Increased Investment Account balance by 30% YoY to RM13.6 billion</li> </ul>
<b>Purpose Driven Organisation</b>	<ul style="list-style-type: none"> <li>Focused on developing market leadership in the Sustainability and Green Sukuk space</li> <li>Launched Malaysia's first sustainability-linked investment account, the Sustainable Term Investment Account-i</li> <li>Relaunched EcoSaveSA-i to promote CIMB Islamic's premier environmentally-friendly savings account</li> <li>Launched LCTF-i under GreenBizReady, a BNM financing scheme to empower businesses</li> </ul>	<ul style="list-style-type: none"> <li>Successfully lead-managed more than RM28 billion in nominal value of Sustainability and Green Sukuk, including a landmark USD1.5 billion Global Green Sukuk for the Republic of Indonesia</li> <li>Garnered total placement of RM523 million from the Sustainable Term Investment Account-i campaign efforts</li> <li>Achieved 24.9% YoY growth in number of EcoSaveSA-i accounts and received industry recognition for its marketing campaign</li> <li>Approved RM40.2 million LCTF-i financing for various sectors of the economy</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

In 2023, we are hopeful that growth momentum will continue, supported by reopening of economies, low infection rates and continuous economic stimulus measures. Our focus remains on executing Forward23+ strategies and Islamic First as we remain optimistic that the momentum will be driven by financing growth and improved credit conditions. We will continue supporting impacted segments, while driving sustainable growth through:

- sustaining Islamic First by enhancing our digital channels, removing friction, improving operational resilience and enabling more Government schemes to different target segments;
- innovation in sustainability-linked portfolios, focus on sustainability-linked deposits, and ramping up the conversion of our portfolio to include more transition financing by 2026, in line with BNM's direction;
- a stronger, more innovative and digitally-powered approach to helping our customers plan for the future via our enhanced wealth planning product propositions as well as new distribution initiatives;
- facilitating our customers in the Halal and Green sectors, and empowering them through financial solutions and incentives, as well as in facilitating certification where needed. This is to help them navigate through the post-pandemic environment with resilience and sustainable growth; and
- creating a net positive impact through responsible products and services, while maintaining profits in Malaysia, Indonesia and Singapore.

## Business Review



# CIMB DIGITAL ASSETS



Despite markets re-emerging from the pandemic, macroeconomic and geopolitical headwinds resulted in a rather uncertain 2022. Economic pressures and market corrections saw the tech sector taking significant hits and decelerating for the most part. At CIMB Digital Assets, our businesses have successfully stayed the course and remained resilient through strong foundations built over the last two years.

Touch 'n Go emerged strongly as volumes returned to pre-COVID-19 levels and we are now better equipped to address the market and pursue high-value technology-oriented plays. TNG Digital continues to lead the way as Malaysia's leading e-wallet in addition to launching multiple financial services propositions to plan, and we also successfully completed our fundraising exercise with the onboarding of Lazada as a strategic shareholder. CIMB Philippines grew to 6.5 million customers and more than doubled its loan book, driven by its expanded product and partnership line-up. CIMB Vietnam started transitioning into growth mode with its customer base exceeding half a million, as it began to solidify its partnership model and put differentiated digital products to market.

Overall, it has been a strong year and our digital assets remain on the right track going into 2023, and we will continue charting the path towards building long-term value."

**Effendy Shahul Hamid**

### WHO WE ARE AND WHAT WE DO

CIMB Digital Assets (CDA) comprises CIMB's portfolio of digital businesses and ventures, which today includes Touch 'n Go and TNG Digital (collectively Touch 'n Go Group), as well as CIMB's digital banking businesses in the Philippines and Vietnam. In addition to driving strategy, growth and overseeing the execution of these businesses, our focus extends towards spearheading value creation of CIMB's investments in these franchises through equity and non-equity partnerships.

Touch 'n Go (TNG), Malaysia's first fintech company, is well-positioned as a pioneering cashless payments platform centred on mobility and transportation for over 20 years. TNG Digital (TNGD), founded with Ant Group, catalysed the franchise to leapfrog into the retail payments space, and today operates Malaysia's leading e-wallet.

Also within the ambit of CDA is the Group's digital banking businesses in the Philippines (CIMB PH) and Vietnam (CIMB VN). CIMB PH continues to lead the way as one of the fastest growing banks in ASEAN, whilst CIMB VN continues to grow from strength to strength as one of Vietnam's most innovative and emerging digital banks.

We also maintain general oversight in the digital bank space for the Group, in addition to platform-centric and ecosystem-based developments, collaborations and trends in financial services.

### WHAT OUR STAKEHOLDERS EXPECTED



#### SHAREHOLDERS

Long-term value and proliferation of high-growth digital businesses



#### CUSTOMERS

Differentiated propositions and best-in-class digital platform experiences



#### COMMUNITIES

Financial inclusivity, accessibility and alternative digital platforms for financial services



#### EMPLOYEES

Exposure to leading edge digital business model, financial technology and forging of strategic partnerships



#### REGULATORS

Innovation, digital adoption and future-proofing of financial services delivery

### HOW WE CREATED VALUE IN 2022

Completed fundraising at TNG Digital, successfully diversified shareholding profile with several strategic investors – franchise primed for growth and monetisation

Expanded product propositions in the Philippines and successfully executed new partnerships – Vietnam – enhancing ways of accessing digital financial services

Launched multiple new inclusive digital financial services products on the TNG eWallet including lending, alternative savings, and insurance in addition to expanded payment avenues

Remained the most awarded digital bank in the Philippines in recognition of its innovative digital business model, also ranked amongst top-120 best companies to work for in Vietnam

Achieved double-digit YoY growth in pure digital user base across TNGD, CIMB PH and CIMB VN, leading the way in customer acquisition, data analytics and financial inclusion potential

### FORWARD 23+

#### Our Strategic Focus Areas

- Focused Investments
- Customer Centricity/Digitise for Value
- Sustainable Financial Returns



#### Material Matters

- Risk Management and Business Resilience
- Digitalisation and Innovation
- Customer Experience
- Financial Inclusion and Literacy



#### Capitals Affected

- Financial Strength
- Intellectual Capital
- Robust Relationships

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

TNGD continued on its journey towards monetisation in 2022 by successfully rolling out financial services across multiple verticals throughout the year. From micro-lending (GOpinjam), investments/alternative savings (GOinvest), insurance (SafeTrip and SafeHome), to expanded payments avenues via the TNG eWallet VISA Card, TNGD made significant progress in proliferating inclusive digital financial services and quasi-banking propositions beyond just payments.

In spite of its shift in focus from growth and acquisition mode, the eWallet continued to see healthy growth in user base year-on-year, as well as becoming a preferred platform for merchants.

#### Registered Users (million)



#### eKYC Users (million)

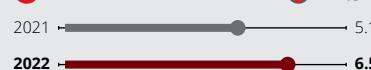


#### MERCHANTS (thousand)



CIMB PH continued to grow robustly, reaching 6.5 million customers in 2022 and RM1.68 billion in deposits. Lending continued to scale-up, driven by the introduction of our proprietary Revi Credit product, as well as our tie-up with Seamoney for the provision of SPayLater for Shopee customers. CIMB VN on the other hand saw its user base grow beyond half a million, as it begins putting digital products to market via platform partners.

#### No. of Customers (million)



#### Deposit Balance (RM'mil)



#### Loan Balance (RM'mil)



#### No. of Customers (million)



## AWARDS AND RECOGNITION



### Global Banking & Finance Review 2022

- Excellence in Innovation
  - New Financial Inclusion Product, Philippines (CIMB PH)

### World Economic Magazine 2022

- Best Fintech Bank, Philippines (CIMB PH)

### International Finance Awards 2022

- Most Innovative Financial Inclusion Strategic Partnership (CIMB VN)

### HR Asia 2022

- Top-120 Best Companies to Work for in Asia, Vietnam (CIMB VN)

### Sustainability & CSR Malaysia Awards 2022

- Company of The Year, Fintech and Digital Payment Services Category (TNG Group)

### Malaysia Technology Excellence Awards 2022

- Winner, Fintech – Payments & Financial Services (TNG eWallet)

### 16th Annual Alpha Southeast Asia Best FI Awards 2022

- Best e-Wallet, Malaysia (TNG eWallet)

## WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	Drivers of Performance and Growth	Strategies/Approaches Deployed	Value Creation Results and Outcomes
<b>RISK</b>	<ul style="list-style-type: none"> <li>Challenging macro-economic and investor climate for tech companies, overall decelerated growth in digital investments and expansion</li> </ul>	<ul style="list-style-type: none"> <li>Focused growth and investments in high-value areas where digital capabilities and propositions are concerned, with emphasis on long-term value creation and profitability</li> </ul>	<p><b>TNG</b> Transformation of fundamentals to focus on digital capabilities and enablement of new revenue streams</p> <p><b>TNGD</b> Focused on financial services for monetisation, and pivoted beyond pure-play payments business</p> <p><b>CIMB PH</b> High-growth engine and customer acquisition capabilities, with data analytics as an enabler for loan growth</p>
<b>CHALLENGE</b>	<ul style="list-style-type: none"> <li>Heightened competition from rise of new digital bank licensees and non-bank digital financial services originators</li> </ul>	<ul style="list-style-type: none"> <li>Leveraged our ability to pivot and expand on existing market advantages to remain ahead of the curve, alongside our pursuit of differentiated propositions in terms of strategy, design and execution</li> </ul>	<p><b>TNGD</b> Strong foundations and earlier proliferator of digital financial services across multiple verticals</p> <p><b>CIMB PH</b> Leading digital banking franchise in ASEAN, strong momentum and customer base for product cross-sell and monetisation</p> <p><b>CIMB VN</b> Innovative digital build-out and unique in-market ability to pursue platform partnerships for financial services distribution</p>
<b>OPPORTUNITY</b>	<ul style="list-style-type: none"> <li>Continued high demand for embedded financial services and digital platform-oriented plays</li> </ul>	<ul style="list-style-type: none"> <li>Continued build-out of partner-centric business models across the board, solidifying of capabilities and positioning as platform-based digital businesses</li> </ul>	<p><b>TNGD</b> Leading digital platform in Malaysia, strongly positioned as partner of choice for financial institutions</p> <p><b>CIMB PH</b> Achieved scale as a leading partner-centric bank, leading position for origination of financial services via multiple partners</p> <p><b>CIMB VN</b> First-in-market platform-centric bank, multiple partnerships in the pipeline, transitioning into growth mode</p>

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Focused Investments</b>	<ul style="list-style-type: none"> <li>Proliferate focused investments in key digital businesses and grow these ventures as attacker franchises, leveraging on equity and non-equity partnerships</li> </ul>	<ul style="list-style-type: none"> <li>CIMB Digital Assets' portfolio of digital ventures (TNG, TNGD, CIMB PH and CIMB VN) continued to progress strongly on multiple fronts, outperforming growth targets and capturing value for the Group</li> </ul>
<b>Customer Centricity/ Digitise for Value</b>	<ul style="list-style-type: none"> <li>Through our digital ventures, pursue new capabilities in tech, data and analytics to deliver differentiated services, value propositions and customer experience that are accretive to the Group</li> </ul>	<ul style="list-style-type: none"> <li>Launched multiple new digital financial services products on the TNG eWallet, successfully pivoting beyond pure-play payments</li> <li>Proliferated digital partnerships in CIMB PH and CIMB VN, enhancing ways of accessing financial services via partner platforms</li> </ul>
<b>Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Focus on long-term growth and create strategic hedges for the future in terms of platform economics, new revenue streams, and valuation upside</li> </ul>	<ul style="list-style-type: none"> <li>Successfully diversified shareholding profile of TNGD with several strategic investors – company primed for growth</li> </ul>

## 2023 OUTLOOK AND PROSPECTS

Economic headwinds are expected to continue and the market environment will remain challenging as we navigate through 2023. We have successfully transitioned our businesses to the next phase of their growth journeys amid the pandemic, and with the foundations laid we believe our digital assets are well-positioned to capture value in the coming cycle.

- At **TNG**, our transformative efforts have delivered results where strategy, product, technology and operational efficiencies are concerned. 2023 will see us continuing our growth plans and capturing new markets as we gear the company towards realising its full potential as a leading technology enterprise in the near future.
- TNGD** remains the market leader in Malaysia's e-wallet space, and we have made strong progress in our efforts to proliferate digital financial services across multiple verticals in 2022. We will continue to pursue this strategy in 2023 as we look towards creating differentiated value for our users.
- CIMB PH** is expected to continue operating on a robust growth trajectory as a leading digital bank in the Philippines. We have successfully scaled our digital lending portfolio, and the objective in 2023 will be to ensure that the growth of the franchise is sustainable for the future as we move towards profitability.
- CIMB VN** has begun transitioning towards growth mode. 2023 will see us sharpen our approach as we fine-tune our execution around partnerships, customer acquisition, and digital capabilities. We will remain on the lookout for strategic opportunities that can allow us to accelerate our ambitions in the market.

# Board of Directors



From left to right

**DIDI SYAFRUDDIN YAHYA**  
Independent Director

**DATUK MOHD NASIR AHMAD**  
Chairperson/ Independent Director

**ROBERT NEIL COOMBE**  
Independent Director

**DATO' MOHAMED ROSS MOHD DIN**  
Independent Director

**TEOH SU YIN**  
Senior Independent Director



From left to right

**DATO' ABDUL RAHMAN AHMAD**  
Group Chief Executive Officer/  
Executive Director

**SHULAMITE N K KHOO**  
Independent Director

**HO YUET MEE**  
Independent Director

**AFZAL ABDUL RAHIM**  
Independent Director

**DATO' LEE KOK KWAN**  
Non-Independent Director

# Board of Directors' Profiles

## ① DATUK MOHD NASIR AHMAD

Chairperson/Independent Director

Nationality	<b>Malaysian</b>
Age	<b>68</b>
Gender	<b>Male</b>
Date of Appointment	<b>20 July 2015</b>
Length of Service	<b>8 years</b>

### MEMBERSHIP OF BOARD COMMITTEES

- Member of Group Board Risk and Compliance Committee and Group Sustainability and Governance Committee

### QUALIFICATION

- Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants (MIA), Malaysia
- Masters in Business Administration (Finance), Universiti Kebangsaan Malaysia, Malaysia

### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Accounting, Finance & Audit

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- Nil

#### Public Companies

- Chairperson/Independent Director of CIMB Bank Berhad
- Chairperson/Independent Director of CIMB Bank PLC (Cambodia)

### RELEVANT EXPERIENCE

Datuk Mohd Nasir Ahmad was appointed the Chairperson/Independent Director of CIMB on 20 October 2018. He was the President of the Malaysian Institute of Accountants (MIA) from August 2011 to July 2013. In September 2013, he was elected to the Council of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and completed the maximum 9 years tenure in November 2022, after being re-elected in September 2016 and November 2019. On 1 May 2021, he was appointed a member of the Financial Reporting Foundation and Chairman of the Malaysian Accounting Standards Board (MASB). He brings with him vast experience in the areas of leadership, management, operations, finance and accounting, which spans over 40 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad (TNB) in 1979 and moving on to hold various positions in the Finance Division.

In January 1993, Datuk Mohd Nasir was seconded to TNB's subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd, as Financial Controller before being appointed its Chief Executive Officer (CEO) in June 1994.

In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Datuk Mohd Nasir also holds directorships in private companies, namely CIMB EOP Management Sdn Bhd and Touch n' Go Sdn. Bhd.

In addition, he is also a Trustee of Yayasan Canselor UNITEN, Perdana Leadership Foundation and Chairperson of CIMB Foundation.

### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Chairperson 21/21	-	Member 5/5	-	Member 5/5

### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

## ② DATO' ABDUL RAHMAN AHMAD

Group Chief Executive Officer/Executive Director

Nationality	<b>Malaysian</b>
Age	<b>53</b>
Gender	<b>Male</b>
Date of Appointment	<b>10 June 2020</b>
Length of Service	<b>3 years</b>

### MEMBERSHIP OF BOARD COMMITTEES

- Nil

### QUALIFICATION

- Chartered Accountant, Malaysian Institute of Accountants, Malaysia
- Chartered Accountant, Institute of Chartered Accountants England and Wales, United Kingdom
- Master of Arts (Economics), University of Cambridge, England

### AREAS OF EXPERTISE

- Business Management & Corporate Leadership, Investment & Corporate Finance, Operations, Risk Management, Accounting, Finance & Audit

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- Board of Commissioners of PT Bank CIMB Niaga Tbk
- Non-Independent Director of CIMB Thai Bank Plc

#### Public Companies

- Chief Executive Officer/Executive Director of CIMB Bank Berhad

### RELEVANT EXPERIENCE

Dato' Abdul Rahman Ahmad was appointed Executive Director and Group Chief Executive Officer of CIMB and Chief Executive Officer of CIMB Bank Berhad on 10 June 2020.

He has more than 20 years of leadership experience across multiple industries, where he held Chief Executive Officer positions in well-established organisations such as Malaysian Resources Corporation Berhad, Media Prima Berhad, Ekuiti Nasional Berhad and Permodalan Nasional Berhad. Prior to joining CIMB, Dato' Abdul Rahman was with Sime Darby Berhad and Velesto Energy Berhad as Non-Executive Non-Independent Chairman.

Dato' Abdul Rahman is currently a council member of Malaysia International Islamic Financial Centre (MIFC) Leadership Council and a panel member of Kumpulan Wang Amanah Negara, Malaysia's natural resource fund managed by Bank Negara Malaysia. Besides being a member of the Association of Banks in Malaysia (ABM), he is also a committee member of the Joint Committee on Climate Change (JC3).

### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 21/21	-	-	-	-

### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

### ③ TEOH SU YIN

Senior Independent Director

Nationality	<b>Malaysian</b>
Age	<b>52</b>
Gender	<b>Female</b>
Date of Appointment	<b>8 October 2014</b>
Length of Service	<b>9 years</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Group Nomination and Remuneration Committee and Group Sustainability and Governance Committee
- Member of the Audit Committee (Resigned w.e.f. 8 August 2022)

#### QUALIFICATION

- Bachelor of Arts (Hons) Business Studies, Sheffield Hallam University, United Kingdom
- Business and Technology Education (BTEC) Higher National Diploma (HND) in Business Studies, Sheffield Hallam University, United Kingdom
- Diploma, Chartered Institute of Marketing, United Kingdom

#### AREAS OF EXPERTISE

- Risk Management, Investment & Corporate Finance, Sustainability

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Nil

##### Public Companies

- Chairperson/Independent Director of CIMB Investment Bank Berhad

#### RELEVANT EXPERIENCE

Ms. Teoh Su Yin has been the Senior Independent Director of CIMB since 20 October 2018. She has almost 20 years of experience in equity research and investments.

Ms. Teoh began her career with JP Morgan Malaysia as an Analyst in 1994. In 2000, she became Head of Research with sector coverage experience in infrastructure, plantations, power, gaming, real estate and conglomerates.

In 2002, she left JP Morgan to join Deutsche Bank Malaysia Berhad, initially as a Senior Analyst and later as Managing Director, Head of Malaysia and ASEAN Equity Research. As an individual analyst, Ms. Teoh was ranked Top 3 by Asiamoney in 2008 and 2009.

She currently serves on the Board of Albizia ASEAN Opportunities Fund in Singapore, the Board of World Wildlife Fund-Malaysia and holds directorships in various other private companies.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 18/21	Member 11/11	-	Chairperson 12/12	Chairperson 5/5

#### Declaration

- She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- She has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

#### RELEVANT EXPERIENCE

Mr. Robert Neil Coombe is currently the Executive Chair of the Colonial First State Group and Non-Executive Chairperson of the Generation Development Group, both Australian based financial services businesses.

He was previously the Chairperson of Craveable Brands, the largest Australian-owned Quick Service Restaurant business and was the CEO of Craveable Brands between 2013 and April 2017. Before joining Craveable Brands, Mr. Coombe was responsible for all Westpac's Retail, Business and Agri banking operations throughout Australia. Prior to this role, Mr. Coombe spent six years as the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses in Australia. In total, he has over 40 years of corporate experience in both Australia and Asia.

In addition to the above, Mr. Coombe is a Director of Tibra Capital Pty Ltd, Expert360 and the Australian Indigenous Education Foundation.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 20/21	-	-	-	Member 2/5

#### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

### ④ ROBERT NEIL COOMBE

Independent Director

Nationality	<b>Australian</b>
Age	<b>59</b>
Gender	<b>Male</b>
Date of Appointment	<b>16 April 2014</b>
Length of Service	<b>9 years</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Sustainability and Governance Committee

#### QUALIFICATION

- Bachelor of Laws (Hons), University of Technology, Sydney, Australia

#### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Technology, Legal, Human Resource and Sustainability

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Non-Executive Chairperson of Generation Development Group, Australia

##### Public Companies

- Nil

## Board of Directors' Profiles

### 5 DATO' MOHAMED ROSS MOHD DIN

Independent Director

Nationality	<b>Malaysian</b>
Age	<b>70</b>
Gender	<b>Male</b>
Date of Appointment	<b>19 April 2016</b>
Length of Service	<b>7 years</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Audit Committee
- Member of the Group Board Risk and Compliance Committee and Group Nomination and Remuneration Committee

#### QUALIFICATION

- Banking Diploma (Part 1), Institute of Bankers, United Kingdom

#### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Accounting, Finance & Audit

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Nil

##### Public Companies

- Chairperson/Independent Director of CIMB Islamic Bank Berhad

#### RELEVANT EXPERIENCE

Dato' Mohamed Ross joined HSBC Bank Malaysia Berhad (HSBC) in early 1972 and served in various capacities ranging from Corporate and Retail Banking and Branch Management. He also served as Head of Treasury Malaysia and Head of Group Audit Malaysia between 1987 and 1996. During this period, he also worked for a year in Hong Kong, London and New York in areas of Foreign Exchange and Treasury. As the Managing Director in 2003, he was responsible for HSBC Amanah's Islamic onshore business franchise in Malaysia until he retired on 31 December 2007.

Upon retirement, Dato' Mohamed Ross was appointed as an Executive Director and Senior Advisor of HSBC Amanah Takaful Malaysia Sdn Bhd until December 2008. At the same time and until April 2016, he was an Independent Director of HSBC Amanah Malaysia Berhad, where he sat as Chairman of the Risk Committee and was a member of the Audit Committee and Nominations Committee.

Dato' Mohamed Ross currently also sits on two Advisory Boards overseeing a Private Equity Fund (Ekuinas OFM Programme) as an Independent Member. Additionally, he is also a Trustee on the Board of Lembaga Zakat Selangor and also serves as an Independent Director on the Board of an Asset Management company. Earlier in 2021, he was appointed a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 20/21	Chairperson 19/19	Member 5/5	Member 12/12	-

#### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

### 6 DATO' LEE KOK KWAN

Non-Independent Director

Nationality	<b>Malaysian</b>
Age	<b>57</b>
Gender	<b>Male</b>
Date of Appointment	<b>20 July 2015</b>
Length of Service	<b>8 years</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Board Risk and Compliance Committee

#### QUALIFICATION

- Master in Business Administration, Simon Fraser University, Canada
- Bachelor of Business Administration (First Class Joint Honours in Economics), Simon Fraser University, Canada

#### AREAS OF EXPERTISE

- Markets and Treasury, Corporate and Transaction Banking, Business Management & Corporate Leadership, Investments and Risk Management

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Independent Director of IGB Berhad

##### Public Companies

- Non-Independent Director of CIMB Bank Berhad
- Non-Independent Director of CIMB Investment Bank Berhad
- Non-Executive Director of Cagamas Holdings Berhad
- Independent Director of RAM Rating Services Berhad

#### RELEVANT EXPERIENCE

Dato' Lee Kok Kwan was the Deputy Chief Executive Officer (CEO) of CIMB prior to his Board appointments. His areas of responsibilities included Treasury and Markets, the Sales and Trading businesses in interest rates, credit, foreign exchange, bonds, equity, commodities and their derivatives for the Group, fixed income investments and debt capital markets, which he developed since joining CIMB in 1996, and has since grown the businesses to be one of the largest global markets operations in ASEAN as well as corporate and transaction banking.

Prior to joining CIMB in 1996, Dato' Lee had more than seven years of market and treasury experience in the Canadian banking industry. He was the Treasury Portfolio Manager responsible for interest rates and optionality risk and return for a leading Canadian bank and a member of its Senior Asset-Liability Management Committee.

Dato' Lee is also a member of the Board of Trustees of the Capital Markets Development Fund (CMDF) and Chairperson of the Bond and Sukuk Information Platform Sdn Bhd with effect from 3 November 2017 and 22 November 2017, respectively. He also holds directorships in various other private companies.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 20/21	-	Member 5/5	-	-

#### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

## 7 DIDI SYAFRUDDIN YAHYA

Independent Director

Nationality	<b>Indonesian</b>
Age	<b>55</b>
Gender	<b>Male</b>
Date of Appointment	<b>7 May 2019</b>
Length of Service	<b>4 years</b>

### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Board Risk and Compliance Committee
- Member of the Group Nomination and Remuneration Committee, Group Audit Committee and Group Sustainability and Governance Committee

### QUALIFICATION

- Fellow Chartered Accountant, Institute of Chartered Accountants in England and Wales, United Kingdom
- Master of Arts, University of Cambridge, United Kingdom
- Bachelor of Arts, University of Cambridge, United Kingdom

### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Accounting, Finance & Audit

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- President Commissioner of Board of Commissioners of PT Bank CIMB Niaga Tbk

#### Public Companies

- Independent Director of CIMB Investment Bank Berhad (Resigned w.e.f. 1 June 2022)

### RELEVANT EXPERIENCE

En. Didi Syafruddin Yahya previously worked for J.P. Morgan for more than 20 years based in Indonesia and, subsequently, Malaysia, where he was the Managing Director and Head of Investment Banking.

At J.P. Morgan, En. Didi Syafruddin was responsible for client coverage and providing advice on mergers and acquisitions, equity and debt capital markets transactions. He started his banking career with Morgan Grenfell & Co. in London after qualifying as a Chartered Accountant. He is currently Chairman of the Investment Panel of Urusharta Jamaah Sdn Bhd.

### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 21/21	Member 19/19	Chairperson 5/5	Member 11/12	Member 5/5

#### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

## 8 AFZAL ABDUL RAHIM

Independent Director

Nationality	<b>Malaysian</b>
Age	<b>45</b>
Gender	<b>Male</b>
Date of Appointment	<b>31 January 2019</b>
Length of Service	<b>4 years</b>

### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Nomination and Remuneration Committee

### QUALIFICATION

- Bachelor in Mechanical Engineering with Electronics, University of Sussex at Brighton, United Kingdom

### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Technology, Human Resources

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- Chief Executive Officer of Time dotCom Berhad
- Non-Independent Director of Symphony Communication Public Company Limited

#### Public Companies

- Nil

### RELEVANT EXPERIENCE

En. Afzal Abdul Rahim is a technology entrepreneur who currently serves as Chief Executive Officer of TIME dotCom Berhad (TIME), an ASEAN based telecommunications operator encompassing Fixed Line, Data Centres and Global Submarine Cable Systems. He joined TIME in 2008 after establishing The AIMS Asia Group and Global Transit International in 2006.

En. Afzal founded the non-profit Malaysian Internet Exchange in 2006 and also served as a Board Member of Endeavor Malaysia, an organisation devoted to nurturing high-impact entrepreneurs.

He began his career in the automotive sector, initially as a Chassis Development Engineer and thereafter managing clients on the engineering consultancy side of the business at Group Lotus PLC. He is also a Licensed Commercial Pilot.

### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 18/21	-	-	Member 12/12	-

#### Declaration

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

## Board of Directors' Profiles

### 9 SHULAMITE KHOO

Independent Director

Nationality	<b>Singaporean</b>
Age	<b>61</b>
Gender	<b>Female</b>
Date of Appointment	<b>15 May 2020</b>
Length of Service	<b>3 years</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Nomination and Remuneration Committee and Group Sustainability and Governance Committee

#### QUALIFICATION

- Chartered Fellow, Chartered Institute of Personnel & Development, United Kingdom
- Bachelor of Science (Statistics & Actuarial Science), University of Toronto, Canada

#### AREAS OF EXPERTISE

- Operations, Risk Management, Human Resources and International Experience

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Independent Director of Shangri-La Asia Limited

##### Public Companies

- Independent Director of AIA Co. Ltd., Hong Kong

#### RELEVANT EXPERIENCE

Ms. Shulamite Khoo was the Group Human Resources Director and Executive Vice President of AIA Group, the largest public listed pan-Asian life insurance group based in Hong Kong. This was a position she held since 2011 until her retirement in 2018.

Prior to this, she held several senior executive positions at AXA, a French multinational insurance firm that engages in global insurance, investment management and other financial services.

She was previously an International Advisory Panel Member of the Singapore Civil Service. She also served on the Board of AIA Malaysia from 2018 up until her resignation in February 2020.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 21/21	-	-	Member 12/12	Member 5/5

#### Declaration

- She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- She has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

### 10 HO YUET MEE

Independent Director

Nationality	<b>Malaysian</b>
Age	<b>62</b>
Gender	<b>Female</b>
Date of Appointment	<b>28 July 2022</b>
Length of Service	<b>1 year</b>

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Sustainability and Governance Committee, CIMB Banking Group Audit Committee and CIMB Group Audit Committee (Appointed w.e.f. 28 July 2022)

#### QUALIFICATION

- Postgraduate Certificate in Sustainable Business, University of Cambridge, United Kingdom
- Chartered Accountancy, Malaysia Institute of Certified Public Accountants, Malaysia

#### AREAS OF EXPERTISE

- Operations, Risk Management, Business Management & Corporate Leadership, Accounting, Audit & Finance, Sustainability

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Nil

##### Public Companies

- Nil

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 10/10	Member 7/8	-	-	Member 2/2

#### Declaration

- She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- She has not been convicted for any offences within the past five (5) years, nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022

# Group Company Secretary's Profile

## MEMBERSHIP OF BOARD COMMITTEES

- Nil

## QUALIFICATION

- Bachelor of Laws (majoring in Business Law), Coventry University, United Kingdom
- Licensed Secretary, Companies Commission of Malaysia
- Affiliate, Malaysian Institute of Chartered Secretaries and Administrators

## AREAS OF EXPERTISE

- Company Law, Corporate Secretarial Practice, Corporate Governance

## DIRECTORSHIP/RELEVANT APPOINTMENTS

### Listed Entities (Other than CIMB)

- Nil

### Public Companies

- Nil

## RELEVANT EXPERIENCE

Datin Rossaya Mohd Nashir is currently the Group Company Secretary for CIMB and has worked at the bank since joining the Corporate Legal Services Unit in 2002. She was instrumental in setting up the Company Secretarial Department in 2004 and was appointed as Group Company Secretary in 2006.

In her role, Datin Rossaya is responsible for providing proper counsel and advice on Board duties, responsibilities and logistics to ensure that CIMB complies with relevant laws and regulatory requirements.

Her position has since been expanded to cover the Group's regional operations where she plays a liaison role between the Board and its key stakeholders both in Malaysia and in the Group's regional operations, ensuring that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations. Beyond traditional governance, she also serves as a confidant and resource to the board and senior management.

She has extensive industry knowledge, with over two decades of experience in corporate secretarial practice. Previously, she was with Permodalan Nasional Berhad where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with the Time Engineering Group.

Datin Rossaya serves as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum and is a Director of several subsidiaries in the CIMB group. She is a CIMB Sustainability Champion and has initiated several projects to encourage sustainability in the workplace for #teamcimb. She actively advocates greater participation of women in the boardroom and has been involved in various networking initiatives to promote this agenda.



**DATIN ROSSAYA MOHD NASHIR**

Group Company Secretary

Nationality	<b>Malaysian</b>
Age	<b>54</b>
Gender	<b>Female</b>
Date of Appointment	<b>2002</b>
Length of Service	<b>21 years</b>

# Boards of Major Subsidiaries

## CIMB BANK

CIMB BANK BERHAD

### CHAIRPERSON

**Datuk Mohd Nasir Ahmad**

Independent Director

### MEMBERS

**Dato' Abdul Rahman Ahmad**

Chief Executive Officer/Executive Director

**Chu Hong Keong**

Independent Director

**Nadzirah Abd Rashid**

Independent Director

**Sukanta Kumar Dutt**

Independent Director

**Dato' Lee Kok Kwan**

Non-Independent Director

**Hafriz Abdul Rahman**

Non-Independent Director

(Appointed on 1 July 2022)

**Serena Tan Mei Shwen**

Non-Independent Director

(Resigned on 30 April 2022)

**Datin Grace Yeoh Cheng Geok**

Independent Director

(Retired on 20 August 2022)

### SECRETARY

**Datin Rossaya Mohd Nashir**

## CIMB

CIMB INVESTMENT BANK BERHAD

### CHAIRPERSON

**Teoh Su Yin**

Independent Director

### MEMBERS

**Jefferi Mahmud Hashim**

Chief Executive Officer/Executive Director

**Nadzirah Abd Rashid**

Independent Director

**Manu Bhaskaran**

Independent Director

**Surina Shukri**

Independent Director

(Appointed on 1 January 2022)

**Dato' Lee Kok Kwan**

Non-Independent Director

(Appointed on 1 June 2022)

**Didi Syafruddin Yahya**

Independent Director

(Resigned on 1 June 2022)

### SECRETARY

**Datin Rossaya Mohd Nashir**

## CIMB NIAGA

PT BANK CIMB NIAGA TBK

### PRESIDENT COMMISSIONER

**Didi Syafruddin Yahya**

President Commissioner

### MEMBERS

**Glenn Muhammad Surya Yusuf**

Vice President Commissioner  
(Independent)

**Jeffrey Kairupan**

Senior Independent Commissioner

**Sri Widowati**

Independent Commissioner

**Dato' Abdul Rahman Ahmad**

Non-Independent Commissioner

**Vera Handajani**

Non-Independent Commissioner

### CORPORATE SECRETARY

**Fransiska Oei**

## CIMB ISLAMIC

CIMB ISLAMIC BANK BERHAD

### CHAIRPERSON

**Dato' Mohamed Ross Mohd Din**

Independent Director

### MEMBERS

**Ahmad Shahriman Mohd Shariff**

Chief Executive Officer/Executive Director

**Ahmed Baqar Rehman**

Independent Director

**Jalalullail Othman**

Independent Director

**Dr. Azura Othman**

Independent Director

**Ho Yuet Mee**

Independent Director

(Resigned on 9 August 2022)

### SECRETARY

**Datin Rossaya Mohd Nashir**

 **CIMB THAI**  
ธนาคาร ซีไอบีเอ็มบี ไทย

**CIMB THAI BANK PUBLIC COMPANY LIMITED**
**CHAIRPERSON****Dato' Robert Cheim Dau Meng**

Non-Independent Director

**MEMBERS****Paul Wong Chee Kin**President and Chief Executive Officer/  
Executive Director**Anon Sirisaengtaksin**

Independent Director

**Oranuch Apisaksirikul**

Independent Director

**Chanmanu Sumawong**

Independent Director

**Dr. Rom Hiranpruk**

Independent Director

**Niti Jungnitnirundr**

Independent Director

**Natasak Rodjanapiches**

Independent Director

**Dato' Abdul Rahman Ahmad**

Non-Independent Director

**Vera Handajani**

Non-Independent Director

(Appointed on 5 July 2022)

**Hafriz Bin Abdul Rahman**

Non-Independent Director

(Resigned on 1 September 2022)

**SECRETARY****Patima Jumpasut**
 **CIMB BANK ធនការ ស៊ីអាមេរិកី តិន្ទិលេខា**
**CIMB BANK PLC**
**CHAIRPERSON****Datuk Mohd Nasir Ahmad**

Independent Director

**MEMBERS****Bun Yin**

Chief Executive Officer/Executive Director

**Aisyah Lam Abdullah**

Independent Director

**Cheong Weng Teong**

Non-Independent Director

**Ahmad Shazli Kamarulzaman**

Non-Independent Director

**Long Beang**

Independent Director

(Appointed on 9 March 2022)

**Dr. Mey Kalyan**

Independent Director

(Resigned on 9 March 2022)

**JOINT SECRETARIES****Ly Sophea****Datin Rossaya Mohd Nashir**
 **CIMB BANK**
**CIMB BANK (VIETNAM) LIMITED**
**CHAIRPERSON****Effendy Shahul Hamid**

Non-Independent Director

**MEMBERS****Thomson Fam Siew Kat**

Chief Executive Officer/Executive Director

**Aisyah Lam Abdullah**

Independent Director

**Le Le Thuy**

Independent Director

**Gurdip Singh Sidhu**

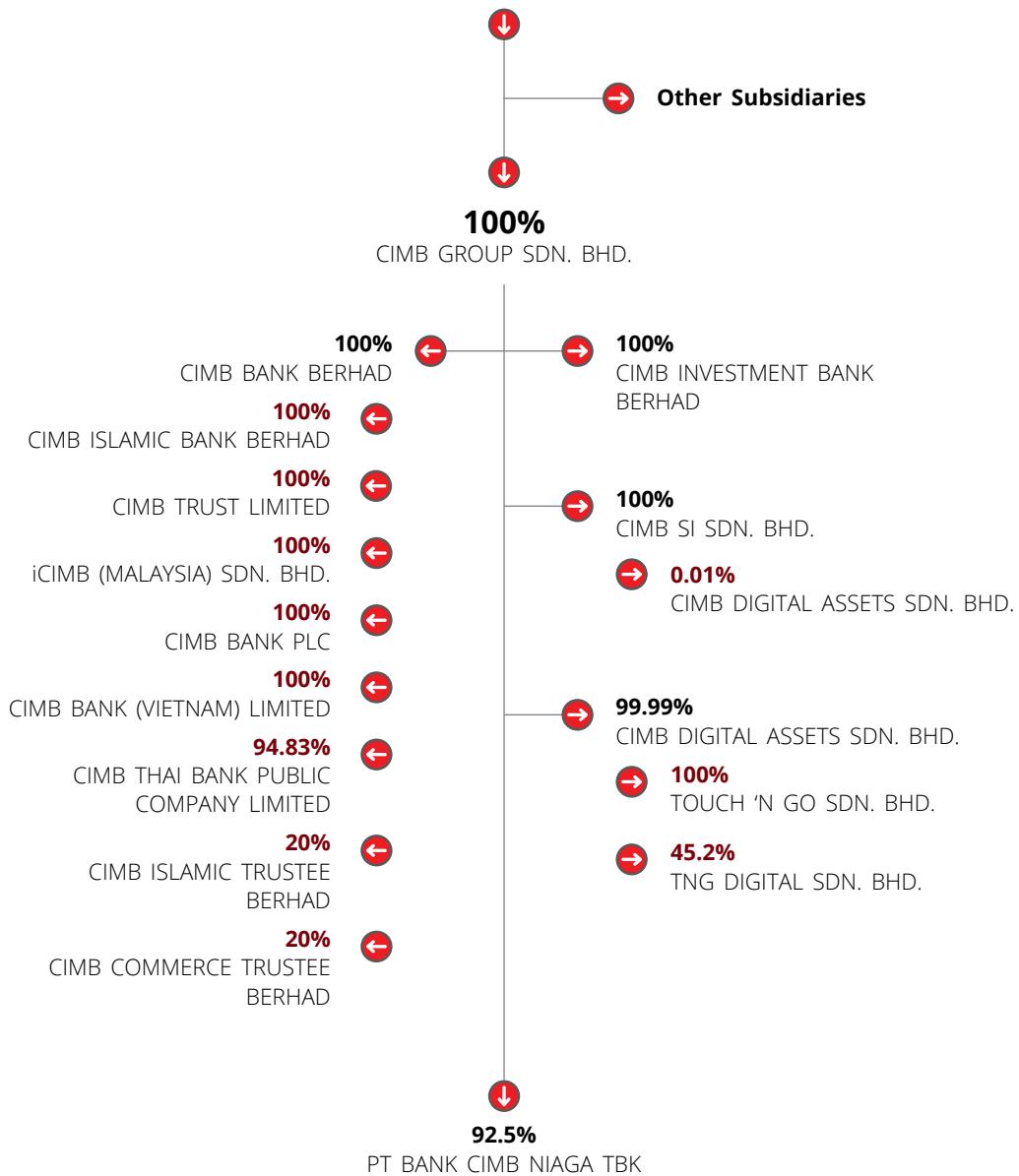
Non-Independent Director

**JOINT SECRETARIES****Tran Hai Long****Datin Rossaya Mohd Nashir**

# Corporate Structure



CIMB GROUP HOLDINGS BERHAD



**Note:**

Please refer to Notes 13 and 14 in the Financial Statements for the complete list and shareholding of CIMB Group Holdings Berhad's subsidiaries and associates.

# Group Shariah Committee Profile



**1. ASSOCIATE PROFESSOR DR.  
MOHAMED FAIROOZ ABDUL KHIR**  
(Chairman)



**2. SHEIKH PROFESSOR DR. YOUSEF  
ABDULLAH AL SHUBAILY**

**Nationality:**

**Malaysian**

**Age/Gender:**

**47/Male**

**Date of Appointment:**

**16 August 2020**

**Length of Tenure:**

**2 Years**

**Qualification:**

- PhD in Shariah – University of Malaya
- Masters of Shariah – University of Malaya
- Degree in Islamic Revealed Knowledge and Human Sciences (Islamic Jurisprudence) International Islamic University Malaysia

**Directorship/  
Relevant  
Appointments:**

- Member, Shariah Advisory Council (SAC) of Securities Commission Malaysia
- Chairman, Shariah Committee Co-opbank Pertama Malaysia Berhad
- Independent Non-Executive Director, Zurich Takaful Malaysia Berhad (Chairman of Nomination and Remuneration Committee, Member of Audit Committee, Member of Risk Management and Sustainability Committee)
- Chairman, Shariah Committee, Zurich Takaful Malaysia Berhad
- Member, Shariah Committee, Bank Simpanan Nasional
- Member, Perak Islamic Religious Council & Malay Customs (Majlis Agama Islam dan Adat Melayu Perak-MAIPk)
- Member, Fatwa Committee of Perak, Perak Mufti Department
- Director of Centre of Excellence in Islamic Social Finance, INCEIF

**Relevant Experience:**

- Associate Professor, International Centre for Education in Islamic Finance (INCEIF)
- Former Shariah Committee, Maybank Islamic Berhad
- Former Chairman of Shariah Committee, Agrobank
- Former Shariah Committee, Group Shariah Committee, MNRB Holdings Berhad
- Former Shariah Committee, Malaysian Industrial Development Finance Berhad (MIDF)
- Former Researcher and Head of Islamic Banking Unit, International Shari`ah Research Academy for Islamic Finance (ISRA)

**Saudi Arabian**

**52/Male**

**28 October 2008**

**14 Years**

- PhD in Islamic Jurisprudence from Imam Muhammad ibn Saud Islamic University
- Master's degree from the Department of Comparative Jurisprudence at Imam Muhammad ibn Saud Islamic University
- Bachelor's degree from Faculty of Shariah and Fundamentals of Islam, Department of Comparative Jurisprudence at Imam Muhammad ibn Saud Islamic University

- Member of Shariah Board of AAOIFI
- Member of Shariah Board of IIFM (Islamic International Finance Market)
- Member of Shariah Board of Albilad Bank in Saudi Arabia
- Member of Shariah Board of Arcapita Investment Group in Bahrain
- Member of Shariah Board of Alinma Investment company in Saudi Arabia

- Currently lectures in the Department of Comparative Jurisprudence, High Institute of Judiciary at Saudi Arabia's Imam Muhammad ibn Saud Islamic University in Riyadh
- Expert of International Islamic Fiqh Academy
- Chairperson and member of a number of commercial arbitration committees
- Written many books, academic papers and articles on Islamic jurisprudence and commercial law
- Participated in numerous seminars and international conventions in Islamic finance

## Group Shariah Committee Profile



### 3. PROFESSOR DR AISHATH MUNEEZA

### 4. AHMED BAQAR REHMAN

**Nationality:**

**Maldivian**

**Age/Gender:**

**38/Female**

**Date of Appointment:**

**13 April 2018**

**Length of Tenure:**

**4 Years**

**Qualification:**

- PhD in Law – International Islamic University Malaysia
- LLM (Banking) – International Islamic University Malaysia
- Bachelor of Laws (Hons) – International Islamic University Malaysia

**Directorship/  
Relevant  
Appointments:**

- Chairman of Shariah Board at Alia Investment Pvt Ltd, Maldives
- Member, Shariah Committee at Munich Re, Malaysia
- Member, Shariah Committee at Ayady Takaful-Allied Insurance Company, Maldives
- Chairman, Shariah Committee at Housing Development Corporation Ltd., Maldives
- Member, Public Interest Monitoring Consultative Committee of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), Bahrain
- Associate Dean, Students & Internationalisation, School of Graduate and Professional Studies, International Centre for Education in Islamic Finance (INCEIF)
- Elected Executive Committee Member, Bar Council of Maldives

**Relevant Experience:**

- Professor, International Centre for Education in Islamic Finance (INCEIF)
- Former Chairman, Shariah Advisory Council of Capital Market Development Authority, Maldives
- Former Deputy Minister – Ministry of Finance and Treasury, Republic of Maldives
- Former Deputy Minister – Ministry of Islamic Affairs, Republic of Maldives
- Former Chairman, Board of Directors, Maldives Center for Islamic Finance Ltd
- Former Chairman, Board of Directors, Maldives Hajj Corporation Ltd. (Tabung Haji of Maldives)
- Former Member, Shariah Committee, Housing Development Finance Corporation Plc, Maldives
- Shariah Adviser, Sukuk No.1-4 issued by Housing Development Finance Corporation Plc, Maldives
- Former member of Islamic Fiqh Academy (National Fatawa Council of Maldives)

**Pakistan**

**64/Male**

**1 June 2019**

**3 Years**

- Bachelor of Arts-Economics – University of Michigan, USA

- Independent Board Director – CIMB Islamic Bank Berhad – Malaysia
- Chairman Board Risk Committee
- Member Board Shariah Committee
- IFC/World Bank Nominee Director – ASEAN Financial Innovation Network – Singapore
- Member of the Board Human Resource and Remuneration Committee
- Member of the Board Audit Committee

- Mr. Ahmed Rehman has over 30 years of experience with multinational banks in senior management roles, such as Chief Executive as well as direct responsibility for wholesale bank and risk. He was also involved in the Corporate Banking integration of Standard Chartered Bank Pakistan with Grindlays Bank Pakistan
- His experience covers different geographies in Asia, Middle East and Africa, with American Express Bank, Standard Chartered Bank and Al Rajhi Bank
- Former CEO of Al Rajhi Bank Malaysia



## 5. DR. AHMAD SUFIAN CHE ABDULLAH

**Nationality:**

**Malaysian**

**Age/Gender:**

**44/Male**

**Date of Appointment:**

**1 November 2019**

**Length of Tenure:**

**3 Years**

**Qualification:**

- PhD in Islamic Economy and Banking – University of Yarmouk, Jordan
- Master's Degree in Shariah (Islamic Finance) – University of Malaya, Malaysia
- Bachelor Degree in Shariah and Management – University of Malaya, Malaysia

**Directorship/  
Relevant  
Appointments:**

- Member, Shariah Committee, Small Medium Enterprise Development Bank Malaysia Berhad
- Member, Shariah Advisory Board, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Fatwa Committee, Jabatan Mufti Negeri Perlis
- Member, Islamic Legal Consultative Committee, Federal Territories
- Member, Waqaf Committee, Majlis Agama Islam dan Adat Istiadat Negeri Kelantan (MAIK)
- Member, Shariah Advisor Committee, Sabnuha Jewellery PLT
- Shariah Adviser, KAB Goldynamics Sdn Bhd
- Shariah Board, Precious Amber International Bhd
- Shariah Adviser, InfaqPay Sdn Bhd

**Relevant Experience:**

- Currently a Senior Lecturer at the Department of Shariah and Management, Academy of Islamic Studies of University Malaya
- Previously Shariah Committee, Kenanga Investment Bank Berhad
- Previously Muamalat Expert Panel of Jabatan Kemajuan Islam Malaysia (JAKIM)
- He has produced numerous publications such as book and research papers in Islamic legal theories (usul fiqh), Islamic commercial laws, Islamic banking and finance, Takaful and Shariah Fintech
- He is the founder and administrator of "muamalat.my", a social media platform that strives to become a medium of education in enhancing public awareness with regards to Islamic Finance and Takaful since 2013

# Group Management



From left to right

## Rafe Haneef

Chief Executive Officer,  
Group Transaction Banking/  
Chief Executive Officer,  
CIMB Foundation

## Novan Amirudin

Co-Chief Executive Officer,  
Group Wholesale Banking

## Victor Lee Meng Teck

Country Head, Singapore/  
Chief Executive Officer, CIMB Bank  
Singapore/Chief Executive Officer,  
Group Commercial Banking

## Lani Darmawan

Country Head, Indonesia, President  
Director & Chief Executive Officer,  
PT Bank CIMB Niaga Tbk

## Effendy Shahul Hamid

Chief Executive Officer,  
Group Consumer & Digital Banking

## Dato' Abdul Rahman Ahmad

Group Chief Executive Officer/Executive  
Director/Country Head, Malaysia/  
Chief Executive Officer, CIMB Bank Malaysia

## Shariman Mohd Shariff

Chief Executive Officer/Executive Director,  
CIMB Islamic Bank and Chief Executive  
Officer, Group Islamic Banking



From left to right

**HANIZ NAZLAN**  
Group Chief Strategy Officer

**KWAN KEEN YEW**  
Group Chief Legal &  
Compliance Officer &  
Group Chief Integrity &  
Governance Officer

**PAUL WONG CHEE KIN**  
Country Head, Thailand, President &  
Chief Executive Officer,  
CIMB Thai Bank PCL

**VERA HANDAJANI**  
Group Chief Risk Officer

**GURDIP SINGH SIDHU**  
Group Chief People Officer &  
Group Chief Sustainability Officer

**KHAIRUL RIFAIE**  
Group Chief Financial Officer

**AMRAN MOHAMAD**  
Group Chief Internal Auditor Ahmad

**CHU KOK WEI**  
Co-Chief Executive Officer, Group  
Wholesale Banking

# Group Management Profile

**1**

## LANI DARMAWAN

Country Head, Indonesia  
President Director &  
Chief Executive Officer,  
PT Bank CIMB Niaga Tbk

**Nationality** | Indonesian

**Age** | 60

**Gender** | Female

### QUALIFICATION

- Bachelor of Dentistry from Trisakti University, Jakarta, Indonesia

### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Member of Banking Sector – Monetary Policy and Financial Services Agency, Indonesian Chambers of Commerce (KADIN)
- Deputy Head of Institutional Relations – Indonesia Bank Association (PERBANAS)
- Member of Banking Committee – The Indonesian Employers Association (APINDO)

### RELEVANT EXPERIENCE

- Appointed as President Director of PT Bank CIMB Niaga Tbk based on the EGM Resolution on 17 December 2021. Lani joined CIMB Niaga on April 2016 as Consumer Banking Director.
- Concurrently also holds role as President Commissioner in PT Bank CIMB Niaga Tbk Finance, a subsidiary of PT Bank CIMB Niaga Tbk.
- She has more than 30 years of experience with various positions in consumer banking with major banks such as Maybank, Bank Permata, Citibank, Standard Chartered, Lippo Bank, Bank Central Asia, and American Express.

**2**

## PAUL WONG CHEE KIN

Country Head, Thailand  
President & Chief Executive Officer,  
CIMB Thai Bank PCL

**Nationality** | Malaysian

**Age** | 53

**Gender** | Male

### QUALIFICATION

- Bachelor of Business (Major in Banking & Finance), Monash University, Melbourne, Australia

### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Director, CIMB Thai Bank Public Company Limited
- Director, The Association of International Banks

### RELEVANT EXPERIENCE

- Over 25 years of experience in banking and finance in ASEAN.
- He joined CIMB Group in 2007 as Senior Vice President, Head of Sales Management – Consumer Sales & Distribution of CIMB Bank Berhad. He has been assigned to various positions within the Group, including stints in the Philippines and was subsequently appointed President and CEO of CIMB Thai Bank PCL in February 2021.
- He has a strong track record in strategic projects regionally, in digitalisation and transformation, and brings in depth functional experience in operations, having successfully led and transformed Group Operations.
- He also served as the Board of Directors for Principal Asset Management Berhad from September 2016 to January 2021.
- Prior to CIMB, he served in various capacities in several financial institutions in Malaysia and Singapore.

**3**

## VICTOR LEE MENG TECK

Country Head, Singapore  
Chief Executive Officer,  
CIMB Bank, Singapore  
Chief Executive Officer,  
Group Commercial Banking

**Nationality** | Singaporean

**Age** | 52

**Gender** | Male

### QUALIFICATION

- Bachelor of Applied Science (Materials Engineering), Nanyang Technological University, Singapore
- Alumni of ASIAN Financial Leaders Programme (AFLP), mandated by Monetary Authority of Singapore

### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Nil

### RELEVANT EXPERIENCE

- Responsible to grow and drive innovation for the SME and Mid-Corporate segments in the region. Champions customer centricity, digital enablement, as well as CIMB's sustainability agenda for the entire Commercial Banking business.
- Responsible for Singapore's banking business and strategic positioning, and to deepen its foothold in ASEAN region.
- Over 28 years of experience in Retail banking, Channels/Distribution Management, Microfinance and Business Banking with markets coverage in ASEAN, North Asia, Africa and the Middle East.
- At Fullerton Financial Holdings, he was responsible for managing its investments in banks and financial services firms. This includes driving its strategy and implementations, leading several digital initiatives across Asia and delivering strong operational risk governance and performance excellence. He also held various board directorships within the Fullerton Group.
- Was Managing Director at United Overseas Bank (UOB) and led the Small Business banking segment at UOB.
- A member of the SME Banking management committee in Standard Chartered where he was responsible for its global liability, treasury business and lending businesses in Singapore, Taiwan and China.
- At Citibank, he was responsible for the strategic positioning of business banking within the Global Consumer Group in Singapore and for driving key initiatives for CitiGold and CitiBanking.
- Awarded "Top 50 Most Promising Young Leaders" award in 2008 by The Asian Banker for bankers aged below 40 in Asia Pacific and the Middle East region.

**4****CHU KOK WEI**

Co-Chief Executive Officer,  
Group Wholesale Banking

**Nationality** | Malaysian

**Age** | 49

**Gender** | Male

**QUALIFICATION**

- MSc in Finance and Economics with Distinction, and First Class Honours of BSc (Econ) Economics from The London School of Economics and Political Science, University of London, UK
- Chartered Financial Analyst (CFA) charter holder
- Chartered Banker

**DIRECTORSHIP/  
RELEVANT APPOINTMENTS**

- President of Financial Markets Association Malaysia (FMAM)
- Vice Chairman of Asia Securities Industry & Financial Markets Association (ASIFMA)
- Member of Bank Negara Malaysia's Financial Market Committee (FMC)

**RELEVANT EXPERIENCE**

- Chu assumed his current role in June 2022 and prior to that he held the position of Group Head of Treasury & Markets with responsibility for CIMB Group's markets, sales, trading and structuring businesses in interest rates, credit, foreign exchange, commodities, equity and their derivatives. He is also responsible for fixed income investments, and the funding and liquidity management operations for CIMB Group.
- Prior to joining CIMB in 2003, Chu had six years of experience with a major European bank developing its local currency fixed income business in both Malaysia and Singapore.
- Since joining CIMB, Chu played an active role in the formation of group wide treasury and market businesses which have grown from strength to strength and today is a market leading franchise and a significant contributor to the Group.

**5****NOVAN AMIRUDIN**

Co-Chief Executive Officer,  
Group Wholesale Banking

**Nationality** | Malaysian

**Age** | 42

**Gender** | Male

**QUALIFICATION**

- Chartered Accountants Australia and New Zealand
- Master of Commerce with Merit (Finance) – The University of Sydney, Australia
- Bachelor of Commerce – The University of Melbourne, Australia

**DIRECTORSHIP/  
RELEVANT APPOINTMENTS**

- Nil

**RELEVANT EXPERIENCE**

- Novan is the Co-Chief Executive Officer of Group Wholesale Banking (GWB) where he is jointly responsible to oversee the GWB Division. On the day-to-day management, he is responsible for Group Corporate Banking, Group Investment Banking, Group Private Banking, Corporate Coverage and Public Sector Group.
- Novan comes with more than 19 years' experience in Investment Banking and Corporate Finance across Kuala Lumpur, Jakarta and Singapore. He has extensive experience in client coverage, mergers and acquisitions, public offerings, private placements, derivative solutions and bank financing.
- Prior to joining CIMB, Novan was with J.P. Morgan where he was Head of Equity Capital Markets, Southeast Asia and Head of Investment Banking, Malaysia.

**6****RAFE HANEFF**

Chief Executive Officer,  
Group Transaction Banking/  
Chief Executive Officer,  
CIMB Foundation

**Nationality** | Malaysian

**Age** | 53

**Gender** | Male

**QUALIFICATION**

- Master of Laws (LL.M), Harvard Law School
- Bachelor of Laws (LL.B), International Islamic University Malaysia
- Qualified for the New York State Bar in 1997
- Admitted to the Malaysian Bar in 1995

**DIRECTORSHIP/  
RELEVANT APPOINTMENTS**

- Nil

**RELEVANT EXPERIENCE**

- CEO of Group Transaction Banking overseeing transaction banking business which consist of four main product pillars namely Trade Finance, Cash Management, Securities Services and Financial Institution serving the Group's Non Retail customers across CIMB franchise in ASEAN. Transaction Banking drives annuity business and relationship stickiness; thus pivotal to the growth of CIMB Group.
- CEO, CIMB Foundation, to spearhead CSR in community development, sports and education initiatives with diversity and inclusion as the guiding principles.
- Previously, Group Chief Sustainability Officer, responsible for driving sustainable financing and social responsibility initiatives across the CIMB Group.
- Previously, CEO of CIMB Islamic Bank Berhad in charge of the Group's Islamic banking and finance franchise. CIMB Islamic operates as a parallel franchise to the Group's conventional operations and covers Islamic wholesale banking, Islamic consumer banking, Islamic commercial banking and Islamic asset management and investments.
- Instrumental in the inclusion of CIMB Islamic in the Value-based Intermediation (VBI) Community of Practitioners, working to develop VBI together with the central bank to contextualise and drive sustainability with Islamic finance institutions in Malaysia.
- Instrumental in CIMB Group being a member of RFI as well as a founding member to the UNEP FI Principles for Responsible Banking.
- 20 years of experience covering a range of businesses and functional roles gained from three global banks, an international asset management company and a legal firm, at various financial centres including London, Dubai and Kuala Lumpur.
- CEO, Malaysia, and Managing Director of Global Markets, ASP, HSBC Amanah in 2010.
- Regional Head for Islamic banking, Asia Pacific, Citigroup Asia in 2006.
- Global Head of Islamic Finance business at ABN AMRO Dubai in 2004 covering both consumer and corporate businesses.
- Joined HSBC Investment Bank plc, London in 1999 and thereafter HSBC Financial Services Middle East, Dubai where he set up the global sukuk business in 2001.

## Group Management Profile

7

### EFFENDY SHAHUL HAMID

Chief Executive Officer,  
Group Consumer & Digital Banking

**Nationality** | Malaysian

**Age** | 49

**Gender** | Male

#### QUALIFICATION

- Honours in Electronic Engineering with Optoelectronics, University College London, United Kingdom
- CIMB-INSEAD Leadership Programme
- Digital Business Leadership Programme, Columbia Business School, Columbia University

#### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Chairman, TNG Digital Sdn Bhd
- Chairman, CIMB Bank (Vietnam) Ltd
- Director, Touch 'n Go Sdn Bhd
- Director, Principal Asset Management Berhad
- Director, CIMB SI Sdn Bhd
- Director, CIMB Digital Assets Sdn Bhd

#### RELEVANT EXPERIENCE

- As CEO, Group Consumer & Digital Banking, Effendy manages CIMB Group's consumer banking franchise across the region, including its digital banking initiatives. Appointed to the role on 1 January 2023, he oversees all aspects of the Group's retail segments, products and channels across ASEAN, including digital banks in two markets. In his present role, he is also responsible for all of CIMB Group's investments, partnerships and value creation activities in the digital space, previously within the ambit of CIMB Digital Assets (including Touch 'n Go and TNG Digital), of which he was CEO.
- Previously CEO, Group Ventures and Partnerships, responsible for the development of the Group's new and disruptive revenue and value creation streams, with a focus on cultivating platform partnerships, strategic investments in platform-based businesses, and steering CIMB's approach and practices in terms of financial technology trends and digital plays.
- Prior to that, was CEO, Group Asset Management & Investments, responsible for the Group's investments businesses across both public and private markets, including the regional asset management franchise, its private equity fund management business and the equity investments portfolio.
- Prior to that, was CEO, Group Commercial Banking, managing the Group's regional banking businesses for the small and medium enterprise and mid-sized corporate segment, with a key focus on creating differentiated propositions and executing long term growth strategies.
- Preceding that, he was Group Chief Marketing and Communications Officer, managing the Group's entire marketing and communications initiatives and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region.
- Before that, he served as a Director in the Group's Investment Banking Division, primarily focusing on corporate advisory and origination.
- Prior to joining the Group in 2004, spent the early years of his career in several companies in a corporate development capacity, mostly involved in private equity, merger and acquisition and general business expansion initiatives across Asia Pacific. Regional business experience having worked and lived in Malaysia, Hong Kong and Singapore.

8

### AHMAD SHAHRIMAN MOHD SHARIFF

Chief Executive Officer/  
Executive Director, CIMB Islamic Bank  
Chief Executive Officer,  
Group Islamic Banking

**Nationality** | Malaysian

**Age** | 46

**Gender** | Male

#### QUALIFICATION

- Bachelor of Arts in Accounting and Finance, Lancaster University, United Kingdom
- Malaysian Financial Markets Certificate, Persatuan Pasaran Kewangan Malaysia dan Institut Bank-Bank Malaysia, Malaysia
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals, Malaysia

#### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Board Member, CIMB Islamic Bank Berhad
- Council Member and Secretary, Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
- Member, Standing Committee on Islamic Financial Reporting, Malaysian Accounting Standards Board (MASB)
- Honorary Senior Fellow, Centre for Islamic Economics, IIUM, Malaysia

#### RELEVANT EXPERIENCE

- Ahmad Shahriman Mohd Shariff was appointed Chief Executive Officer of CIMB Islamic Bank on 1 October 2019 and heads the Group Islamic Banking business of CIMB Group that includes Islamic wholesale banking, Islamic consumer banking, Islamic commercial banking and Islamic asset management and investment across the key markets of Malaysia, Singapore and Indonesia.
- Shahriman has over two decades of experience in the corporate and financial services sectors, of which 17 years were in Islamic Banking and Finance-related leadership roles. He played an active role in the development of Malaysia's Islamic banking industry, with a longstanding role in the Treasury committee of the Association of Islamic Banks in Malaysia (AIBIM). In this capacity, he was involved in instrumental industry initiatives such as developing, amongst others, a commodity exchange for Islamic finance purposes, Islamic structured products, documentation standards for Islamic derivatives as well as an Islamic credit support mechanism.
- He previously headed the Wholesale Banking at HSBC Amanah Malaysia Berhad as Director, and served as the Head of Islamic Banking at Citibank Berhad prior to that. Under these leadership roles, he has been an instrumental contributor towards the growth of the Islamic banking and finance industry with the introduction of global award-winning capital markets and treasury solutions. Shahriman has strong leadership, technical, legal and risk management expertise gained from his stint in these cross-border institutions.
- He started his career as a management associate with Citibank before being selected to undertake the leadership development programmes both regionally and globally in his time with Citigroup.

9

### KHAIRUL RIFAI

Group Chief Financial Officer

**Nationality** | Malaysian

**Age** | 42

**Gender** | Male

#### QUALIFICATION

- First Class Honours degree in Accounting and Finance from University of Warwick, UK
- MSc in Finance from Imperial College, UK
- Member of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of the Chartered Banker Institute (MCBI)
- Member of Malaysian Institute of Accountants (MIA), Malaysia

#### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- CIMB Group Sdn Bhd
- CIMB Berhad
- CIMB Holdings Sdn Bhd
- Commerce MGI Sdn Bhd
- Premier Fidelity Sdn Bhd
- SIBB Berhad
- SBB Berhad
- S.B. Properties Sdn Bhd
- S.B. Venture Capital Corporation Sdn Bhd
- Perdana Nominees (Tempatan) Sdn Bhd
- CIMB Real Estate Sdn Bhd
- Southeast Asia Special Asset Vehicle Limited (SEASAV)

#### RELEVANT EXPERIENCE

- Khairul assumed his current role in January 2019 and oversees all aspects of financial performance which includes financial planning and budgeting, statutory and regulatory reporting, tax, capital management and finance operations. Prior to assuming this role, he held the position of CFO, Malaysia and Regional Head, Financial Control.
- Khairul started his career with KPMG, London focusing on the financial services industry.
- In 2006, he joined Goldman Sachs, London as an equity analyst covering the European Insurance Sector. He then joined UBS, Malaysia in 2009 to cover the Malaysian Banking Sector and later on also covered the Singapore Banking sector.
- Prior to joining CIMB Group, Khairul was working at RHB Group, Malaysia as the Head of Finance of RHB Islamic Bank and Head of Investor Relations.

**10****GURDIP SINGH SIDHU**

Group Chief People Officer,  
Group Chief Sustainability Officer

**Nationality** | Malaysian

**Age** | 49

**Gender** | Male

**QUALIFICATION**

- Honours in Accounting and Finance, the London School of Economics and Political Science, University of London, United Kingdom
- Chartered Financial Analyst (CFA)
- Alumni of the CIMB-INSEAD Leadership Programme

**DIRECTORSHIP/****RELEVANT APPOINTMENTS**

- Director, CIMB Bancom Capital Corporation
- Director, CIMB Bank (Vietnam) Limited
- Director, CIMB EOP Management Sdn Bhd

**RELEVANT EXPERIENCE**

- Gurdip has over 26 years of experience in financial services and management consulting, and has been with CIMB Group for over 16 years. He currently helms two functions within the organisation, Group Human Resource and Group Sustainability.
- As Group Chief People Officer, he is responsible for setting the human capital direction and strategy of the Group, in alignment with the Group's overall strategy and priorities. He oversees organisation design, performance management, talent acquisition and management, employee experience and learning.
- Meanwhile, in his role as Group Chief Sustainability Officer, Gurdip leads the development and execution of CIMB's sustainability strategy, in line with the priorities and target outcomes set by the Board and the Group Chief Executive Officer. The division comprises of the Sustainability and Corporate Responsibility teams.
- Prior to his current roles, Gurdip held the position of Group Chief Strategy and Design Officer, overseeing and supporting the execution of transformation and growth initiatives under T18 and Forward23. During this stint, he had helped shape and steer the Group through various strategic phases and initiatives, including setting up the sustainability function.
- Before joining CIMB Group, Gurdip spent a decade in an international management consulting firm advising banks, telecommunications companies and Governments across ASEAN, India, South Korea and Spain.

**11****HANIZ NAZLAN**

Group Chief Strategy Officer

**Nationality** | Malaysian

**Age** | 40

**Gender** | Male

**QUALIFICATION**

- Bachelor of Science (Hons) Degree in Actuarial Science, London School of Economics & Political Science, University of London
- Masters degree and Postgraduate Diploma in Applied Finance & Investment, Financial Services Institute of Australasia
- Certified Financial Technician (CFTe) and had also attended the Program for Leadership Development at the Harvard Business School

**DIRECTORSHIP/**  
**RELEVANT APPOINTMENTS**

- CIMB Group Sdn Bhd
- Principal Asset Management Berhad
- Principal Islamic Asset Management Sdn Bhd
- Financial Park (Labuan) Sdn Bhd
- CIG Berhad
- CIMB Private Equity Sdn Bhd
- CIMB SI II Sdn Bhd
- CIMB Strategic Assets Sdn Bhd
- Commerce Asset Ventures Sdn Bhd
- Proton Commerce Sdn Bhd
- Renggis Ventures Sdn Bhd
- CGS-CIMB Holdings Sdn Bhd
- CGS-CIMB Securities International Pte Ltd

**RELEVANT EXPERIENCE**

- Haniz is Group Chief Strategy Officer at CIMB, where he oversees Group Strategy, Performance and Programme Management, Group Customer Experience, Transforming Customer Journeys, Group Corporate Finance and Investment Management as well as the Group CEO's Office.
- Haniz has over 15 years of experience in areas of corporate strategy, corporate finance, mergers & acquisitions, project management, portfolio and asset management, global equities and real estate investments.
- Prior to joining CIMB in April 2021, Haniz was the Chief Investment Officer of Lembaga Tabung Angkatan Tentera (LTAT) from August 2019 where he was accountable for all investment functions and activities in the management of LTAT's investment portfolio. He played a key role in setting LTAT's turnaround plan in motion. This included the execution of restructuring plans for the investment portfolio, reorganisation of the investment team as well as the strengthening of key investment policies and processes, one of which included the establishment of LTAT's long term Strategic Asset Allocation (SAA) Framework.
- Prior to LTAT, Haniz spent the larger part of his career at Permodalan Nasional Berhad (PNB). He served PNB in various capacities, including leading roles in the Group Chief Executive's Office, International Department, Strategic Asset Allocation Department and Investment Division. He played a key part in driving the establishment of PNB's SAA and Fixed Income Frameworks, planning PNB's new global operating model, setting up the unit trust funds' expansion into global markets and in leading key M&A transactions for the PNB Group, both locally and abroad.

**12****VERA HANAJANI**

Group Chief Risk Officer

**Nationality** | Indonesian

**Age** | 51

**Gender** | Female

**QUALIFICATION**

- Master of Business Administration, Kellogg – Hong Kong University of Science and Technology, USA/ Hong Kong
- Bachelor of Arts (Economics), Trisakti University, Indonesia

**DIRECTORSHIP/****RELEVANT APPOINTMENTS**

- Board of Commissioner of PT Bank CIMB Niaga Tbk
- Director of CIMB Thai Bank PCL

**RELEVANT EXPERIENCE**

- Vera was appointed as Group Chief Risk Officer on 1 August 2021, where in her role she oversees all aspects of risk management across the CIMB Group.
- Vera has over 27 years of banking experience with a holistic exposure to business (relationship management, business development and transformation), risk management and loan restructuring and recovery within wholesale and retail/SME banking. She brings with her a wealth of experience covering emerging market countries across Asia and leading multi-regional teams based out of Hong Kong, Singapore and Indonesia.
- She joined CIMB Group in May 2013 as Chief Risk Officer of PT Bank CIMB Niaga Tbk.
- Prior to joining CIMB, she held roles with a few global banks, including The Royal Bank of Scotland and ABN AMRO Bank where her remit spanned Financial Institutions Credit, Trading Credit Risk Management, Operational Risk Management and Financial Restructuring and Recovery.
- Vera serves as Non-Independent Board of Commissioner for PT Bank CIMB Niaga, as well as Board of Director for CIMB Thai PCL.

## Group Management Profile

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### KWAN KEEN YEW

Group Chief Legal & Compliance Officer  
Group Chief Integrity & Governance Officer

**Nationality** | Malaysian

**Age** | 49

**Gender** | Male

#### QUALIFICATION

- Bachelor of Laws (Hons), University of Sheffield, UK

#### DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Nil

#### RELEVANT EXPERIENCE

- Oversees the Group Legal and Compliance function which is responsible for the management of regulatory, legal and compliance risks across CIMB Group.
- Appointed as Group Chief Integrity & Governance Officer in September 2020, to oversee and manage Bribery & Corruption issues across CIMB Group.
- Held various roles in a foreign bank which included Regional Head of Compliance for Malaysia, Australia, Brunei, and Vietnam, Head of Wholesale Banking Compliance for Hong Kong, and Head of Legal & Compliance for Malaysia.
- Prior to joining the banking industry, Keen Yew was in private practice at a regional law firm and was advising clients on projects, as well as banking and finance.

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### AMRAN MOHAMAD

Group Chief Internal Auditor

**Nationality** | Malaysian

**Age** | 47

**Gender** | Male

#### QUALIFICATION

- Bachelor of Science (Hons) in Accountancy from the University of East Anglia, Norwich, United Kingdom
- Fellow member of the Association of Chartered Certified Accountants (ACCA)
- Member of the Malaysian Institute of Accountants (MIA)
- Member of Institute of Internal Auditors Malaysia (IIA)

#### DIRECTORSHIP/ RELEVANT APPOINTMENTS

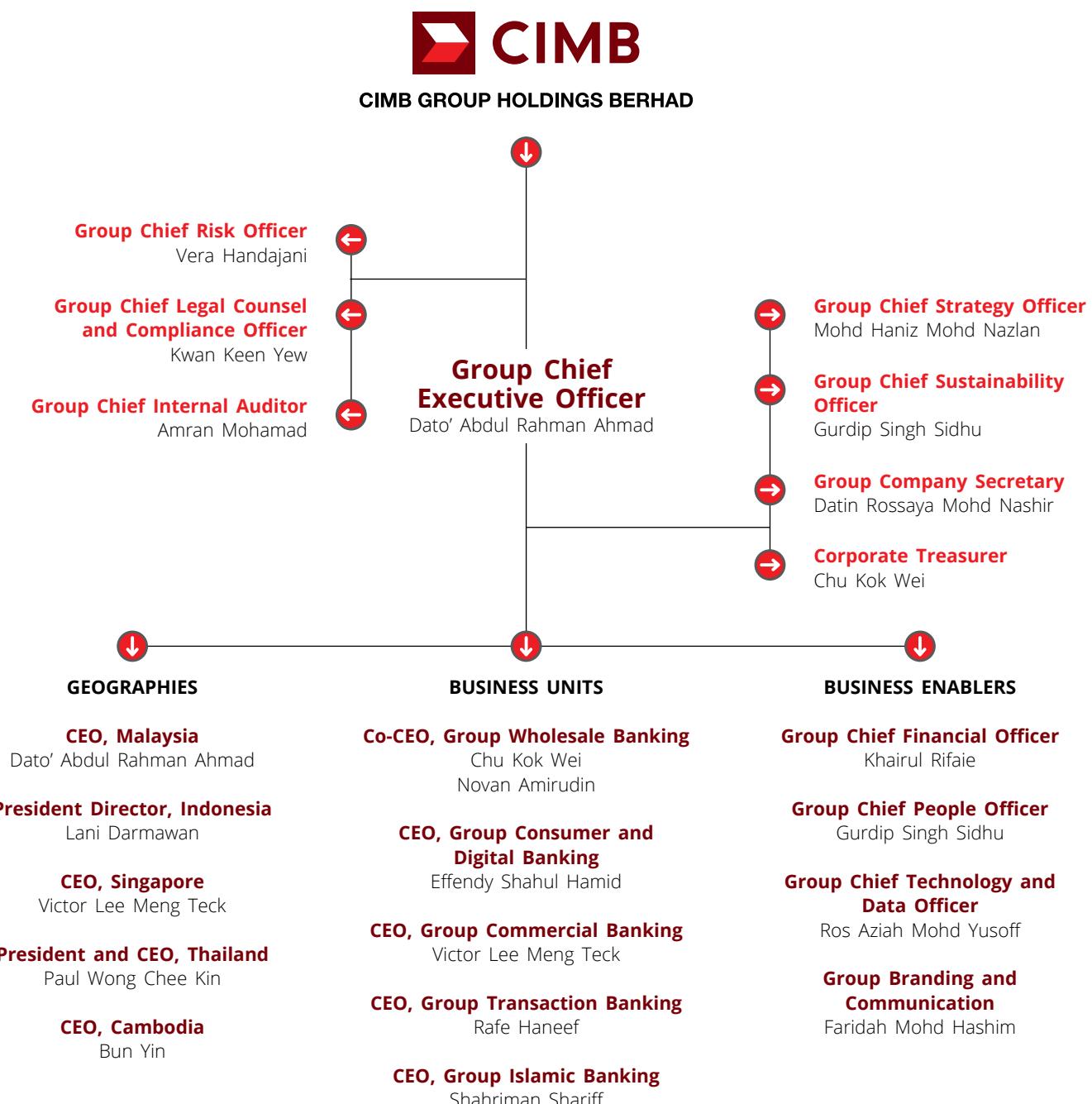
- Chairman of Board of Controllers, CIMB Bank (Vietnam) Limited

#### RELEVANT EXPERIENCE

- Ensures that the Group Corporate Assurance Division supports the CIMB Group Audit Committee, CIMB Banking Group Audit Committee and other relevant Audit Committees of Group's subsidiaries in discharging their responsibilities, as well as managing their respective governance, risk and control functions. He oversees the Internal Audit functions across the entire Group.
- Amran has over 25 years of audit experience in the areas of capital market, corporate and retail banking gained working in Malaysia and the United Kingdom. Amran's last held position before joining CIMB was Senior Vice President, Internal Audit with Royal Bank of Scotland in London. He had also previously worked with PwC, KPMG, UniCredit Bank and Barclays Capital.

# Group Organisation Structure

1 January 2023



# Chairman's Statement on Corporate Governance



## DEAR STAKEHOLDERS,

I am honoured to present the CIMB 2022 Corporate Governance Overview Statement.

**Datuk Mohd Nasir Ahmad**

Chairman

Globally and regionally, institutional investors have become more vigilant, more suspicious, and more demanding of their portfolio companies. The asks range from business continuity to ESG performance oversight, from productive workforce to prosperous communities, from effective monitoring to credible reporting. With evolving and increasing expectations, CIMB continues to elevate and accelerate its governance and responsible business practices in keeping with our purpose of building a high performing sustainable organisation to help advance customers and society.

Corporate governance at CIMB is a key factor that dictates how we approach our business practices and long-term value creation. As a responsible institution, we are highly aware of the systemic connections between what we do and the numerous social and environmental influences on the ecosystems in which we operate. We also recognise the potential for these factors to negatively impact our company and competitive environment, endangering the welfare of our employees and our capacity to deliver stakeholder value.

In the new normal, corporate governance has taken on a new meaning. It is not enough for our internal controls and risk management systems to be premised on transparency, fairness, and accountability, although these are certainly the principles of corporate governance that we prize and value. Corporate governance now is also about being resilient to change.

In the year under review, our emphasis was to ensure our corporate governance systems demonstrated resilience against multiple stressors, most notably post-pandemic recovery strategies, unexpected economic shocks, the pressure of supporting customers and clients in building back while also aiming for profitability. The focus of our corporate governance shifted from business continuity to rebuilding, mindfully with due consideration to Forward23+ key priorities as well as the climate and sustainability agenda.

Our Board is conscious of this evolving paradigm of corporate governance and understands our responsibilities in the broader regulatory framework as well as the ESG context for building both people and business resilience in countries where CIMB operates. For this, Group-wide policies are constantly reviewed to keep pace with the evolving governance standards and requirements.

The drive from institutional investors for ESG compliance and ESG elements into business recovery and growth strategies has been institutionalised in the 2021 update to the Malaysian Code on Corporate Governance which required the management of ESG risks for a company's long-term success. This entails assigning a specific person to supervise sustainability at the management level and an inclusion of sustainability risk management in the performance reviews of senior management. CIMB Board Group Sustainability and Governance Committee had in FYE 2022 defined sustainability-related KPIs for the top 100 executives. This places sustainability considerations on par with business priorities and ensures that we are working towards our sustainability goals alongside financial targets.

Moving forward, we strive to ensure our corporate governance systems continue to uphold the values of integrity and accountability while serving the best interests of our stakeholders in our value creation journey. Through the right controls and mechanisms, we can forge a path to become the leading focused ASEAN bank with the purpose of moving forward with you.

**Datuk Mohd Nasir Ahmad**  
Chairman

# Corporate Governance Overview Statement

This Corporate Governance Overview seeks to provide shareholders with insights into CIMB's corporate governance practices for FYE 2022 and how these practices support CIMB's ability to create long-term value based on the three (3) key corporate governance principles as set out in the Malaysian Code on Corporate Governance:

## Principle A

### Board Leadership and Effectiveness

(27 practices, 3 step-ups)

## Principle B

### Effective Audit and Risk Management

(8 practices, 2 step-ups)

## Principle C

### Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

(8 Practices)

This Corporate Governance Overview is prepared in compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and it is to be read together with the Corporate Governance Report 2022 of CIMB which is available on CIMB's website at [www.cimb.com](http://www.cimb.com). The Corporate Governance Report provides the details on how CIMB has applied each practice as set out in the Malaysian Code on Corporate Governance during FYE 2022.

## OUR CORPORATE GOVERNANCE FRAMEWORK

CIMB's corporate governance framework, which is primarily based on the following statutory provisions, regulatory requirements and best practices, remains robust amidst adaptation to the new norm:

- (i) Companies Act 2016;
- (ii) Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements);
- (iii) Policy on Corporate Governance issued by Bank Negara Malaysia (BNM Corporate Governance Policy);
- (iv) Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (the Code);
- (v) Corporate Governance Guide published by Bursa Malaysia;
- (vi) Minority Shareholders Watch Group Malaysia (MSWG) – ASEAN Corporate Governance Scorecard;
- (vii) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries published by the Securities Commission; and
- (viii) Development in regional regulations and international market practices.

In 2022, CIMB bagged commendable accolades for corporate governance.

### MSWG-ASEAN Corporate Governance

Top 3 Overall Excellence Award

2nd place Excellence Award for Financial Services

Top 3 Public Listed Companies in Malaysia

### ASEAN Corporate Governance Scorecard

Top 20 ASEAN Public Listed Companies

ASEAN Asset Class Award

Top 3 Public Listed Companies in Malaysia

### National Annual Corporate Reporting

Platinum Award for Companies with more than RM10 billion in Market Capitalisation

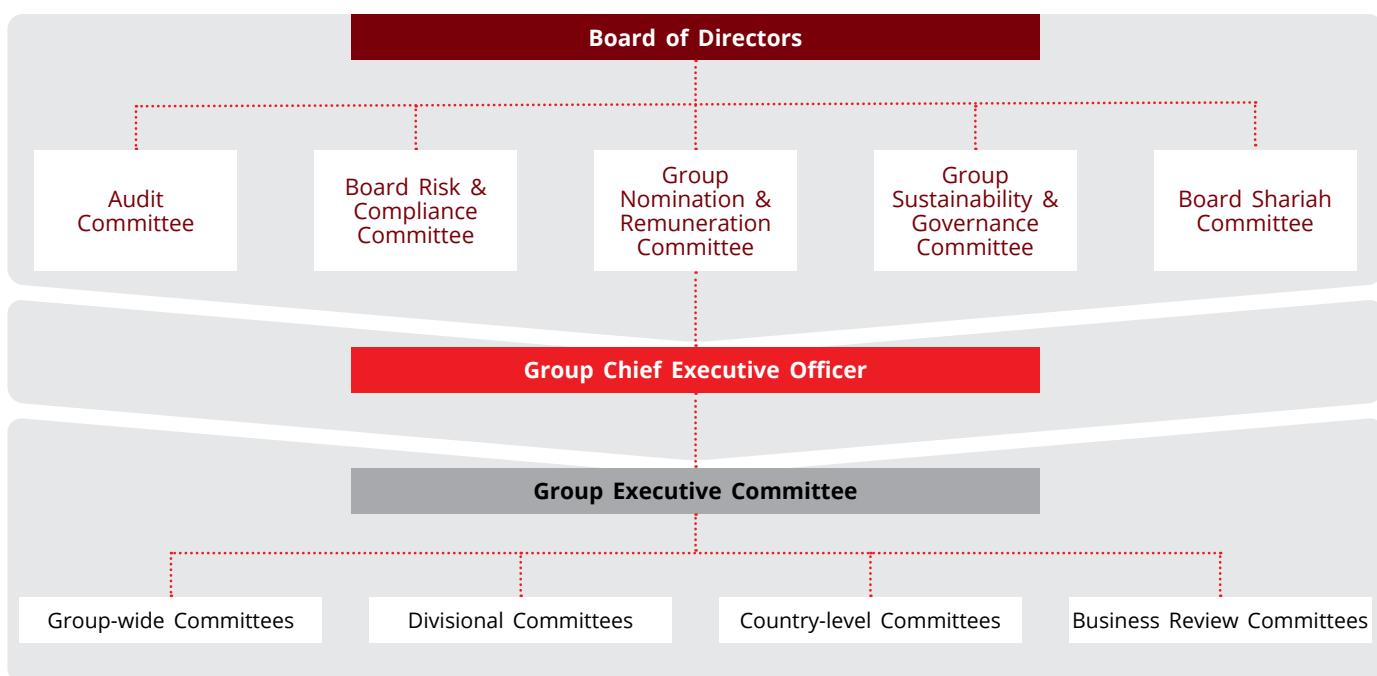
**Principle A**

## **BOARD LEADERSHIP AND EFFECTIVENESS**

### **THE ROLES AND RESPONSIBILITIES OF OUR BOARD**

In setting CIMB's strategic direction and vision, our Board takes cognisance of the need to create and deliver long-term sustainable values for CIMB's stakeholders. To achieve this, our Board emphasises on effective leadership through oversight on management and continuous monitoring of the business, performance, conformance to the regulations and risk controls. Our Board continuously considers the environmental, sustainability and governance factors in making its decision in the development and implementation of CIMB strategies, business plans, risk management and in the review of its and Management's performance. Group policies are constantly being reviewed and new frameworks are established where required to keep pace with the evolving governance standards.

The existing CIMB governance framework ensures orderly and effective discharge of our Board's roles and responsibilities where powers of the Board are delegated to the relevant Board Committees, the Group Chief Executive Officer (Group CEO) and Management Committees, as depicted below:



Our Board Charter sets out (7) principal roles and responsibilities, as follows:

- (i) Reviewing and adopting a strategic plan;
- (ii) Overseeing the conduct of the Group's business;
- (iii) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- (iv) Succession planning of the Board and Senior Management;
- (v) Overseeing the development and implementation of a Communications Policy;
- (vi) Overseeing the implementation of the Group's governance framework and internal control framework, and periodically reviewing the adequacy and the integrity of the management information and internal controls system to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Group's operations; and
- (vii) Overseeing the development and implementation of a sustainability framework.

Our Board has a formal schedule of matters specifically reserved for its decision and delegated matters, details of which can be found in our Board Charter which is available on CIMB's corporate website at [www.cimb.com](http://www.cimb.com). To ensure that it remains relevant, the Board Charter is reviewed every three (3) years or as change arises to ensure CIMB remains at the forefront of best practices in governance.

## Corporate Governance Overview Statement

Throughout FYE 2022, our Board was committed in ensuring CIMB's governance structure remained resilient against multiple stressors, most notably post-pandemic recovery strategies, unexpected economic shocks, the pressure of supporting customers and clients, emerging financial cyber-crimes while aiming for profitability. Other matters discussed are set out below:

Main Areas of Oversight in FYE 2022	Key Matters Reviewed/Deliberated/Approved
<ul style="list-style-type: none"> <li>• Strategic/Business Plans and Management's Performance in Implementing the Strategies and Plans</li> <li>• Annual Budget</li> <li>• Principal Risks, Appropriate Internal Controls and Mitigation Measures</li> <li>• Succession Planning</li> <li>• Communications Policy</li> <li>• Governance and Integrity Framework</li> <li>• Group CEO's and Directors' Appointments and their Emoluments and Benefits</li> <li>• Annual Effectiveness and Performance of the Board Committees</li> <li>• Financial Statements and Interim Dividend</li> <li>• Corporate Organisation Structure</li> <li>• Controls and Systems to Measure Implementation of Policies</li> <li>• Internal Control Systems and Management Information Systems</li> <li>• Plans/Strategies for a Sustainable Organisation, Taking into Account Environmental, Economic and Social Aspects</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Budget</li> <li>• Group CEO's Quarterly Report</li> <li>• Quarterly Capital Management Update</li> <li>• Quarterly Shareholder Statistics Update</li> <li>• Quarterly Report on Directors' Training, Directorships and Summary of Dealings Outside of Closed Period</li> <li>• Reports from Board Committees</li> <li>• Group Risk Posture</li> <li>• Financial Statements</li> <li>• Interim Dividends and Dividend Reinvestment Scheme</li> <li>• Formalisation of/Updates to Group Policies</li> <li>• Re-Appointment of External Auditors for FYE 2022</li> <li>• Business Units Updates and Projects</li> <li>• Basel II/Pillar 3 Disclosures</li> <li>• Performance Assessment and Proposed Compensation for Executive Director</li> <li>• Revision Terms of References of Board or Board Committees</li> <li>• Compliance Work Plan</li> <li>• Annual Evaluation Exercise for Board and Key Responsible Persons</li> <li>• Forward23+ Strategy</li> <li>• Annual Insurance Programme Renewal</li> <li>• Touch &amp; Go Related Matters</li> <li>• Sustainability Framework, Policy and Progress</li> <li>• COVID-19 Impact Analysis and Risk Updates</li> <li>• Proposed Sukuk Programme</li> <li>• Business and Strategic Plan</li> <li>• Corporate Structure Streamlining</li> <li>• Group Technology Blueprint</li> <li>• Composite Risk Rating</li> <li>• Regulatory Updates</li> <li>• Brand Strategy Framework</li> <li>• Related Party Transactions</li> </ul>

### SEPARATION OF ROLES OF THE CHAIRPERSON AND GROUP CHIEF EXECUTIVE OFFICER

CIMB acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Board Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making.

Our Board is helmed by Datuk Mohd Nasir Ahmad, an Independent Director, who plays a key role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities. As the Chairperson, he also leads the Board in the oversight of the Management and in inculcating the right culture, values and behaviours, both at the top and throughout the entire organisation. Our Board Chairperson is not a member of the Audit Committee and the Group Nomination and Remuneration Committee.

Notwithstanding that Datuk Mohd Nasir is an Independent Chairperson, the Board nevertheless retained the role of Senior Independent Director (SID), whose role is to serve as a sounding Board to the Chairperson, a representative of the Non-Executive Directors and also acts as an additional point of contact for all stakeholders who wish to convey any concerns in relation to CIMB. The Board has designated Ms. Teoh Su Yin as the SID.

The roles of the Chairperson, SID and Group CEO are specified in the Board Charter which is available on CIMB's corporate website at [www.cimb.com](http://www.cimb.com).

## DELEGATION BY THE BOARD TO GROUP CHIEF EXECUTIVE OFFICER

Our Board delegates responsibility for the overall business and day-to-day management of CIMB to the Group CEO, Dato' Abdul Rahman Ahmad. The Group CEO is responsible for leading the Management and for making and implementing operational decisions, and is assisted by the Group Executive Committee (GEXCO) and other Management Committees. The Business Review Committees for Countries and Business Divisions continued to provide a platform for the Group CEO to review the performance and key strategic matters of the respective countries' entities and business divisions. These Business Review Committees allow the Group CEO to track and measure the performance of core programmes against the agreed strategies and roadmap and provide regular feedback to the Management and ensure timely corrections.

## DELEGATION BY THE BOARD TO THE BOARD COMMITTEES

The Board has delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board Committee set out the responsibilities of the Board Committee, conduct of meetings including quorum, voting requirements and Board Committee membership. All our Board Committees comprise only Non-Executive Directors. Any change to the terms of reference for any Board Committee requires the Board's approval. The minutes of Board Committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information. During every Board meeting, the Chairperson of each Board Committee provides an update on significant matters discussed at the Board Committee meetings which are typically scheduled before the Board meeting.

The members, objective(s), main areas of oversight, and key matters discussed at the Board Committees are summarised as follows:

<b>Board Committee and Composition</b>	<b>Main Areas of Oversight in FYE 2022</b>	<b>Key Matters Discussed</b>
<b>Audit Committee (AC)</b> <b>Members:</b> 1. Dato' Mohamed Ross Mohd Din – Chairperson/ Independent Director 2. En. Didi Syafruddin Yahya – Member/Independent Director 3. Ms. Ho Yuet Mee – Member/ Independent Director (Appointed on 28 July 2022)  <b>Objective:</b> To support CIMB Board in ensuring that there is a reliable and transparent financial reporting process within CIMB and its subsidiaries, and to review the corporate governance practices and internal control system in ensuring checks and balances within the Group.	<ul style="list-style-type: none"> <li>• Financial Reporting</li> <li>• Internal Controls</li> <li>• Internal Audit Function</li> <li>• External Audit Reports</li> <li>• Related Party Transactions</li> <li>• Corporate Governance Disclosures</li> <li>• Board's Conflicts of Interest Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Matters relating to CIMB, 3 Malaysia Banking Entities and Regional Subsidiaries</li> <li>• Matters relating to other Non-Banking Subsidiaries of the Group</li> <li>• Review of Financial Results and Approval of Financial Statement</li> <li>• Related Party Transactions</li> <li>• MFRS/IFRS 9 Updates</li> <li>• Audit and Non-Audit Services provided by External Auditors</li> <li>• Audit Committee Report and Internal Controls Report for FYE 31 December 2022</li> <li>• Documents pertaining to Annual Report 2022</li> <li>• Annual Performance Review of Group Corporate Assurance Division (GCAD) and Group Chief Internal Auditor (GCIA)</li> <li>• Review of Performance Management System</li> <li>• Credit Related Control Issues – Management's Action Plans</li> <li>• CIMB Singapore Branch: Auditor's Long Form Report for FYE 31 December 2022</li> <li>• Audit Committee Report for FYE 31 December 2022</li> <li>• PwC: Independence Charter</li> <li>• Prohibited and Permitted Non-Audit Services for Group External Auditors</li> <li>• Audit Plan for 2022</li> <li>• GCAD Forward23+ Strategy and Milestones</li> <li>• GCAD Data Analytics Journey and Roadmap</li> <li>• Red Team Exercise Report</li> <li>• Early Warning Report for FYE 31 December 2022</li> <li>• Reappointment of External Auditors</li> <li>• External Quality Assurance Review Report on GCAD</li> <li>• GCAD Annual Audit Plan &amp; Resource Requirement</li> <li>• GCAD 2023 Financial Budget</li> <li>• AC Evaluation on GCAD for Year 2022</li> <li>• Development on Financial Crime in the Region</li> <li>• Related Party Transaction</li> </ul>

## Corporate Governance Overview Statement

Board Committee and Composition	Main Areas of Oversight in FYE 2022	Key Matters Discussed
<p><b>Board Risk and Compliance Committee (BRCC)</b></p> <p><b>Members:</b></p> <ol style="list-style-type: none"> <li>1. En. Didi Syafruddin Yahya – Chairperson/Independent Director</li> <li>2. Datuk Mohd Nasir Ahmad – Member/Independent Director</li> <li>3. Dato' Mohamed Ross Mohd Din – Member/Independent Director</li> <li>4. Dato' Lee Kok Kwan – Member/Non-Independent Director</li> </ol> <p><b>Objective:</b></p> <ol style="list-style-type: none"> <li>1. To provide oversight and advice to CIMB Board and Management in respect of all risks undertaken by the Group and future risk strategy, including determination of risk appetite.</li> <li>2. To provide oversight and advice to the Board and Management in respect of the management of compliance risk.</li> </ol>	<ul style="list-style-type: none"> <li>• Risk Appetite</li> <li>• Risk Governance</li> <li>• Risk Frameworks</li> <li>• Risk Management Practices and Policies</li> <li>• Risk Strategy</li> <li>• Compliance Risk</li> <li>• Risk and Compliance Culture</li> <li>• Oversight on IT Risks</li> <li>• Compliance Framework</li> <li>• Anti-Money Laundering/Counter Financing Terrorism Risk Appetite</li> <li>• Compliance and Anti-Money Laundering/Counter Financing Terrorism Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Outlook</li> <li>• Group Risk Reports: <ul style="list-style-type: none"> <li>- Group Risk Appetite Dashboard</li> <li>- Asset Quality Heatmap</li> <li>- Compliance to 2022 Risk Posture</li> <li>- International Offices Risk Appetite Dashboard</li> <li>- Non-Financial Risk &amp; Business Continuity Management Update</li> <li>- High Internal Single Counterparty Exposure Limit</li> </ul> </li> <li>• Sustainability Risk</li> <li>• Group Legal &amp; Compliance Report</li> <li>• FYE 2021 Annual Performance Review for Group Chief Risk Officer and Group Chief Legal &amp; Compliance Officer</li> <li>• Risk Appetite Statement for FYE 2022</li> <li>• Fair Value through Other Comprehensive Income Annual Limit Review</li> <li>• Revised Market Risk Limit Framework of Group Wholesale Banking</li> <li>• Proposed Changes to Group Business Continuity Management Policy and System Criticality Categorisation Framework</li> <li>• Risk-Weighted Asset Optimisation – CIMB Group Market RWA</li> <li>• Revised Group Compliance Workplan 2022</li> </ul>

Board Committee and Composition	Main Areas of Oversight in FYE 2022	Key Matters Discussed
<p><b>Group Nomination and Remuneration Committee (GNRC)</b></p> <p><b>Members:</b></p> <ol style="list-style-type: none"> <li>Ms. Teoh Su Yin – Chairperson/Senior Independent Director</li> <li>Dato' Mohamed Ross Mohd Din – Member/Independent Director</li> <li>En. Didi Syafruddin Yahya – Member/Independent Director</li> <li>Ms. Shulamite N K Khoo – Member/Independent Director</li> <li>En. Afzal Abdul Rahim – Member/Independent Director</li> </ol> <p><b>Objective:</b></p> <ol style="list-style-type: none"> <li>To support the Board in carrying out its functions by providing a transparent and consistent procedure concerning the Board, Board Committees, individual Directors, Chief Executive Officer/Executive Director (CEO/ED) and Senior Management Officers (SMOs) pertaining to appointments and removals, composition, and annual evaluation.</li> <li>To support the Board in overseeing the design and operation of the Group's remuneration framework by providing a transparent and consistent procedure for developing Policies and Procedures for Directors, Members of the Board Committees and employees of the Group. The remuneration framework must be competitive and consistent with the culture, objectives, strategy and the existing remuneration guidelines and framework of the Group.</li> <li>To review the remuneration of Directors of the Group Boards, Members of the Board Committees, CEOs/EDs, SMOs and Material Risk Takers (MRTs), particularly on whether the remuneration remains appropriate vis-à-vis their contribution, taking into account the level of expertise, commitment and responsibilities undertaken.</li> </ol>	<ul style="list-style-type: none"> <li>Boards' and Board Committees' Composition by undertaking the process of identifying, among others, the experience and quality of Directors aligned with CIMB's strategic direction</li> <li>Annual Evaluation exercise comprising: <ul style="list-style-type: none"> <li>Board Effectiveness Assessment</li> <li>Fit and Proper Assessment of Directors, Chief Executive Officers/Executive Directors (CEOs/EDs), Group Shariah Committee Members &amp; Company Secretary</li> </ul> </li> <li>Succession planning for Boards, Board Committees and CEOs/EDs and Senior Management</li> <li>Remuneration packages based on the Group's existing remuneration guidelines and framework for Directors, members of the Board Committees, CEOs/EDs, Senior Officers (SOs), Material Risk Takers (MRTs)</li> <li>Governance matters in relation to the Board and Directors</li> <li>Directors' Development Plans</li> </ul>	<ul style="list-style-type: none"> <li>2021 Review by Control Functions</li> <li>Long-Term Incentive Plan</li> <li>Board and Board Committees' Composition</li> <li>Annual Evaluation Exercise</li> <li>Remuneration of Board, Group CEO/EDs, SOs and MRTs</li> <li>Setting of KPIs for Group CEO/ED and SOs</li> <li>Policies and Updates on Corporate Governance of the Group</li> <li>Directors' Development Plan</li> <li>Renewal of Appointment of Directors with Bank Negara Malaysia</li> <li>Appointment of Board Shariah Committee Members</li> <li>Streamlining of Boards and Board Committees of CIMB Group</li> <li>Board and Committee Succession Planning</li> <li>Diversity on the Board and Senior Management</li> <li>Update to Succession Planning for SOs</li> <li>Appointment of New SOs</li> <li>Fit and Proper Assessment</li> <li>Board Effectiveness Assessment Results</li> <li>Assessment of the Potential Candidates for the Position of Country CEO and SOs</li> <li>Leadership Changes for CIMB Group</li> <li>Appointment of Board Search Firm</li> <li>Reappointment of Retiring Directors at Annual General Meeting and Renewal of Directors Appointment with Bank Negara Malaysia for Tenures Expiring in 2023/2024</li> <li>Review of Board Remuneration to Directors for Subsidiaries</li> <li>Group Remuneration Policy and Remuneration Disclosures</li> <li>Board Composition and Skill Set Framework</li> </ul>

## Corporate Governance Overview Statement

Board Committee and Composition	Main Areas of Oversight in FYE 2022	Key Matters Discussed
<p><b>Group Sustainability and Governance Committee (GSGC)</b></p> <p><b>Members:</b></p> <ol style="list-style-type: none"> <li>1. Ms. Teoh Su Yin – Chairperson/Senior Independent Director</li> <li>2. Datuk Mohd Nasir Ahmad – Member/Independent Director</li> <li>3. Mr. Robert Neil Coombe – Member/Independent Director</li> <li>4. Ms. Shulamite N K Khoo – Member/Independent Director</li> <li>5. En. Didi Syafruddin Yahya – Member/Independent Director</li> <li>6. Ms. Ho Yuet Mee – Member/Independent Director (Appointed on 28 July 2022)</li> </ol> <p><b>Objective:</b> The GSGC's primary objective is to assist the Board in fulfilling its responsibilities in:</p> <ol style="list-style-type: none"> <li>1. Advocating and fostering the ethical conduct, integrity culture and sustainability mind-set across the CIMB and its Group.</li> <li>2. Providing oversight, advice and direction in the development, implementation and monitoring of the strategies, framework, and policies with respect to integrity and governance; sustainability and climate change; and corporate responsibility of the Group.</li> <li>3. Overseeing the management of bribery, corruption and sustainability and other related risks and the consequence management of breaches thereof.</li> </ol>	<p><b>Main Areas of Oversight in FYE 2022</b></p> <ul style="list-style-type: none"> <li>• Advocates and fosters a culture/DNA of sustainability, ethical conduct, and integrity across the Group.</li> <li>• Provides oversight and input to the Management's implementation, operation and assurance of policies and standards in alignment with the CIMB Group's sustainability and climate change strategy.</li> <li>• Takes a proactive approach to create a net positive impact on Environmental, Social and Governance material matters arising from the Group's capacity as a lender/financier, investor, service provider, purchaser, operator, advisor, business partner, sponsor, corporate donor, or as an employer.</li> <li>• Oversees the management of bribery, corruption and other related risks and the consequence management of breaches thereof.</li> </ul>	<ul style="list-style-type: none"> <li>• Market, regulatory and policy developments on sustainability</li> <li>• International and local sustainability guidelines, reporting standards and frameworks</li> <li>• Sustainability strategies, roadmap, and targets to strengthen our approach in minimising negative impacts while creating positive impacts</li> <li>• Materiality assessments and processes to define our material matters, and its link to our strategy</li> <li>• Policy commitments on topics related to our material issues</li> <li>• Climate risk management, strategy to achieve Net Zero by 2050</li> <li>• Climate change targets and portfolio-level physical and transition risks</li> <li>• Sustainable and responsible finance goals and approaches</li> <li>• Sustainability culture, values and leadership</li> <li>• Sustainability risks and implications to the financial system</li> <li>• Review of Sustainability Strategy and Roadmap and Sustainability Commitments, including Net Zero 2050 Commitment and No Deforestation, No Peat and No Exploitation requirements</li> <li>• Overview of Integrity and Governance Unit Function</li> <li>• Discussion on Corporate Green Power Programme and Carbon Credit Purchase</li> <li>• The Cooler Earth Summit as an annual event focusing on sustainability initiatives and strategies</li> </ul>

The roles and responsibilities and terms of the Board Shariah Committee are stated under the Board Shariah Committee Report. The terms of reference of the Board Committees can be found on CIMB's corporate website at [www.cimb.com](http://www.cimb.com).

## BOARD SIZE, COMPOSITION AND DIVERSITY

As at 31 December 2022, our Board consisted of 10 members:



### INDEPENDENT BOARD

Following the resignation of Serena Tan Mei Shwen (who represented Khazanah Nasional Berhad as NINED), our Board had, on 28 July 2022 appointed Ms. Ho Yuet Mee as an INED replacing the former. Our Board had considered the skills, background experience and contribution of Ms. Ho Yuet Mee who was formerly the Independent Director of CIMB Islamic Bank. With Ms. Ho Yuet Mee on board, the number of INED increased from seven (7) in FYE 2021 to eight (8) in FYE 2022. Ms. Ho Yuet Mee was also appointed as the member of AC and GSGC.

Our Board had, as part of the Fit and Proper assessment for any appointment of a new Director, evaluated and was satisfied that all the eight (8) INEDs met the independence criteria and were able to act in an independent and objective manner. During the Fit and Proper assessment, the INEDs also declared and affirmed their independence based on the independence criteria set out in the Board Charter, which is crafted pursuant to the Code and BNM Corporate Governance Policy.

Additionally, all the INEDs have, during the annual Fit and Proper assessment, undertaken that there has been no change in circumstances since the last annual undertaking that may affect his or her independence. Each INED also has an ongoing obligation to inform our Board of any circumstances which could impair his or her independence.

As at 31 December 2022, each of the INEDs including the Board Chairperson was considered to be independent of the Management and free from any significant business or other relationships which could interfere with the exercise of independent judgment or their ability to act in the best interests of CIMB and:

- (i) was not an Executive Director of CIMB, its subsidiaries or any related corporations of CIMB;
- (ii) had not been employed by CIMB in an executive capacity within the last five (5) years;
- (iii) was not family a member of any Executive Director, officer, or major shareholder of CIMB for the past three (3) years; and
- (iv) was not a partner or employee of CIMB's external auditor during the past three (3) years.

### BOARD DIVERSITY

Our Board has in place the Board Diversity Framework that is applicable to all the Directors of CIMB Group. The Framework sets out the principles on diversity on the Boards that can be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The five (5) key principles considered are independence, skills and experience, gender, cultural background and age, to ensure that CIMB Group may benefit from all available talent. The said Framework is available on CIMB's corporate website at [www.cimb.com](http://www.cimb.com).

On 12 December 2022, our Board approved the establishment of the Board Composition and Skill Set Framework. The Board Composition and Skill Set Framework, which complements the Board Diversity Framework, aims to provide a structural guide for Board composition and industry experience/skill set analysis that could be used to ensure CIMB Group Boards have the appropriate size and composition, experience, skill set and diversity. The Board Composition and Skill Set Framework would be reviewed annually, and any adjustment would be made to take into account any changes and challenges in the business, market and regulation.

## Corporate Governance Overview Statement

After taking into account the need to have operational diversity and spread in accordance with the business requirements and regulators' and/or shareholders' expectation, our Board had identified competencies in the areas of operations, risk management, investment/corporate finance, business management/corporate leadership, accounting/audit/finance, technology, legal, human resources, and sustainability; and with adequate experience predominantly in banking industry and other financial services, as the primary skill sets for the Board. As at 31 December 2022, 90% of the Board members have been assessed to have experience in banking and other financial services industries. Periodic analysis on the Board composition and diversity will be conducted to ensure the said guiding principles in the Board Composition and Skill Set Framework are adhered to.

During FYE 2022, no Independent Director had served on the Board for more than nine (9) years from the date of his/her first appointment. This is in adherence to CIMB's Board Charter that limits an Independent Director's tenure of service to a maximum of nine (9) years. As at 31 December 2022, 20% of the Board members had served less than 3 years, 30% had served between 3 and 6 years and 50% are long serving Directors having served 6 years or more. The average tenure of appointment was 5.6 years as at 31 December 2022.

The Board has maintained 30% of women representation in line with the recommendation of the Code. The Board has also met the minimum requirement of having at least one (1) member who is below 50 years old as espoused under the Board Composition and Skill Set Framework, which is meant to introduce younger generational talents on the Board for fresh, innovative and constructive ideas and perspective.

CIMB's Board composition, tenure and diversity as at 31 December 2022 are illustrated below:

### CIMB'S BOARD DIVERSITY

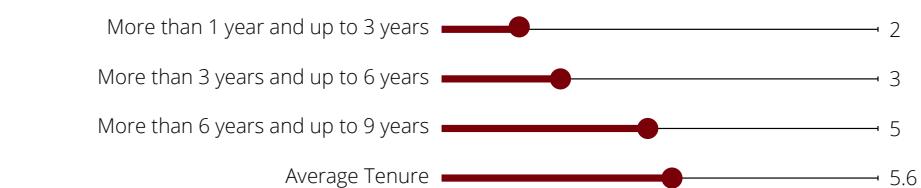
#### Size



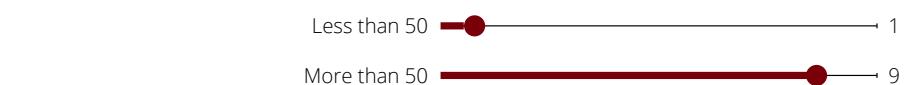
#### Skill



#### Tenure



#### Age



#### Gender



#### Nationality



## BOARD APPOINTMENT AND SUCCESSION PLANNING

The oversight on the overall composition of the Board and Board Committees resides within the GNRC. The GNRC comprises five (5) members of whom all (including Ms. Teoh Su Yin, the Chairperson) are Independent Directors.

The recently established Board Composition and Skill Set Framework lays out certain guiding principles for the GNRC assessment in the identification, nomination and selection of a new Director as well as for the Board succession planning. The guiding principles ascertain the required primary skill and experiences and set out minimum number of Board members required for each skill sets and other governance requirements on size, tenure of appointment, age and gender.

In addition to the above, the number of external commitments (limitation is set out in the Board Charter) and behaviours likely to be demonstrated by potential Non-Executive Directors will also be considered by the GNRC during interview sessions for new appointments, to ensure that an environment in which challenge is expected, achieved and maintained in the boardroom.

Pursuant to the Companies Act 2016, the existing Directors will be subjected to re-election every three (3) years.

Suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise. On 1 June 2022, an external search firm was appointed to assist in sourcing and placement of Board candidates. The GNRC also has access to a wide pool of candidates which includes recommendations by existing Board members, major shareholder, Management and through external sources such as the Directors' Register by FIDE FORUM, BNM and PIDM; and professional associations.

## BOARD EFFECTIVENESS ASSESSMENT

GNRC performs the Board Effectiveness Assessment (BEA) exercise on an annual basis to determine whether the Board and Board Committees are performing effectively and identify steps for improvement. Once every three (3) years, GNRC would obtain an independent perspective on the Board's effectiveness to gain insights on the Board's performance against peer boards and best practices. An external firm was last engaged to conduct the Board performance evaluation in FYE 2019.

In FYE 2022, GNRC, facilitated by the Group Company Secretary, performed the BEA exercise whereby each Director and selected Senior Management (for Board assessment) was asked to complete the questionnaire and submit directly to the Group Secretary who collated the responses and produced a summary report to GNRC. The GNRC analysed the report and submitted its findings and actions plan to the Board.

The BEA exercise, which was conducted via survey questionnaires, covered the following scope:

Subject Matter	Assessor	Key Scope
<b>Assessment on Board</b>	By all Board members and selected Senior Management	(i) Corporate Strategy and Direction Setting (ii) Board Governance and Oversight (iii) Board Composition (iv) Boardroom Conduct and Dynamics (v) Boardroom Management and Operation
<b>Assessment on Board Chairperson</b>	By all Board members (except Chairperson)	The effectiveness of Chairperson's roles
<b>Assessment on Individual Board Member</b>	By peer Board member	The performance, contribution and conduct of their peers in the boardroom
<b>Assessment on Company Secretary</b>	By all Board members	The effectiveness of Company Secretary in supporting and managing the Board and adequacy of the Board processes

## Corporate Governance Overview Statement

Overall, the result of the BEA was positive indicating that the Board, Board Committees and individual Directors were effective in discharging their roles. The outcome of the BEA could be used as reference in the re-appointment of the Directors, Board Committees' membership appointment and Board/Board Committees' restructuring.

The BEA exercise had identified the following main areas for improvement:

- (i) A clear and well-defined leadership succession plan that is aligned to CIMB's strategic goals, direction and sustainability should be in place;
- (ii) Board is to be decisive and able to effectively make high-quality decisions factoring all relevant risks and sustainability considerations; and
- (iii) The need to have structured and clearer direction on contentious matters with rigorous follow-up actions.

As at 31 December 2022, the action plans to address the above have commenced and are ongoing.

### DIRECTORS' DEVELOPMENT

Our Board has in place the Development Plan for Directors since July 2017. The Plan outlines the induction programmes, mandatory trainings and development areas required and expected for the Directors based on their length of tenure and/or seniority.

In tandem with the establishment of the Board Composition and Skill Set Framework in 2022, a survey was conducted which enabled each Director to (i) self-assess his level of competencies based on the skill sets set out in the said Framework, (ii) identify his other skill sets and level of competencies as well as to (iii) ascertain skill sets that he aspires to newly acquire or strengthen. The survey allows the Directors to also highlight areas that are relevant and could add value to CIMB business which included, topics on emerging technologies, including block chain and distributed ledger growth, value creation in Fintech and outlook and implications of recent economy. The survey will be conducted

twice a year and the results of the survey would be used to design continuous development programmes for the Directors.

Our Board continuously monitors the frequency and quality of training sessions attended by its members. The Group Company Secretary reports the status of the trainings attended by each Board member in every quarter. In FYE 2022, our Board members had attended various training programmes in accounting and audit, capital market and financial industry, governance, information technology, Islamic Banking, leadership and strategy, risk management and sustainability.

### DIRECTORS' REMUNERATION FRAMEWORK

The CIMB Group Directors' Remuneration Framework sets out the methodology and formula on how retainer fees, Chairperson's premium and meeting fees of the Board are derived, as follows:

- Comparison against CIMB's industry peers;
- BNM FIDE Forum Directors' Remuneration Report 2015 formula; and
- Back testing the data against closest peers.

The implementation of this Framework has been approved by the shareholders at the 60th Annual General Meeting which was held in 2017 and is reviewed every three (3) years by the Board through the GNRC. The last review was conducted in FYE 2021 to include medical benefits and the said revision was implemented in FYE 2022. All Board members (excluding CIMB's Executive Director or any Director who serves as an Executive elsewhere) are eligible to medical benefits i.e., outpatient and dental, hospitalisation, and executive health screening.

This Framework is designed to recognise the contribution of the Directors in relation to its fiduciary and statutory duties, risks and time commitment. This Framework also serves to attract and retain Directors who have the desired experience and skills from various sectors.

#### CIMB

		<b>Retainer Fees (RM per annum)</b>	<b>Chairperson's Premium (RM per annum)</b>	<b>Meeting Fees (RM per meeting)</b>
Board	Chairperson#*	170,000	510,000	5,000
	Member#	170,000	N/A	5,000
Board Committees	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000

#### Notes:

# All Board members (excluding CIMB's Executive Director or any Director who serves as an Executive elsewhere) are eligible to medical benefits i.e., outpatient and dental, hospitalisation, and executive health screening.

\* Chairperson also receives benefits-in-kind which include, car maintenance, petrol and toll cards, personal driver, leave passage, corporate club membership fees, mobile phone and bill, personal bodyguard and security guard.

The Directors are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The details of the remuneration of each Director received/receivable and the insurance premium are disclosed under Notes of the Financial Statement 2022.

## EMPLOYEE REMUNERATION POLICY

The CIMB Group Remuneration Policy, which has been reviewed by the GNRC and approved by the Board, applies to all subsidiaries and overseas offices within CIMB and acts as a guiding principle in relation to the design and management of CIMB's remuneration programmes. Three key principles of CIMB's Remuneration Policy are as follows:

Principle	Purpose	Approach
Strong governance	To ensure strong and independent oversight of the remuneration system	<ul style="list-style-type: none"> <li>Oversight and review by GNRC</li> <li>Guided by input from control functions, AC and BRCC</li> </ul>
Appropriate assessment of performance	To support a performance based culture which promotes prudent risk-taking and long-term sustainability	<ul style="list-style-type: none"> <li>Performance measurement through balanced scorecard which includes both financial and non-financial goals, short-term and long-term perspectives and incorporates measures related to risk, compliance and process controls.</li> <li>Financial goals include profitability and return on equity (ROE). Additional risk-adjusted metrics such as risk-adjusted return on capital (RAROC) are also measured and tracked.</li> <li>Deferral, malus and clawback arrangements in variable remuneration schemes.</li> </ul>
Market competitiveness	To offer rewards that allow CIMB to attract, motivate and retain the right talent	<ul style="list-style-type: none"> <li>Benchmarking against similar organisations in the geographies and industries in which CIMB operate.</li> </ul>

## COMPONENTS OF REMUNERATION

Employee remuneration is composed of two main components – fixed and variable:

Components	Composition	Purpose and Approach
Fixed	Consists of base salary and fixed allowances	<ul style="list-style-type: none"> <li>Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels.</li> </ul>
Variable	Payable through annual cash bonus and share-based plans (through participation in the Equity Ownership Plan and/or Long Term Incentive Plan, as described below)	<ul style="list-style-type: none"> <li>Purpose of motivating, rewarding and retaining high performing employees who generate shareholder value and contribute to the success of the Group.</li> <li>Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results.</li> <li>Portions of cash bonus may be subject to deferral.</li> <li>Based on a selection criterion, shares and/or share options may be awarded to employees through participation in the Group's Equity Ownership Plan and/or Long Term Incentive Plan.</li> </ul>

## Corporate Governance Overview Statement

The Equity Ownership Plan (EOP) and Long Term Incentive Plan (LTIP) serves as the Group's share-based plans, with the intent of:

- aligning the interests of key personnel to that of shareholders;
- mitigating a short-term mindset and cultivating a focus towards long-term sustainability; and
- retaining key personnel with the Group.

Shares under EOP are released progressively to the participants over 3 years. Over the last 5 years, 58 million shares (0.5% of issued ordinary shares of the Group) have been transferred to senior management employees via EOP.

The LTIP is a 7-year plan where shares and share options are vested in 2024 and 2025, and are subject to performance conditions set in line with the Group's strategy and targets. Since implementation in FYE 2021, LTIP grants consisting of shares and share options (2.3% of issued ordinary shares) were awarded to top executives and key leaders of the Group, as disclosed in the financial statements.

Any deferred variable remuneration (cash bonus, shares and/or share options) that has been awarded to employees (whether paid and/or vested, or unpaid and/or unvested) is subject to forfeiture, adjustment or clawback in the event of:

- Resignation or cessation of employment with the Group
- Misconduct
- Material restatement of financial results
- Breach of statutory or fiduciary duties
- Material adverse impact to reputation or interest of the Group

The mean annual compensation of all employees (excluding Group CEO) is broadly RM160,000. The ratio between the total annual compensation of the Group CEO and the mean annual compensation of all employees (excluding Group CEO) is 46.

### MEASUREMENT OF PERFORMANCE

The Group's performance is determined in accordance with a balanced scorecard which includes key measures on profitability, cost, capital, medium to long-term strategic initiatives, sustainability performance and initiatives, as well as risk, audit and compliance positions. Additional risk-adjusted metrics such as RAROC are also measured and tracked.

The Group's key measures are cascaded to the collective scorecards of business units and enabler functions accordingly and subsequently to individual goals.

For each employee, performance is tracked through a set of balanced goals. In addition to financial targets, goals in the scorecard usually include measures on customer experience, long-term initiatives (where progress of milestones or ROI may be monitored), risk management and process controls, audit and compliance findings, as well as people-related measures. At the end of the year, performance of each individual is then assessed through the Group's performance management framework which is based on the meeting of individual goals in the scorecard and qualitative feedback.

For the Group CEO, performance is likewise measured through a scorecard which covers measures on ROE, cost, risk and controls, customer experience and strategic initiatives – the assessment of the scorecard forms the basis of the Group CEO's variable compensation.

### DETERMINATION OF VARIABLE REMUNERATION

Based on CIMB's performance, the GNRC will determine the overall variable remuneration pool taking into consideration key performance measures in the corporate scorecard and ensuring that CIMB does not pay variable remuneration at a level that would affect shareholders' interest. The GNRC has the discretion to adjust the pool where required, based on poor performance, capital requirements, economic conditions, competitive landscape and retention needs.

The Group pool will be allocated to the business units and functions based on their respective performance, measured through balanced collective scorecards and guided by the Group CEO. The allocation will also take into consideration inputs from the control functions such as Audit, Compliance and Risk.

Variable remuneration of each individual employee is then determined based on individual assessment and collective scorecard performance of the business unit/function to which the individual belongs, subject to adequacy of the allocated bonus pool. Variable remuneration of the individual may also be adjusted based on accountability of audit and compliance findings, or disciplinary action.

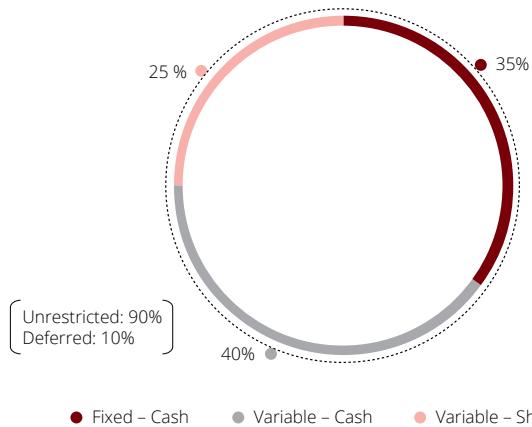
The control functions of Audit, Compliance and Risk operate independently from the business units in CIMB, and have appropriate authority to carry out their individual functions without intervention from the business units. To prevent conflict of interest, remuneration of employees in these control functions are not dictated by business units that they support. Remuneration of the Group Chief Risk Officer, Group Chief Legal & Compliance Officer and the Group Chief Internal Auditor are determined and approved by the BRCC and the AC.

## SENIOR OFFICERS AND MATERIAL RISK TAKERS

### SUMMARY OF 2022 REMUNERATION OUTCOME

Breakdown of remuneration awarded to Senior Officers and Material Risk Takers for 2022:

#### Senior Officers



Senior Officers (SOs) of the Group are defined as the Group CEO, Executive Directors and members of the Group Executive Committee (GEXCO) and key direct reports of the Group CEO.

Total remuneration awarded to 19 SOs for the FYE 2022 was RM107.4 million (included in this remuneration the allocation of LTIP attributed to 2022).

LTIP awarded to SOs and MRTs in 2022 amounted to 2.2 million shares and 10.1 million share options (0.1% of issued ordinary shares).

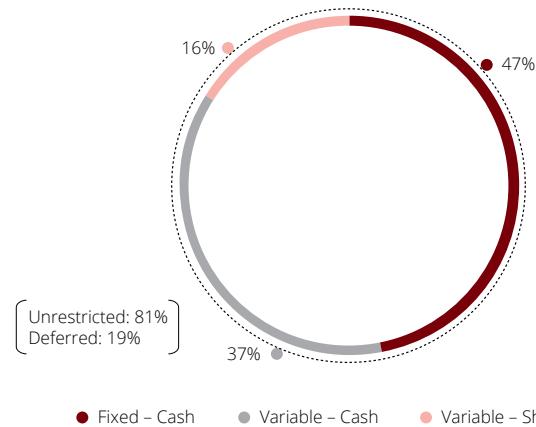
Variable compensation of the Group CEO and senior leaders is made up of short term bonus and long term incentives, and at least 40% of this variable compensation is deferred, comprising a mix of shares/share options and cash. In 2022, the portion of long term incentives (shares and share options) for the Group CEO is more than 40% of his variable compensation. The balance of his variable compensation, which is the short term bonus, is payable in cash without deferral.

## QUANTITATIVE DISCLOSURES FOR 2022

**Table 1: Guaranteed Bonuses, Sign-on Bonuses and Severance Payments**

Category	SOs (RM'000)	MRTs (RM'000)
Number of guaranteed bonuses	–	–
Number of sign-on bonuses	1	–
Number of severance payments	–	–
Total amount of above payments made during the FYE 2022	1,000	–

#### Material Risk Takers



Material Risk Takers (MRTs) are defined as senior management and employees whose responsibilities have a material impact on the Group's performance and risk profile, and employees whose responsibilities require them to take on material risk exposures on behalf of the Group.

Total remuneration awarded to 57 MRTs for the FYE 2022 was RM167.7 million (included in this remuneration the allocation of LTIP attributed to 2022).

## Corporate Governance Overview Statement

**Table 2: Breakdown of Deferred Remuneration**

Category	SOs (RM'000)	MRTS (RM'000)
Total amount of outstanding deferred remuneration		
• Cash	6,239	22,704
• Shares	50,551	53,343
Total amount of deferred remuneration paid out during the financial year		
• Cash	1,146	1,294
• Shares	11,588	16,895
Outstanding deferred remuneration (performance adjustments):		
• Of which exposed to ex-post adjustments	100%	100%
• Reductions in current year due to ex-post adjustments (explicit)	–	–
• Reductions in current year due to ex-post adjustments (implicit)	–	–
Outstanding retained remuneration (performance adjustments):		
• Of which exposed to ex-post adjustments	–	–
• Reductions in current year due to ex-post adjustments (explicit)	–	–
• Reductions in current year due to ex-post adjustments (implicit)	–	–
• Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.		
• Examples of implicit ex-post adjustments include fluctuations in the value of shares or performance units.		

**Table 3: Breakdown of Group CEO's Remuneration**

Name	Category	Cash (RM'000)	Shares (RM'000)	Other Emoluments <sup>2</sup> (RM'000)	Total (RM'000)
Dato' Abdul Rahman Ahmad	Fixed remuneration	2,700	–	557	3,257
	Variable remuneration				
	• Non-deferred	3,720	–	446	4,166
	• Deferred	–	– <sup>1</sup>	–	–
	Total remuneration award for FYE 2022	6,420	– <sup>1</sup>	1,003	7,423

**Deferred variable and conditional award under the Group's Long Term Incentive Plan (for alignment with long term performance, as described earlier)**

Allocation attributed to 2022 : 272,000 performance shares  
3,727,600 share options

These are vested over 2024 and 2025, and are subject to the following conditions:

Performance shares – meeting ROE targets  
Share options – exercise price of RM4.96

<sup>1</sup> Deferred compensation in shares was awarded in the form of LTIP (as shown above), and the value of the LTIP awards are not shown here as they are only vested in 2024 and 2025.

<sup>2</sup> Other emoluments include EPF contributions and benefits-in-kind

The following table summarises the Group CEO's shareholdings as at 31 December 2022:

Name	Shares held beneficially (units)	Unvested EOP shares not subject to performance measures (units)	Total shares (units)	Value of shares (as at 31 December 2022) as a percentage of annual salary	Unvested LTIP shares and share options subject to performance measures (units)
Dato' Abdul Rahman Ahmad	13,679	22,548	36,227	8%	816,000 (performance shares) 11,183,000 (share options)

Taking into consideration the value of unvested LTIP awards (share options and shares which are subject to performance conditions as disclosed in the financial statements), the shareholdings of the Group CEO as at 31 December 2022 is 396% of annual salary.

## BOARD SUPPORT

The Board has appointed the Group Company Secretary who, under the direction of the Chairperson, is accountable for all matters with regard to the proper functioning of the Board as well as to facilitate effective information flows within the Board and Board Committees and between Senior Management and Non-Executive Directors. Directors have independent access to the Group Company Secretary. The Group Company Secretary attends all Board meetings and minutes are prepared to record key deliberations and decisions taken during the meetings. The Group Company Secretary facilitates communication between the Board, its committees and management, and generally assists Directors in the discharge of their duties. The Group Company Secretary helps with the induction of new Directors and facilitates the ongoing professional development of Directors. The appointment and removal of the Group Company Secretary require the approval of the Board. Datin Rossaya Mohd Nashir is currently the Group Company Secretary and has been with the Group since 2002. The roles of the Group Company Secretary are specified in the Board Charter.

## BOARD MEETINGS

The Board meets on a regular basis, with a minimum of six (6) scheduled meetings in a financial year or at least once every two (2) months or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance by the last quarter of the preceding financial year to enable the Directors to plan ahead. In addition to the scheduled meetings, special meetings may be convened as and when required.

In FYE 2022, CIMB's Board and Board Committees meetings were held virtually. Members of Senior Management have also been invited to attend selected Board meetings to support the Board with further information on the matters being deliberated. All Directors attended more than 75% of all Board Meetings in FYE 2022. The terms of reference of the Board sets out the conduct of meetings including quorum (at least 75% present of which one (1) must be an Independent Director), voting requirements and Board membership.

The attendance of the Board members and Board committee members at the meetings during FYE 2022 are as follows:

Director	Board	Attendance of Meeting			
		BRCC	AC	GNRC	GSGC
Datuk Mohd Nasir Ahmad	21/21	5/5	-	-	5/5
Dato' Abdul Rahman Ahmad	21/21	-	-	-	-
Ms. Teoh Su Yin	18/21	-	-	12/12	5/5
Mr. Robert Neil Coombe	21/21	-	-	-	2/5
Dato' Mohamed Ross Mohd Din	21/21	5/5	19/19	12/12	-
Dato' Lee Kok Kwan	20/21	5/5	-	-	-
En. Afzal Abdul Rahim	19/21	-	-	12/12	-
En. Didi Syafuddin Yahya	21/21	5/5	19/19	11/12	5/5
Ms. Shulamite N K Khoo	21/21	-	-	12/12	5/5
Ms. Ho Yuet Mee*	10/10	-	7/8	-	2/2

### Notes:

BRCC – Board Risk and Compliance Committee

AC – Audit Committee

GNRC – Group Nomination and Remuneration Committee

GSGC – Group Sustainability and Governance Committee

\* Ms. Ho Yuet Mee was appointed as an Independent Director of CIMB on 28 July 2022

## Corporate Governance Overview Statement

The Chairperson, before the Board meeting, oversees the setting of the agenda of Board meeting and in consultation with the Group CEO, and ensures that there is sufficient information and time to address all agenda items. The agenda also allows for flexibility when needed. All materials for the Board meeting are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors.

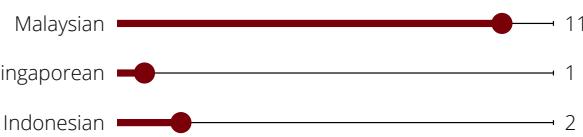
Except as permitted by the Chairperson under certain circumstances, the Directors should receive scheduled/fixed meeting materials five (5) calendar days prior to the Board meeting to allow sufficient time for them to review and analyse relevant information. In FYE 2022, all of the papers/materials were circulated to the Board within the stipulated timeline. Any departure from the said timeline will be reported to the Group Executive Committee on a quarterly basis for improvement and further action, where necessary, including to reduce the Board paper submission timeline to five (5) business days prior to the Board meeting from FY ending 2023 onwards. The deliberations and decisions arrived at during Board meetings are clearly minuted in a timely manner and action items for Management will be communicated to the relevant parties within 24 hours after the Board meetings. The draft minutes are then tabled at the following meeting for confirmation and thereafter, signed by the Chairperson.

### SENIOR MANAGEMENT DIVERSITY

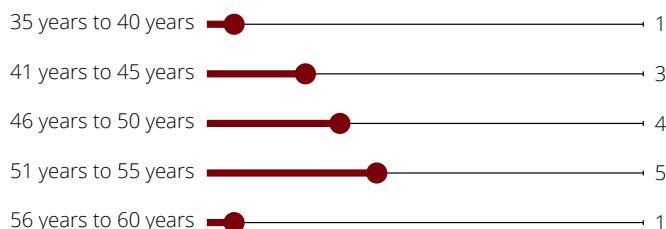
CIMB has in place a Group Employee Diversity & Inclusion Policy which promotes diversity, in this context, refers to gender, age, background, belief, ethnicity, skill, and ability that cover employees from all levels. The demographic of the Senior Management as at 31 December 2022 is set out below:

#### Senior Management Diversity

##### Nationality



##### Age



##### Gender



### Principle B

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The AC supports the Board in ensuring that there is a reliable and transparent financial reporting process, and reviews the corporate governance practices and internal control system in ensuring checks and balances within the Group.

The AC is chaired by Dato' Mohamed Ross Mohd Din and the members are En. Didi Syafruddin Yahya and Ms. Ho Yuet Mee (who succeeded Ms. Teoh Su Yin on 28 July 2022), all of whom are Independent Directors. Members of the AC have the relevant accounting or related financial management experience or expertise. The Chairperson of the AC has over 40 years of relevant banking and operational experience, and is not the Chairperson of the Board.

In FYE 2022, the AC reviewed all the key internal audit reports and ensured that Senior Management took necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions. The Chairperson of AC will highlight to the Board the key deliberations for their objective review.

CIMB has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with BNM's Policy on External Auditors. The process requires the AC to assess the External Auditors' compliance with qualification criteria set out by BNM, which includes evaluating the independence, objectivity and performance of the External Auditors. As part of its remit, the AC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained. In line with the Board Charter, the AC will not appoint former key audit partner as its member unless the former key partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AC.

### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board continues to be involved in identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures, whilst taking into consideration the environmental, social, and governance requirements.

## RISK MANAGEMENT

CIMB employs a Group Enterprise-Wide Risk Management (Group EWRM) Framework as a standardised approach to effectively manage the risks and opportunities. The Group EWRM Framework provides the Board and management with tools to anticipate and manage both existing and potential risks, taking into consideration evolving risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

The BRCC is chaired by En. Didi Syafruddin Yahya and is responsible to provide oversight and advice to the Board and the Management in respect of risks including future risk strategy, risk appetite and management of compliance risk. As at 31 December 2022, the BRCC comprises four (4) members, of whom three (3) members (including the Chairperson) are Independent Directors.

## INTERNAL CONTROL

The AC supports the Board in overseeing and reviewing the internal control system. Group Corporate Assurance Division (GCAD) reports independently to AC and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, controls and governance processes implemented by Management. GCAD adopts a risk centric audit methodology and the audit plan is approved by the AC which covers key emerging risks including elevated risks arising from changes in system, control environment and business processes. Notwithstanding the risk assessment, the annual audit plan will include areas that must be audited annually due to regulatory requirements, and other established criteria such as recent incidence of fraud, previous adverse audit rating or recent action by regulators. The internal audit function is reviewed periodically by the AC to ensure its adequacy in performing its role. GCAD reports significant and material findings to the AC with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe. The deadlines committed by Management on corrective actions are closely monitored and undue delays have to be explained and justified to the AC for approval.

In evaluating internal controls, GCAD adopts the five (5) components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission; namely control environment, risk assessment, control activities, information and communication, and monitoring activities as well as relevant regulatory guidelines.

In addition, a qualified external independent reviewer conducts periodic external assessment of GCAD's internal audit activity at least once every five (5) years to assess its conformance with The Institute of Internal Auditors (IIA) International Standards for Professional Practice of Internal Auditing and the pertinent regulations. The last assessment conducted in 2021 on GCAD Malaysia accorded the internal audit activity as generally conformed to the IIA Standards. As at 31 December 2022, GCAD has a staff strength of 143 individuals from diverse backgrounds and qualifications; with 60% of the auditors possess at least one (1) relevant certification including 51 staff whom have obtained Certification of Bank Auditors by the Asian Institute of Chartered Bankers.

Further details of the Risk Management Framework and Internal Control System are explained in the Statement on Risk Management and Internal Control and Risk Management Report.

### Principle C

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### COMMUNICATION BETWEEN CIMB AND STAKEHOLDERS

CIMB's investor relations activities ensure regular, effective and fair communication with shareholders, analysts, fund managers and stakeholders. Quarterly results briefing sessions are conducted for analysts and fund managers after lodgement of results to Bursa Malaysia. All press statements and quarterly financial statements are published on the CIMB Group corporate website and the Bursa Securities website. A dedicated investor relations team supports the Group Chief Executive Officer and Group Chief Financial Officer in maintaining a close and active dialogue with external stakeholders. The CIMB website provides all necessary corporate information as well as an avenue for investors to submit their feedback and raise any questions. In FYE 2022, CIMB Group actively engaged with its stakeholders via various avenues including 12 regular larger-group conference calls, 8 pre-closed period meetings with the domestic buy- and sell-side, 4 quarterly financial announcement investor conference calls, 12 in-house meetings, attended 13 virtual and physical investor conferences and 23 meetings on non-deal roadshows. Management engaged with 490 analysts and fund managers during the year.

# Corporate Governance Overview Statement

## CONDUCT OF ANNUAL GENERAL MEETING

The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the Annual General Meeting (AGM). The AGM Notice includes details of the resolutions proposed, along with any relevant information and reports. CIMB held its 65th AGM on 21 April 2022 with the Notice and Agenda of the AGM delivered to the shareholders on 23 March 2022, this being 28 days before the Meeting. The Notice and Agenda were also published in the local English and Bahasa Malaysia newspapers and made available on CIMB's website at [www.cimb.com](http://www.cimb.com). The 65th AGM was held fully virtual as per the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers (Guidance Note) issued by the Securities Commission Malaysia.

The 65th AGM was attended by all Directors, Management and 1723 shareholders as the Attendance List. The Chairperson, who chaired the proceedings, provided fair opportunity and time to all shareholders to exercise their rights to raise questions and make recommendations. The proceedings of the 65th AGM were recorded in the minutes of the meeting and made available within two (2) weeks after the meeting on CIMB's website at [www.cimb.com](http://www.cimb.com).

CIMB has leveraged technology to facilitate greater shareholders' participation and enhance the proceedings of General Meetings. Resolutions during the 65th AGM were arrived at via online electronic poll voting to enable all shareholders to cast their votes. The Share Registrar, Boardroom Share Registrars Sdn. Bhd. (Boardroom), acted as the Poll Administrator to conduct the online electronic polling process and Deloitte Risk Advisory Sdn. Bhd. was appointed as the Scrutineer to verify the poll results.

## OTHER DISCLOSURE

### EMPLOYEE CODE OF CONDUCT

The Board has established a Code of Conduct which is underpinned by the core philosophy of "Creating Value, Enabling Our People and Acting with Integrity". The Code of Conduct sets out the standards of behaviour that are expected of all employees of CIMB as well as the Board in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management.

## DIRECTORS' CODE OF CONDUCT

Our Board adopts the Code of Conduct for Directors that sets out the fundamental guiding principles and standards for Directors to carry out their duties. This Code applies to all the Directors of CIMB Group and is primarily based on the five (5) fundamental principles of competence, integrity, fairness, confidentiality and objectivity as recommended by the Code of Ethics for the Financial Services Industry published by Financial Services Professional Board.

## WHISTLE BLOWING POLICY

CIMB's Whistle Blowing Policy sets out avenues for legitimate concerns to be objectively investigated and addressed. Under this Policy, individuals will be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. CIMB Whistle Blowing Policy is applicable to all employees, suppliers, vendors, associated stakeholders and CIMB's customers.

## GROUP ENTITY GOVERNANCE POLICY

CIMB has in place a Group Entity Governance Policy (EGP) that categorises the entities based on a set of criteria. The EGP clarifies the relationship between the various entities in the Group and sets out the minimum governance requirements depending on the category of the entity.

## RELATED PARTY TRANSACTION

CIMB has in place the Group Related Party Transactions Policy and Procedures (Group RPT P&P) drafted in line with the Listing Requirements. The AC is required to review the related party transactions to ensure that they are carried out at fair and arms-length commercial terms and to review the adequacy of the Group RPT P&P in identifying, monitoring and reporting of the related party transactions. AC also keeps the Board informed of such transactions, and the findings and conclusions from its review. Based on the Group RPT P&P, below are the related party transactions in FYE 2022:

- The renewal of the outsourcing arrangement between CIMB Bank Vietnam and Teneo Technologies Sdn. Bhd. on the provision of Email Blast Marketing System service valued at RM4,600 for a period of four (4) months from 1 February 2022 to 31 May 2022. The major shareholder of Teneo Technologies Sdn. Bhd. is a family member of one of the Directors of CIMB Bank Vietnam; and
- The appointment of Edgenta Facilities Management Sdn. Bhd. for the Integrated Facilities Management service provider for CIMB Bank Berhad's channels, at an estimated cost of RM17,176,092 per annum or the total of RM85,880,461 (including 6% service tax) for a period of three (3) years with the option to renew for another two (2) years. Edgenta Facilities Management Sdn. Bhd. is a subsidiary of the Khazanah Nasional Berhad Group which is the major shareholder of CIMB.

The above related party transactions do not require approval from the shareholders as the value of each transaction does not trigger the threshold on percentage ratios required for shareholders' approval pursuant to the Group RPT P&P/Listing Requirements.

The significant related party transactions pursuant to MFRS 124 are disclosed under Notes to the Financial Statement 2022.

## SUMMARY

The Board considers that CIMB has complied and applied the Principles of the Code in FYE 2022, except for Practice 8.2 (The remuneration of Top-5 Key Senior Management). The Board has identified the said Practice where there is a departure and this departure will be addressed as follows:

- An explanation for the departure;
- Disclosure of alternative practice adopted and how the alternative practice achieves the Intended Outcome;
- Actions which CIMB has taken or intends to take; and
- The timeframe required to achieve application of the prescribed Practice.

## PRACTICE 8.2

The Board has decided not to disclose, on a named basis, the Top 5 Key Senior Management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Across the Group, however, CIMB currently discloses the remuneration of the Top 4 Key Senior Management positions in their respective financial statements, as follows:

1. CEO, CIMB Group Holdings Berhad\*;
2. CEO, CIMB Bank Berhad\*;
3. CEO, CIMB Investment Bank Berhad; and
4. CEO, CIMB Islamic Bank Berhad.

\* Positions 1 and 2 are held by the same individual

The Board believes that disclosure of these key executives' remuneration is neither to CIMB's advantage nor in its business interests, given the sensitive nature of such information and the fierce competition for talent in the banking industry.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 27 February 2023.

# Additional Disclosures

(As at 31 December 2022 pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year ended 31 December 2022, the Group has collectively issued the following instruments:

### (A) USD500 MILLION 5- YEAR FIXED RATE NOTES

On 20 January 2022, CIMB Bank issued USD500.0 million 5-year fixed rate notes under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of 2.125% per annum payable semi-annually, will mature on 20 July 2027.

### (B) RM1.5 BILLION SUKUK WAKALAH

On 8 September 2022, the Company issued RM1.5 billion 10 years non-callable 5 years Tier 2 Sukuk Wakalah bearing a periodic distribution rate of 4.40% per annum, payable on a semi-annual basis.

### (C) RM1.0 BILLION SUKUK WAKALAH

On 2 December 2022, the Company issued RM1.0 billion 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 4.95% per annum, payable on a semi-annual basis.

## 2. SHARE BUY BACK

During the financial year, the Company did not buy back any of its issued share capital from the open market.

## 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued during the financial year by the Group.

## 4. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Group did not sponsor any ADR or GDR programme during the financial year under review.

## 5. IMPOSITION OF SANCTION AND/OR PENALTIES

There were no public sanctions and/or material penalties imposed on the Company and its subsidiaries, Directors or Management by any regulatory body during the financial year under review.

## 6. NON-AUDIT FEES

Non-audit fees payable to the External Auditors, Messrs. PricewaterhouseCoopers PLT and its affiliates during the financial year under review amounted to RM2,038,000 for the Group and RM65,000 for the Company.

## 7. VARIATION IN RESULTS

There were no material variations in results for the financial year ended 31 December 2022 from the unaudited results released on 28 February 2023.

## 8. PROFIT GUARANTEE

The Group did not receive any profit guarantee during the financial year ended 31 December 2022.

## 9. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to the accounting policy on Property, Plant and Equipment in Notes K, L and N of the Summary of Significant Group Accounting Policies in the Financial Statements which are set out in the Financial Statements section of the Annual Report.

## 10. MATERIAL CONTRACTS

There were no material contracts entered into by CIMB Group and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in Notes 52 to the Financial Statements which are in the Financial Statements section of the Annual Report.

# Statement on Risk Management and Internal Control

## BOARD RESPONSIBILITY

The Board affirms its commitment on its overall responsibility and oversight of CIMB Group's system of internal control and risk management and is constantly keeping abreast with developments in areas of risk and governance. To this end, the Board is assisted by the Board Risk & Compliance Committee ("BRCC") and the Audit Committee ("AC"), which have been delegated with primary oversight responsibilities on the Group's risk management and internal control systems. The Board remains responsible for the governance of risk and internal control and all the actions of the Board Committees in respect of the execution of the delegated oversight responsibilities.

In discharging its responsibilities, the Board continues to be involved in determining the Group's level of risk appetite and in identifying, assessing and monitoring key business risks to safeguard shareholders' investments and the Group's assets in a manner which enables the Group to achieve its business goals and objectives amidst the dynamic and challenging business environment. For this purpose, the Board has ensured the establishment of key processes for reviewing the effectiveness, adequacy and integrity of the Group's internal control and risk management system.

The risk management and internal control systems are designed to manage risk exposures within the risk appetite set by the Board to achieve the Group's business objectives. The systems provide reasonable assurance against any material misstatement, loss or fraud.

There is regular testing on the adequacy, effectiveness, efficiency and integrity of the internal control systems and processes are conducted to ensure their viability and robustness.

## MANAGEMENT RESPONSIBILITY

The Management is accountable to the Board and is responsible for effectively implementing the Board's Policies & Procedures ("P&P") on risks and controls. Its responsibilities in respect of risk management and internal control include:

- Identifying, and evaluating the risks faced by the Group, and the achievement of business objectives and strategies;
- Formulating relevant P&P to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring the implementation of risk management framework and internal control system;
- Implementing policies approved by the Board;
- Implementing remedial actions to address any deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board on any changes to the risks and the corrective actions taken.

The Group Chief Executive Officer ("Group CEO") and Group Chief Financial Officer ("Group CFO") have provided assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively.

## KEY INTERNAL CONTROL PROCESSES

The key processes that the Board have established in reviewing the adequacy and integrity of the system of internal control, including compliance with applicable laws, regulations, rules, directives and guidelines, are as follows:

### INTERNAL AUDIT

The Group Corporate Assurance Division ("GCAD") reports independently to the CIMB Group AC and the Banking Group Audit Committee ("Banking Group AC") and is independent of the activities and operations of businesses and other support units. The principal responsibility of GCAD is to provide independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management. GCAD provides audit opinion based on the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognised organisation providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence. In addition, GCAD provides audit conclusion based on Level of Conformance in relation to regulatory audit/reviews, and whether objectives were met for assignments that are based on specific audit or review objectives.

GCAD's scope of coverage encompasses all business and support units, including subsidiaries and overseas branches that do not have their own audit units. The selection of the areas to be audited from the audit universe is based on an annual audit plan that is approved by CIMB Group AC and the Banking Group AC. The annual audit plan is developed based on assessment of risks, exposures and strategies of CIMB Group. Areas that are assessed to be high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include areas that must be audited annually due to regulatory requirements, and other established criteria such as recent incidence of fraud, previous adverse audit rating or recent action by regulators. GCAD also undertakes investigations into suspected fraudulent activities, staff misconduct, whistleblowing cases, potential secrecy breach, and other incidences, as and when required, and recommends appropriate improvements to prevent recurrence and actions against persons responsible.

## Statement on Risk Management and Internal Control

GCAD has unrestricted access to information required in the course of its work. GCAD's scope of work is established in accordance with The Institute of Internal Auditors' ("IIA") International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.

The audit report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations, management responses, and timeline to implement GCAD's recommendations. CIMB Group AC or Banking Group AC (as appropriate) reviews the regulatory breaches identified, significant exceptions or non-compliance raised, and ascertains whether appropriate and prompt remedial actions are taken by the management.

As of December 2022, 60% (81 staff) possess at least one relevant certification; including 61% of auditors (51 staff) who have obtained the required Certification of Bank Auditor ("CBA") by the Asian Institute of Chartered Bankers ("AICB").

The foreign banking subsidiaries have their own audit committees and internal audit divisions. CIMB Group AC meets the relevant subsidiary's AC once a year to discuss governance, risk management and audit matters. These internal audit divisions follow the same audit planning and standards, and same audit rating methodology as GCAD with such modifications as necessary to suit local environment and regulations.

GCAD is ISO 9001:2015 certified to ensure it continues to meet and improve its service delivery and quality. An external assessment of GCAD's internal audit activity would be conducted by qualified external independent reviewer at least once every five years to assess its conformance with The IIA International Standards for Professional Practice of Internal Auditing and the pertinent regulations. GCAD had appointed an international consultant to perform an assessment in 2021 which was completed in December 2021. In September 2022, GCAD was awarded the Best 2021 Independent Assessment Report by PayNet.

### GROUP AUDIT COMMITTEE

CIMB Group AC comprises three independent Non-Executive Directors. It is a Board-delegated committee charged with oversight of financial reporting, disclosure, regulatory compliance, risk management, governance practices and monitoring of internal control processes in CIMB Group. CIMB Group AC leverages the work of the Banking Group AC and the respective AC of the foreign banking subsidiaries, and CIMB Group's wholly-owned subsidiary (Touch 'n Go), a leading FinTech solution provider in Malaysia.

The Banking Group AC comprises four independent Non-Executive Directors. The responsibility of the Banking Group AC is limited to CIMB Bank, CIMB Islamic Bank and CIMB Investment Bank and their subsidiaries. Senior Management, internal auditors and external auditors report to CIMB Group AC and the Banking Group AC (as appropriate) on the effectiveness and efficiency of internal controls.

All significant and material findings by the internal auditors, external auditors and regulators are reported to CIMB Group AC and the Banking Group AC (as appropriate) for review and deliberation. CIMB Group AC and the Banking Group AC (as appropriate) review and ascertain that mitigation plans are implemented by the Management to safeguard the interests of CIMB Group and upkeep proper governance. The management of businesses and support units that are rated adversely are counselled by the respective Audit Committee.

CIMB Group AC also reviews all related party transactions, and audit and non-audit related fees proposed by the external auditors of CIMB Group.

The presentations of business plans, current developments, operations, risks of the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by CIMB Group AC or the Banking Group AC.

### RISK MANAGEMENT AND CONTROL FRAMEWORK

The Board recognises that sound risk management and internal control are integral parts of CIMB Group's strategy, business, operations and decision-making process, and are critical in ensuring CIMB Group's success and sustainable growth.

The emphasis on a strong risk management culture is the foundation of the control mechanisms within CIMB Group's Enterprise-Wide Risk Management ("Group EWRM") framework. The framework consists of an on-going process of identifying and assessing, measuring, managing and controlling, as well as monitoring and reporting material risks affecting the achievement of CIMB Group's strategic business objectives. It provides the Board and the Management with tools to anticipate and manage both the existing and potential risks, taking into consideration the evolving risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

To further enhance the cultivation of the risk management culture, CIMB Group employs the three lines-of-defence model in implementing the Group EWRM framework, providing risk management accountability across the Group. The business units, as the first line-of-defence, are primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risk through effective controls. Group Risk and other control functions within the second line-of-defence provide oversight and perform independent monitoring of

business activities with reporting to the Board and management to ensure that CIMB Group conducts business and operates within the approved risk appetite and is in compliance with regulations. GCAD, as the third line-of-defence, provides independent assurance of the adequacy and effectiveness of the internal controls and risk management processes. The Board has also established the BRCC, whose responsibilities, amongst others, include overseeing the effective implementation of the Group EWRM framework.

## BOARD RISK & COMPLIANCE COMMITTEE

At the apex of the governance structure are the respective Boards, which decide on the entity's risk appetite corresponding to its business strategies. In accordance with CIMB Group's risk management structure, the BRCC reports directly to the respective Boards and assumes responsibility on behalf of the Boards for the supervision of risk management and control activities, as well as non-compliance and deficiencies. The BRCC determines CIMB Group's risk strategies and policies, keeping them aligned with the principles within the risk appetite. The BRCC also oversees the implementation of the Group EWRM framework and provides strategic guidance and reviews the decisions of the CIMB Group Risk & Compliance Committee ("GRCC").

To effectively implement the Group EWRM framework, the BRCC has established various specialised/sub-risk risk committees within CIMB Group with distinct lines of responsibilities and functions, which are clearly defined in the respective sub-risk risk committees' terms of reference.

## GROUP RISK & COMPLIANCE COMMITTEE

- The GRCC, which reports to the BRCC, performs the oversight function on overall risks undertaken by CIMB Group in delivering its business plan vis-à-vis the stated risk appetite of CIMB Group. In this regard, the GRCC reviews the Internal Capital Adequacy Assessment Process ("ICAAP") annually to ensure that all relevant risks have been identified and captured, and that CIMB Group has sufficient capital resources to undertake such risks in either normal or stressed business conditions.
- The GRCC supervises the periodic Group-wide stress testing exercises by endorsing appropriate scenarios based on projected macroeconomic conditions and idiosyncratic factors and recommending the results of the Stress Test exercise for the BRCC's approval.
- The GRCC is also responsible for recommending CIMB Group's Risk Appetite Statement to the BRCC taking into consideration the budget, annual business plans and expected macroeconomic conditions. In implementing the Risk Appetite Statement across CIMB Group, GRCC, supported by Group Risk, encourages the timely escalation of all events (including non-compliances and deficiencies) which may materially impact the Group's financial condition or reputation to the attention of GRCC for appropriate action.

- The GRCC is further supported by specialised/sub-risk committees, namely Group Credit Committee ("GCC"); Group Market and Conduct Risks Committee ("GMCRC"); Group Operational & Resiliency Risk Committee ("GORRC"); Group Asset Liability Management Committee ("GALCO"); and Group Asset Quality Committee ("GAQC"), with each committee providing oversight and responsibility for specific risk areas, namely credit risk, market risk, liquidity and funding risk, interest rate/rate of return risk in the banking book, operational risk, technology risk, fraud risk, outsourcing risk, Shariah non-compliance risk, capital risk and sustainability risk.
- The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, CIMB Group strives to ensure a consistent and standardised approach in its risk governance process. As such, the Group and regional committees have consultative and advisory responsibilities on regional matters across CIMB Group to the extent permitted by the regulations of local jurisdictions. This structure increases regional communication and sharing of technical knowledge and best practices. It further enhances support towards managing and responding to risk management issues, thus providing the Board with a comprehensive view of the activities within the Group.

## COMPLIANCE FRAMEWORK

The Board recognises that the Compliance function forms an integral part of CIMB Group's risk management and internal control framework, and that a strong compliance culture reflects a corporate culture of high integrity and ethics.

CIMB Group Legal & Compliance Division ("GLC"), reports independently to the Board. Appropriate governance has also been established with clear reporting lines by the local and regional compliance officers to the CIMB Group Chief Legal & Compliance Officer and the respective local entity Boards, to the extent permitted by the regulations of the local jurisdictions.

GLC's responsibilities include identifying, assessing and monitoring the compliance risk associated with the business and support units or entities; and advising the Board, the Management and officers of the business and support units or entities on relevant laws and regulations. All business and support units or entities must act in accordance with relevant laws, regulations and internal GLC P&P. Under the three lines-of-defence model, all business and support units or entities as the first line-of-defence, are required to review, assess and establish the necessary control to ensure compliance to applicable laws and regulations. The entities or units are required to carry out periodic self-assessment on the adequacy of control and level of adherence to regulatory requirements. GLC will also conduct compliance reviews on business and support units or entities as part of the second line-of-defence assurance that regulatory requirements are in

## Statement on Risk Management and Internal Control

place. GLC has unrestricted access to all information, records and business premises of CIMB Group and has the authorisation to speak to any employee of CIMB Group about any conduct, business practice, ethical matter or other issue relevant to discharging GLC's duties.

The respective entity Boards, as well as the CIMB Group Board, are provided with compliance reports on a regular basis, which entail the findings and analysis of compliance risk including compliance risk assessment, incidences of non-compliance and deficiencies, corrective measures and information to facilitate the Boards having a holistic and overall view of all compliance matters across CIMB Group.

GLC's scope of coverage encompasses all business and support units including subsidiaries in Malaysia as well as outside of Malaysia including activities which are carried out by CIMB Group or on behalf of CIMB Group by third parties.

As it is vital to have a robust and effective compliance framework in place to safeguard the interest of CIMB Group, stakeholders, customers/clients and employees, CIMB Group has in place compliance policies/standards with appropriate mechanisms and tools that are driven at Group-level to ensure consistency in managing compliance risk within CIMB Group. GLC requires all local and regional entities within CIMB Group to adopt and implement all GLC Compliance P&P, which are reviewed on a periodic basis or as and when required to reflect current practices and the applicable legal/regulatory requirements. Trainings are conducted regularly to create compliance awareness and to facilitate its implementation of laws, regulations and internal GLC compliance policies within CIMB Group.

### ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM AND TARGETTED FINANCIAL SANCTIONS ("AML/CFT AND TFS")

CIMB Group is committed and vigilant to combat the constantly changing environment and risk of financial crime that threatens the solidity of the financial industry. CIMB Group continues to identify and prevent money laundering and terrorism financing with a Group-wide AML/CFT and TFS framework by incorporating the legal and regulatory requirements, as well as adopting industry best practices to be at par with the international standards.

CIMB Group also continues to enhance and develop the systems capabilities, through the application of advanced algorithms or analytics, artificial intelligence and machine learning technology to improve and increase the effectiveness of the detection, monitoring and reporting of financial crime. We have made continued progress in resolving long-standing enforcement actions and related remediation and continue to strengthen the compliance culture and improve the customer experience concurrently.

CIMB Group continues to enhance the Know Your Customer assessment to ensure that customers on-boarded are adequately assessed based on our risk-based approach framework. CIMB Group gives full commitment in cooperating with the enforcement agencies as part of our responsibility to assist in protecting the integrity of the financial industry. CIMB Group shall continue to fight against financial crime through enhancing the compliance culture, framework and awareness within the Group.

### SHARIAH RISK MANAGEMENT

Under the Group EWRM Framework, Shariah non-compliance ("SNC") risk is identified as one of the material risks for CIMB Group, specifically in relation to its Islamic banking business. The SNC risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage which the Group may suffer arising from failure to comply with Shariah requirements as determined by Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM") and Securities Commission ("SC"), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the Islamic Financial Services Act ("IFSA"), decisions or advice of Board Shariah Committee ("BSC") of CIMB, or other Shariah regulatory authorities of the jurisdiction in which the Group operates.

CIMB Group has established the Shariah Risk Management Policy ("SRMP") in accordance with BNM's Shariah Governance Policy Document ("SGPD"), which articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing SNC risk. In addition, Shariah Risk Management Procedure has also been developed to provide explanation/illustration that could facilitate Risk Control Officers ("RCO") and Designated Compliance & Operational Risk Officers ("DCORO") of Business Units ("BUs") and Business Enablers ("BEs") in identifying, assessing, controlling and monitoring SNC risk inherent in their Islamic products and day-to-day activities.

In response to BNM's expectation for banking institutions to highlight key outcomes from their annual capital planning exercise in annual ICAAP report to BNM on annual basis, the SRMP was further revised in 2022 to document the regulatory requirement on annual ICAAP report, including Stress Test, Reverse Stress Test and Material Risk Assessment ("MRA"). These will be used by BNM to assess Banking Institutions' capital adequacy and appropriateness of their internal capital targets. In addition, Shariah Risk Management has also enhanced SNC risk samples by main activities as a reference to assist BU/BE in Risk and Control Self-Assessment Refresh Exercise. SNC risk samples were incorporated in the Shariah Risk Management Procedure in 2022.

While the focus in previous years was on BU/BEs and Islamic banking products, Shariah Risk Management began the review of governance processes relating to development or enhancement of IT systems supporting Islamic banking products in 2022 to ensure Shariah requirements are embedded in the system. No major issues were discovered during the review, except that there were several recommendations made to strengthen the existing process.

Shariah Risk Awareness for RCOs and DCOROs is one of the SNC risk mitigation measures adopted by CIMB Group. Shariah Risk Awareness is part of the On-Boarding Risk & Compliance Training and RCO Forum for RCOs and DCOROs that is conducted on a quarterly basis. In addition to the regular trainings, quarterly engagement sessions with Bank Niaga Shariah ("BNS") was conducted to update each other regarding SNC risk and its developments in Malaysia and Indonesia.

## SHARIAH REVIEW

The Shariah review function is carried out by Shariah Review & Assurance ("SRA") of Islamic Banking Compliance in line with the BNM's SGPD 2019. SRA's main role is to conduct regular end-to-end assessment on the compliance of the operations, business, affairs and activities of CIMB Group with Shariah and Islamic regulatory requirements.

SRA, as a second line-of-defence function, reports independently to the BSC of CIMB Islamic Bank Berhad ("CIMB Islamic"), and functionally to the Chief Compliance Officer of CIMB Islamic, forming part of the CIMB Group Compliance Division as envisaged by the SGPD. SRA is staffed by officers who are qualified to undertake compliance function responsibilities and possess sound understanding of the relevant Shariah requirements.

SRA has established CIMB Group Shariah Review Policy and Procedures ("Shariah Review Policy & Procedures"), which sets out the policies for Shariah review function on the Islamic financial services, operations and activities of CIMB Group, encompassing regular examination and evaluation of CIMB Group's level of compliance to the Shariah requirements, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences. In addition, it also sets out the procedures for Shariah review execution, responsibilities of stakeholders and internal reporting process relating to SNC events, in line with BNM's requirements.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, SRA conducts post-review of CIMB Group's activities and operations in accordance with the annual Shariah review work plan approved by the BSC and the respective Boards of Directors of CIMB Group ("the Board"). In addition, SRA conducts investigation on issues escalated by the stakeholders to determine potential Shariah issue and performs ad-hoc reviews as required from time to time by the regulators, BSC or the Board.

Trainings on the Shariah Review Policy & Procedures, SNC reporting requirements, and all other relevant BNM policy documents are continuously conducted to educate and raise awareness of CIMB Group's staff on the importance of complying with Shariah requirements.

## SHARIAH AUDIT

Shariah audits of the Islamic banking business are under the purview of GCAD, which reports independently to both the CIMB Group AC and Banking Group AC, as well as to the BSC on audit matters relating to Islamic business operations and activities, particularly on Shariah compliance related matters. The principal objective is to provide an independent assessment and assurance designed to add value and improve the degree of compliance in relation to the Islamic banking business operations, as well as ascertain a sound and effective internal control system for Shariah compliance.

The same audit methodology is implemented by GCAD in carrying out Shariah audits as with non-Shariah audits, which includes audit planning, test of control, substantive procedures, reporting and follow-up on remedial actions. The scope of a Shariah audit is established in line with the areas stipulated in BNM's SGPD.

GCAD, in collaboration with Group Human Resource, have arranged with a reputable Islamic banking association to provide relevant Islamic banking certification to its auditors. The programme encompasses three stages, namely Associate Qualification in Islamic Finance ("AQIF"), Intermediate Qualification in Islamic Finance ("IQIF") and Certified Qualification in Islamic ("CQIF"). There are 16 auditors who have completed CQIF, two completed IQIF and another seven completed AQIF. There are also four auditors currently pursuing Certified Professional Shariah Auditor ("CPA") and one has been certified as CPA holder. The CPA is a 6-module programme, designed to equip candidates with requisite technical understanding and professional skills on Shariah compliance audit and review processes for Islamic banking and finance industry.

## BOARD SHARIAH COMMITTEE

The BSC is responsible for overseeing overall Shariah matters of CIMB Group in accordance with the relevant regulatory frameworks in the jurisdictions where CIMB Group operates in. BSC, amongst others, ensures that the Shariah rulings relating to Islamic banking and capital market products and services comply with the fundamental Shariah precepts and resolutions by the relevant Shariah authorities.

## Statement on Risk Management and Internal Control

BSC is assisted by the Shariah Advisory & Governance department that functions as an internal adviser on Shariah matters and a coordinator of the overall Shariah governance to all Islamic business within CIMB Group. It acts as the intermediary between the Islamic BUs and the BSC. The Shariah Advisory & Governance department also serves as the Secretariat to the BSC as well as providing Shariah related training across CIMB Group.

In performing the functions, the department had established the Shariah Advisory & Board Shariah Committee Secretariat Policy and Procedure which outlines the overarching Shariah requirements governing the implementation, the operationalisation and the conduct of Islamic financial business within CIMB Group.

In line with the SGPD issued in 2019 by BNM, the policies and/or procedures from the respective Shariah organs within the Group serve as a solid platform for effective Shariah governance arrangements and processes that commensurate with business and risk strategies as required by BNM. The implementation of the Shariah governance is effected through the following functions:

- a) Shariah Advisory & Governance;
- b) Shariah Review;
- c) Shariah Risk Management;
- d) Shariah Audit.

The Shariah Advisory & Governance department facilitates the implementation of Shariah Advisory & Research and coordinates the overall Shariah Governance, whilst Shariah Review, Shariah Risk Management and Shariah Audit functions are performed by GLC, Group Risk and GCAD respectively.

### SHARIAH ADVISORY & GOVERNANCE

Shariah Advisory & Governance department comprises qualified Shariah officers who conduct the pre-product approval process, advisory, research, and validation of issues for submission to the BSC. Description of the two functions are as follows:

- **Advisory**

Responsible for providing day-to-day Shariah advice and consultation to the business and support units based on the decision of the BSC as well as reviewing documentation to ensure consistency with Shariah requirements; and

- **Research**

Responsible for performing in-depth research and studies on Shariah issues as well as establishing Shariah opinions for all product and business proposals to be submitted to the BSC for approval.

Additionally, Advisory and Research functions are supported by the Shariah Governance & BSC Secretariat, as well as Shariah Learning that supports the Group Learning & Development ("Group L&D") function. The details of these functions are described as follows:

- **Secretariat**

Act as the Secretariat to the BSC including coordinating meetings as well as communications and disseminating information among the BSC, the Board and Senior Management; ensuring proper deliberation and dissemination of decisions of the BSC to the relevant stakeholders; and undertaking administrative and secretarial functions to support the BSC. In addition to that, the function is also responsible in engaging with the relevant parties who wish to seek further deliberation of Shariah issues from the BSC.

The responsibility of this function also includes coordinating submission of proposals to the CIMB Group Nomination & Remuneration Committee ("GNRC"), the Board of CIMB Islamic and BNM on the appointment and reappointment of the BSC members.

- **Governance**

Responsible as the coordinator for all Shariah organs namely Shariah Advisory & Governance Department, Shariah Review & Assurance of GLC, Shariah Risk Management of Group Risk and Shariah Audit of GCAD in the management and overall oversight on the governance of Islamic business of CIMB Group including without limitation the implementation of the Shariah Governance and the review of structures, mechanisms, techniques and process for the purpose of end-to-end products development and other processes related to Islamic business of CIMB Group.

A few initiatives have been implemented to promote the Shariah compliance culture in CIMB Group, including the establishment of awareness programmes, i.e. knowledge sharing by the BSC members on Shariah or Islamic finance related topics and issuance of Shariah bulletins to all staff. The implementation of the Shariah awareness programme is important for CIMB Group to instil and promote the behaviour of Shariah compliance in its aims and operations, business, affairs and activities.

In carrying out the above roles and responsibilities, the Shariah Advisory & Governance Department is guided by Shariah Advisory & BSC Secretariat Policy and Procedures. All communication between CIMB Group and the BSC will be facilitated by this unit.

- **Training**

Assist the Group L&D as well as regional teams to assess and review the existing training plans and to make recommendations as needed, to advise on the training requirement and training solutions in relation to Shariah capacity building.

## BUSINESS MANAGEMENT

### GROUP EXECUTIVE COMMITTEE

The Group Executive Committee ("GEXCO") is established to:

- Review and make decisions on key financial and strategic matters including capital and principal investments;
- Review and make decisions on key strategic digital and technology initiatives and oversee the development and execution of these initiatives;
- Review and make key financial decisions on all credit and underwriting matters;
- Review and make decisions on cultural transformation exercise; and
- Provide management oversight over CIMB Group's businesses on key operational matters, for CIMB Group Holdings Berhad and its subsidiaries (CIMB Group entities).

The GEXCO provides oversight of management response to risk and compliance issues including:

- Deliberate and assist in the formulation of the Group CEO's response to risk and compliance issues escalated to the attention of GEXCO; and
- Monitor management actions regarding improvements to the control environment to manage risk events and compliance breaches tabled.

The GEXCO's role in relation to the Strategic Risk Management Framework ("SMRF") includes:

- Review, approve and/or recommend all major and key strategic matters;
- Provide guidance and/or endorse risk mitigation plans to address strategic risk identified; and
- Appraise the BUs on the extent of strategic risk and projected impact on expected earnings and capital.

The GEXCO members are responsible for ensuring that the Group is well run and delivering the outcomes set by the Group CEO.

The GEXCO monitors management actions with regard to improvements to the control environment to manage risk events and compliance breaches. In the event of a crisis, the Group Crisis Management Committee would be activated and its committee comprises GEXCO members.

The GEXCO members report to the Group CEO on the performance of their business divisions in line with the Group's strategy and other matters as directed by the Board and Group CEO.

## INTERNAL POLICIES & PROCEDURES

Operational procedures, on the other hand, are approved by CIMB Group Policy & Procedure Oversight Committee ("GPOC") for implementation. Reviews and updates are required to be performed regularly on approved P&P by the respective document owner with the intent to ensure continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, and new products and services.

## PERFORMANCE REVIEW

The Boards of CIMB and its major subsidiaries are regularly apprised on key financial and operating statistics, including legal and regulatory matters, for deliberation and, where necessary, provide guidance and instruction for actions to be taken to resolve issues in a timely manner.

With respect to reporting at a division-specific level, each core division presents its respective performance report at the monthly GEXCO meeting, where the report covers, amongst others, monthly financial performance, new business proposals and listing of defaulted accounts. Each division is assessed against the approved budgets and corporate objectives, and justification is provided for significant variances. Further, the GEXCO will discuss pertinent issues, strategies and corrective or improvement measures to be implemented, if required.

Business Review Committees ("BRC") for countries and business divisions are established to:

- Review the performance and key strategic matters of the respective countries' entities and business divisions;
- Track and measure the performance of core programmes against the agreed strategies and roadmap; and
- Provide regular feedback and ensure timely course corrections.

The BRC reports directly to the GEXCO and Group CEO on all matters and is chaired by the Group CEO and comprises selected members of Senior Management.

## TECHNOLOGY RISK MANAGEMENT

CIMB Group protects and ensures the confidentiality, integrity, and availability of its information assets through implementing appropriate technology risk & security controls to protect against the misuse or compromise of information assets. CIMB Group's Technology Risk framework covers both business and technology drivers, focusing on addressing controls from a holistic perspective addressing people, process and technology control layers. The Technology Risk Management framework aligns to the Operational Risk framework and underpins the risk management that ensures technology risks are properly identified, managed, monitored, mitigated and reported in a structured and consistent manner.

## Statement on Risk Management and Internal Control

In managing increased volume of digital transactions, CIMB Group continuously prioritises, upgrades and monitors the IT infrastructure to maintain system resiliency and ensure high service levels to customers.

Effective management of cyber risks is essential to minimising any negative impact to customers as well as any financial, operational, reputational, legal and regulatory impact to the Bank. We continue to invest in our cyber defence capabilities to secure internal assets from emerging cyber threats, and strengthen our ability to detect and respond. We adopt an organisation-wide approach to manage cyber risk for the Bank, which comprises:

- (a) Policy and Frameworks;
- (b) Cybersecurity programme;
- (c) Cyber risk awareness, training and testing programme;
- (d) Cybersecurity incident response and crisis management; and
- (e) Cyber insurance.

CIMB Group also continuously reviews the cyber defence capabilities to protect customers' data security, while continuously strengthening the resilience against potential cyber threats. As part of managing IT operations, CIMB Group continued to be vigilant and stay alert on the cyber threat landscape with close monitoring by the dedicated Cyber Security Defense Centre and Threat Monitoring & Intelligence unit. In addition, cybersecurity experts were engaged to validate our control environment against cyber threats.

We believe our people are an integral part of our cyber defence, and we continue to step up our efforts to raise the security awareness of our staff on the prevailing cyber threats and scams. CIMB Group is also working closely with relevant authorities and industry players in heightening protection, detection and response capabilities for cyber resiliency.

### PEOPLE MANAGEMENT

#### CODE OF ETHICS

Further to its introduction in January 2017, CIMB Group continued to emphasise the adherence of the Code amongst its staff. In addition to various internal awareness programmes, the Code is also emphasised through disciplinary action for incidence of breaches of the Code. The said Code was revised in November 2022, in line with statutory changes, incorporating the Bank's DNA namely Enabling Talent; Passion; Integrity & Accountability; Collaboration and Customer Centricity ("EPICC") values, changes to the areas of diversity and inclusion and revision to make the Code current and updated.

### HUMAN RESOURCES POLICIES AND PROCEDURES

The Group's Human Resources P&P ("HRPP") provides clarity for the organisation in all aspects of human resource management in CIMB Group. CIMB Group reviews its HRPP periodically to ensure that the P&P remains relevant, and appropriate controls are in place to manage operational risks.

Group Human Resource updates employees on changes to its P&P via email messages/memoranda. These P&P are also easily accessible by all employees via CIMB Group's intranet portal, for employees to refer at their convenience.

### PEOPLE DEVELOPMENT

As part of our continuous efforts to strengthen talent development and succession planning across CIMB Group, we have continued to rigorously review and update our succession plans for Group CEO, Group CEO-1 and Group CEO-2 positions via a multi-tiered talent review structure to ensure sufficient depth is in place. We have also introduced a Succession Health Index to facilitate data driven decision making and drive succession realisation. As a result, we have seen positive trajectory in terms of our overall succession realisation for 2022 at more than 75%. This is a testament of CIMB Group's commitment to continue developing our people to take on senior leadership positions across the Group.

In addition, we have also reviewed and refreshed the design of our signature leadership programmes for our talent and succession pool across the various management levels. The design of the programmes is anchored around development journeys with deep emphasis on experiential learning and coaching with a clear intent to drive career progression. The inaugural launch of the signature programmes is expected to take place in early 2023. We have also refreshed our mobility framework to drive short-term secondments as experiential development opportunities for our junior and middle management talent as well as to solve the gap in business skill sets.

Efforts to institutionalise coaching have also been ramped up as evidenced by the assignment of executive coaches to ease the transition of recent senior appointments as they continue their leadership journey with CIMB Group. The coaching assignment tends to be highly personalised focusing on expansion of leadership styles repertoire, providing support for targeted development, and acting as an independent sounding board.

We have also enhanced the Career Pathing toolkit that was introduced in 2021 to enable employees to take charge of their career through transparent career paths covering vertical, horizontal, and diagonal opportunities. Besides adding new career paths to the toolkit, a specific career path for Risk & Compliance Unit ("RCU") that cuts across all business units and enablers was also developed.

In addition, the Bank has also heightened the importance of Risk & Compliance through various initiatives including the projects which focuses on Policy & Procedures and Governance Remediation including strengthening Risk and Compliance culture and improving internal controls and processes. Key projects under 4 workstreams have been identified, one of which focuses on people, change management and culture. One of the key focus areas of this workstream is to elevate the skills and competency of the 1.5 line-of-defence and inculcate Risk and Compliance mindset amongst our staff across levels and functions. Works are in progress to design and put in place a holistic bank wide culture change and training roadmap for the various target audience including a structured training curriculum for the 1.5 line-of-defence to enable them to perform their job more effectively.

In addition, to inculcate risk and compliance culture amongst the new hires, we have also embedded a panel discussion centered around operational risk and compliance in the Group Orientation.

In 2022, as we progressed towards hybrid working conditions, our training approach evolved to a mix of Hybrid learnings, Virtual/e-learning and Face to Face training. Participants were now able to attend physical workshops for certain Digital and Data related programmes that they previously had no access to during the MCO. We continued to provide opportunities for digital learnings at all levels within CIMB throughout the year depending on the adoption level of each Business Unit. Some of our key 2022 digital & data training initiatives are as follows:

- Digital Leadership Series where external and internal leaders/specialists were invited to share their insights on the impact of digitalisation on the global and local scenes
- "Code; without Barriers" campaign (a collaboration between CIMB and Microsoft) – This campaign aims to drive awareness, advocacy and develop female leaders regardless of abilities in technology
- Intermediate and advanced digital or data-related certifications/qualifications such as Project Management Professional ("PMP"), Prosci Change Management Certification, Agile Hybrid Project Management, Master of Finance with a specialism in FinTech, SAS Programming III: Advanced Techniques and Efficiency etc.

Since the launch of Digital & Data Academy (formerly known as 3D Academy) in 2018, more than 30,000 of our employees have attended some form of Digital & Data training and over 15,000 employees have been equipped with Digital & Data intermediate or advanced skillsets since then.

## REMUNERATION

CIMB Group's remuneration philosophy aims to reinforce a pay-for-performance culture while ensuring appropriate risk-taking behaviour.

Governance is established through CIMB GNRC, which reviews and approves remuneration policies and payouts together with the Board of Directors. Decisions on variable remuneration are made based on the performance of the respective units in CIMB Group and taking into consideration performance measures such as Risk Adjusted Return on Capital, which is incorporated in our scorecards and reporting. GNRC is also guided on their decisions according to the advice and assessment provided by CIMB Group's risk, audit and compliance functions on the respective units in CIMB Group.

## CULTURE

In line with our Forward23+ aspirations, 2022 saw us embark on a culture transformation programme, EPICC. Our refreshed values, Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity will serve as a guide to ensure that we make CIMB the best place for the best talent with the right values to thrive.

EPICC was launched across the Group on 24 January 2022 and has been consistently cascaded to all staff through various initiatives including masterclasses for leaders and a thematic campaign, among others, from February to September 2022. The thematic campaign included informative pieces on the values, recognition stories entitled "EPICC Humans of CIMB", contests and wellness webinars organised by our wellness partner, Naluri.

In addition, EPICC was also cascaded through more than 70 EPICC engagements organised across the Group since its launch. This includes two of our biggest physical engagement events namely the EPICC Roadshow for employees in Klang Valley, and Celebrating #teamCIMB, our regional staff appreciation event for all employees as part of a collaborative effort between Group Internal Communications and Group Human Resource.

Guided by the notion that tone starts from the top, we have successfully on-boarded and trained 500 leaders across the Group through a series of culture masterclasses from August to November 2022, to help them cascade EPICC to their respective teams. To support our leaders, we have in place the EPICC Change Agent Network comprising 590 of our employees who have been appointed as Change Agents to help champion EPICC in their respective divisions i.e., 265 Change Agents from Malaysia, 279 Change Agents from Indonesia and 46 Change Agents from Thailand.

# Statement on Risk Management and Internal Control

In addition to the above change management activities, we have also implemented “hardwiring” initiatives to incorporate EPICC within processes and structures in the organisation. An example of this includes a pilot 180 degrees Bottom-up Feedback mechanism which enables staff to assess their supervisors based on their demonstration of EPICC behaviours.

2023 will see the continuation of our EPICC efforts across all divisions as we strive to become a better and stronger organisation to realise our vision of becoming the leading focused ASEAN bank.

## WHISTLEBLOWING

Whistleblowing continues to be an important tool for CIMB Group as part of its corporate governance process and various avenues have been established for parties (external parties, vendors, customers, stakeholders and staff) to whistleblow on issues for the attention of the management of the Bank through the available channels in CIMB Clicks, Sync-Up and the Bank’s Homepage. All cases received via the dedicated whistleblowing email and the various avenues are reviewed by the Independent Director and investigated by GCAD and thereafter updated to the AC of the Board.

## ANTI-BRIBERY AND CORRUPTION

As one of the core values of CIMB Group is integrity, the Group firmly believes in acting professionally, fairly and with integrity in all business dealings and relationships. As such, in line with global best practices and good governance approach, the Anti-Bribery and Corruption Policy (“ABC Policy”) had been established in the Group for many years. With the implementation of S17A Malaysian Anti-Corruption Commission (“MACC”) Act coming into force in June 2020, the Group had conducted a due diligence and risk assessment to ensure the current ABC Policy complies with the provision of the Act. Further to this, the ABC Policy was updated and additional processes put in place to ensure the Group conducts its business activities in full compliance with the provisions of the Act. This includes training employees to familiarise themselves on the ABC Policy through a mandatory e-learning programme once every two years.

The Board had also approved the establishment of the Integrity & Governance Unit (“IGU”) in September 2020 to foster the principle of abhorring corruption, abuse of power and malpractices. The BRCC was also delegated as the Independent Committee to provide oversight and advice to the Board in respect of the management of Bribery and Corruption (“B&C”) Risk. The CIMB Group Integrity and Governance Framework (“IG Framework”) had also been established to serve as a reference in the implementation of the IGU’s functions within CIMB Group. The CIMB Group IG Framework is an overarching framework to oversee B&C risk, as well as to serve as a reference in relation to B&C matters. It aims to set out best practices and processes for each related policies which in aggregate would support the effective implementation of adequate procedures to prevent or mitigate the occurrence of bribery and corruption practices.

CIMB Group has also established the CIMB Organisation Anti-Corruption Plan (“OACP”), which was approved by the Group Sustainability and Governance Committee (“GSGC”) on 12 September 2022. The establishment of the OACP is to support the Government’s anti-corruption agenda, as well as to uphold the principles of integrity and good governance within CIMB Group.

## BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management (“BCM”) programme, embodied within the Group BCM P&P, is in place to ensure that the organisation has the capabilities to minimise impact during operational disruptions or actual crises. The end objective of BCM is to safeguard the Group’s interest and to ensure continuity of services towards all of our stakeholders.

Group BCM, which resides within CIMB Group’s Non-Financial Risk Management (“NFRM”) Department in the second line-of-defence, plays a significant role of providing the methodology and tools for an integrated and standardised BCM approach across the organisation as well as to ensure effective coordination and supervision of all BCM activities.

Regular reviews, re-assessments and updates for BCM documentations/plans are conducted to ensure adequacy, effectiveness and relevance of the business recovery strategies. These plans are rehearsed and tested on a regular basis.

The Group BCM Steering Committee provides oversight on the BCM programme to ensure that the Group meets BCM statutory and regulatory responsibilities, adheres to accepted best practices, and aligns with the organisation’s business vision and strategy.

## FRAUD RISK MANAGEMENT

Fraud risk is defined as the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/possession or (iii) damage another individual(s) resulting in a loss to another.

Generally, fraud can be sub-divided into the following categories:

- **External fraud:** Any fraud committed by non-staff, customers (first party fraud) or third parties. External fraud involves unexpected financial, material or reputational loss as the result of fraudulent action from third parties, customers, other members of the public or organised criminal groups, and known or unknown other third parties.

- **Internal fraud:** The use of one's occupation for personal enrichment through the deliberate misuse of the organisation's resources or assets. Simply stated, this type of fraud refers to fraud or suspected fraud perpetrated, aided or abetted by internal staff. In this type of fraud, a perpetrator of fraud engages in activities that are designed to defraud, misappropriate assets, or circumvent the regulations, law or policies of CIMB Group.

The Group Fraud Risk Management Framework was developed and endorsed in 2019 by BRCC for a consistent approach and oversight to fraud risk management activities across all the divisions within the Group. The four key pillars of the framework are Prevention; Monitoring/Detection; Handling/Response; and Recovery/Reporting.

The Three Lines of Defence each plays an important role to uphold CIMB Group's core values and to ensure all fraud related cases/concerns/complaints received are investigated and escalated accordingly.

The key P&P that govern and provide details on the management of fraud risk include the following:

- Group Fraud Risk Policy; and
- Group Fraud Risk Governance and Procedure.

With the growth in financial services digital fraud due to the surge in e-commerce as well as consumer preferences shifting towards mobile phone and internet banking for online activities, compensating controls were implemented to manage newly identified fraud risks in ensuring such risks are within the risk appetite statements approved by the Board and Senior Management. In addition, the Group remains vigilant and deploys multi-layer defence mechanisms to minimise fraud risk as fraudsters are becoming more sophisticated and continuously finding new ways to exploit weaknesses in the e-banking system.

## SUSTAINABILITY MANAGEMENT

The Sustainability Governance Framework defines the roles and responsibilities of the Board, Management and the rest of the organisation in fulfilling our aspiration to build a high performing sustainable organisation to help advance customers and society. The Framework also aims to ensure that sustainability-related risks are effectively identified, assessed and managed in a timely manner, while improving transparency through disclosures and reporting to promote overall accountability. The Sustainability Governance Framework, including the sustainability operating model, sustainability risk management framework, as well as P&P, are regularly reviewed and strengthened to ensure continued relevance in view of emerging risks and evolving stakeholder priorities.

## BOARD

The Board is the highest governance body accountable for CIMB's sustainability strategy, our material Economic, Environmental, Social and Governance ("EESG") risks and opportunities, including but not limited to climate-related risks and opportunities. The sustainability-related roles and responsibilities of the Board are incorporated in the Board Charter.

Sustainability is also embedded in the roles and responsibilities of various Board Committees. Since 2021, a dedicated Group Sustainability & Governance Committee ("GSGC") has been established to assist the Board in fulfilling its mandates in advocating and fostering a culture of sustainability, ethical conduct, and integrity across the Group. The GSGC provides oversight and input to the Management's implementation, operation and assurance of policies and standards in alignment with the Group's sustainability and climate change strategy and takes a proactive approach to create a net positive impact on EESG material matters arising from the Group's capacity as a lender, financier, investor, service provider, purchaser, operator, advisor, business partner, sponsor, corporate donor, or as an employer. The GSGC also oversees the management of bribery, corruption and other related risks and the consequence management of breaches thereof. Members of GSGC are guided by the Terms of Reference of GSGC. The BRCC provides oversight and advice to the Board and Management in respect of sustainability risk, including defining and reviewing the Group's sustainability-related risk appetites. The AC supports the Board in ensuring there is reliable and transparent reporting and internal control system for sustainability-related matters, while the GNRC looks at diversity and inclusion, considers sustainability experience in nomination of Directors, and builds sustainability competence of the Board.

## MANAGEMENT

The Group Transformation Committee ("GTC") was established to assist the Group CEO in directing and steering CIMB's overall strategy, including sustainability, which is a key programme under CIMB's Forward23+ strategy. The Group Sustainability Council ("GSC") assists the Group Chief Sustainability Officer ("GCSO") in leading the development and successful execution of CIMB's sustainability framework, in line with strategic outcomes set by the Board, GTC and/or Group CEO. The GSC's roles and responsibilities includes, among others, monitoring the sustainability risk profile of the Group's business activities, ensuring the implementation of appropriate policies, procedures, and controls to mitigate identified sustainability risks, as well as recommend sustainability strategic plans, initiatives, and targets for approval by the GTC. GSC also acts as a governing body for sustainability bond assets.

# Statement on Risk Management and Internal Control

## GROUP SUSTAINABILITY DIVISION

Group Sustainability was established as its own division in 2020, with the creation of the role of GCSO who directly reports to the Group CEO. The Group Corporate Responsibility department has also been integrated into the Group Sustainability Division for better synergy. The Group Sustainability Division operates on a regional operating model with teams in Indonesia, Singapore, Thailand, Cambodia and country representatives in Vietnam and Philippines.

Sustainability projects and initiatives are typically executed by multidisciplinary teams from various BUs and BEs. For example, the Sustainable Finance Working Group ("SFWG") comprises of members from Wholesale and Commercial Banking, as well as Group Risk and works to implement the Group Sustainable Financing Policy ("GSFP"), its Sector Guides, and procedures.

In 2022, we established an Integrated Sustainability Operating Model, which was a key recommendation following a midpoint strategic review of the Sustainability strategy. This progressive shift towards a less centralised Sustainability Operating Model allows us to effectively drive sustainable finance innovation and the embedment of sustainability culture, values and accountability across the Group. Division level specialists were appointed to lead origination of sustainable finance transactions, products and services, and implementation of sustainability initiatives within the division.

## SUSTAINABILITY KPIS

In 2021, Sustainability KPIs were embedded in the new performance framework of the organisation, also known as the divisional collective scorecards. These KPIs will measure the collective achievements of the team, BUs and countries towards the advancement of sustainability across the Group.

## SUSTAINABILITY RISK MANAGEMENT FRAMEWORK

The Sustainability Risk Management Framework was established to identify, assess, and manage various sustainability risk components, including environmental, climate, economic, social and ethical risks. Sustainability risks are integrated into both the Group's Risk Library and the Group EWRM Framework. The Sustainability Risk Management Framework also defines the appropriate governance, which is supported by appropriate P&P, puts in place risk assessment tools to improve the understanding of, and preparedness against, existing and emerging sustainability risks, ensures due diligence and assessment of sustainability risk impacts and cultivates a risk management culture through the three lines of defence, as well as through relevant controls and measurements for credible reporting.

Three main policies that ensure proper governance and management of sustainability risk are:

- The Group Sustainability Policy ("GSP"), which outlines our overarching principles and approach to sustainability and sustainability risk management;
- The Group Sustainable Finance Policy ("GSFP"), which identifies, assesses, and manages risks arising from financing of, and capital raising for, non-individual clients, especially in sectors that are most vulnerable to environmental and social risks, and those with activities that have high potential adverse impacts on the environment and society. The GSFP has also been implemented for investment banking deals, including Initial Public Offerings ("IPOs") and Bond/Sukuk issuances. 148 sub-sectors, falling within 10 key industries have been identified to have high environmental and social risks, and seven Sector Guides are in place for coal, palm oil, oil and gas, forestry, construction and infrastructure, manufacturing, mining and quarrying activities. A structured due diligence and escalation is in place for clients and transactions identified to have high sustainability risk. A structured sustainability due diligence and escalation is in place for clients and transactions identified to have high sustainability risk; and
- The Group Human Rights Policy, which lays out our overarching commitments, principles and approaches to respecting Human Rights was adopted and formalised in July 2022. Human Rights requirements were embedded into financing policies in August 2022 in Malaysia and are targeted to be rolled out by 2023 in Indonesia, Singapore, Thailand and Cambodia.

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

## CONCLUSION

Through the AC, BRCC and the BSC, the Board confirms that it has reviewed the effectiveness of the risk management and internal control framework and considers CIMB Group's internal control system adequate in safeguarding the shareholders' interests and assets of CIMB Group. The Board also confirms that there is an effective ongoing process for identifying, evaluating and managing significant risks in CIMB Group and is committed to continuing review of the entire control, compliance and risk management controls.

# Risk Management

## RISK MANAGEMENT OVERVIEW

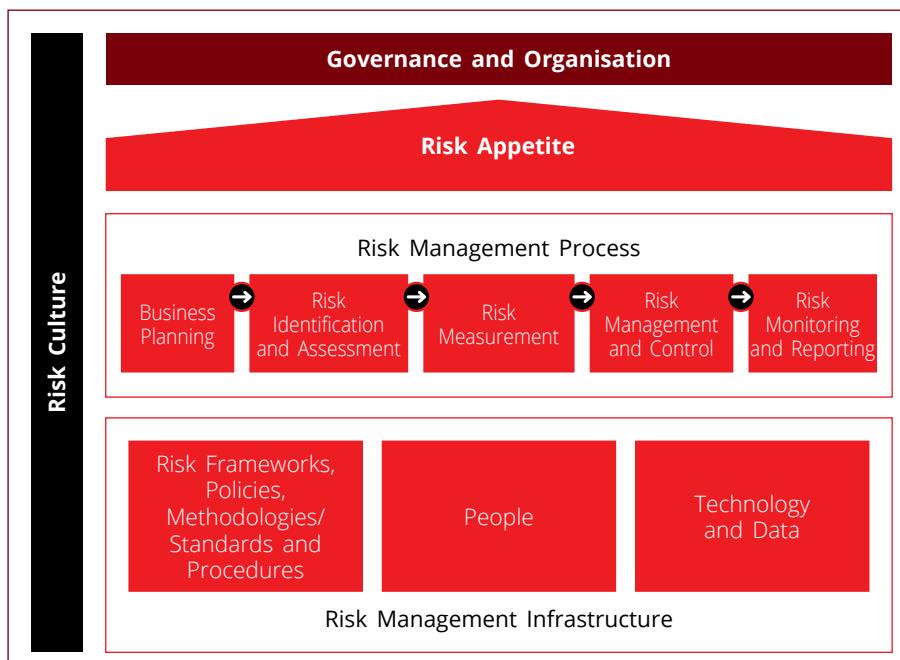
A robust and effective risk management system is critical for the Group to achieve continued risk balanced profitability and create shareholder and stakeholder value in today's globalised and inter-linked financial and economic environment.

The Group embraces risk management as an integral part of the Group's strategy, business, operations and decision-making processes. In ensuring that the Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the strategy discussion and risk-taking process by providing independent inputs, including relevant valuations and scenario analysis, credit evaluations, new product assessments and quantification of capital requirements and risk return analysis/simulations. These inputs enable the business units to assess the risk-vs-reward of their propositions.

## ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK

The Group employs a Group Enterprise-Wide Risk Management (EWRM) framework as a standardised approach to effectively manage its risks and opportunities. The Group EWRM framework provides the Board and management with tools to anticipate and manage both existing and potential risks, taking into consideration evolving risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

The key components of the Group EWRM framework are represented in the diagram below:



The design of the Group EWRM framework incorporates a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach. The key features of the Group EWRM framework include:

- (i) **Risk Culture:** The Group embraces risk management as an integral part of its culture and decision-making processes. The Group's risk management philosophy is embodied in the Three Lines-of-Defence approach, whereby risks are managed initially from the onset of risk-taking activities. There is clear accountability of risk ownership across the Group.
- (ii) **Governance and Organisation:** A strong governance structure is important to ensure an effective and consistent implementation of the Group's EWRM framework. The Board is ultimately responsible for the Group's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies, methodologies/standards, and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Group's risk management framework is effectively implemented.
- (iii) **Risk Appetite** is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.

# Risk Management

## (iv) Risk Management Process:

- **Business Planning:** Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture, new products and business activities.
- **Risk Identification and Assessment:** Risks are systematically identified and assessed through the robust application of the Group's risk frameworks, policies, methodologies/standards, and procedures.
- **Risk Measurement:** Risks are measured and aggregated using the Group-wide methodologies across each of the risk types, including stress testing.
- **Risk Management and Control:** Risk management limits and controls are used to manage risk exposures within the risk appetite set by the Board. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.
- **Risk Monitoring and Reporting:** Risks on an individual, as well as on a portfolio basis, are regularly monitored and reported to ensure they remain within the Group's risk appetite.

## (v) Risk Management Infrastructure:

- **Risk Frameworks, Policies, Methodologies/Standards, and Procedures:** These are in place to address all areas of material risks. Frameworks provide broad objectives and overarching risk management architecture for managing risks. Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures provide more detailed guidance to assist with the implementation of policies.
- **People:** Attracting the right talent and skills is key to ensuring a well-functioning Group EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Group, as well as the economic and regulatory environment.
- **Technology and Data:** Appropriate technology and sound data management support risk management activities.

## RISK GOVERNANCE

At the apex of the governance structure are respective Boards of entities within the Group, which decides on the entity's risk appetite corresponding to its business strategies. Each Board Risk and Compliance Committee (BRCC) reports directly to the respective Boards and assumes responsibility on behalf of the respective Boards for the supervision of risk management and control activities. Each BRCC determines the relevant entity's risk strategies and policies, keeping them aligned with the

principles within the risk appetite. Each BRCC also oversees the implementation of the Group EWRM framework, provides strategic guidance and reviews the decisions of the Group Risk and Compliance Committee (GRCC).

To facilitate the effective implementation of Group EWRM framework, the BRCC has established various specialised/sub-risk committees within the Group, each with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

The responsibility of risk management supervision and control is delegated to the GRCC, which reports to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks. The GRCC is supported by specialised/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee and Group Asset Quality Committee, each addressing one or more of the following:

- (i) Credit risk, defined as the possibility of losses due to an obligor, market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group;
- (ii) Market risk, defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;
- (iii) Liquidity and Funding risk, defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses;
- (iv) Interest rate risk/rate of return risk in the banking book, which is the current and potential risk to the Group's earnings and economic value arising from movements in interest rates/profit rates;
- (v) Operational risk, defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks;
- (vi) Capital risk, defined as the risk of a bank not having sufficient capital to withstand potential losses suffered in its operations. Capital is important as it can be used to repay depositors, customers, creditors, and other claimants in case there is insufficient liquidity during a crisis;
- (vii) Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology or external events, which includes financial risk, regulatory/compliance risk and the risk of reputational loss/damage;

- (viii) Fraud risk, defined as the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/ possession or (iii) damage another individual(s) resulting in a loss to another;
- (ix) Outsourcing risk, defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to the Group;
- (x) Shariah Non-Compliance (SNC) risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from failure to comply with Shariah requirements determined by Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM) and Securities Commission (SC), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA; or decisions or advice by Board Shariah Committee (BSC) of the CIMB Islamic Bank or other Shariah regulatory authorities of the jurisdictions where the Group operates; and
- (xi) Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employees.

The structure of CIMB Group Risk Committees is depicted in the following chart:



Our overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, Group and Regional committees have consultative and advisory responsibilities on regional matters across the Group as regulators allow. This structure increases regional communication regarding technical knowledge. It further enhances support towards managing and responding to risk management issues, thus providing the Board with a comprehensive view of the activities within the Group.

In addition to the CIMB Group Risk Committees, the Group has established a Group Sustainability and Governance Committee (GSGC) consisting of five Independent Directors to assist the Board in fulfilling its responsibilities in advocating and fostering a culture/DNA of sustainability, ethical conduct, and integrity across the Group.

Sustainability is also embedded in the roles and responsibilities of various Board Committees. To ensure information-symmetry and consensus across all Board Committees and entity boards, with regards to the direction and progress of the Group's sustainability and climate change strategy deliberated at the GSGC, selected GSGC members and business units such as Group Sustainability are responsible for providing relevant updates and inputs to the various Board Committees and entity boards on a periodic basis.

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## THREE LINES-OF-DEFENCE

The Group's risk management culture is embodied through the adoption of the Three Lines-of-Defence philosophy, whereby risks are managed initially from the onset of risk-taking activities. This is to ensure clear accountability of risk across the Group and Group Risk as an enabler of business units. As a first line-of-defence, the line management (including key Business Pillars and Enablers) is primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risk through effective controls. The second line-of-defence provides oversight and performs independent monitoring of business activities with reporting to the Board and management to ensure that the Group conducts business and operates within the approved appetite, and is in compliance with regulations. The third line-of-defence is Group Corporate Assurance Division who provides independent assurance of the adequacy and effectiveness of the internal controls and risk management processes.

## THE ROLES OF GROUP CHIEF RISK OFFICER (GROUP CRO) AND GROUP RISK

Within the second line-of-defence is Group Risk, a function independent of business units. It assists the Group's management and stakeholders in monitoring and controlling risk exposures within the Board-approved risk appetite statement.

Group Risk is headed by the Group CRO, appointed by the Board to lead the Group-wide risk management functions, including the implementation of the Group EWRM framework. The Group CRO:

- (a) actively engages the respective boards and senior management on risk management issues and initiatives; and
- (b) maintains an oversight on risk management functions across all entities within the Group. In each key country of operations, there is a local Chief Risk Officer or a local Head of Risk Management, whose main functions are to assess and manage the enterprise risk and liaise with regulators in the respective countries.

The organisational structure of Group Risk is made of two major components, namely the Chief Risk Officer and the Risk Centres of Excellence (CoE).

### A. CHIEF RISK OFFICERS

- i) The Group CRO is supported by the CROs who oversee the risk management functions in overseas branches and banking subsidiaries.
- ii) CRO's main function is to assess and manage the enterprise risk and liaise with regulators in the respective countries/entities under his/her purview.
- iii) For countries where a CRO is not present and/or not required, a local Head of Risk Management is appointed to be the overall risk coordinator for that country.

### B. RISK CENTRES OF EXCELLENCE

- i) These are specialised teams of risk officers responsible for the active oversight of Group-wide functional risk management and the teams supporting respective CRO in the various geographies.
- ii) The Risk CoEs consist of Asset Liability Management, Credit Risk, Market Risk, Non-Financial Risk Management (comprising Operational, Shariah, Business Continuity Management, Technology, Outsourcing and Fraud Risk Management), Enterprise Risk and Infrastructure CoEs.

#### • ASSET LIABILITY MANAGEMENT COE

The Asset Liability Management (ALM) CoE recommends the framework and policies for the independent assessment, measurement, monitoring and reporting of liquidity and funding risk and interest rate risk/rate of return risk in the banking book. It conducts regular stress testing on the Group's liquidity and interest rate risk/rate of return risk in the banking book profile, by leveraging on the standardised infrastructure it has designed, built and implemented across the region. It provides the framework and tools for maintenance of the early warning system indicators and contingency funding plan by business owners across the Group.

#### • CREDIT RISK COE

The Credit Risk CoE consists of Retail and Non-Retail credit risk and is dedicated to the assessment, measurement, management, monitoring and reporting of credit risk in the Group. The scope under the CoE function include areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and implementation of credit risk modelling (including rollout of alternative credit underwriting models leveraging on machine learning techniques for retail portfolios).

## • MARKET RISK COE

The Market Risk CoE recommends the framework and policies for independent assessment, measurement and monitoring of market risk. This is operationalised through review of treasury positions versus limits framework, performing mark-to-market valuation, calculating Value-at-Risk and market risk capital, as well as performing stress testing.

## • NON-FINANCIAL RISK MANAGEMENT COE

The Non-Financial Risk Management (NFRM) CoE ensures that the first line-of-defence manages their operational risk by providing an operational risk framework that enables them to identify, assess, manage and report their operational risks.

The team also provides constructive challenge and assessment to the first line-of-defence's execution of the operational risk framework and acts as a consultant with the Group in providing operational risk expertise and reporting to senior management.

The Shariah Risk Management (SRM) unit within the NFRM CoE facilitates the process of identifying, measuring, controlling and monitoring SNC risks inherent in the Group's Islamic banking businesses and services. It formulates, recommends and implements appropriate SRM policies and guidelines; as well as develops and implements processes for SNC risk awareness.

NFRM CoE also extend its specialist risk oversight to cover Business Continuity Management, Fraud, Technology and Outsourcing risks.

## • ENTERPRISE RISK AND INFRASTRUCTURE COE

The Enterprise Risk and Infrastructure CoE ensures the Group's compliance to Basel and SCEL regulatory requirements, including implementation and validation of risk models, and management of risk data for credit risk measurement and risk reporting across the Group. In addition, the CoE will develop and implement regional initiatives to manage and monitor climate-related risks in support of the Group's 2050 Net Zero ambition.

Sustainability risk (including climate risk) is a transverse risk that manifests itself through existing risk types. Due to the cross-cutting nature of Sustainability risk, the implementation of Group-wide sustainability governance framework is currently spearheaded and managed by Group Sustainability as the Sustainability CoE, which sits outside of Group Risk. Notwithstanding this, Sustainability risk has been and will continue to be integrated into the Group's existing risk management frameworks.

For instance, a Climate Risk unit was established under the Enterprise Risk and Infrastructure CoE in 2022 to develop and provide a holistic climate risk management framework to monitor and manage the Group's exposure to climate-related physical and transition risks through relevant policies and procedures, risk appetite, climate scenario analysis and stress testing, as well as data analytics.

## KEY AREAS OF RISK MANAGEMENT

### 1. CREDIT RISK

Credit risk is defined as the possibility of losses due to an obligor, market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group.

Credit risk is inherent in banking activities and arises from traditional financing activities through conventional loans, financing facilities, trade finance, as well as commitments to support clients' obligations to third parties, e.g., guarantees/kafalah. In derivatives, sales and trading activities, credit risk arises from the possibility that the Group's counterparties will be unable or unwilling to fulfil their obligation on transactions on or before settlement dates.

### CREDIT RISK MANAGEMENT

Without effective credit risk management, the impact of the potential losses can be overwhelming. The purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks.

Consistent with the Three Lines-of-Defence model on risk management where risks are managed initially from the onset of risk-taking activities, the Group implemented the risk-based delegated authority framework. This promotes clarity of risk accountability whereby the business unit, being the first line-of-defence, manages risk in a proactive manner with Group Risk being independent from the business unit, function as the second line-of-defence. This enhances the collaboration between Group Risk and the business units.

The risk-based delegated authority framework encompasses joint delegated authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to the specific individuals.

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up

## Risk Management

to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. For corporate, commercial and private banking loans/ financing, credit applications are independently evaluated by the Credit Risk CoE team prior to submission to the joint delegated authority or the relevant committees for approval; certain business units' officers are delegated with credit approving authority to approve low valued credit facilities. In addition, for loan/financing to sectors and clients that are exposed to high environmental and social risks, the Sustainability CoE conducts due diligence from an environmental and social point of view. For retail loans/financing, all credit applications are evaluated and approved by Consumer Credit Operations according to the designated delegated authority with higher limits submitted to joint delegated authority or relevant committees for approval.

The GRCC, with the support of Group Credit Committee, Group Asset Quality Committee, other relevant credit committees as well as Group Risk, is responsible for ensuring adherence to the Board's approved risk appetite and risk posture. This, amongst others, includes reviewing and analysing of portfolio trends, asset quality, watch-list reporting and policy reviews. It is also responsible for articulating key credit risks and mitigating controls.

Adherence to and compliance with country sector limit, single customer and country and global counterparty limits, are approaches adopted to address concentration risk to any large sector or industry, or to a particular counterparty group or individual. In view of the tightening regulations around climate change and to support the Group's Net Zero commitment by 2050, a climate overlay focusing on sector sensitivity to transition risks (which references the Transition Risk Heatmap developed under United Nations Environment Programme Finance Initiative) was integrated by Group Sustainability into Group Risk's Country Sector Limit Methodology for 2023. In order to ensure sustainability considerations are accounted for in the early stages of business planning, an overall sustainability rating was also developed and applied alongside other risk factors as part of the Risk Posture setting for 2023 to set the high level risk direction for the Group and its entities before the formal budget process starts.

Adherence to the above established credit limits is monitored daily by Group Risk, which combines all exposures for each counterparty or group, including off balance sheet items and potential exposures. For retail products, portfolio limits are monitored monthly by Group Risk.

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from both quantitative and qualitative risk factors such as financial history and demographics or company profile. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

To complement the Group's traditional rating models, Group Risk began to develop stronger predictive risk models via cutting edge Machine Learning techniques since 2019. The development of predictive and powerful risk models helps enhance business lending/financing through better insights to new customer segments and effective risk management, enhance speed of models delivery, adoption of unconventional multiple scoring approach and hybrid risk segmentation, amongst others.

To-date, the Group has implemented nine machine learning models covering both Retail and Small- Medium Enterprise businesses in Malaysia, and four models in CIMB Niaga with further expansion plans going into 2023 and beyond.

Use of machine learning models have resulted in significant increase in profitability of new loans/financing for unsecured products (personal loans/financing and cards) and uplift in volumes for Auto/Hire Purchase loans/financing. This has been achieved by a mix of increased loans/financing volume, improved pricing, lower losses and increase in approval/acceptance rates through the adoption of machine learning models. The incorporation of Machine Learning techniques as new risk tools/capability helps the Group in growing good quality loans/financing whilst ensuring that risk safeguards remain sound and intact. As a testament to our efforts to adopt machine learning models for credit risk management, CIMB Bank was awarded Best Financial Artificial Intelligence Project in Malaysia category at The Asset Triple A Digital Awards 2022 and Best Credit Risk Technology Implementation by The Asian Banker.

Credit reviews and ratings are conducted on the non-retail credit exposures on an annual basis, and more frequently when material information on the obligor or other external factors is made available.

The exposures are actively monitored, reviewed on a regular basis and reported regularly to the GRCC and Board Risk and Compliance Committee. Asset quality is closely monitored so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions, including recovery actions, if required.

The Group recognises that our financing activities may have an impact on the environment and society and such impact may in turn result in potential financial and reputational risks to the Group. Our sustainable financing approach integrates environmental, social and economic/ethical considerations, including climate-related physical and transition risks, into our credit risk assessment process for our financing practices and capital raising transactions, whereby clients and transactions identified to have high sustainability risk or potential concern are subject to a structured due diligence and escalation process. Refer to the section on Sustainability Risk for further details.

## CREDIT RISK MITIGATION

The employment of various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and/or third-party support, form an integral part of credit risk management process.

Credit risk mitigants are taken, where possible, and are considered secondary recourse to the obligor for the credit risk underwritten.

All extension of secured credit facilities deemed prudent, must be appropriately and adequately collateralised. A credit proposal is considered secured only when the entire proposal is fully covered by approved collateral/securities within their approved margins as set out in the relevant credit policy/standard.

Group Credit Committee or the relevant credit approving authority is empowered to approve any inclusion of new acceptable collaterals/securities.

Recognised collaterals include both financial and physical assets. Financial collaterals consist of mainly cash deposits, quoted shares, unit trusts and debt securities, while physical collateral includes land, buildings and vehicles.

Guarantors accepted are in line with BNM's Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) guidelines. Eligible credit protection is also used to mitigate credit losses in the event that the obligor/counterparty defaults.

In mitigating the counterparty credit risks from foreign exchange and derivatives transactions, the Group enters into master agreements that provide for closeout netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates greater legal certainty that the netting of outstanding obligations can be enforced upon termination of outstanding transactions if an event of default occurs.

For each counterparty where credit support annex has been executed in addition to master netting agreement, the Group will request for additional collateral for any exposures above the agreed threshold, in accordance with the terms specified in the relevant credit support annexes.

The Group avoids unwanted credit or market risk concentrations by diversifying our portfolios through a number of measures. Amongst others, there are guidelines in place relating to maximum exposure by products, counterparties, sectors and country.

## 2. MARKET RISK

Market risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

The Group hedges the exposures to market risk by employing various strategies, including the use of derivative instruments.

The Group adopts various measures as part of risk management process. The GRCC with the assistance of Group Market and Conduct Risks Committee and its delegated committees ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board.

Market Risk CoE is responsible for measuring and controlling the Group's market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework. Market Risk CoE evaluates the market exposures using the applicable market price and pricing model. The valuation process is carried out with independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by risk management quantitative analysts to assess their applicability relative to market conditions.

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The Group also adopts the Value-at-Risk (VaR) methodology as an approach in the measurement of market risk. VaR is a statistical measure of the potential losses that could occur as a result of movement in market rates and prices over a specified time horizon within a given confidence level.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenarios, consideration is given to various aspects of the market; for example, identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk CoE undertakes the monitoring and oversight process at Treasury and Markets trading floors, which include reviewing and analysing treasury trading activities vis-à-vis changes in the financial markets, monitoring limits usage, assessing limits adequacy and verifying transaction prices.

## 3. LIQUIDITY AND FUNDING RISK

Liquidity and funding risk is defined as the current and potential risk to earnings, shareholders' funds or our reputation arising from the Group's inability to efficiently meet our present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect our daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising of savings, demand and term deposits, thus providing the Group with a stable, large funding base from individuals, SMEs, corporates and financial institutions segments. The Group maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control in each individual entity is delegated to the respective Country Asset Liability Management Committee, which subsequently reports to Group Asset Liability Management Committee. The Group Asset Liability Management Committee meets at least

once a month to discuss the liquidity risk and funding profile of the Group. The key liquidity risk metrics comprise of internal liquidity gaps or cashflow maturity profile mismatches under business-as-usual and stress scenarios, regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), which are measured and monitored regularly. LCR is a quantitative regulatory requirement which seeks to ensure that banking institutions hold sufficient High Quality Liquid Assets (HQLA) to withstand an acute liquidity stress scenario over a 30-calendar-day horizon. The Group monitors and reports LCR and NSFR based on the BNM LCR and NSFR Policy Document dated 25 August 2016 and 31 July 2019 respectively. The effective date for NSFR is 1 July 2020. As part of its ordinary course of business, the Bank maintains the LCR and NSFR above the regulatory requirements. In addition, liquidity risk stress testing under various scenarios covering bank-specific (idiosyncratic), market-wide and combined crises is performed regularly to identify sources of potential liquidity strain. Liquidity risk positions based on balance sheet forecasts and relevant risk drivers are projected to help in business planning.

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk limits and appetite. Management Action Triggers (MATs) have been established to alert the management to potential and emerging liquidity pressures. The Group's Liquidity Risk Management Policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset Liability Management function, which is responsible for the independent monitoring of the Group's liquidity risk profile, works closely with Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. Overseas branches and subsidiaries should seek to be self-sufficient in funding at all times. Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. Each entity has to prudently manage its liquidity position to meet its daily operating needs.

The Group's Contingency Funding Plan (CFP) is in place to alert and enable the management to act effectively and efficiently during a liquidity or funding crisis and under adverse market conditions. The CFP is subjected to regular testing.

## **4. INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK**

Interest rate risk/rate of return risk in the banking book is defined as the current and potential risk to the Group's earnings and economic value arising from movement in interest rates/profit rates.

The Group manages its banking book exposure to fluctuations in interest rates/profit rates through policies established by Group Asset Liability Management Committee. The Group Asset Liability Management Committee is a board-delegated committee which reports to the GRCC. Interest rate risk/rate of return risk in the banking book undertaken by the Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by the Group. The risk appetite is established by the Board. With the support from Asset Liability Management CoE under Group Risk, EXCO Balance Sheet Management under Group Corporate Treasury and Capital Management under Group Finance, the Group Asset Liability Management Committee is responsible for steering the Group's balance sheet and hedging strategies, the overall interest rate risk/rate of return risk in the banking book profile and ensuring that such risk profile is within the established risk appetite. Interest rate risk/rate of return risk in the banking book exposure based on balance sheet forecasts and relevant risk drivers are projected to help in business and hedging strategies planning. Treasury and Markets, together with EXCO Balance Sheet Management and Capital Management, are responsible for day-to-day management of exposures and gapping activities including execution of hedging strategies.

Interest rate risk/rate of return risk in the banking book is measured by:

- (i) Economic Value of Equity (EVE) sensitivity measures the long-term impact of sudden interest rate/profit rate movement across the full maturity spectrum of the Group's assets and liabilities. It defines and quantifies interest rate risk/rate of return risk as the change in the economic value of equity (e.g., present value of potential future earnings and capital) as asset portfolio values and liability portfolio values would rise and fall with changes in interest rates/profit rates. This measure helps the Group to quantify the risk and impact on capital with the focus on current banking book positions.

(ii) Earnings-at-Risk (EAR) is the potential impact of interest rate/profit rate changes on the Bank's accruing or reported earnings. It focuses on risk-to-earnings in the near term, typically the next one year. Fluctuations in interest rates/profit rates generally affect reported earnings through changes in the Bank's net interest/profit income, which is the difference between total interest/profit income earned from assets and total interest/profit expense incurred from liabilities. The Group's EAR is taking into consideration forecasts on new business generation and product pricing strategies.

## **5. OPERATIONAL RISK**

Operational risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks.

### **OPERATIONAL RISK MANAGEMENT OVERSIGHT**

The NFRM CoE, within Group Risk, provides the methodology, tools and processes for the identification, assessment, reporting, and management of operational risks by the respective risk owners across the Group. Identified risks are rated using a defined risk rating methodology applied across the Group's Three Lines-of-Defence. The NFRM CoE also independently oversees the operational risk controls monitoring that resides within the first line-of-defence.

Monitoring of the identified risks is primarily done through the Operational Risk Committee or relevant risk management committees operating in each material geography and business line. These committees report up to the relevant functional or country level committees.

The Group Operational and Resiliency Risk Management Committee (GORRC) is the senior management committee at the Group-level that is tasked to oversee the operational risk framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of CIMB Group and make recommendation to the Group Risk and Compliance Committee (GRCC) for approval. GORRC oversees and monitors the overall control environment of CIMB Group and reports to the GRCC on material operational and reputational risks. Reputation risk is defined as current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's business practices, conduct or financial condition.

# Risk Management

## OPERATIONAL RISK MANAGEMENT APPROACH

CIMB Group recognises that the key determinant for a well-managed banking operation is to cultivate an organisation-wide risk management discipline and culture.

The Group manages operational risks through the following key measures:

- Sound risk management practices in accordance with Basel regulatory guidelines;
- Board and senior management oversight;
- Well-defined responsibilities for all personnel concerned;
- Establishment of a risk management culture;
- Deployment of Operational Risk Management (ORM) tools that include:
  - Operational Event and Loss Data Management;
  - Risk and Control Self-Assessment;
  - Control Issue Management;
  - Key Risk Indicators;
  - New Product Approval Process; and
  - Scenario Analysis.

These tools form part of the operational risk framework that allows the Group to effectively identify, measure, mitigate and report its operational risks. Each material division of the CIMB Group self-assesses on their internal risk and control environment rating and report key control deficiencies with remediation plans.

NFRM CoE continues to leverage on data analytics via its established Group-wide Operational Risk Dashboards to facilitate regional standardisation and prioritisation of risk issues. Comprehensive Key Risk Indicator dashboards that significantly enhance risk sensing, particularly emerging risk trends and monitoring coverage capabilities are also in place to facilitate oversight over key risk areas. These Dashboards are continuously enhanced and calibrated to strengthen risk management by generating pre-emptive actionable insights.

Each new or varied product with changes to the process flow is subjected to a rigorous risk review, where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners.

The promotion of a risk management culture within the Group, whereby the demand for integrity and honesty is non-negotiable, remains the core theme in our operational risk awareness programme. Additionally, the e-learning module on operational risk management has enhanced the awareness of operational risk amongst the staff.

## 6. TECHNOLOGY RISK

Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology or external events, which includes financial risk, regulatory/compliance risk and the risk of reputational loss/damage.

The management of technology risk comes under the broader umbrella of operational risk within the Enterprise Risk Management Framework and forms the independent second line-of-defence under the Three Lines-of-Defence model adopted by CIMB. Group Technology Risk Management (GTRM) reports into NFRM CoE and is the owner of the Group Technology Risk Management Framework (GTRMF) and Group Technology Risk Management Policy (GTRMP). GTRM is responsible to ensure enterprise-wide implementation of the GTRMF/GTRMP while ensuring compliance to relevant regulatory policies and guidelines.

GTRM actively engages with the first line-of-defence through projects, initiatives and events, to identify technology risks and validates completeness and effectiveness of controls to avoid risk of recurring disruptions. In addition, GTRM reviews risk assessments performed by Business Units and independent parties, for technology related programmes and processes and recommends appropriate improvements. GTRM also partners with Group BCM to ensure resiliency of the technology service.

Under the Group Risk governance framework, GTRM reports regularly into GORRC, GRCC and BRCC to provide independent oversight and deliberations on technology risks based on the approved Technology Risk Appetite which has been further enhanced in 2022. As the Group pursues its digital programme under Forward 23+, GTRM plays a key role in advising on risks associated with Cloud initiatives to ensure that the relevant controls are in place to secure these solutions. GTRM has further expanded its oversight & validation in 2022 by launching Red Teaming and Independent Risk Assessment on thematic risks – these will be performed annually thereafter.

## 7. FRAUD RISK

Fraud risk is the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/possession or (iii) damage another individual(s) resulting in a loss to another.

The Three Lines-of-Defence risk management model deployed within the Group plays an important role in upholding CIMB Group's core values and to ensure all fraud related cases/concerns/complaints received are investigated and escalated accordingly. Group Fraud Risk Management (GFRM) acts as the second line-of-defence in fraud risk management and is the owner of the Group Fraud Risk Policy and Group Fraud Risk Governance and Procedure, directly reporting to NFRM CoE. The policies and procedures are designed to prevent, detect and respond to the associated legal, regulatory, reputation and financial risks for fraud incidents occurring in and having an impact to CIMB Group, its customers and counterparties.

GFRM is also responsible for conducting reviews of systems and procedures to identify and assess risks faced by the business, as well as introducing fraud controls that are best suited to the business unit. In addition to this, GFRM tracks and monitors (i) fraud event reported with the Group and (ii) turn-around time of fraud investigations to ensure all suspected fraud events are attended to in a timely manner with monthly update/oversight by the GORRC.

GFRM proactively promotes the understanding and assessment of risk and facilitates development of strategy with relevant business units in dealing with identified fraud risks. Amid a rapidly changing landscape, 2022 was a year that more than ever highlighted the need for collaborative action to effectively address the epidemic of fraud in the banking industry. The lockdown may be over, but fraudsters have increasingly adept at adapting their methods to suit changes in our lifestyles and in consumer behaviour which contributed to the notable rise in impersonation scams and in authorised push payment fraud. To this end, the Bank was appointed as the Chair of the newly set-up Association of Banks Malaysia (ABM)'s Working Group on "Best Practices To Mitigate Fraud" which was established with the main objective to deliberate and propose a set of best practices that can be aligned across the local banking industry in an attempt to mitigate fraud and scams. Members of the Working Group comprise representatives nominated from the 13 ABM Council member banks. In addition, to drive a strong fraud-resilient culture, continuous fraud-awareness campaigns is provided to our customers and employees via both mainstream and social media platforms to inculcate a better understanding and awareness of fraud prevention to all stakeholders.

## 8. OUTSOURCING RISK

Outsourcing risk, defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to CIMB Group.

As CIMB relies on a number of outsourced service providers for their expertise, scalability, knowledge and cost savings through services rendered, any failure from a critical service provider could severely disrupt and/or impact business operations.

Group Outsourcing, a unit within NFRM CoE, has implemented several initiatives to strengthen and manage its approach towards Outsourcing risk including the establishment of a Group Outsourcing Policy and Procedures, which outlines the controls required in managing outsourcing arrangements with an outsourced service provider. This includes periodic reviews on performance of service providers, establishment of predictive key risk indicators to identify potential service degradations and collaboration with GBCM and GTRM to strengthen business continuity and technology resiliency to disruptions.

## 9. SHARIAH NON-COMPLIANCE RISK

The SNC risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage which the Group may suffer arising from failure to comply with Shariah requirements as determined by Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM) and Securities Commission (SC), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the Islamic Financial Services Act (IFSA); decisions or advice by Board Shariah Committee (BSC); or other Shariah regulatory authorities of the jurisdictions where the Group operates.

The Group has a Group Shariah Advisory and Board Shariah Committee Secretariat Policy in place, which governs the roles and responsibilities of BSC, overall Shariah compliance functions and Shariah governance processes of CIMB Group. Monitoring of Shariah compliance and Shariah governance is carried out through Shariah Review and Shariah Audit functions, supported by Shariah Risk Management (SRM) control measures and Shariah and Governance.

SRM is facilitated by the SRM unit within NFRM CoE by implementing a systematic and consistent approach to the management of SNC. The objectives, mission, guiding principles, governance structure, as well as the methodology and approach adopted by the Group in managing SNC risk, are articulated in the Shariah Risk Management Policy (SRMP).

## Risk Management

Apart from monitoring and analysing the SNC events or incidences submitted by Risk Control Officer (RCO)/ Designated Compliance and Operational Risk Officers (DCORO) to Shariah Review and Assurance under Group Legal and Compliance CoE for escalation to Potential Shariah Non-Compliance (PSNC) Committee and BSC and reporting to the relevant risk committees, SRM unit also actively participates in the Islamic products and services development process to ensure that all SNC risk are appropriately identified, assessed, managed and controlled. The new products and services as well as internal policies and procedures that are applicable to Islamic banking businesses and services are subject to prior approval from BSC before implementation.

The appropriate treatment of any SNC income or earnings shall be advised by the BSC, which may include but is not limited to, channelling the SNC income or earnings to charitable organisation or returning the SNC income or earnings to customers.

In response to BNM's expectation for Banking Institutions to highlight key outcomes from their annual capital planning exercise in annual ICAAP report to BNM on annual basis, the SRMP was further revised in 2022 to document the regulatory requirement on annual ICAAP report, including Stress Test, Reverse Stress Test and Material Risk Assessment (MRA). These will be used by BNM to assess Banking Institutions' capital adequacy and appropriateness of their internal capital targets. In addition, SRM unit has also enhanced SNC risk samples by main activities as a reference to assist Business Units (BUs)/Business Enablers (BEs) in Risk and Control Self-Assessment Refresh Exercise. SNC risk samples were incorporated in the Shariah Risk Management Procedure in 2022.

While the focus in previous years was on BUs/BEs and Islamic banking products, SRM began the review of governance process relating to development or enhancement of IT system supporting Islamic banking products in 2022 to ensure Shariah requirements are embedded in the system. No major issues were discovered during the review, except that there were several recommendations made to strengthen the existing process.

Shariah Risk Awareness for RCOs and DCOROs is one of the SNC risk mitigation measures adopted by our Group. Shariah Risk Awareness is part of the On-Boarding Risk & Compliance Training and RCO Forum for RCOs and DCOROs that is conducted on a quarterly basis. In addition to the regular trainings, quarterly engagement session with Bank Niaga Shariah (BNS) was conducted to update each other regarding SNC risk and its developments in Malaysia and Indonesia.

## 10. BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management (BCM) programme, embodied within the Group BCM P&P, is in place to ensure the organisation has the capabilities to minimise impact during operational disruptions or actual crises. The end objective of BCM is to safeguard the Group's interest and to ensure continuity of services towards all of our stakeholders.

Group BCM (GBCM), which resides within CIMB Group's NFRM Department in the second line of defence, plays a significant role of providing the methodology and tools for an integrated and standardised BCM approach across the organisation as well as to ensure effective coordination and supervision of all BCM activities.

Regular reviews, re-assessments and updates for BCM documentations/plans are conducted to ensure adequacy, effectiveness and relevance of the business recovery strategies. These plans are rehearsed and tested on a regular basis.

The Group BCM Steering committee provides oversight on the BCM programme to ensure that the Group meets BCM statutory and regulatory responsibilities, adheres to accepted best practices, and aligns with the organisation's business vision and strategy.

## 11. SUSTAINABILITY RISK

Sustainability risk is defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employees.

The Sustainability Governance Framework defines the roles and responsibilities of Board, management and the rest of the organisation in fulfilling our aspiration to become a high performing purpose-driven organisation to help advance customers and society. The Framework also aims to ensure that sustainability-related risks are effectively identified, assessed and managed in a timely manner, while improving transparency through disclosures and reporting to promote overall accountability. The Sustainability Governance Framework, including the sustainability operating model, sustainability risk management framework, as well as policies and procedures, are regularly reviewed and strengthened to ensure continued relevance in view of emerging risks and evolving stakeholder priorities.

Three main policies ensure proper governance and management of sustainability risks across the Group. These are:

- Group Sustainability Policy (GSP), which outlines our overarching principles and approach to sustainability and sustainability risk management.
- Group Sustainable Financing Policy (GSFP), which identifies, assesses, and manages risks arising from financing and capital raising activities of non-individual clients, especially in sectors that are most vulnerable to environmental and social risks, and those with activities that have high potential adverse impacts on the environment and society. 148 sub-sectors, falling within 11 key industries have been identified to have high environmental and social risk, and seven Sector Guides are in place for coal, palm oil, oil and gas, forestry, construction and real estate, manufacturing, mining and quarrying activities. A structured due diligence and escalation is in place for clients and transactions identified to have high sustainability risk.
- Group Human Rights Policy (GHR), which lays out our overarching commitments, principles and approaches to respecting Human Rights.

## 12. BASEL IMPLEMENTATION

Since July 2010, BNM has approved CIMB Group's migration to Internal Rating Based Approach for credit risk. CIMB Bank Group applies the Advanced Internal Ratings-Based Approach for retail exposures and the Foundation Internal Ratings-Based Approach for corporate exposures. CIMB Investment applies the Standardised Approach. The Group's operational risk is based on the Basic Indicator Approach. The Group's market risk is based on Standardised Approach.

The Group is complying with the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) requirements per BNM LCR Policy Document dated 25 August 2016 and BNM NSFR Policy Document dated 31 July 2019 respectively.

## 13. TRANSITIONING FROM COVID-19

### CREDIT RISK

COVID-19 had a material adverse impact on the global economy, impacting businesses as well as individuals. Since 2020, the Group had aligned with local regulators across all markets in offering relief and assistance programmes to impacted customers – payment relief plans as well as Restructuring and Rescheduling programmes. Majority of relief assistance programmes prescribed by regulators have been phased out. The Group still continues to offer bespoke assistance programmes to customers who still need, in the form of restructuring and rescheduling.

## BUSINESS CONTINUITY MANAGEMENT

The Group continues to implement COVID-19 preventive measures where required, led by the Group Crisis Management Committee to ensure the safety of our customers, staff and stakeholders, while ensuring banking as an essential service remains available throughout this pandemic period.

The Standard Operating Procedure on COVID-19 is constantly updated to provide staff with guidance on the latest safety measures and protocols to be observed along with stringent COVID-19 testing and quarantine protocols where required.

## 14. ADDITIONAL RISK INITIATIVES

Group Risk continues to improve CIMB Group's Return on Equity (ROE) through optimisation of its Risk-Weighted Assets (RWA).

Group Risk has on-going assessment to improve both Retail and Non-Retail models, policies, framework, data integrity and collateral eligibility to identify areas of improvement to realise additional RWA savings. This has led to enhanced accuracy in risk reporting, regulatory and capital management and new business opportunities to be identified. This initiative is being continuously re-assessed for additional savings until FY2023, thus leading to improved ROE overtime.

As part of the Group's commitment to enhancement of operational resilience, the Group has embarked on a major programme to further strengthen and enhance its operational risk management and mitigation capabilities. This comprise establishment of a dedicated and embedded risk functions across all the Group's business and functional lines who will be responsible for the identification, assessment, mitigation and review of operational risk for specific products, activities, processes and systems within their purview. The initiative is on-going and is expected to be fully operationalised in 2023.

# Audit Committee Report

## OVERVIEW

The Audit Committee of CIMB Group Holdings Berhad (Group AC) is committed to its role of ensuring high corporate governance practices and providing oversight on the Group's financial reporting, risk management and internal control systems.

### 1. ATTENDANCE OF MEETINGS

The details of the Group AC membership and meetings held in 2022 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Mohamed Ross bin Mohd Din	Chairman/ Independent Director	19	19
Encik Didi Syafruddin Yahya	Independent Director	19	19
Madam Ho Yuet Mee ( <i>appointed w.e.f. 28 July 2022</i> )	Independent Director	8	7
Ms Teoh Su Yin ( <i>resigned w.e.f. 8 August 2022</i> )	Independent Director	11	11

In addition to the 19 meetings held to deliberate on matters relating to the Group (which includes 18 Joint AC meetings attended by Banking Group AC), 12 other meetings were held by members of the Banking Group Audit Committee (Banking Group AC) to deliberate on matters relating to the three Malaysian banking entities, making a total of 31 meetings for the year.

The details of the Banking Group AC membership and meetings held in 2022 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Puan Nadzirah Abd Rashid	Chairman/ Independent Director	12	12
Madam Ho Yuet Mee	Independent Director	12	12
Dr. Azura Othman	Independent Director	12	12
Mr. Ahmed Baqar Rehman ( <i>appointed w.e.f 17 August 2022</i> )	Independent Director	6	6
Dato' Mohamed Ross bin Mohd Din ( <i>resigned w.e.f 17 August 2022</i> )	Independent Director	6	6

Deliberations at the AC meetings were robust and detailed, generally lasting for a few hours. Minutes of the AC meetings held were provided to members of the respective Boards. The Board would be briefed on the significant matters deliberated during the AC meetings.

### 2. AUTHORITY

The AC is a Board delegated committee. In discharging its duties, the AC has explicit authority to investigate any matter within its terms of reference. It has full access to and co-operation from Management and full discretion to invite any Director or Executive Officer to attend its meetings. The AC shall have the necessary resources from the Group to discharge its functions effectively. The AC has full and unrestricted access to information and is able to obtain independent professional advice if necessary, with any expenses related thereto to be borne by the Group.

### **3. SUMMARY OF ACTIVITIES IN 2022**

#### **INTERNAL AND EXTERNAL AUDIT PROCESS**

- a. Approved the annual internal audit plan and the mid-year review of the plan in December 2021 and August 2022 respectively. Reviewed the audit plan for Business Units and Business Enablers based on risk assessment conducted and audit resource and skills requirements.
- b. Approved the scorecard of GCAD and KPIs for GCIA and evaluated the GCIA's annual performance together with the remuneration payout.
- c. Evaluated GCAD's overall performance for 2022 based on the scorecard approved and provided written feedback for improvements.
- d. Reviewed the summary of internal audit works performed across the region together with the audit outcome on a quarterly basis.
- e. Reviewed and approved the External Auditor's 2022 audit plan and scope of work on 25 August 2022.
- f. Held a closing meeting of external audits with the External Auditor to review the financial results, MFRS 9 related matters, credit related matters, finance & investment related matters, IT general control findings, treasury, and tax related matters and other areas of concerns identified.
- g. Held 2 private meetings with the External Auditor without the presence of the Group Management and Executive Directors on 25 January 2022 and 30 November 2022 to discuss relevant issues and obtain feedback for improvements.
- h. Reviewed and recommended for Board's approval the audit fees and provision of non-audit services by the External Auditor in accordance with established procedures; evaluated whether such non-audit services would impair the External Auditor's independence and objectivity.
- i. Completed the annual assessment on the External Auditor in November 2022 prior to recommendation to the Board on its reappointment; the principal areas assessed were in accordance to BNM's Guidelines on External Auditor covering performance, independence and objectivity.

Accordingly, the areas assessed included:

- Level of knowledge, capabilities experience and quality of previous work
- Level of engagement with the ACs

- Ability to provide constructive observations and recommendations
- Appropriateness of audit approach and the effectiveness of audit planning
- Timeliness of audit deliverables
- Non-audit services rendered by the External Auditor so that it does not impede their independence

- j. Continued monitoring the achievement requirement on Certification of Banking Auditors (CBA) as imposed by Asian Institute of Chartered Bankers (AICB)

#### **GOVERNANCE, RISK AND CONTROL**

- a. Reviewed the adequacy and effectiveness of the Group's system of internal controls, financial reporting and risk management (based on audit plan coverage).
- b. Reviewed the Group's compliance with regulatory requirements and internal policies (based on audit plan coverage).
- c. Reviewed the findings of major investigations and whistleblowing cases, routine audit findings, internal controls and compliance issues reported by the internal, external and regulatory auditors, and to ascertain that appropriate and prompt remedial actions are taken by management.
- d. Encouraged robust discussion on emerging risks, key challenges and operational concerns, including requiring Management to present their strategies and action plans in achieving established objectives.
- e. Reviewed the efficiency of GCAD's operations and the economical utilisation of its resources.
- f. Reviewed the internal control issues identified by internal, external and regulatory auditors, Management's response to audit recommendations and the implementation of agreed action plans. For audits with adverse audit ratings and audit areas deemed to be critical, AC engages with Management more actively to resolve any control weaknesses identified.
- g. Held joint meetings with the respective ACs and Management of CIMB Niaga, CIMB Thai, CIMB Cambodia, CIMB Singapore, CIMB Vietnam, CIMB Philippines and Touch 'n Go Sdn Bhd. In each of the meetings, the audit related issues of the respective businesses, operations and control environments were presented and discussed.

# Audit Committee Report

- h. AC Chairman of CIMB Group provided oversight on the effective implementation of the CIMB Group Policy on whistle blowing pursuant to BNM Corporate Governance Framework; any concerns on illegal, unethical or questionable practices escalated to the AC Chairman via the dedicated whistle blowing email address objectively investigated and addressed.

## AUDIT ISSUES RESOLUTION COMMITTEE (AIRCOM)

- a. AIRCom, an AC delegated committee, assisted the AC in ensuring the effectiveness of management actions in addressing key risks and internal control weaknesses. The appointment of AIRCom Chairman and Alternate Chairman (held by Senior Management) require the AC's approval.
- b. The AIRCom's key activities include:
- Reviewed key observations arising from audits and investigations conducted; where necessary, the relevant responsible party would attend AIRCom to discuss the issues and effectiveness of corrective actions taken.
  - Ascertained that appropriate and prompt remedial actions are taken by management to address the internal control lapses, potential risks and compliance issues on a holistic manner.
  - Monitored and followed up on the AC's recommendations for appropriate remedial actions by management.
  - Reviewed findings to identify common themes and holistic solutions to address the root cause(s).
  - Reviewed Support and Business Units (SBUs)' rationale for target date extension relating to regulatory requirements and extensions requiring more than 6 months to complete from original target date (include action items for observations raised by regulators and external auditors), and to update the AC on AIRCom's deliberations/ recommendations for appropriate decision.
  - Assessed SBU's decision for risk acceptance and will not be taking remedial actions upon further cost-benefit analysis (include action items for observations raised by regulators and external auditors), and to notify the AC on management's justifications, mitigating actions and approving authority.
- c. The AIRCom meetings were held monthly prior to any AC meetings for the month; minutes of the AIRCom meetings were submitted to AC for notification and discussion.

## FINANCIAL REPORTING

- a. Reviewed the financial statements of the Group on a quarterly basis and the draft announcements before recommending them for the Board's approval.
- b. Reviewed the financial results prior to the approval by the Board; discussed the following as highlighted by the External Auditor in audited financial reports:
- Significant accounting and audit matters involving credit, taxation and finance (i.e. impairment assessment, other assets and other liabilities)
  - Tax matters
  - Information technology matters
  - Summary of any uncorrected misstatements
  - MFRS 9 related matters which include Expected Credit Losses ("ECL") movement by stages from 2019 to 2022, ECL overlay as at 31 December 2022, macroeconomics variables refresh with management overlay and government scheme by MOF
- c. In relation to the financial statements for the financial year ended 31 December 2022, the AC at its meeting held on 25 January 2023 was briefed by the External Auditors on the Key Audit Matters included in the Independent External Auditors' Report. These are matters regarded as most significant by the External Auditors in the audit of the financial statements of the Group and the Company, which involved significant judgement and estimates by the Management. The AC is satisfied that based on the audit procedures performed by the External Auditors, no material exceptions were noted on those matters.
- d. Reviewed write-off proposals as presented by the Management before recommending them for the Board's approval in accordance to established policy.

## RELATED PARTY TRANSACTIONS (RPTS) AND CONFLICT OF INTEREST

- a. RPTs are reviewed by the AC, taking into account the nature and underlying details of the transactions, in establishing any potential conflict of interest that may arise, before making recommendation to the Board for approval.
- b. Pursuant to MFRS 124 on Related Party Disclosures, significant RPT balances and transactions were reviewed on quarterly basis, with explanations provided for exceptional trend or transactions.

- c. All loans and financing granted to connected parties (pursuant to BNM's Guidelines on Credit Transactions and Exposures with Connected Parties) are under the direct purview of the respective Board of Directors.

#### **4. SUMMARY OF GCAD'S KEY ACTIVITIES**

- a. Carried out audits and investigations under GCAD Malaysia and overseas branches; issued 238 reports during the year.
- b. Continued to adopt data analytics audit approach by integrating data-driven assurance platform to facilitate GCAD Business Auditor in performing systemic and data analytics activities throughout audit ecosystem and work processes with more targeted key risk areas.
- c. Continued in implementing various strategic projects from GCAD's Forward23+ plans, including key initiatives to embed data analytics, enhance audit agility, upskill staff in emerging technologies, strengthen audit impact and provided active and holistic third line engagement for CIMB's sustainability goals.
- d. Identified potential cost savings and prevention of data and income leakage and qualitative value added mainly via new control design and catalysing change in behaviour (e.g. new dual control system functions, improve system requirements, recommendation to establish policy/framework, etc.) from the audits and investigations performed during the year.
- e. Monitored and followed up on the implementation of the corrective actions by Management; appropriate validation was performed in accordance with GCAD's Audit Follow-Up Framework.
- f. Reported status of outstanding audit findings to AC on a quarterly basis; undue delays in the implementation of agreed action plans were escalated to the relevant authority for further action.
- g. Acted as secretariat of AIRCom, and prepared minutes of meeting for submission to AC; other activities included preparing of meeting materials and following-up on matters arising.
- h. Conducted quarterly regional town hall for top-down communication on key matters relating to the internal audit function.

- i. Conducted a two-days Regional Audit Planning Summit to discuss and deliberate key audit methodologies, annual planning and pressing matters relating to the function.
- j. Continued to enhance relationship with Management through Quarterly Business Monitoring (QBM). GCIA, Department Heads or Section Heads have regular meetings with relevant key stakeholder to strengthen the working relationship and business understanding, for better audit focus.
- k. Reviewed and provided feedback on drafts of new and revised policies of the Group through Group Policy & Procedures Oversight Committee (GPOC). Feedback focused on, but was not limited to, ascertaining the adequacy of policies' proposed governance and controls to address risks.
- l. Submitted periodic reports to the AC, top Management and regulators.
- m. Supported AC in the annual review exercise on appointment of External Auditor.
- n. Continued to update and enhance the Competency Framework for staff development plan. 51% of auditors currently possess the Certification for Bank Auditor (CBA) qualification by the AICB.
- o. Continued to perform the internal quality assurance review (IQAR) in accordance with IIA Professional Practices Standards. IQAR framework was established with regular IQAR.
- p. Passed the surveillance audit of ISO 9001:2015 Certification for internal audit services.
- q. Incurred total costs of RM85.1 million (Malaysia: RM41.3 million) to maintain the internal audit function of the Group for FY2022.
- r. Presented the 2023 GCAD's internal audit budget for endorsement.

#### **5. TRAINING**

The description of training and education provided to the AC members has been outlined under the Corporate Governance Overview Statement.

# Board Shariah Committee Report

## BOARD SHARIAH COMMITTEE

Pursuant to the enterprise wide Shariah governance framework as provided by Bank Negara Malaysia in its Policy Document on Shariah Governance and now as enshrined in the effective Islamic Financial Services Act 2013, the Board of Directors ("the Board") is ultimately responsible and accountable for the oversight and management of Shariah matters in the operation of the Group's Islamic banking and finance activities. In undertaking its duties and responsibilities relating to Shariah, the Board relies on the advice of the Board Shariah Committee (BSC) of CIMB Group Holdings Berhad that it established under its core Islamic operating entity, CIMB Islamic Bank Berhad ("CIMB Islamic").

The main responsibility of the BSC is to assist the Board in the oversight and management of all Shariah matters relating to the Islamic banking and finance business of the CIMB Group Holdings Berhad. The BSC operates on the authority as delegated and empowered to it by the Board and as attributed to it under relevant financial regulations and legislations.

All decisions by the Board on Shariah matters relating to the Islamic banking business of CIMB Group Holdings Berhad shall be made based on the decisions, views and opinions of the BSC.

In having due regard to the decisions and advice of the BSC on Shariah matters, the Board shall give sufficient attention to the facts and basis for the Shariah decisions as well as providing fair consideration to the implications of implementing the Shariah decisions made by the BSC.

Any decision of the Board on Shariah matter shall be made based on the final decisions, views and opinions of the BSC. All decisions of the Board and the BSC on Shariah matters shall at all times be subordinated to the decision of the Shariah Advisory Council of the relevant Malaysian financial regulators and shall take into consideration the relevant authority on Shariah matters in the relevant jurisdiction it is doing business.

The BSC shall at all times assist the Board to ensure that the Group's Islamic banking and finance business does not have elements/activities which are not permissible under Shariah.

The BSC members are as follows:

1. Associate Professor Dr. Mohamed Fairooz Abdul Khir
2. Professor Dr. Yousef Abdullah Al Shubaily
3. Professor Dr. Aishath Muneeza
4. Ahmed Baqar Rehman
5. Dr. Ahmad Sufian Che Abdullah

The Board hereby affirms based on advice of the BSC that the Group's Islamic banking and finance operations has been done in a manner that does not contradict with Shariah save and except for those that have been specifically disclosed in this financial report (if any). This affirmation by the Board is independently verified and confirmed by the BSC in a separate BSC Report made herein.

## MEETINGS AND ATTENDANCE

BSC convened 10 meetings FY2022 including 2 special meetings to cater for urgent business proposals. All BSC members have satisfied the minimum 75% attendance requirement under BNM Shariah Governance Policy Document.

## BOARD ENGAGEMENT AND TRAININGS ATTENDED

As part of the initiative to strengthen the good governance and oversight function of Board over Shariah matters, the following activities were carried out in 2022:

- 2 Joint Board and BSC meetings on BNM Financial Sector Blueprint 2022 – 2026 and Islamic Social Finance Initiatives.
- In addition, a training was conducted by Tan Sri Dr. Mohd Daud Bakar and Puan Khadijah Iskandar on the topic of Strategic Discussion & Moving Forward on ESG Initiatives.

As guided by Securities Commission's Guidelines for Shariah Advisers, BSC members have satisfied with the minimum 3 SIDC's CPE approved courses on capital market FY2022.

Among the training programmes provided by SIDC qualify for CPE points attended by BSC members as follow:

- Technology Driving the Future of Gig Economy
- IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship In Times Of Heightened Sustainability Demands
- Driving Responsible and Sustainable value Creation Through Governance
- Risk Management in Derivatives Trading
- Artificial Intelligence and Machine Learning in Trading (Part 1)
- Trading in Crude Palm Oil Futures Contract (FCPO)
- ESG Disclosures: Improving the Quality of ESG Data and Its Impact
- Artificial Intelligence and Machine Learning in Trading (Part 2)
- Moving Forward with Digital Investment Management

In addition to the above training programmes, the BSC members also attended and participated the following events and training:

- Training CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities
- Kuala Lumpur Islamic Finance Forum (KLIFF) 2022
- Bank Rakyat International Shariah Scholars Roundtable (iSHAR)
- Introduction to Options

## BSC ASSESSMENT

In compliance with BNM Shariah Governance Policy Document, the BSC undergoes the process of assessing the effectiveness of each individual BSC members and the committee as a whole annually. The assessment is primarily based on questionnaires in a survey form to all BSC members and encompasses on the performance and effectiveness of the BSC as a committee and individual member.

## ZAKAT OBLIGATIONS

CIMB Islamic Bank Berhad pays business zakat by adopting the Adjusted Growth Method to state zakat authorities in line with the methodology approved by Board Shariah Committee. However, the amount payable by the CIMB Islamic Bank Berhad is at the discretion of the management of CIMB Islamic Bank Berhad and it is the shareholder's responsibility to ensure that their own zakat obligations are fulfilled in relation to their ownership of the share.

For the Group's banking and asset management subsidiaries, the obligation and responsibility for payment of zakat on deposits and investments received from their customers lies with their respective Muslim customers only. The aforesaid is subject to the jurisdictional requirements on zakat payment as may be applicable from time to time on the Group and its subsidiaries arising from changes to local legislation, regulation, law or market convention as the case may be. Accrual of zakat expenses (if any) in the Financial Statements of the Group is reflective of this.

## BOARD SHARIAH COMMITTEE'S REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

We, the members of the CIMB Group Board Shariah Committee as established under CIMB Islamic Bank Berhad ("CIMB Islamic"), are responsible to assist the Board in the oversight and management of Shariah matters in the operation of the Group's Islamic banking and finance activities. Although the Board is ultimately responsible and accountable for all Shariah matters under the Group, the Board relies on our independent advice on the same.

Our main responsibility and accountability is to assist the Board in ensuring that the Group's Islamic banking and finance businesses does not have elements/activities which are not permissible under Shariah. In undertaking our duties we shall follow and adhere to the decisions, views and opinions of the Shariah Advisory Council of the relevant Malaysian financial regulators for businesses undertaken in Malaysia and for businesses outside Malaysia we shall take into consideration the decisions, views and opinions of the relevant authority on Shariah matters (if any, sanctioned by law/regulation to be followed by the Group) in the relevant jurisdiction that the Group is doing business.

As members of the Board Shariah Committee, we are responsible to provide an independent assessment and confirmation in this financial report that the operations of the Islamic banking and finance business of CIMB Group have been done in conformity with Shariah as has been decided and opined by us and with those Notices, Rules, Standards, Guidelines and Frameworks on Shariah matters as announced and implemented by relevant financial regulators in the relevant jurisdictions that the Group's Islamic banking and finance businesses were undertaken during the period being reported.

Our independent assessment and confirmation has been used as the basis for the Board's affirmation of the same in the Director's Report herein before.

In making our independent assessment and confirmation, we have always recognised the importance of CIMB Group maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the Shariah compliant status of its Islamic banking and finance businesses.

## Board Shariah Committee Report

In this regard sufficient internal controls are in place to ensure that any new Islamic financial transaction is properly authorised; the group's assets and liabilities under its statements of financial position are safeguarded against possible Shariah non-compliance; and, that the day to day conduct of its operations does not contradict Shariah principles.

In addition to the necessary policies and procedures, the Group has a well-defined division of responsibility by Management and the communication of Shariah policies and guidelines of business conduct to all staff.

Effective Shariah governance is supported by a professional staff of Shariah researchers as well as the advisory and consultancy function that supports us in our decision and deliberations, providing check and balance for all Shariah matters as presented to us by the Management. CIMB Group Shariah Review Policy and Procedure were established to set out policies for Shariah review function encompassing regular examination and evaluation of the Group's level of compliance to the Shariah requirements, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences. In addition, the Group Shariah Review Procedure sets out the procedures for Shariah review execution, responsibilities of stakeholders and internal reporting process relating to Shariah non-compliance events, in line with BNM's requirements.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, Shariah Review conducts post review of CIMB Group's activities and operations in accordance with the annual Shariah review work plan approved by us and the respective Boards of Directors of CIMB Group. Additionally, Shariah Review conducts investigations on issues escalated by the stakeholders and performs ad-hoc review as required from time to time by us and the regulators. As for effective risk management and control, the Group adopted the strategic implementation of tiered model i.e. Three Lines of Risk Defense in governing and managing Shariah Non-Compliant risk. Lastly, there is also a team of internal auditors who conduct periodic Shariah audits of all the Group's Islamic banking and finance operations on a scheduled and periodic basis.

To strengthen the compliance towards Shariah, the Bank has continuously instilled a Shariah-compliance culture by adopting a holistic top-down approach within the organisation. At the apex, the Bank set an appropriate 'tone from the top', where the Board and Shariah Committee play their oversight role on the Shariah governance in the Bank. The Bank also held Board and Shariah Committee engagement sessions or Joint Board meeting between Board of Directors and Board Shariah Committee which serve as a platform for effective communication between Board, Shariah Committee and Senior management on oversight over Shariah governance.

The Bank also continues capacity building programmes to inculcate strong shariah knowledge within the Bank. The Bank has supported CIMB Islamic and CIMB Bank staff to enroll in relevant certification programmes such as Intermediate Qualification in Islamic Finance (IQIF), Certified Professional Shariah Auditor (CPSA), Certified Shariah Advisor (CSA) and others. The Bank had conducted training session by representative from the Board Shariah Committee with all staff where the Board Shariah Committee Member shared about the theme around embracing Shariah-compliance culture, Islamic Social finance etc. In addition, Chairman Board Shariah Committee also visited one of CIMB branches to promote Shariah-compliance culture among the frontline staff.

All in all, the Management of the Group is responsible and accountable to the Board to ensure that the Islamic banking and finance businesses of CIMB Group are conducted in accordance with the requirement of Shariah. It is our responsibility to form an independent opinion of the state of Shariah compliancy of the business and its operations and advise the Board accordingly. Based on the internal controls that have been put in place by the Management, in our opinion, to the best of our knowledge, the Group has complied with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and by all other financial regulators (where relevant), as well as Shariah decisions made by us (excluding PT Bank CIMB Niaga Tbk), and nothing has come to the Board Shariah Committee's attention that causes the committee to believe that the operations, business, affairs and activities of the Group's Islamic banking and finance business involve any material Shariah non-compliances.

In our opinion:

1. The contracts, transactions and dealings entered into by the Group during the financial year ended 31 December 2022 that were presented to us were done in compliance with Shariah;
2. The allocation of profit and charging of losses relating to investment accounts conformed to the basis that were approved by us in accordance with Shariah;
3. There were no earnings that were realised from sources or by means prohibited by Shariah have been considered for disposal to charitable causes; and
4. The zakat calculation is in compliance with Shariah principles.

We have actively monitored and overseen the independent work carried out for Shariah review and Shariah audit functions by the relevant functionaries under the established system of internal control, which included the examination, on a test basis, of each type of transaction, of relevant documentation and procedures adopted by the Group. We are satisfied that the Management has planned and performed the necessary review and audit so as to obtain all the information and explanations which are considered necessary to provide us with sufficient evidence to give reasonable assurance that the Group has not violated Shariah.

We, the members of the Board Shariah Committee, are of the opinion that the operations of the Group for the financial year ended 31 December 2022 were conducted in conformity with Shariah.

On behalf of the Board Shariah Committee

**Associate Professor Dr. Mohamed Fairooz Abdul Khir**  
Chairman

**Dr. Ahmad Sufian Che Abdullah**  
Member

Kuala Lumpur  
8 March 2023

# Sustainability Statement



The CIMB Group Sustainability Report 2022 provides a retrospective view of our sustainability journey, and for us to reflect upon the challenges that we face. Doing this allows us to adapt our approach, strengthen our effort and drive continuous improvement, so that we can thrive in the long term.

The content is based on our latest materiality assessment conducted for the group (see page 18 of the CIMB Group Sustainability Report for details). It communicates our sustainability commitments, performance and plans going forward.

## SCOPE: REPORTING COVERAGE AND PRINCIPLES

All information disclosed in this statement covers the calendar year 1 January 2022 to 31 December 2022, unless otherwise stated. It covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia. All quantitative information for relevant indicators has been disclosed for four years, wherever possible. The last report was published in March 2022.

As much as possible, we have applied the reporting principles of balance, comparability, clarity, completeness, reliability and accuracy.

## REPORTING STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

This report adheres to international and local sustainability guidelines, standards and frameworks. It was developed according to best practices and standards, thus providing stakeholders with meaningful disclosures in order to make well-informed decisions.

The report has been prepared in accordance with:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Global Reporting Initiative (GRI) Standards 2021<sup>1</sup>
- The United Nations Environment Programme Finance Initiative Principles for Responsible Banking
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Read more about the above in the tables and indices on pages 158 to 173 of the CIMB Group Sustainability Report 2022.

We also benchmark our disclosures against the indicators of the S&P Global Corporate Sustainability Assessment, and the Sustainability Accounting Standards Board (SASB).

## RELIABILITY: ASSURANCE OF QUALITY

We review and deliberate on the degree of transparency and level of disclosure across various functions of the Group on a continuous basis. The reporting framework and key updates are presented, discussed and approved in line with the sustainability governance framework.

Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG PLT. Read the full Statement of Assurance on pages 174 to 178 of the CIMB Group Sustainability Report 2022.

## FEEDBACK AND REVIEW FOR CONTINUOUS IMPROVEMENT

We are always looking for ways to improve our sustainability efforts and disclosures, as well as value creation and performance. We welcome all feedback, questions or suggestions on the CIMB Group Sustainability Report 2022.

Please contact:

**Luanne Sieh**

Head of Group Sustainability  
sustainability@cimb.com

<sup>1</sup> Global Reporting Initiative (GRI) Standards 2021 (Reference).

## CIMB'S SUSTAINABILITY PRINCIPLES

Through our ASEAN-wide presence and by the nature of our business, we can play a significant role in shaping the sustainability landscape in the region. Our pledge of #CIMBforTomorrow means that we aim to use our influence to not only improve the environmental, social and governance practices within our own operations, but to create net positive impacts for everyone connected to the Group. This is encapsulated in our Sustainability Principles, which are embedded in our organisational purpose and Forward23+ strategy.

Our Sustainability Principles include the following:



These principles are aligned and guided by our commitments to driving sustainable finance and global development, as well as the UN Sustainable Development Goals (SDGs). We mapped the UN SDGs based on areas we have the most impact and influence, resulting in seven priority SDGs. Our material matters and corresponding policies and programmes, and in particular, our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, are aligned with these priority SDGs.



# Sustainability Statement

## PARTNERSHIPS

We work closely with industry and regulatory bodies to accelerate the mainstreaming of the sustainable development agenda. We are members of international and local working groups, which allow us to share our experiences and adopt best practices and tools. On the other hand, we work with a number of Non-Governmental Organisations who actively support us on various aspects of our sustainability journey.

## THE COOLER EARTH SUSTAINABILITY SUMMIT

Our annual flagship event, CIMB's The Cooler Earth Sustainability Summit, is a platform to inspire business leaders, financiers, investors, policy and decision-makers to shift the paradigm of business and finance. Our fourth Summit, themed "Facilitating a Just Transition," focused on building concrete actions to lay a strong foundation for the future.

## JOINT COMMITTEE ON CLIMATE CHANGE

We play an active role in the Joint Committee on Climate Change (JC3), which is co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC). This committee works to mobilise collective action in the Malaysian financial sector in order to promote climate resilience in the sector and the wider economy. Inputs, insights, and recommendations are used to shape sustainability policies and regulations set by BNM and the SC.

## VALUE-BASED INTERMEDIATION

We are strong advocates of BNM's Value-Based Intermediation (VBI), which aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impacts on the economy, community and environment, and are consistent with shareholders' sustainable returns and long-term interests. CIMB Islamic is currently part of the working group for the VBI Financing and Investment Impact Assessment Framework (VBIAF) Agriculture Sectoral Guide.

## NET ZERO BANKING ALLIANCE

We are the first ASEAN bank to join the NZBA, which forms part of the Glasgow Financial Alliance for Net Zero (GFANZ). The NZBA consists of 126 banks from 41 countries that are dedicated to aligning their investments and lending with Net Zero emissions by 2050. The alliance works to reinforce, accelerate and support the implementation of decarbonisation strategies, providing an internationally coherent framework and guidelines, supported by peer learning. As a signatory of NZBA, we mobilise our products, services and relationships to help facilitate a just transition towards a climate-resilient future.

## INTERNATIONAL CHAMBER OF COMMERCE (ICC) SUSTAINABLE TRADE FINANCE WORKING GROUP

We are an active member of the ICC Sustainable Trade Finance Working Group, an initiative that was set up in 2016 to develop best practice standards for sustainable trade. The Wave 1 Framework was launched at COP27.

## THE CEO ACTION NETWORK

We co-founded the CEO Action Network alongside our partner, IMPACTO, in 2020 to provide a closed-door peer-to-peer informal network of CEOs and Board Members committed to driving sustainable action in corporate Malaysia. With over 60 members from more than 20 critical sectors, CAN aspires to catalyse its members and the broader economy towards shaping future-ready and ESG-integrated business models and ecosystems. CIMB is an active member of the CAN Steering Committee and is Chair of the Working Group.

| Read more about CAN's Collective Commitment Levels

As a CAN member, we are committed to meeting Collective Commitments at Level 2<sup>1</sup> by 2023. We have met all of our collective commitments as of the end of 2022, and are currently working with other CAN members to develop an updated and more ambitious set of collective commitments for 2024 and beyond.

| Read more about our commitments and accomplishments on pages 26 to 28 of the Group Sustainability Report

	Commitment	Status
Governance	<ul style="list-style-type: none"> <li>Disclose material sustainability risks and opportunities</li> <li>Disclose performance criteria of top management linked to ESG</li> </ul>	<ul style="list-style-type: none"> <li>Completed. We refreshed our material matters, risks and opportunities in 2022</li> <li>Completed and disclosed</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Set public targets on GHG Scope 1 and 2</li> <li>Commit to implement TCFD recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Completed. We have committed to net zero Scope 1 and 2 GHG emissions by 2030</li> <li>Completed. We are an official supporter of TCFD and have implemented the majority of TCFD recommendations. We are committed to disclosing all TCFD recommendations by 2024</li> </ul>
People	<ul style="list-style-type: none"> <li>Set public targets on percentage of female composition in top management</li> <li>Conduct human rights risk assessment across own operations and value chain</li> </ul>	<ul style="list-style-type: none"> <li>Completed. We have set a public target of attaining 45% of females in top management by 2024</li> <li>Completed. We implemented our human rights policy and institutionalised human rights assessments and requirements for our suppliers and financing clients</li> </ul>

| Read more about CIMB's Political Contributions

<sup>1</sup> CAN has outlined 14 commitments under three categories (environment, people and governance) with three progressive levels (level 1, level 2, level 3) of commitment for each category.

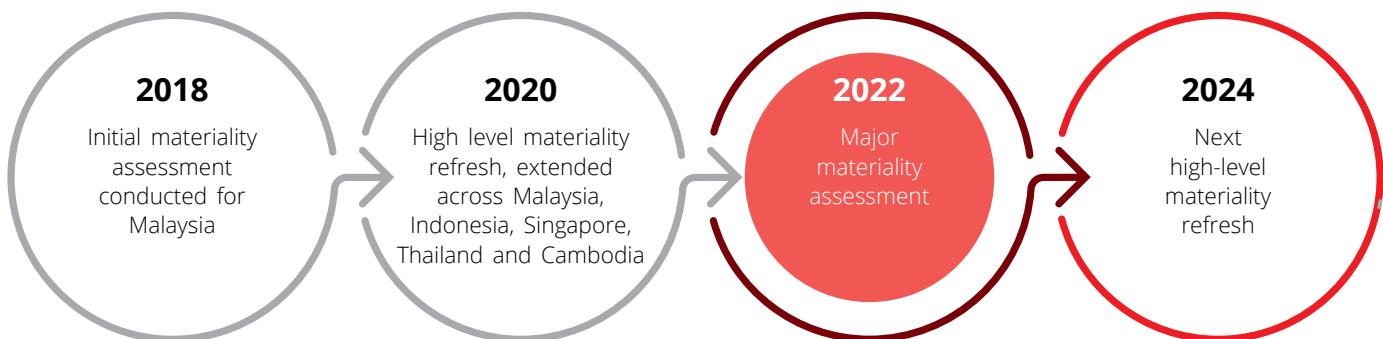
## MATERIAL MATTERS

We recognise that the global banking industry is continuously evolving, with increasing pressure and expectations from society. Materiality assessment is one of our key approaches to identifying the critical economic, environmental and social matters for our organisation, with inputs from our stakeholders. We consider the concept of double materiality in our approach, where we consider the potential impact of our activities on the environment and society, alongside environmental and societal matters that have a potential impact on our business.

We are guided by our material matters to drive long-term value creation and competitiveness for the Group as a whole. The outcome of the materiality assessment serves as input to our sustainability strategy and drives our ambition to become an ASEAN sustainability leader.

## MATERIALITY METHODOLOGY

We conduct an in-depth materiality assessment every four years, with a midpoint review every two years. In 2020, we conducted a materiality checkpoint, followed by a major update in 2022 to reassess the relevance of ESG matters to our key stakeholders.



The materiality assessment was conducted in alignment with the latest GRI Sustainability Reporting Standards (GRI Standards) 2021<sup>1</sup>. Our materiality assessment process is described as follows:

**1**

### IDENTIFICATION

- We identified a list of 25 potential material topics from various sources, including global trends, GRI Standards 2021 and the S&P Global Corporate Sustainability Assessment
- We also conducted benchmarking with our peers' material topics

**2**

### ENGAGEMENT

- We engaged over 5,000 clients, suppliers and employees across Malaysia, Indonesia, Singapore, Thailand and Cambodia through surveys. Surveys were also translated into Thai and Indonesia
- Inputs from other stakeholders, such as investors, regulators and communities, were also gathered based on our engagements with them over the past 12 months

**3**

### PRIORITISATION

- The stakeholders' inputs were prioritised according to the relative criticality of stakeholder groups based on their influence and impact, as well as geography, based on relative revenue contribution from each country studied

**4**

### VALIDATION

- We deliberated internally with management and regional teams to narrow down the focus to the top 13 Material Matters
- The Material Matters were validated and approved by the Board as the highest governing body

<sup>1</sup> Global Reporting Initiative (GRI) Standards 2021 (Reference): <https://www.globalreporting.org/>.

# Sustainability Statement

## CIMB'S UPDATED MATERIAL MATTERS

1	2	3	4	5	6	7
Sustainable and Responsible Finance	Governance and Ethics	Cybersecurity and Data Privacy	Financial Inclusion and Literacy	Risk Management and Business Resilience	Digitalisation and Innovation	Human Rights
8	9	10	11	12	13	
Climate Change	Diversity and Inclusion	Customer Experience	Biodiversity and Ecosystem Integrity	Talent Attraction, Growth and Retention	Corporate Citizenship	

**Economic Dimension**

**Environmental Dimension**

**Social Dimension**

Based on the outcome of our materiality assessment, we prioritised 13 material topics that represent CIMB's most significant impacts on the economy, environment and society, and vice versa.

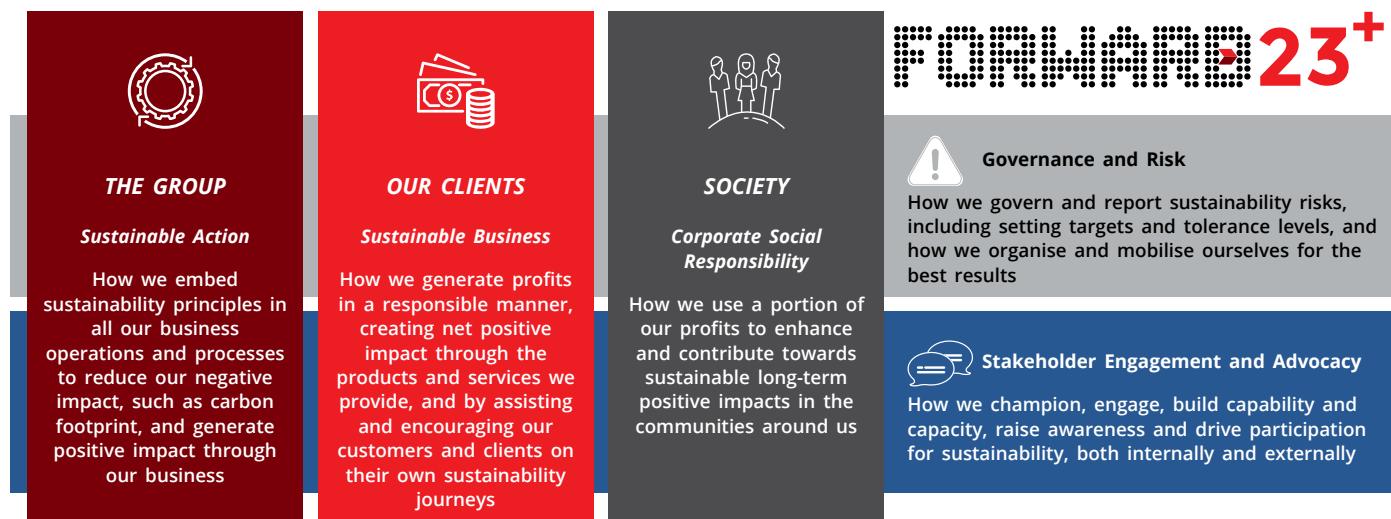
Along with our stakeholder engagement process, we have made improvements by updating our definition of each material topic to be more concise. We have updated and enhanced the clarity of our material matters with the addition, deprioritisation, splitting and renaming of the topics. Major updates are as follows:

<b>Human Rights</b> New material matter, added to provide better focus and coverage of human rights-related issues	<b>Digitalisation and Innovation</b> Split out from "Technology" to provide specific focus on digitalisation and innovation in our business	<b>Health, Safety and Well-being</b> Treated as a hygiene factor, as our stakeholders expect this to be fundamental to our business
<b>Biodiversity and Ecosystem Integrity</b> New material matter, added to reflect its nature as an emerging risk in the banking industry and its increasing importance to our stakeholders	<b>Cybersecurity and Data Privacy</b> Split out from "Technology" to provide specific focus on issues related to cybersecurity and data privacy	<b>Sustainable Supply Chain</b> Treated as a hygiene factor, as well as to make way for more highly material matters such as our financed emissions (climate change)
<b>Sustainable and Responsible Finance</b> Updated to include "responsible finance" to explicitly cover both positive impacts in our financial services as well as elements of "do no harm" to people and planet	<b>Risk Management and Business Resilience</b> Split out from "Governance" to provide more focus on robust risk management and resilience of economic value creation	<b>Sustainability Awareness and Participation</b> Treated as 'business as usual', as this has been ongoing and foundations have been set, as well as to make way for more highly material matters
<b>Governance and Ethics</b> Updated to explicitly call out "ethics" which covers elements such as anti-competitive behaviour, responsible tax management and contribution to peace and justice	<b>Corporate Culture</b> Merged with "Talent Attraction, Growth and Retention", as a strong corporate culture is fundamental for attracting and retaining the right talent	

## SUSTAINABILITY ROADMAP

The CIMB Group Sustainability Roadmap is developed according to our sustainability principles, and forms the foundation of our strategies and initiatives to steer our business activities and operations towards achieving our sustainability aspirations. The scope of our roadmap covers all areas we may impact or influence, including our own operations, as well as downstream impacts on stakeholders such as customers, and upstream with our suppliers. The roadmap covers our material sustainability matters to deliver net positive impacts to our stakeholders, including the economy, communities and environment.

We have also embedded the Value-Based Intermediation (VBI) principles into our sustainability roadmap. Developed by Bank Negara Malaysia, VBI aims to deliver the intended outcomes of Shariah, applying its principles of benefit attainment and prevention of harm.



# Governance and Risk

We adopt a principled approach to corporate and sustainability governance. Our commitment to sustainable value focuses on balancing stakeholders' interests – shareholders, employees, customers, communities and everyone else impacted by the work we do. Our dedication to creating sustainable value guides us in fostering a culture of transparency, accountability, and integrity, which is vital in building stakeholders' trust. By prioritising long-term value creation that benefits all, we aim to deliver meaningful and lasting positive impact.

Our robust risk and governance systems are built upon shared values and norms among our employees. This is institutionalised through:



**Strong governance systems** based on transparency, accountability and integrity



**An integrated risk management approach** that incorporates environmental and social risk considerations into daily decision-making and operations



**Robust policies and frameworks** that prioritise social and environmental well-being



**Proactive climate change risk management** that builds our resiliency while promoting the transition towards a low-carbon economy

## MATERIAL TOPICS

## 2022 ACHIEVEMENTS

	<b>Governance and Ethics</b>	<ul style="list-style-type: none"> <li>Improved our S&amp;P Global CSA Governance score by 29% from 2019</li> </ul>
	<b>Risk Management and Business Resilience</b>	<ul style="list-style-type: none"> <li>Published CIMB's Sustainable Finance Framework, containing our sector policies and position statements</li> <li>Enhanced Group Sustainable Financing Policy to incorporate human rights risks and just transition considerations</li> <li>Rolled out new sector guides for mining and manufacturing</li> <li>Incorporated an overall sustainability rating into the Group's 2023 Risk Posture Setting exercise</li> </ul>
	<b>Climate Change: Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>Completed scope 3 financed emissions baseline for nine carbon-intensive sectors, covering 61% of the Group's total gross financing</li> <li>Established Paris-aligned 2030 climate targets at portfolio level for thermal coal mining and cement sectors</li> <li>Completed classification of 2022 financing and investments according to Bank Negara Malaysia (BNM) Climate Change and Principle-based Taxonomy (CCPT)</li> <li>Shared CIMB's climate journey and insights in various forums at COP27</li> </ul>
	<b>Human Rights</b>	<ul style="list-style-type: none"> <li>Rolled out CIMB's Group Human Rights Policy</li> </ul>
	<b>Biodiversity and Ecosystem Integrity</b>	<ul style="list-style-type: none"> <li>Established and rolled out the No Deforestation, No Peat, and No Exploitation (NDPE) Policy to palm oil, forestry and timber plantation sectors</li> </ul>

# Sustainable Action

At CIMB, operating in a socially and environmentally responsible manner is driven by more than moral obligations or ethics. There is increasing evidence that shows how integrating sustainability throughout the value chain can generate positive financial outcomes. For example, a report estimated that companies that excelled in sustainability recorded operating profits that were 3.1% higher than average and delivered higher annual total returns to shareholders<sup>1</sup>. Through Sustainable Action, we also create stakeholder trust, demonstrate strong leadership by example, and build our resilience against sustainability risks – all of which enable our continued performance.

We are committed to improving the lives and well-being of our 33,000 plus employees and 1,500 suppliers across ASEAN. We strive to create a safe, fair and inclusive work environment that contributes to their long-term development and well-being while leaving behind a better planet for future generations.

## MATERIAL TOPICS

## 2022 ACHIEVEMENTS

### Climate Change: Operational Emissions

- Achieved 48% reduction of Scope 1 greenhouse gas (GHG) emissions and 21% reduction of Scope 2 GHG emissions against 2019 baseline
- Completed desktop energy audit for three head offices and selected branches, and LED lighting retrofit for Wisma CIMB
- Started measuring the amount of waste generated and recycled across our operations

### Talent Attraction, Retention and Growth

- Launched "Forward Your Career" to facilitate internal mobility and promote talent retention
- Successfully piloted the 180° values-based feedback for leaders and people managers
- Launched the Sustainability Academy for stronger internal talent development in the area of sustainability
- Improved organisational health score from 75% in 2021 to 77% in 2022

### Diversity and Inclusion

- Maintained a gender pay ratio of 1.00 (male) : 1.01 (female)
- Achieved a 42.4% female representation in leadership (GCEO-2 level and above)
- Introduced the "Diversity and Inclusion in the Workplace" suite of training programmes as part of the CIMB training curriculum



### A Low-Carbon Bank

Minimising our operational carbon emissions, along with other environmental impacts



### An Engaged and Productive Workforce

Providing a safe and enriching work environment that attracts and retains the industry's top talent



### An Inclusive and Fair Work Culture

Encouraging creativity through diversity and inclusion in the workplace

<sup>1</sup> Seeking New Leadership: Responsible Leadership for a Sustainable and Equitable World, Accenture, Young Global Leaders and Global Shapers, January 2020.

# Sustainable Business

As a financial intermediary, we have the power to create sustainable financial solutions and positive change. Our greatest impact lies in how we do business with our clients. This responsibility has been at the core of our sustainability priorities. As a responsible bank, we recognise our accountability for the activities that we enable through our financial services, as well as our influential role in requiring or encouraging our clients to minimise negative impacts from their activities. This is a key motivation for us to continue to transform our business towards becoming a sustainable banking leader.

A sustainable business model does not mean compromising on a healthy bottom line. On the contrary, aligning our strategy with the objectives of environmental well-being, social equity and economic prosperity is essential to our long-term success. There is increasing evidence that supports this. According to the Morningstar U.S. Sustainability Leaders Index, companies with the best sustainability scores performed 33.3% better in financial returns<sup>1</sup>. Becoming a sustainable business means we are built to last, while enabling us to meet the evolving financial needs of our customers and society.

## MATERIAL TOPICS

## 2022 ACHIEVEMENTS

<b>Sustainable and Responsible Finance: Creating Positive Impacts</b>	<ul style="list-style-type: none"> <li>Mobilised RM27.8 billion of sustainable finance in Green, Social, Sustainable Impact Products and Services</li> <li>Launched the first-of-its-kind Sustainability-Linked Treasury Programme in Malaysia</li> <li>Won 21 awards across the region for Sustainable Finance</li> </ul>
<b>Financial Inclusion and Literacy</b>	<ul style="list-style-type: none"> <li>Distributed RM10.7 billion of financing to low-income individuals</li> <li>Provided RM3.6 billion of financing to micro and small enterprises in support of SDG 8: Decent work and economic growth</li> <li>Trained more than 11,000 youths under our financial literacy programmes</li> </ul>
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>Achieved a Net Promoter Score (NPS) within 74% of the industry in our four key markets</li> <li>Rolled out a strategy to combat financial scams</li> </ul>
<b>Digitisation and Innovation</b>	<ul style="list-style-type: none"> <li>Maintained 99.50% in CIMB Clicks uptime<sup>2</sup></li> <li>Maintained 99.99% in BizChannel uptime<sup>2</sup></li> </ul>
<b>Cybersecurity and Data Privacy</b>	<ul style="list-style-type: none"> <li>Enhanced our Security Operation Centre and Threat Intelligence to address increasing cyber threats</li> <li>&gt;100,000 cybersecurity and data privacy lessons completed by over 30,000 CIMBians</li> <li>Recorded zero major breaches</li> </ul>



### Positive Impact Through Finance

Deliver innovative, relevant and sustainable finance solutions that enable clients to create positive impacts



### Empowerment Through Financial Inclusion

Provide accessible and affordable banking services and improve financial literacy for underserved communities



### A Culture of Customer Excellence

Develop meaningful long-term customer relationships through seamless yet personalised experiences



### Innovative and Technology-Driven

Leverage technologies to improve our processes and better serve our customers



### Robust Cybersecurity and Privacy

Strengthen our security processes to protect stakeholder data and privacy

<sup>1</sup> Why Sustainable Strategies Outperformed in 2021, Lauren Solberg, Morningstar U.S., January 2022.

<sup>2</sup> Figure is calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance.

# Corporate Citizenship

The long-term success of our organisation is dependent on a robust socio-economic foundation. To achieve long-term development and prosperity, it is important that all segments of society thrive and benefit from economic growth. We advocate for a just transition towards an equitable and inclusive development model that benefits everyone, especially vulnerable segments of society.

Recent years have demonstrated the limitation of relying solely on economic progress for human development, and it is imperative that we build greater resilience as a society. The ongoing impacts of the COVID-19 pandemic have resulted in 120 million people worldwide being pushed into extreme poverty.

At CIMB, we believe in leveraging our resources and influence to address social inequalities. We concentrate our efforts on areas that are most relevant and impactful to our community members, and where we can create the maximum positive social impact. Our social programmes cater to at-risk beneficiaries and those most vulnerable to the impacts of climate change and social injustice, particularly communities within the bottom 40% of income earners (B40). CIMB encourages its stakeholders to actively participate in community causes and serve as agents of change through volunteering efforts.

## MATERIAL TOPICS



## 2022 ACHIEVEMENTS

- Disbursed RM34.4 million in community investments
- Achieved record employee volunteerism hours totalling more than 140,000 hours
- Won Finance Asia's award on Most Committed to Social Causes



### Equitable and Inclusive Education

Provide access to quality education to underserved and disadvantaged communities.

We aim to increase the number of programmes that provide quality education to disadvantaged communities and improve the accessibility of quality education to underserved students.



### Economic Empowerment

Drive inclusive socio-economic development and entrepreneurship that benefit all segments of society.

Our near to mid-term target is to increase the number of entrepreneurship development programmes to benefit the wider B40 group with higher and sustainable income generation.



### Healthy and Resilient Communities

Provide access to affordable and essential healthcare to safeguard the well-being of communities.

We work to provide greater strategic financial support to improve public and community healthcare, including the prevention of infectious diseases and support programmes for persons with disabilities.



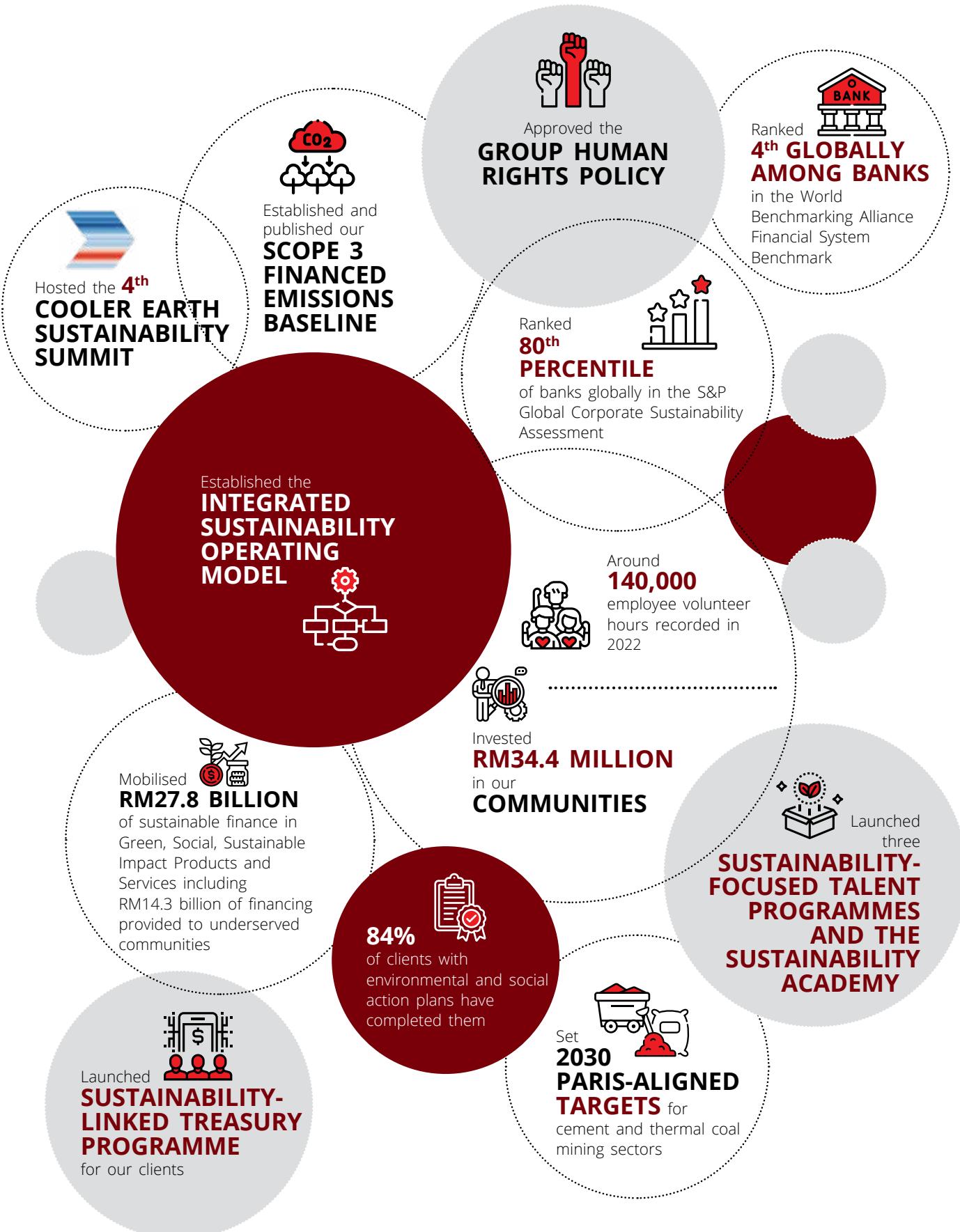
### Collective Green Action

Raise community awareness of responsible environmental practices.

Our environmental programmes are targeted at providing support for organisations involved in nature and biodiversity conservation.



# Sustainability Key Highlights in 2022



## AWARDS



### TOP EMPLOYER AWARDS



### SUSTAINABLE BUSINESS AWARDS



#### GRADUATE CHOICE AWARD 2022

- Overall ranking top #9
- 1st runner up in Banking category
- 1st runner up in Investment Banking category

#### GRADUAN BRAND AWARDS 2022

- Overall ranking #3
- 1st runner up Banking category

#### EMPLOYEE EXPERIENCE AWARD 2022

- Silver – Best Onboarding Experience

We are honoured to have won several awards throughout 2022 for Sustainable Finance, including GSS Bonds/Sukuk, a testament to our continued commitment to providing sustainable capital market solutions.

#### THE ASSET TRIPLE A COUNTRY AWARDS FOR SUSTAINABLE FINANCE 2022

- Best Issuer for Sustainable Finance – Malaysia
- Best SDG Bond – Malaysia
- Best Bond Adviser, Domestic – Malaysia
- Best Social Bond – Singapore
- Best Green Bond – Indonesia
- Best Green Loan – Indonesia
- Best IPO – Malaysia
- Best IPO – Philippines

#### THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2022

- Best ASEAN Green SRI Sukuk – Malaysia
- Best SRI Sukuk – Malaysia
- Best ASEAN Sustainability Sukuk – Malaysia
- Best Sustainability Sukuk – Malaysia
- Best Sustainability SRI Sukuk – Malaysia
- Best Green Sukuk – Indonesia
- Best SME Solution for CIMB GreenBizReady – Malaysia

#### ALPHA SOUTHEAST ASIA BEST DEAL AND SOLUTION AWARDS 2022

- Best SRI Sukuk and Best Local Currency Sukuk of the Year for a Sustainability Sukuk Wakalah – Malaysia
- Best Islamic Finance Deal and Most Innovative Islamic Finance Deal of the Year for a Sustainability Sukuk Murabahah – Malaysia
- Best Sovereign Bond and Best Green Sukuk of the Year – Indonesia
- Best Sustainability-linked Transaction of the Year – Thailand

#### ASIAN BANKING AND FINANCE CORPORATE AND INVESTMENT BANKING AWARDS 2022

- Green Deal of the Year – Malaysia

#### TRIPLE A SUSTAINABLE CAPITAL MARKETS AWARDS 2022

- Best Syndicated Loan – Indonesia

#### CIMB GREENBIZREADY™ RECOGNITION



CIMB GreenBizReady™, our complimentary solution to help SMEs who want to embark on or advance their sustainability journey, clinched the "Best SME Solution - Malaysia" at The Asset Triple A Islamic Finance Awards 2022.

We are also pleased to have assisted Salcon Berhad on its sustainability journey through CIMB GreenBizReady™, in partnership with IMPACTO Sdn Bhd. In The Edge ESG Awards 2022, Salcon won the Silver Award in the Utilities category, attributed to its purpose-driven sustainability initiatives.

These awards are a testament to the value we provide our clients through this proposition across SMEs and corporates who are looking to start and progress on their sustainability journey.

Through CIMB GreenBizReady™, CIMB hopes to catalyse the transition of Malaysian SMEs towards the green economy, in line with the Malaysian Government's aim of advancing the sustainability agenda as part of a holistic and inclusive economic approach.

# Regional Notable Deals

## REGIONAL DEBT DEALS

**Republic of Indonesia through Perusahaan Penerbit SBSN Indonesia III**



USD3.25 billion Trust Certificates due 2027 and 2032 (Green) issued by Republic of Indonesia through Perusahaan Penerbit SBSN Indonesia III

**Projek Lebuhraya Usahasama Berhad**



Islamic medium term notes issuance of RM25.2 billion in nominal value pursuant to an Islamic medium term notes programme of up to RM25.2 billion in nominal value based on the Shariah principles of Musharakah and Murabahah (via Tawarruq arrangement)

**Amanat Lebuhraya Rakyat Berhad**



Senior Sustainable and Responsible Investment Sukuk Murabahah programme of RM5.5 billion in nominal value

**Tenaga Nasional Berhad**



Islamic medium term notes issuance of RM4.0 billion in nominal value pursuant to an Islamic Medium Term Notes programme of up to RM10.0 billion in nominal value

**Khazanah Nasional Berhad**

Islamic medium term notes issuance of RM2.0 billion in nominal value pursuant to an Islamic medium term notes Programme of up to RM20.0 billion in nominal value (upsized from RM10.0 billion in nominal value) via Danum Capital Berhad

**TNB Power Generation Sdn Bhd**



Issuance of RM1.5 billion in nominal value of Sustainability Sukuk Wakalah pursuant to a Sukuk Wakalah Programme of up to RM10.0 billion in nominal value

**IGB REIT Capital Sdn Bhd**



Second tranche medium term notes with nominal value of RM1.2 billion issuance under the Medium Term Notes programme with nominal value of up to RM5.0 billion

**Pengurusan Air Selangor Sdn Bhd**



RM900.0 million in nominal value SRI Sukuk Kelestarian Air Selangor pursuant to its RM10.0 billion Sukuk Murabahah Programme

**Digi Telecommunications Sdn Bhd**



Sukuk Murabahah issuance of RM600.0 million in nominal value under a Sukuk Murabahah Programme of RM5.0 billion in nominal value

**Dialog Group Bhd**



Senior Sukuk Wakalah issuance of RM500.0 million in nominal value pursuant to its RM3.0 billion Sukuk Wakalah Programme

**Batu Kawan Berhad**

## BATU KAWAN BERHAD

Sukuk Wakalah issuance of RM500.0 million in nominal value pursuant to its Sukuk Wakalah Programme

**Genting RMTN Berhad**



Medium term notes ("MTNs") issuance of RM500.0 million in nominal value pursuant to its RM10.0 billion Medium Term Notes Programme

**Small Medium Enterprise Development Bank Malaysia Berhad**



Sustainability Islamic medium term notes issuance of RM500.0 million in nominal value pursuant to an Islamic medium term notes programme of up to RM3.0 billion in nominal value which, together with an Islamic commercial papers programme of up to RM1.0 billion in nominal value, has a combined aggregate limit of up to RM3.0 billion in nominal value, based on the Shariah principle of Wakalah Bi Al-Istithmar

**MY E.G. Services Berhad**

[www.myeg.com.my](http://www.myeg.com.my)

RM100.0 million in nominal value Sustainability Sukuk Wakalah issuance pursuant to its RM1.0 billion Sukuk Wakalah Programme

**PT Tower Bersama Infrastructure Tbk**

Senior Bonds IDR2,200.0 billion via fifth shelf registration programme tranche 3

Senior Bonds IDR2,200.0 billion via fifth shelf registration programme tranche 4

Senior Bonds IDR1,000.0 billion via fifth shelf registration programme tranche 5

**PT Bank Negara Indonesia Persero Tbk**

Serving the Country, the Pride of the Nation

Green Bonds IDR5,000.0 billion issued by PT Bank Negara Indonesia (Persero) Tbk

**PT Permodalan Nasional Madani**

Permodalan Nasional Madani

Senior Bonds IDR3,000.0 billion via fourth shelf registration programme tranche 2

Senior Bonds IDR1,000.0 billion via fifth shelf registration programme tranche 1

**PT Federal International Finance**

member of ASTRA

Senior Bonds IDR2,000.0 billion via fifth shelf registration programme tranche 3

Senior Bonds IDR1,177.0 billion via fifth shelf registration programme tranche 4

**PT Sarana Multigriya Finansial Persero**

Senior Bonds IDR3,000.0 billion via sixth shelf registration programme tranche 3

**PT XL Axiata Tbk**

Senior Bonds IDR1,500.0 billion via second shelf registration programme tranche 1 and Ijarah Sukuk IDR1,500.0 billion via third shelf registration programme tranche 1

**PT Sinar Mas Agro Resources & Technology Tbk**

Senior Bonds IDR1,000.0 billion via third shelf registration programme tranche 3

Senior Bonds IDR1,500.0 billion via fourth shelf registration programme tranche 1

**PT Indosat Tbk**

OOREDOO HUTCHISON

Senior Bonds IDR1,750.0 billion via fourth shelf registration programme tranche 1 and Ijarah Sukuk IDR750.0 billion via fourth shelf registration programme tranche 1

**PT Indomobil Finance Indonesia**

Senior Bonds IDR1,738.7 billion via fourth shelf registration programme tranche 3

Senior Bonds IDR600.0 billion via fifth shelf registration programme tranche 1

**PT Adira Dinamika Multi Finance Tbk**

Senior Bonds I IDR1,700.0 billion via fifth shelf registration programme tranche 3 and Mudharabah Sukuk IDR300.0 billion via fourth shelf registration programme tranche 3

**PT Kereta Api Indonesia**

Senior Bonds I IDR1,500.0 billion via first shelf registration programme tranche 1 and Ijarah Sukuk IDR500.0 billion via first shelf registration programme tranche 1

**PT Perusahaan Pengelola Aset**

PERUSAHAAN PENGELOLA ASET

Senior Bonds II IDR1,682.2 billion

## Regional Notable Deals

### REGIONAL DEBT DEALS (CONTINUED)

#### PT Chandra Asri Petrochemical Tbk



Senior Bonds IDR1,400.0 billion via third shelf registration programme tranche 5

#### PT Mandiri Tunas Finance



Senior Bonds IDR1,228.1 billion via fifth shelf registration programme tranche 3

#### PT Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk



Subordinated Bonds IDR1,000.0 billion via third shelf registration programme tranche 2

#### PT Semen Indonesia Persero Tbk



Senior Bonds IDR880.400 billion via second shelf registration programme tranche 1

#### PT Hino Finance Indonesia



Senior Bonds IDR700.0 billion

#### PT Polytama Propindo



Guaranteed IDR220.5 billion 3-Year and 5-Year Medium Term Ijarah Sukuk Year 2022

#### PT PP Presisi Tbk



Senior Bonds IDR203.0 billion via first shelf registration programme tranche 1

#### Kepel Infrastructure Trust



SGD250.0 million 5-year Senior Unsecured Fixed Rate Notes at 4.11% due 2027

#### Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corp Ltd)

#### Aspial Lifestyle

SGD60 million 3-year Senior Unsecured Fixed Rate Notes at 6.05% due 2025

#### Koh Brothers Group Ltd



SGD22.75 million 3.5-year Senior Unsecured Fixed Rate Notes at 6.50% due 2026

#### Muangthai Capital PCL



THB4,964.3 million Senior Unsecured Debenture

THB4,852.7 million Senior Unsecured Debenture

THB4,001.6 million Senior Unsecured Debenture

THB4,000.0 million Senior Unsecured Debenture

#### Ananda Development PCL



THB5,000.0 million Senior Unsecured Debenture

THB3,500.0 million Senior Unsecured Debenture

THB3,000.0 million Senior Unsecured Debenture

#### TPI Polene PCL



THB7,569.0 million Senior Unsecured Debenture

THB3,745.0 million Senior Unsecured Debenture

#### Sansiri PCL



THB5,000.0 million Senior Unsecured Debenture

THB4,904.4 million Senior Unsecured Debenture

THB1,000.0 million Senior Unsecured Debenture

#### Toyota Leasing Thailand Co Ltd



THB6,500.0 million Senior Secured Debenture

THB1,800.0 million Senior Secured Debenture

THB2,000 million Green Bond

## REGIONAL EQUITY DEALS

### Srisawad Corp PCL



THB4,682.0 million  
Senior Secured Debenture

THB2,882.6 million  
Senior Secured Debenture

THB820.0 million  
Senior Secured Debenture

### SC Asset Corp PCL



THB2,000.0 million  
Senior Unsecured Debenture

THB2,000.0 million  
Senior Unsecured Debenture

THB600.0 million  
Senior Unsecured Debenture

### Sena Development PCL



THB2,000.0 million  
Senior Unsecured Debenture

### Britania PCL



THB1,500.0 million  
Senior Unsecured Debenture

### Krungthai Car Rent and Lease PCL



THB450 million  
Senior Unsecured Debenture

### Farm Fresh Berhad



Farm Fresh Berhad's RM1.1 billion  
(USD254.0 million) IPO

### Khazanah Nasional Berhad

Khazanah Nasional Berhad's RM535.5 million (USD126.6 million) block trade of CIMB Group Holdings Berhad shares

Khazanah Nasional Berhad's RM305.5 million (USD69.5 million) block trade of CIMB Group Holdings Berhad shares

### CTOS Digital Berhad



CTOS Digital Berhad's RM465.9 million (USD111.3 million) Concurrent Primary Placement and Secondary Placement

### Senheng New Retail Berhad



Senheng's RM417.0 million (USD100 million) IPO

### ITMAX System Berhad



ITMAX System Berhad's RM342.4 million (USD77.7 million) IPO

### Undisclosed Shareholder

RM171.2 million (USD40.4 million) block trade of 53,505,000 existing Mr. D.I.Y. Group (M) Berhad shares

### PT GoTo Gojek Tokopedia Tbk



PT GoTo Gojek Tokopedia Tbk's IDR13.7 trillion IPO on the Indonesia Stock Exchange

### PT Indo Tambangraya Megah Tbk



PT Indo Tambangraya Megah Tbk's IDR922.5 billion (USD64.3 million) Treasury Shares Placement

### PT Jayamas Medica Industri Tbk



PT Jayamas Medica Industri Tbk's IDR 828.0 billion (USD52.7 million) IPO

### iFAST Corp Ltd



iFAST's SGD105.0 million (USD77.6 million) fully upsized placement of 14 million new iFAST shares

### Thai Life Insurance Public Co. Limited

THB37.0 billion (USD1.05 billion) Thai Life Insurance IPO

### Citicore Energy REIT Corp



Citicore Energy REIT Corp's Php6.4 billion (USD108.5 million) IPO

## Regional Notable Deals

### REGIONAL ADVISORY DEALS

#### Digi.Com Berhad



RM17.8 billion Celcom Axiata Berhad's merger with Digi.Com Berhad

#### CVC Capital Partners



CVC Capital Partners Asia Fund V's acquisition of a 68.35% stake in Affin Hwang Asset Management Berhad for RM1.54 billion

#### Hibiscus Petroleum Berhad



Acquisition by Peninsula Hibiscus Sdn Bhd, an indirect wholly-owned subsidiary of Hibiscus Petroleum Berhad, of the entire equity interest of Fortuna International Petroleum Corporation for a cash consideration of USD212.5 million

#### TNG Digital Sdn Bhd



Fund raising of USD75.0 million via sale of securities for TNG Digital Sdn Bhd

#### Jardine Cycle & Carriage Limited



Voluntary take-over offer by Jardine Cycle & Carriage Limited ("JCC") to acquire all the remaining ordinary shares in Cycle & Carriage Bintang Berhad not already held by JCC

### REGIONAL LOAN SYNDICATION DEALS

#### PT Plaza Indonesia Investama & PT Plaza Indonesia Realty Tbk

USD265 million Senior Secured Term Loan Facilities

#### Axiata Group Bhd



Multi-Currency Term Loan Facilities of up to USD1,300 million equivalent comprising of Tranche A of USD500.0 million and Tranche B of MYR3,400 million

#### OUE Commercial Real Estate Investment Trust and OUE Hospitality Sub-Trust

SGD978 million Senior Unsecured Sustainability Linked Loan Facilities

# Notable Achievements

## ALPHA SEA 16TH ANNUAL DEAL & SOLUTION AWARDS 2022

- Best Bond House in Southeast Asia
- Best Equity/IPO Deal of the Year in Thailand (International Joint Bookrunners – CIMB)
- Best IPO for Retail Investors in Southeast Asia & Best Deal of the Year for Minority Shareholders in Southeast Asia
- Best Islamic Finance Deal & Most Innovative Islamic Finance Deal of the Year
- Best Sovereign Bond & Best Green Sukuk of the Year
- Best Sri Sukuk & Best Local Currency Sukuk of the Year (Malaysia)
- Best Sustainability-linked Transaction of the Year (3rd Tranche – CIMB Thai)

## ALPHA SEA BEST FINANCIAL INSTITUTION (FI) AWARDS 2022

- Best Bond House in Malaysia

## ALPHA SEA ISLAMIC FINANCE AWARDS 2022

- Best Islamic Finance SME Bank in Indonesia
- Best Islamic Finance SME Bank in Malaysia
- Best Islamic Finance Sukuk House in Malaysia
- Best Islamic Finance Wealth Management Bank in Indonesia

## ALPHA SEA TREASURY/ FX AWARDS 2022

- Best FX Bank for Interest Rates, FX Research and Market Coverage in Malaysia
- Best FX Bank for Money Market Products in Malaysia

## ASIA RISK AWARDS 2022

- Indonesia House of the Year
- Malaysia House of the Year
- Thailand House of the Year

## ASIAMONEY ASIA PRIVATE BANKING AWARDS 2022

- Best Domestic Private Bank in Malaysia 2022
- Best for Mass Affluence/HNW in Malaysia 2022

## ASIAN BANKING AND FINANCE CORPORATE & INVESTMENT BANKING AWARDS 2022

- Corporate & Investment Bank of the Year – Indonesia
- Corporate Client Initiative of the Year – Indonesia
- Green Deal of the Year – Malaysia
- Syndicated Loan of the Year – Indonesia

## ASNB STARZ AWARDS 2021

- Best Agent of the Year
- Highest Number of ASNB Transactions by Agent
- Highest Sales All ASNB Funds (Branch)

- Highest Sales by Fund Categories Equity/Growth Funds
- Highest Sales by Fund Categories Mixed Asset Balance Funds
- Highest Sales for ASB (Branch)

## EUROMONEY AWARDS FOR EXCELLENCE 2022

- Best Investment Bank in Malaysia

## EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY 2022

- Research and Asset Allocation Advice – Malaysia: Ranked #1
- Technology(b) Data Management and Security in Private Banking and Wealth Management – Malaysia: Ranked #1

## FINANCEASIA ACHIEVEMENT AWARDS 2022

- Best Islamic Finance Deal – Asia
- Best Islamic Finance House of the Year – Asia Pacific
- Best Property Deal – Asia Pacific

## FINANCEASIA ASIA'S BEST COMPANIES 2022

- Best Investor Relations
- Most Committed to Environmental Stewardship
- Most Committed to Social Causes

## FINANCIAL TIMES GLOBAL PRIVATE BANKING AWARDS

- Best Private Bank in Malaysia

## IFN DEALS OF THE YEAR 2022

- Equity & IPO Deal of the Year
- Malaysian Deal of the Year
- Structured Finance Deal of the Year

## MARKETING EXCELLENCE AWARDS 2022

- Excellence in Customer Engagement
- Excellence in Event Marketing
- Excellence in Sponsorship Activation
- Marketing Team of the Year – Bronze

## NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2022

- Platinum Excellence Award – Companies with more than RM10 billion in Market Capitalisation

## THE ASSET COUNTRY AWARDS FOR SUSTAINABLE FINANCE 2022

- Best Bond Adviser, Domestic – Malaysia
- Best Green Bond – Indonesia
- Best Green Loan – Indonesia
- Best IPO – Malaysia
- Best IPO – Philippines
- Best Issuer for Sustainable Finance – Malaysia

- Best SDG Bond – Malaysia
- Best Social Bond – Singapore

## THE ASSET TRIPLE A DIGITAL AWARDS 2022

- Best Financial Artificial Intelligence Project

## THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2022

- Best ASEAN Green SRI Sukuk – Malaysia
- Best ASEAN Sustainability Sukuk – Malaysia
- Best Bank for Investment Solutions
- Best Corporate Hybrid Sukuk – Malaysia
- Best Green Sukuk – Indonesia
- Best Local Currency Sukuk – Malaysia
- Best Quasi-Sovereign Sukuk – Malaysia
- Best Secondary Placement – Malaysia
- Best SME Solution – Malaysia
- Best SRI Sukuk – Malaysia
- Best Structured Product – Rates – Malaysia
- Best Sukuk – Malaysia
- Best Sustainability SRI Sukuk – Malaysia
- Best Sustainability Sukuk – Malaysia

## THE ASSET TRIPLE A PRIVATE CAPITAL AWARDS 2022

- Best Bank for Investment Solutions – Malaysia
- Best Bank for Investment Solutions – Thailand
- Best Bank for Investment Solutions, Commodities – Malaysia
- Best Bank for Investment Solutions, Credit – Malaysia
- Best Bank for Investment Solutions, Equity – Thailand
- Best Bank for Investment Solutions, FX – Indonesia
- Best Bank for Investment Solutions, FX – Malaysia
- Best Bank for Investment Solutions, FX – Thailand
- Best Bank for Investment Solutions, Multi-Asset – Thailand
- Best Bank for Investment Solutions, Rates – Indonesia
- Best Bank for Investment Solutions, Rates – Malaysia
- Best Bank for Investment Solutions, Rates – Thailand
- Best Structured Investment and Financing Solution, FX – Indonesia
- Best Structured Investment and Financing Solution, Multi-Asset – Thailand
- Best Structured Investment and Financing Solutions – Rates – Malaysia

## THE DIGITAL BANKER DIGITAL CX AWARDS 2022

- Best Use of Customer Feedback – Highly Acclaimed
- CX Professional of the Year – Southeast Asia

## THE EDGE ESG AWARDS 2022

- Equities Category – Financial Services Sector – Silver

# Corporate Event Highlights

**3 - 6 March**



## Bazar Siberturahim Fashion Fest

CIMB Bank Berhad and CIMB Islamic Bank Berhad launched the inaugural edition of the Bazar Siberturahim Fashion Fest, a fashion & lifestyle showcase event presented by CIMB Preferred. The four-day event connected style hunters, fashion & lifestyle enthusiasts as well as designers, with CIMB Preferred lending a hand in reigniting the local fashion & retail industry.

**11 - 13 March**



## GLC Open Day

CIMB Group participated in the GLC Open day offering job opportunities and scholarships to Malaysian Graduates looking for opportunities in CIMB.

**25 March**



## CIMB Private Banking 20th Anniversary Celebration

CIMB Private Banking celebrated its 20th Anniversary as the leading private bank in Malaysia, successfully serving high net worth individuals and families for the past 20 years.

**21 April**



## CIMB Group's 65th Annual General Meeting

Fully Virtual

**12 May**



## Money Expo Bangkok 2022

Challenger Hall Muang Thong Thani

**31 May**



## Senior Management Engagement with Group Chairman & Group CEO

Andaz Glasshouse at Andaz Hotel Singapore

**1 June**



## Official Launch of CIMB Plaza

Grand Opening of CIMB Plaza & official opening of CIMB Raffles Place Branch

**12 July**



## Exclusive Seminar "CIMB Preferred Mid-Year 2022 & Investment Outlook 2H2022"

Siam Kempinski Hotel Bangkok

**18 August**



## Konser Kerja Mimpi

In keeping with the spirit of the 77th Indonesian Independence Day, the Kejar Mimpi Concert for Indonesia aims to spread the spirit of Kejar Mimpi whilst instilling the spirit of independence among everyone in attendance

**18 August**



## CIMB OCTO App Launch

CIMB launches new mobile banking app, CIMB OCTO – its next generation mobile banking app

**2 September**



## Run To Win Save Tiger

CIMB THAI Bank, Head Office Langsuan

**7 - 9 September**



## CIMB GEXCO Offsite Meeting

**20 - 24 September**



## The Cooler Earth Sustainability Summit

In its 4<sup>th</sup> year, the hybrid summit themed "Facilitating a Just Transition" was opened with a Royal Address by Duli Yang Maha Mulia Paduka Seri Sultan Perak Darul Ridzuan, Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah. The summit convened all stakeholders such as industry experts, corporate leaders, businesses, NGOs, financiers, investors, policymakers and global citizens to deliberate on the challenges and urgent action plans required to shape a more sustainable future.

**23 September****The Cooler Earth 2022**

CIMB THAI Bank, Head Office Langsuan

**26 September****Signing Ceremony between CIMB, CGC, SJPP**

CIMB Group extends RM30 billion in financing SME businesses via collaborations with credit guarantee agencies established by the Government and Bank Negara Malaysia.

This collaboration aims to mobilise financing as well as guarantee schemes that will spur the acceleration of SME growth post pandemic in tandem with the economic recovery momentum.

**1 October****CSR 2022 Kanchanaburi****4 – 20 October****EPICC Roadshow**

An EPICC Roadshow covering 5 stops in Klang Valley with exciting games, EPICC giveaways, for CIMB'ians and even a special appearance from CIMB's face of 'Passion' – Dato' Azizulhasni Awang!

**13 – 24 October****Malaysia Emerging Artist (MEA) Awards by CIMB Foundation**

Featuring 168 works by 66 artists, the Award highlighted and featured the own works of important Malaysian contemporary artists of the future. The exhibition also complemented Art-to-Wear fashion showcase from 4 fashion colleges, and retail booths managed by CIMB Foundation Beneficiaries.

**1 - 3 September****Employee Excitement Programme - Gerak Untuk Bumi**

Gerak Untuk Bumi (GUB) was conducted in a hybrid manner and it was also combined with CSR activities, through bamboo donations. The total number of bamboo collected for this event amounted to 7,425 bamboos.

**20 – 24 October****CIMB Artober Art & Soul**

The CIMB Artober is the Group's Inaugural biennial art fair featuring new seminal works by important local contemporary artists from 10 renowned Malaysian galleries. The art fair also hosted the 'Pahang Pavilion' that displays heritage textiles such as tenun Pahang DiRaja and paintings from the private collection of KDYMM Seri Paduka Baginda Raja Permaisuri Agong.

**12 November****Wat Huay Kaew****18 November**

Leadership Fireside Chat with Ms. Shulamite Khoo (Board Member) & Mr. Victor Lee (CEO, CIMB Singapore)

**25 - 27 November****CIMB Artober Hotel Art Fair**

Hotel guest suites were converted into mini galleries filled with contemporary artworks by Malaysian artist to offer diverse choices to meet different art tastes.

**3 December****The Music Run**

Championing sustainability in a fun way, The Music Run by CIMB was one of the largest 5km run to employ sustainable practices in this carbon neutral event.

**11 December****CIMBTH Triathlon 2022****15 December****CIMB Niaga Has Talent**

# Media Highlights

The Star

23 November

**CIMB appoints Effendy Shahul Hamid as CEO, group consumer & digital banking**



The Sun

21 April

**CIMB to build on growth momentum, plans RM1.2bil spend to accelerate digital transformation**



The Edge Markets

28 February

**CIMB's 4Q net profit rises nearly four times to RM854.51m, declares 12.55 sen dividend**



New Straits Times

19 July

**IJM, CIMB seal RM360m sukuk murabahah deal**



Business Today

20 October

**CIMB Artober Returns For The Third Year From 20 To 24 October**



The Sun

30 November

**CIMB stages strong rebound in third quarter with RM1.4b net profit**

The Sun

21 September

**CIMB now targets RM60b sustainable finance by 2024**



Borneo Post

21 June

**CIMB Islamic leads landmark RM1 bln CCM transaction with Stanchart Saadiq**



The Star

29 September

**CIMB Group on track to fully implement enhanced security measures against scams**



Dagang News

20 June

**Yayasan CIMB sasaran tanam 7,000 pokok bakau di Taman Alam Kuala Selangor dalam tempoh 2 tahun**



Sin Chew Daily

26 September

**CIMB连同2机构推300亿融资助中小型企业复苏**



New Straits Times

24 December

**CIMB Islamic Bank kicks off second edition of iTEKAD CIMB Islamic Rider Entrepreneur Programme**



The Sun

26 July

**CIMB launches country's first vehicle financing app, with Carsome as co-driver**



New Straits Times

19 August

**#TECH: CIMB announces early release of Octo app**



Berita Harian

21 April

**CIMB agih 1,200 bakul makanan di 6 lokaliti**



The Star

4 March

**CIMB launches Preferred Visa Infinite-i credit card for affluent customers**



<b>Borneo Post</b>	16 November	<b>CIMB rolls out Google Wallet in Malaysia in line with mission to drive contactless payments</b>	
<b>The Edge Markets</b>	2 December	<b>CIMB to replace SMS TAC authorisations with SecureTACs from Dec 5</b>	
<b>China Press</b>	15 January	<b>聯昌發行5億美元SDG債券</b>	
<b>The Sun</b>	30 November	<b>Touch 'n Go Group Awarded "Company of The Year", Fintech and Digital Payment Services Category at the Sustainability &amp; CSR Malaysia Awards 2022</b>	
<b>Business Today</b>	28 September	<b>Touch 'n Go Group, United Voice Partner to Empower the Differently Abled Communities Through Art</b>	
<b>Harian Metro</b>	11 March	<b>Bazar Siberturahim serlah sokongan CIMB kepada PKS</b>	
<b>Borneo Post</b>	28 May	<b>CIMB's MicroBiz Ready programme empowers 55 women entrepreneurs</b>	
<b>Malaya Business Insight</b>	28 November	<b>CIMB Bank PH, SeaMoney partner to onboard 2.5M loan customers</b>	
<b>Business Today</b>	11 November	<b>Principal Financial Group And CIMB Extend Joint Venture Partnership</b>	
<b>Business Today</b>	12 May	<b>Bursa Malaysia Seals MoU with CIMB for ESG Adoption</b>	
<b>Business Today</b>	19 December	<b>CIMB Wins Best Bond House In Southeast Asia With Notable Accomplishment</b>	
<b>The Edge Markets</b>	7 December	<b>CIMB opens new office above Change Alley Mall</b>	
<b>Business Today</b>	22 June	<b>CIMB Group Appoints Chu Kok Wei &amp; Novan Amirudin As Co-CEOs Of Group Wholesale Banking Business</b>	
<b>The Edge Markets</b>	7 December	<b>CIMB launches landmark Sustainability-Linked Treasury Programme, with Farm Fresh and Sunway as pioneer clients</b>	
<b>Bangkok Post</b>	16 January	<b>CIMB prepares for BoT's virtual licensing</b>	
<b>Bisnis Indonesia</b>	11 November	<b>MENDULANG BERKAH INISIATIF DIGITAL</b>	
<b>Viet Nam News</b>	11 June	<b>CIMB and F88 enhance loan access to low-income customers</b>	
<b>Business Cambodia</b>	1 December	<b>ក្រុងការ CIMB និងក្រុងការ ខេមបែង សារការង្ហាត់លោកស្រីជាមួយ ការបញ្ចប់ សំស្បែកសំព័ទ្ធនា</b>	

CIMB Bank and CamED Institute collaborate to provide scholarships to Cambodian students

# Shareholders' Statistics

as at 1 March 2023

Issued and Paid-up Share Capital : RM29,094,547,322.91 comprising 10,665,101,700 ordinary shares

Class of Shares : Ordinary shares\*

Voting Rights : One vote per ordinary share

\* There are no special rights preference shares or golden shares issued by the company.

## ANALYSIS OF SHAREHOLDINGS

(AS PER THE RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares <sup>^</sup>	% of Issued Shares
1 – 99	5,289	6.54	182,668	0.00
100 – 1,000	29,629	36.63	13,658,670	0.13
1,001 – 10,000	34,614	42.80	125,992,656	1.18
10,001 – 100,000	9,413	11.64	246,553,660	2.31
100,001 – 533,255,084 <sup>(*)</sup>	1,931	2.39	5,827,696,051	54.64
533,255,085 and above <sup>(**)</sup>	3	0.00	4,451,017,995	41.74
Directors holding	0	0.00	0	0.00
<b>Total</b>	<b>80,879</b>	<b>100.00</b>	<b>10,665,101,700</b>	<b>100.00</b>

**Notes:**

\* Less than 5% of issued holdings.

\*\* 5% and above of issued holdings.

<sup>^</sup> Excludes 4,908 shares retained as treasury shares as at 1 March 2023.

## ANALYSIS OF EQUITY STRUCTURE

(AS PER THE RECORD OF DEPOSITORS)

Category of Shareholders	No. of Holders			No. of Shares			% Malaysian		
	Malaysian			Malaysian			Bumi-putra	Non-Bumi-putra	Foreign
	Bumiputra	Non-Bumiputra	Foreign	Bumiputra	Non-Bumiputra	Foreign			
1) Individual	8,134	52,933	941	22,751,270	338,632,082	20,421,675	0.21	3.18	0.19
2) Body Corporate									
A) Banks/Finance Companies	65	6	2	1,968,973,785	666,560	503,900	18.46	0.01	0.00
B) Investments Trusts/ Foundation/ Charities	2	12	0	6,008	936,777	0	0.00	0.01	0.00
C) Other Types of Companies	63	557	28	3,739,589	78,085,004	19,816,001	0.04	0.73	0.19
3) Government Agencies/ Institutions	5	0	0	2,572,301,325	0	0	24.12	0.00	0.00
4) Nominees	11,302	5,069	1,758	231,535,836	2,132,262,252	3,274,445,531	2.17	19.99	30.70
5) Trustee	0	0	0	0	0	0	0.00	0.00	0.00
6) Others	0	2	0	0	24,105	0	0.00	0.00	0.00
	<b>19,571</b>	<b>58,579</b>	<b>2,729</b>	<b>4,799,307,813</b>	<b>2,550,606,780</b>	<b>3,315,187,107</b>	<b>45.00</b>	<b>23.92</b>	<b>31.08</b>
<b>Grand Total</b>	<b>80,879</b>			<b>10,665,101,700</b>			<b>100</b>		

## DIRECTORS' SHAREHOLDINGS

(AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	No. of Shares Held			
	Direct Interest	%*1	Indirect Interest	%*1
Dato' Lee Kok Kwan	1,285,710	0.01	95,498*3	-*2
Didi Syafruddin Yahya	–	–	46,791*3	-*2
Dato' Abdul Rahman Ahmad	–	–	36,227*4	-*2

**Notes:**

\*1 Excludes 4,908 shares retained as treasury shares as at 1 March 2023.

\*2 Less than 0.01%.

\*3 Shareholdings of his spouse.

\*4 Shares held under Nominee Company.

Save as disclosed below, none of the Directors have any interest in CIMB's shares as at 1 March 2023:

Directors	Number of CIMB Shares			
	As at 31 December 2021	Acquired/ Granted	(Disposed/ Vested)	As at 1 March 2023
<b>Non-Executive</b>				
Dato' Lee Kok Kwan	1,339,972	41,236	–	1,381,208
Didi Syafruddin Yahya	46,791	–	–	46,791
<b>Executive</b>				
Dato' Abdul Rahman Ahmad	34,621	14,179	12,573	36,227

## SUBSTANTIAL SHAREHOLDERS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDINGS)

Name of Substantial Shareholders	No. of Shares Held			
	Direct	%*1	Indirect	%*1
Khazanah Nasional Berhad	2,566,306,861	24.06	–	–
Employees Provident Fund	1,409,217,134*2	13.21*2	–	–
Kumpulan Wang Persaraan (Diperbadankan)	663,586,541	6.22	–	–

**Notes:**

\*1 Excludes 4,908 shares retained as treasury shares as at 1 March 2023.

\*2 Includes shares held through nominees.

## Shareholders' Statistics

as at 1 March 2023

### 30 LARGEST SHAREHOLDERS

(AS PER REGISTER OF MEMBERS AND RECORDS OF DEPOSITORS)

Name of Shareholders	No. of Shares Held	% of Issued Capital*
1. Khazanah Nasional Berhad	2,566,306,861	24.06
2. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	1,245,514,833	11.68
3. Kumpulan Wang Persaraan (Diperbadankan)	663,586,541	6.22
4. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	483,995,262	4.54
5. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 – Wawasan</i>	223,614,587	2.10
6. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	170,907,508	1.60
7. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for State Street Bank &amp; Trust Company (West CLT OD67)</i>	134,565,612	1.26
8. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt an for AIA Bhd</i>	130,820,162	1.23
9. Citigroup Nominees (Asing) Sdn Bhd <i>CB Spore GW for Government of Singapore (GIC C)</i>	126,552,958	1.19
10. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	104,222,531	0.98
11. HSBC Nominees (Asing) Sdn Bhd <i>JPMSE Lux for Stichting Depositary APG Emerging Markets Equity Pool</i>	100,350,785	0.94
12. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	95,858,901	0.90
13. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	92,816,508	0.87
14. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	89,078,223	0.84
15. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB Na For T. Rowe Price Emerging Markets Discovery Stock Trust</i>	80,939,295	0.76
16. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 3</i>	77,391,233	0.73
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	73,436,445	0.69
18. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB Na For T. Rowe Price International Funds, Inc. – T. Rowe Price Emerging Markets Discovery Stock Fund</i>	72,228,825	0.68
19. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (NOMURA)</i>	61,401,130	0.58
20. Permodalan Nasional Berhad	54,880,113	0.51
21. HSBC Nominees (Asing) Sdn Bhd <i>J.P. Morgan Securities PLC</i>	52,901,353	0.50
22. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for the Prudential Assurance Company Limited</i>	51,371,511	0.48

Name of Shareholders	No. of Shares Held	% of Issued Capital* <sup>1</sup>
23. Cartaban Nominees (Asing) Sdn Bhd <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	48,871,403	0.46
24. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for Citibank New York (Norges Bank 19)</i>	47,304,000	0.44
25. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Blackrock Institutional Trust Company, N.A Investment Funds for Employee Benefit Trusts</i>	45,741,135	0.43
26. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for Saudi Central Bank</i>	45,568,050	0.43
27. HSBC Nominees (Asing) Sdn Bhd <i>Caceis BK Lux for Equity Emerging Markets (Candriam Sustbl)</i>	45,443,800	0.43
28. Cartaban Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	42,350,288	0.40
29. Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG</i>	41,464,328	0.39
30. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for Kuwait Investment Office (KIO)</i>	40,972,330	0.38
<b>Total</b>	<b>7,110,456,511</b>	<b>66.7</b>

**Note:**

\*<sup>1</sup> Excludes 4,908 shares retained as treasury shares as at 1 March 2023.

# Internal Policies, Procedures and Guidelines

Policies are formulated to govern standard day-to-day operations and to manage the expected risks of CIMB Group. As such, the Group's policies are developed from the baseline of current regulatory requirements and industry best practices to govern the business and operations of the Group.

The policies of our business units have been documented, endorsed by the Group Risk & Compliance Committee (GRCC) or its sub-committee(s) and approved by our Board or Board Risk & Compliance Committee for implementation across our Group, where relevant. Operational procedures are approved by Group Policy & Procedure Oversight Committee (GPOC) for implementation. Approved policies and procedures are timely disseminated to stakeholders. Reviews and updates are performed regularly on approved policies, procedures and guidelines. This is done with the intent to ensure continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, and new products and services.

Listed below are some of the Group's key policies and procedures:

No. Title	Description
1. a) Group Administration & Property Management Malaysia Policy b) Group Administration & Property Management Malaysia Procedure	These documents relate to the administrative operations of the Group and covers the operational policies governing procurement, property, maintenance services, security services, logistics, telecommunications, insurance and occupational safety and health administration.
2. a) Accounting Policy b) Group Finance – Business Finance Advisory & Financial Reporting Standards Procedures c) Accounting Procedure – Hedge Accounting	These documents define the accounting concepts and policies that are consistent with Malaysia Financial Reporting Standards and Generally Accepted Accounting Practices.
3. a) Group Outsourcing Policy b) Group Outsourcing Procedure	These documents set out how outsourcing arrangements in the Group are managed across the lifecycle of the arrangement to ensure proper controls are in place in managing outsourcing risk.
4. a) Business Continuity Management Policy b) Business Continuity Management Procedure	These documents define the minimum Business Continuity Management (BCM) requirements for developing, implementing and testing to ensure that BCM arrangements continue to meet the needs of CIMB Group in the event of a crisis.
5. Group Corporate Communications	This document sets out the framework for the dissemination of information by the Group to its shareholders, media and other stakeholders. Information given by the Group to the general public shall always be timely, accurate, relevant and reliable so as to enable a properly informed view of how the Group is governed, its financial and operational performances, future prospects and key corporate developments.
6. Group Crisis Communications Guidelines	Crises affect organisations in varying degrees and frequency. The challenge for the affected organisation is to manage these crises well in order to get back to the business of running the organisation as quickly as possible. CIMB Group has a Crisis Communications Guide to aid effective response and communication with affected stakeholders in a timely and consistent manner. It defines crisis, crisis classification, escalation procedures, and the establishment of a crisis communication management team and centre.
7. a) Group Data Management Policy Manual b) Group Data Management Procedure	These policies and procedures enable a structured approach to the management of data and dissemination of information throughout CIMB Group. The manual spells out the data governance and management information system frameworks.

<b>No. Title</b>	<b>Description</b>
8. a) Group Anti-Money Laundering/ Counter Financing of Terrorism Policy b) Group Anti-Money Laundering/ Counter-Financing of Terrorism Procedure	CIMB Group places importance on, and is committed to establishing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines and industry best practices. The Group AML/CFT policies encompasses all reporting institutions of CIMB Group, to ensure consistency in managing the AML/CFT compliance. The manual governs the appointment of anti-money laundering compliance officers, the monitoring and reporting of suspicious transactions, sanction management, record retention, employee training, risk and status reporting to Board and Senior Management and an independent audit of the internal AML/CFT measures.
9. Recruitment Policy	This document sets out the minimum requirements to ensure that a standard and professional approach is adopted to assist the Group in talent acquisition through proper sourcing, selection and appointment, from the date the position becomes available or vacant to the date the position is filled.
10. Risk Management of Travel Policy	This document addresses flight travel for staff in order to minimise the potential risks to CIMB Group in terms of continuity of leadership and operations. The policies cover senior management, staff at department levels and staff in general.
11. Policy & Procedure on Fit and Proper Criteria For Key Responsible Persons	This document sets out the procedures on Fit and Proper assessment for key responsible persons who are accountable or responsible for the management and oversight of the entities in the Group regulated by Financial Services Act 2013, Islamic Financial Services Act 2013 and Insurance Act 1996. These comprise Directors, members of the Shariah Committee, Chief Executive Officers/Executive Directors, any person performing a senior management function who has the primary or significant responsibility for the management and performance of significant business activities; and any person who has primary or significant responsibility of key control functions.
12. Staff Rejuvenation Programme	This document sets out the rules and guidelines to allow staff to take a break from work without any loss in service or disadvantage in career progression.
13. HR Policy on Staff Volunteerism	This document sets out the rules and guidelines to encourage staff to volunteer for CSR activities funded by CIMB Foundation. The policies provide recognition of time spent by staff on CSR activities. This is part of CIMB Group's effort to enhance community projects by contributing expertise, energy, enthusiasm and efforts of staff.
14. Staff Welfare Fund	The Staff Welfare Fund is established to provide financial assistance to our staff and their family members to cope with high medical expenses, as a result of being involved in an accident or due to serious illness. The fund is also used to assist in loss/damage of property due to natural disasters e.g. fire/flood.
15. Sexual Harassment Policy & Guidelines	These documents set out the policies and guidelines to maintain a working environment which is free of sexual coercion and annoyance. CIMB Group is committed to ensure that all employees are protected from harassment of any kind and in particular from sexual harassment. The policy covers all CIMB Group employees including contract and temporary employees.
16. Whistle Blowing Policy	This document is in place to ensure CIMB Group has a disciplined and professional workforce. Under this policy, employees are required to promptly report incident of wrongdoings, malpractices or irregularities at their workplace to the Management for immediate rectification and action and the Management is committed to ensure strict confidentiality and will not only protect the identity of the complainants and will also protect the complainant from any harassment and victimisation at work due to the disclosure.

## Internal Policies, Procedures and Guidelines

No. Title	Description
17. Anti Bribery and Corruption Policy	This document sets out policy matters relating to the prevention of bribery and corruption, and sets out the responsibilities of Group employees and associated persons working for and on behalf of the Group, in observing and upholding the Group's position on anti-bribery and corruption.
18. Global Employee Mobility Policy	This document sets out the terms, benefits and guidelines for CIMB employees deployed on regional secondments. This is part of CIMB Group's effort to encourage movement of talent across borders for business and/or talent development purposes.
19. a) Group Conflict Management & Chinese Wall Policy b) Group Conflict Management & Chinese Wall Procedure	These documents consolidated the Group Chinese Walls Policy and Procedures and the Group Conflict Management Policy and Procedures.  The revised policy is to prescribe standards, outline the requirements and provide guidance to ensure processes and controls are in place in order to identify and manage any conflict or when potential conflict of interest situation arises.  The Personal Account Dealing (PAD) sections that were previously provided by the Group Conflict Management Policy and Procedures remain valid until the new standalone PAD Policy and Procedures is approved.
20. a) Shariah Advisory and Board Shariah Committee Secretariat Policy b) Shariah Advisory and Board Shariah Committee Secretariat Procedure	These documents define and explain the overall framework applicable to the Islamic businesses of CIMB Group so that they can be conducted in the most effective manner and in line with the Shariah and the regulations of Bank Negara Malaysia (BNM), Securities Commission (SC), the rulings of both Shariah Advisory Councils of BNM and SC (SAC) and the rulings of Group Shariah Committee. Wherever appropriate, reference will also be made to the Shariah rulings issued by the Shariah authorities in other jurisdictions such as Dewan Shariah Nasional, Majelis Ulama Indonesia (DSN-MUI), the Shariah Committee at Authoriti Monetari Brunei Darussalam etc. based on the jurisdictional and locality requirements applicable to regional Islamic businesses of CIMB Group.
21. a) Group T&M – General Policy b) Group T&M – General Procedure	These documents define the policies and procedures on activities carried out by Treasury & Markets department in relation to the Group's markets, sales and trading businesses in interest rates, credit, foreign exchange, commodities, equities and their derivatives, debt capital markets, fixed income investments, and treasury and funding operations for the Group.
22. a) Group Fraud Risk Policy b) Group Fraud Risk Governance and Procedure	These documents outline the commitment of CIMB Group to uphold zero-tolerance approach to fraudulent activities and aim to provide the policies to develop controls that will aid in the prevention, detection and investigation of fraud against CIMB Group, thereby establishing an integrated and robust Group Fraud Risk Management framework in the organisation.

No. Title	Description
23. a) IT Infrastructure and Service Policy b) Disaster Recover Policy c) IT General Control Policy d) Information Security Policy (E-Banking, Digital & Internet Application Policy + Cyber Security Policy + Information Security Policy) e) Group System Development Policy f) End User Computing Policy (Desktop & Mobility) g) Bring Your Own Device (BYOD) Policy h) IT Service Management Policy i) IT Project Management Policy	These documents govern all aspects of information technology within the Group and provides Management with direction and support in accordance with relevant laws, regulations and business requirements. It is designed to increase adherence to regulatory and internal requirements and ensures consistency in the Group's standards of operations and practices whilst at the same time facilitating sharing of information across the Group and improved controls across the Group when managing information technology. These are global best practices and in accordance with global standards such as COBIT, ITIL, CMMI, ISO etc. This document has been standardised across the Region to facilitate a Regional Operating Model.
24. a) Technology Risk Management Policy b) Technology Risk Management Procedure	These documents provide a consistent and unified approach for developing, managing and improving technology (including Cyber) risk management within the Group's business operations. It is a systematic approach to identify, analyse, evaluate, treat, monitor and communicate technology risks associated with any activity, function or process, thereby protecting the Group by minimising its losses.
25. a) Group Compliance Policies b) Group Compliance Procedures	These documents are to establish a compliance programme framework to ensure compliance with relevant laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its regulated and licenced activities that govern the overall working of the business and support units within CIMB Group.
26. a) Group Competition Law Policy b) Group Competition Law Procedure	The Malaysian Competition Act came into force in 2012 and has changed the business landscape in Malaysia and affected the way all Malaysian businesses operate. The Competition Law Manual provides an overview of the Competition Act and guides all business units within the Malaysian banking entities of CIMB Group to familiarise and understand the competition laws of Malaysia. It is a general guide on anti-competitive conduct, anti-competitive agreements and compliance reporting of any violations or breach of the Malaysian Competition Act.
27. Group Liquidity Risk Management Policy	This is the primary reference document on matters relating to the key principles for the management of liquidity risk across the banking entities within CIMB Group.  This document sets out key approaches and critical areas for an integrated liquidity risk management process including liquidity risk management strategies, Board and management oversight, roles and responsibilities of various divisions/ departments, measurement methodologies, controls, monitoring and reporting procedures to ensure that the Group has sufficient liquidity to meet its obligations as they fall due.  Group's contingency funding plan is in place to alert and to enable the management to act effectively and efficiently during a liquidity crisis and under adverse market conditions.
28. Group Reputation Risk Policy	This document outlines the definition of reputation risk, process of managing reputation risk, potential sources of reputation risk as well as the roles and responsibilities of key stakeholders.

## Internal Policies, Procedures and Guidelines

No.	Title	Description
29.	Group Credit Risk Policy (Non-Retail) (with Islamic addendum and Private Banking addendum)	These documents outline the broad credit/financing guiding principles that are applicable to CIMB Group's conventional and Islamic banking businesses, with the purpose of establishing discipline for orderly extension of credit/financing activities as well as ensuring consistency in credit risk management activities.
30.	a) CIMB Group Personal Data Protection Policy b) CIMB Group Personal Data Protection Procedure	These documents outline the requirements of the Personal Data Protection Act 2010 (PDPA) and is intended to assist CIMB Group in meeting its statutory responsibilities as detailed in the PDPA. It serves as a general guide to the PDPA and CIMB Group's related processes and obligations to ensure that all staff within the relevant entities/divisions of the Group in Malaysia is familiar with, understand and comply with the personal data protection laws of Malaysia.
31.	a) Group Shariah Review Policy b) Group Shariah Review Procedure	These documents define and explain the overall Shariah compliance review framework applicable to the Islamic banking and finance businesses of CIMB Group to ensure Shariah compliance and handle Shariah non-compliance events.
32.	CIMB Group Enterprise-Wide Risk Management (EWRM) Framework	This document describes the policies, methodologies/standards and procedures, and provides guidance to the risk management teams towards achieving a common platform and consistent approach to risk management across the Group; provides an overview of each identified risk to promote clear and accountable risk management processes; and facilitates readiness and compliance to Bank Negara Malaysia and other regulatory requirements.
33.	Group Market Risk Policy	This document prescribes a consistent Group-wide framework to manage market risk across all CIMB entities. It serves as a primary reference document for the Group in establishing a sound operating environment for market risk activities that is consistent with the governance and control standards of the Group Risk Appetite Statement.
34.	Group Operational Risk Management Policy	This document sets out the overall approach for CIMB Group to manage operational risk by identifying, assessing, managing and reporting its operational risks.
35.	Group Interest Rate Risk/Rate of Return Risk in the Banking Book Policy	This is the primary reference document on the key principles for the management of interest rate risk in the banking book across the banking entities within CIMB Group.  This document sets out key approaches and critical areas for an integrated management of the interest rate risk in the banking book including Board and management oversight, roles and responsibilities of divisions/departments, measurement methodologies, controls, monitoring and reporting procedures to ensure that the interest rate risk arising from the Group operations is properly identified, measured, monitored and managed over a range of potential changing interest rate environments including stress conditions.
36.	a) CIMB Group Shariah Risk Management Policy  b) CIMB Group Shariah Risk Management Procedures	a) This document articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing Shariah Non-Compliance (SNC) risk.  b) This document provides the explanation/illustration that could facilitate the Group in identifying, assessing, controlling and monitoring SNC risk inherent in its Islamic products and day-to-day activities.
37.	Group New Product Approval Procedure	This document sets out the Group's approach for the management and control of risk associated with the development and offering of new products. The objective of New Product Approval Procedure is to provide a consistent and structured approach on the risk management of new products and variations to existing products.

No. Title	Description
38. Group Retail Credit Policy	This document serves as an overarching group policy governing all credit aspects of Retail Lending/Financing business. It contains high level key risk principles, risk philosophy statements and credit underwriting standards taking into consideration best market practices and aims to provide both transparency and consistency in standardising our assessment, identification, measurement, monitoring, reporting and controlling of retail credit risk across the Group.
39. Group Internal Capital Adequacy Assessment Process (ICAAP) Policy	This document describes the policies aspects of ICAAP for the relevant banking entities within CIMB Group that are required to comply with ICAAP by its local regulators. It ensures adequate policies are in place for the efficient and proper conduct of ICAAP across these banking entities within the Group. The document also sets out the approach and key ICAAP requirements which include assessing the risk profile of the bank, assessing the capital adequacy, monitoring compliance with the regulatory requirement on capital adequacy, reporting to management and regulator on ICAAP and ICAAP governance and independent review.
40. a) Group Delegated Authority Policy b) Group Delegated Authority Procedure	These documents set out the nature and extent of the authority formally delegated from the CIMB Group Holdings Berhad's Board of Directors. The contents cover both financial approval and document execution. This policy does not apply to delegated credit and human resource authorities which are covered separately by the respective Divisions' policies.
41. Group Corporate Assurance Policy	This document sets out the policies governing GCAD in order to deliver an efficient and effective internal audit service (including investigation) in congruence with the goals of the CIMB Group of Companies.
42. a) Group Entity Governance Policy b) Group Entity Governance Procedure	<p>These documents are developed to put in place the minimum governance requirements for entities across the Group in terms of:</p> <ul style="list-style-type: none"> <li>• Directors' and Responsible Officers' requirements, roles and responsibilities</li> <li>• Management accountability</li> <li>• Committee structure and oversight</li> <li>• Adherence to Group Policies and Procedures</li> <li>• Inter-entity Service Level Agreements</li> <li>• Adherence to the Group Financial Booking Governance</li> <li>• Financial Delegation of Authority</li> </ul> <p>The Policy sets out how subsidiaries, joint-venture entities, associates and the like are governed by its parent and the apex entity, through (i) how the entities communicate with each other and (ii) the implementation of controls that are dependent on the entities' categorisation.</p>
43. a) Group Customer Experience Management – Complaints Handling Policy Manual b) Group Customer Experience Management – Complaints Handling Procedure Manual	These documents set out the standard framework and mechanism when dealing with customers' complaints regionally in accordance with regulatory and CIMB Group standards. This is to ensure prompt and constructive responses are given to Customer which in turn will build customer loyalty and confidence towards CIMB Group.
44. a) CIMB Group Customer Exit Handling Policy b) CIMB Group Customer Exit Handling Procedure	These documents provide a common customer exit handling standards which are to be adhered to by all relevant business units and/or departments within CIMB Group entities, in order to effectively safeguard the reputation of the franchise and to mitigate associated negative impacts.

## Internal Policies, Procedures and Guidelines

No.	Title	Description
45.	a) Group Customer Experience Management – Treating Customers Fairly Policy Manual b) Group Customer Experience Management – Treating Customers Fairly Procedure Manual	These documents are established in line with BNM's Market Conduct and Consumer Empowerment standards. It aims to inculcate the Treating Customers Fairly principles into the corporate culture of CIMB Group.  It states the guidelines to be applied in managing and working towards fair treatment of customers and sets out the principles to ensure CIMB Group of employees comply with internal Treating Customers Fairly requirements.
46.	a) Disclosure of Customer Information to Law Enforcement Agency Policy Manual b) Disclosure of Customer Information to Law Enforcement Agency Procedure Manual	These documents describe the broad principles on disclosure of customer documents or information to law enforcement agency(ies) with the purpose to facilitate the investigation or prosecution by law enforcement agency(ies). It is established to provide a clear guidance on the circumstances that a disclosure of customer documents or information is permitted and the method of such disclosure is to be released to the Law Enforcement Agency. This is to ensure compliance with the guidelines issued by BNM on disclosure of customer information.
47.	Group Sustainability Policy (GSP)	This document outlines our overarching principles and approach to sustainability, including sustainability risks.
48.	Group Sustainable Financing Policy (GSFP)	This document identifies, assesses, manages and mitigates risks arising from financing and capital raising activities of our non-individual clients, especially pertinent in sectors that are most vulnerable to environmental and social risks. 28 economic activities in six sectors have been identified to have high environmental and social risk, and Sector Guides are in place for palm oil, forestry, oil & gas, construction & real estate (including infrastructure) and coal. A structured due diligence and escalation is in place for clients and transactions identified to have high sustainability risk.
49.	Group Employee Diversity & Inclusion Policy	This policy outlines CIMB Group's position on diversity and inclusion, guideline principles and standards of diversity and inclusivity that CIMB Group sets out to realise as well as the approach/intervention framework which steers the operationalisation of the Group's diversity and inclusion principles.
50.	Group Human Rights Policy	This document describes our commitments, principles and approaches to human rights. It addresses the identification, assessment and management of salient human rights risks, which are those with the potential to cause the most severe negative impacts.

# Top 10 Properties of CIMB Group

Location	Description/Existing Use	Tenure/ Date of Expiry	Remaining Lease (years)	Age of Property (years)	Net Book Value* (MYR)	Year of Acquisition	Date of Revaluation
MENARA CIMB 1 Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia	40 storey office building with 6 storey of basement car park. Building majority occupied by CIMB Group of companies with partial lower zone leased out to 3rd party.	Freehold	n/a	8	660,000,000	2015	Dec-22
CIMBTHAI Langsuan Building 44 Langsuan Road, Lumpini Patumwan, Bangkok 10330	25 storey office building with 1 basement level. Premises occupied by CIMB Thai Bank (Head Office Branch), CIMB Thai Bank's division offices and subsidiary company offices.	Freehold	n/a	23	299,679,764	1999	Sep-21
Menara Sentraya Lt. 28, 29, 30, 31, 32 Jl. Iskandarsyah No. 2, Melawai Blok M Jakarta Selatan	41 storey office building, CIMB Niaga owned 5 storey.	Freehold	n/a	6	125,033,466	2015	Jan-22
WISMA CIMB No. 11, Jalan 4/83A Off Jalan Pantai Baru 59200 Kuala Lumpur	7 storey office building together with 3 levels of basement car park. Building majority occupied by CIMB Bank with Ground floor leased out to 3rd party.	Freehold	n/a	15	115,807,578	2018	Aug-17
Wisma CIMB Niaga Jl. Gatot Subroto No. 2, Bandung	11 storey office building used as CIMB Niaga Head Office and some floors are rented to 3rd party.	Leasehold expiring on 6 December 2043	21	32	81,874,960	2001	Jan-22
Jl. Gajah Mada 18 Jakarta Pusat	3 storey office building used as CIMB Niaga Head Office and Branch.	Leasehold expiring on 17 January 2036	14	67	66,574,240	2006	Jan-22
CIMB Niaga Lippo Cikarang Jl. MH Thamrin Lippo Cikarang	8 storey office building used as CIMB Niaga Head Office and some floors are rented to 3rd party.	Leasehold expiring on 5 May 2043	21	30	57,707,901	2012	Jan-22
CIMB Niaga Kebon Sirih Jl. Kebon Sirih 33 Jakarta Pusat	CIMB Niaga Branch premises.	Leasehold expiring on 22 August 2031	9	38	36,320,522	2003	Jan-22
Puri Indah Financial Tower Lt. 21, 23, 25 & 26 Jl. Puri Linggar Dalam Blok T8, Kembangan Jakarta Barat	29 storey office building, CIMB Niaga owned 4 Floors (21st, 23rd, 25th & 26th), used as CIMB Niaga Head office.	Freehold	n/a	8	34,538,338	2020	Jan-22
Synergy Building Jl. Sutera Barat Kav 17 Alam Sutera, Serpong Tangerang, Banten	20 storey office building, CIMB Niaga owned 7 Floors (GF, UG, 1st, 2nd, 3rd, 5th, 6th), used as CIMB Niaga Branch and Head Office business support.	Leasehold expiring on 3 April 2024	2	11	33,909,648	2014	Jan-22

# Corporate Information

as at 1 March 2023

## BOARD OF DIRECTORS

### Datuk Mohd Nasir Ahmad

Chairperson/Independent Director

### Dato' Abdul Rahman Ahmad

Group Chief Executive Officer/  
Executive Director

### Teoh Su Yin

Senior Independent Director

### Robert Neil Coombe

Independent Director

### Dato' Mohamed Ross Mohd Din

Independent Director

### Afzal Abdul Rahim

Independent Director

### Didi Syafruddin Yahya

Independent Director

### Shulamite N K Khoo

Independent Director

### Dato' Lee Kok Kwan

Non-Independent Director

### Ho Yuet Mee

*(Appointed as an Independent Director  
on 28 July 2022)*

Independent Director

### Serena Tan Mei Shwen

*(Resigned as a Non-Independent Director  
on 30 April 2022)*

Non-Independent Director

## GROUP COMPANY SECRETARY

### Datin Rossaya Mohd Nashir

LS 0007591/PC No. 202008000361

## AUDIT COMMITTEE

### Dato' Mohamed Ross Mohd Din

Chairperson/Independent Director

### Didi Syafruddin Yahya

Member/Independent Director

### Ho Yuet Mee

*(Appointed as a Member on 28 July 2022)*  
Member/Independent Director

### Teoh Su Yin

*(Resigned as a Member on 8 August 2022)*  
Member/Senior Independent Director

## BOARD RISK AND COMPLIANCE COMMITTEE

### Didi Syafruddin Yahya

Chairperson/Independent Director

### Datuk Mohd Nasir Ahmad

Member/Independent Director

### Dato' Mohamed Ross Mohd Din

Member/Independent Director

### Dato' Lee Kok Kwan

Member/Non-Independent Director

### Serena Tan Mei Shwen

*(Resigned as a Member on 30 April 2022)*  
Member/Non-Independent Director

## GROUP NOMINATION AND REMUNERATION COMMITTEE

### Teoh Su Yin

Chairperson/Senior Independent Director

### Dato' Mohamed Ross Mohd Din

Member/Independent Director

### Didi Syafruddin Yahya

Member/Independent Director

### Shulamite N K Khoo

Member/Independent Director

### Afzal Abdul Rahim

Member/Independent Director

### Serena Tan Mei Shwen

*(Resigned as a Member on 30 April 2022)*  
Member/Non-Independent Director

## GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE

### Teoh Su Yin

Chairperson/Senior Independent Director

### Datuk Mohd Nasir Ahmad

Member/Independent Director

### Robert Neil Coombe

Member/Independent Director

### Shulamite N K Khoo

Member/Independent Director

### Didi Syafruddin Yahya

Member/Independent Director

### Ho Yuet Mee

*(Appointed as a Member on 28 July 2022)*  
Member/Independent Director

## BOARD SHARIAH COMMITTEE

**Associate Professor Dr. Mohamed Fairooz Abdul Khir**  
*(Appointed as Chairperson on 16 August 2022)*  
 Chairperson/Independent Member

**Sheikh Professor Dr. Yousef Abdullah Al Shubaily**  
 Independent Member

**Associate Professor Dr. Aishath Muneeza**  
 Independent Member

**Ahmed Baqar Rehman**  
 Independent Member

**Sheikh Dr. Ahmad Sufian Che Abdullah**  
 Independent Member

**Dr. Shafaai Musa**  
*(Resigned as Chairperson on 13 June 2022)*  
 Chairperson/Independent Member

## REGISTERED OFFICE

Level 13, Menara CIMB  
 Jalan Stesen Sentral 2  
 Kuala Lumpur Sentral  
 50470 Kuala Lumpur, Malaysia

Tel: 603-2261 8888

Fax: 603-2261 0099

Website: [www.cimb.com](http://www.cimb.com)

Investor Relations: [ir@cimb.com](mailto:ir@cimb.com)

Senior Independent Director:  
[cimbSID@cimb.com](mailto:cimbSID@cimb.com)

Social media:

[www.facebook.com/CIMBMalaysia](http://www.facebook.com/CIMBMalaysia)  
[www.twitter.com/CIMB\\_Assists](http://www.twitter.com/CIMB_Assists)  
[www.instagram.com/cimbmalaysia/](http://www.instagram.com/cimbmalaysia/)  
[www.linkedin.com/company/cimb](http://www.linkedin.com/company/cimb)

## REGISTRAR

**Boardroom Share Registrars Sdn Bhd**  
 (199601006647 (378993-D))  
 11th Floor Menara Symphony  
 No. 5 Jalan Prof. Khoo Kay Kim  
 Seksyen 13, 46200 Petaling Jaya  
 Selangor, Malaysia  
 Helpdesk: 603-7890 4700  
 Fax: 603-7890 4670  
 E-mail address:  
[bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

## AUDITORS

**PricewaterhouseCoopers PLT**  
 (LLP0014401-LCA & AF 1146)  
 Chartered Accountants  
 Level 10, 1 Sentral, Jalan Rakyat  
 Kuala Lumpur Sentral  
 PO Box 10192  
 50706 Kuala Lumpur, Malaysia  
 Tel: 603-2173 1188  
 Fax: 603-2173 1298

## STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad since 3 November 1987

**Stock Code:** 1023

## GROUP MANAGEMENT

**Dato' Abdul Rahman Ahmad**  
 Group Chief Executive Officer/  
 Executive Director, CIMB;  
 Country Head, Malaysia; and  
 Chief Executive Officer/  
 Executive Director, CIMB Bank Berhad

**Lani Darmawan**  
 Country Head, Indonesia; and  
 President Director &  
 Chief Executive Officer,  
 PT Bank CIMB Niaga Tbk

**Paul Wong Chee Kin**  
 Country Head, Thailand; and  
 President & Chief Executive Officer,  
 CIMB Thai Bank PCL

**Victor Lee Meng Teck**  
 Country Head, Singapore;  
 Chief Executive Officer,  
 CIMB Bank, Singapore; and  
 Chief Executive Officer,  
 Group Commercial Banking

**Chu Kok Wei**  
 Co-Chief Executive Officer,  
 Group Wholesale Banking

**Novan Amirudin**  
 Co-Chief Executive Officer,  
 Group Wholesale Banking

**Rafe Haneef**  
 Chief Executive Officer,  
 Group Transaction Banking; and  
 Chief Executive Officer, CIMB Foundation

**Effendy Shahul Hamid**  
 Chief Executive Officer,  
 Group Consumer & Digital Banking

**Ahmad Shahriman Mohd Shariff**  
 Chief Executive Officer/  
 Executive Director,  
 CIMB Islamic Bank; and  
 Chief Executive Officer,  
 Group Islamic Banking

**Khairul Rifaie**  
 Group Chief Financial Officer

**Gurdip Singh Sidhu**  
 Group Chief People Officer; and  
 Group Chief Sustainability Officer

**Haniz Nazlan**  
 Group Chief Strategy Officer

**Vera Handajani**  
 Group Chief Risk Officer

**Kwan Keen Yew**  
 Group Chief Legal & Compliance  
 Officer; and Group Chief Integrity &  
 Governance Officer

**Amran Mohamad**  
 Group Chief Internal Auditor

# Group Corporate Directory 2022

## **CIMB Group Holdings Berhad**

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Bank Berhad**

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Investment Bank Berhad**

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Islamic Bank Berhad**

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

## **PT Bank CIMB Niaga Tbk**

Graha CIMB Niaga  
Jl. Jend Sudirman Kav. 58  
Jakarta 12190, Indonesia  
Tel : 62 21 250 5252/  
62 21 250 5353  
Fax : 62 21 250 5205  
Website : [www.cimbniaga.co.id](http://www.cimbniaga.co.id)

## **CIMB Thai Bank Public Company Limited**

44, Langsuan Road  
Lumpini, Pathumwan  
Bangkok 10330, Thailand  
Tel : 662 638 8000/662 626 7000  
Fax : 662 657 3333  
Website : [www.cimbthai.com](http://www.cimbthai.com)

## **CIMB Bank PLC**

20A/B, Corner Preah Norodom  
Boulevard & Street 118  
Sangkat Phsar Chas  
Phnom Penh 120209  
Cambodia  
Tel : 855 23 988 388  
Fax : 855 23 988 099  
Website : [www.cimbbank.com.kh](http://www.cimbbank.com.kh)

## **CIMB Bank (Vietnam) Limited**

Level 2, Cornerstone Building  
16 Phan Chu Trinh  
Hoan Kiem District  
Hanoi, Vietnam  
Tel : 84 24 3266 3388  
Fax : 84 24 3266 3389  
Website : [www.cimbbank.com.vn](http://www.cimbbank.com.vn)

## **CIMB Bank Berhad SINGAPORE BRANCH**

30 Raffles Place #04-01  
Singapore 048622  
Tel : 65 6333 7777  
Fax : 65 6337 5335  
Website : [www.cimb.com.sg](http://www.cimb.com.sg)

## **CIMB Bank Berhad LONDON BRANCH**

27 Knightsbridge  
SW1X 7LY  
United Kingdom  
Tel : 44 0 20 7201 3150  
Fax : 44 0 20 7201 3151  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Bank Berhad SHANGHAI BRANCH**

Unit 1805-1807, Azia Center  
1233, Lujiazui Ring Road  
Pudong New District  
Shanghai 200120, China  
Tel : 86 21 2026 1888  
Fax : 86 21 2026 1988  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Bank Berhad HONG KONG BRANCH**

Rooms 2501 & 2507-2510  
25th Floor, Gloucester Tower  
The Landmark, 15 Queen's Road  
Central, Hong Kong  
Tel : 852 2586 7288  
Fax : 852 2556 3863  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Bank Berhad PHILIPPINES BRANCH**

28th Floor, ORE Central Building  
9th Avenue Corner 31st Street  
Bonifacio Global City, Taguig  
1634 Philippines  
Tel : 63 2 8858 0102  
Fax : Nil  
Website : [www.cimbbank.com.ph](http://www.cimbbank.com.ph)

## **CIMB Bank (L) Limited**

Level 14(A), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 W P Labuan, Malaysia  
Tel : 6087 597 500  
Fax : 6087 597 501  
Website : [www.cimb.com](http://www.cimb.com)

## **CIMB Bank Berhad LABUAN OFFSHORE BRANCH**

Level 14(A), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 W P Labuan, Malaysia  
Tel : 6087 597 500  
Fax : 6087 597 501  
Website : [www.cimb.com](http://www.cimb.com)

**CIMB Thai Bank Pcl  
VIENTIANE BRANCH**

010, Lanexang Avenue  
Unit 2, Ban Hatsadi  
Chanthabury District  
Vientiane, Lao Pdr  
Tel : 856 21 255 355  
Fax : 856 21 255 356  
Website : [www.cimb.com](http://www.cimb.com)

**Touch 'n Go Sdn. Bhd.**

Level 6, Tower 6  
Avenue 5, The Horizon  
No. 8, Jalan Kerinchi, Bangsar South  
59200 Kuala Lumpur, Malaysia  
Tel : 603 2714 8888  
Fax : 603 2714 8889  
Website : [www.touchngo.com.my](http://www.touchngo.com.my)

**TnG Digital Sdn. Bhd.**

Level 3A, Tower 6  
Avenue 5, The Horizon  
No. 8, Jalan Kerinchi, Bangsar South  
59200 Kuala Lumpur, Malaysia  
Tel : 603 5022 8888  
Fax : Nil  
Website : [www.touchngo.com.my](http://www.touchngo.com.my)

**CIMB Trust Limited**

Level 14(A), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 W P Labuan, Malaysia  
Tel : 6087 414 252  
Fax : 6087 411 855  
Website : [www.cimb.com](http://www.cimb.com)

**CIMB Islamic Trustee Berhad**

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 9894  
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**CIMB Commerce Trustees Berhad**

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 9894  
Website : [www.cimb.com](http://www.cimb.com)

**iCIMB (Malaysia) Sdn. Bhd.**

CIMB HUB, Level 9  
No. 26, Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Tel : 603 2180 7600  
Fax : Nil  
Website : [www.cimb.com](http://www.cimb.com)

**iCIMB (MSC) Sdn. Bhd.**

CIMB HUB, Level 9  
No. 26, Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Tel : 603 2180 7600  
Fax : Nil  
Website : [www.cimb.com](http://www.cimb.com)

**CIMB Foundation**

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 8874  
Website : [www.cimbfoundation.com](http://www.cimbfoundation.com)

**CGS-CIMB Securities Sdn. Bhd.**

Level 29, Menara Bumiputra-Commerce  
No. 11, Jalan Raja Laut  
50350 Kuala Lumpur, Malaysia  
Tel : 603 2635 8888  
Fax : 603 2602 0119  
Website : [www.cgs-cimb.com.my](http://www.cgs-cimb.com.my)

**CGS-CIMB Securities International Pte. Ltd.**

10 Marina Boulevard #09-01  
Marina Bay Financial Centre Tower 2  
Singapore 018983  
Tel : 65 6538 9889  
Fax : 65 6323 1176  
Website : [www.cgs-cimb.com.sg](http://www.cgs-cimb.com.sg)

**Principal Asset Management Berhad**

10th Floor, Bangunan CIMB  
Jalan Semantan, Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Tel : 603 2084 8888  
Fax : 603 2084 8899  
Website : [www.principal.com.my](http://www.principal.com.my)

**Principal Islamic Asset Management Sdn. Bhd.**

10th Floor, Bangunan CIMB  
Jalan Semantan, Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Tel : 603 2084 8888  
Fax : 603 2084 8899  
Website : [www.principalisamic.com](http://www.principalisamic.com)

**CIMB Bank Berhad  
YANGON REPRESENTATIVE OFFICE**

1008 Level 10, Sakura Tower  
Kyauktada Township, Yangon  
Myanmar  
Tel : 951 8 255 430  
Fax : 951 8 255 430  
Website : [www.cimb.com](http://www.cimb.com)

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the 66th Annual General Meeting ("AGM") of CIMB Group Holdings Berhad ("CIMB" or "the Company") will be held virtually at the Broadcast Venue at Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia and by remote participation via Boardroom Share Registrars Sdn Bhd's website on Thursday, 13 April 2023 at 10.00 a.m. to transact the following businesses, with or without modifications:**

## AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note 7

- To re-elect the following Directors who retire pursuant to Article 81 of the Company's Constitution:

- 2.1 Datuk Mohd. Nasir Ahmad
- 2.2 En. Didi Syafruddin Yahya
- 2.3 Ms. Shulamite N K Khoo

Please refer to Explanatory Note 8

- To re-elect Ms. Ho Yuet Mee who retires pursuant to Article 88 of the Company's Constitution.

Please refer to Explanatory Note 8

- To approve the payment of Non-Executive Directors' fees with effect from the 66th AGM until the next AGM of the Company, as follows:

	<b>Retainer Fee - per annum (RM)</b>	<b>Chairperson's Premium - per annum (RM)</b>
Board		
– Chairperson	170,000	510,000
– Member	170,000	N/A
Board Committee		
– Chairperson	N/A	100,000
– Member	N/A	N/A

Please refer to Explanatory Note 9

- To approve the payment of allowances and benefits payable to Non-Executive Directors of the Company up to an amount of RM3,895,000 from the 66th AGM until the next AGM of the Company.

Please refer to Explanatory Note 9

- To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to fix their remuneration.

Please refer to Explanatory Note 10

**Ordinary Resolution 1**

**Ordinary Resolution 2**

**Ordinary Resolution 3**

**Ordinary Resolution 4**

**Ordinary Resolution 5**

**Ordinary Resolution 6**

**Ordinary Resolution 7**

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

**7. Proposed Renewal of the Authority for Directors to Allot and Issue Shares.**

**"THAT** pursuant to Section 76 of the Companies Act, 2016, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time 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 issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act, 2016, whichever is the earlier."

Please refer to Explanatory Note 11

**Ordinary Resolution 8**

**8. Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company (CIMB Shares) in Relation to the Dividend Reinvestment Scheme that provides the Shareholders of the Company with the Option to Elect to Reinvest Their Cash Dividend Entitlements in New Ordinary Shares in the Company (DRS).**

**"THAT** pursuant to the DRS approved at the Extraordinary General Meeting held on 25 February 2013 and renewed at the Annual General Meeting held on 21 April 2022, approval be and is hereby given to the Company to allot and issue such number of new CIMB Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new CIMB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted 5-day volume weighted average market price (VWAMP) of CIMB Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue of CIMB Shares at the material time;

**Ordinary Resolution 9**

**AND THAT** the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company."

Please refer to Explanatory Note 12

## Notice of Annual General Meeting

**9. Proposed Renewal of the Authority to Purchase Own Shares.**

"**THAT** subject to the Companies Act, 2016 (as may be amended, modified or re-enacted from time to time), the Company's Constitution and the requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) and approvals of all the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (Proposed Shares Buy-Back) as may be determined by the Board of Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained earnings of approximately RM1.139 billion based on the Audited Financial Statements for the financial year ended 31 December 2022 be allocated by the Company for the Proposed Shares Buy-Back **AND THAT** the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or retained as treasury shares and cancel the remainder of the shares **AND THAT** where such shares are held as treasury shares, the Directors of the Company may distribute the shares as dividends, re-sold on Bursa Securities, transfer the shares under the employees' share scheme or as purchase consideration or otherwise use the shares for such other purposes as the Minister may by order prescribe **AND THAT** the Board of Directors of the Company be and are hereby given full authority generally to do all acts and things to give effect to the Proposed Shares Buy-Back with the full power to assent to any conditions, modifications, revaluations and/or amendments (if any) as may be imposed by the relevant authority with full power to do all such acts and things thereafter on any part of the shares bought back in accordance with the Companies Act, 2016, Company's Constitution, Main Market Listing Requirements of Bursa Securities and any other rules and regulations that may be in force from time to time **AND THAT** such authority shall commence immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next Annual General Meeting of the Company in 2024 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii. the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the Shareholders of the Company in a general meeting;

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and/or any other relevant authorities."

Please refer to Explanatory Note 13

10. To transact any other business of which due notice shall have been duly given in accordance with the Companies Act, 2016.

**Ordinary Resolution 10**

BY ORDER OF THE BOARD

**Datin Rossaya Mohd Nashir**

Group Company Secretary

SSM PC No. 202008000361

LS 0007591

Kuala Lumpur

16 March 2023

## EXPLANATORY NOTES

### MODE OF MEETING

1. As the country transitions into the endemic phase and as part of the Company's continuous effort to curb the spread of COVID-19, the 66th AGM of the Company will be conducted on virtual basis at the broadcast venue and through live streaming and online remote voting via Remote Participation and Electronic Voting facilities available on Boardroom Share Registrars Sdn Bhd's website at Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my). Please follow the procedures provided in the Administrative Details for the 66th AGM in order to register, participate and vote remotely.
2. The venue of the 66th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 66th AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue.

### PROXY

1. Section 334 of the Companies Act, 2016 provides that a member of a company shall be entitled to appoint another person or persons as his/her proxy or proxies to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the company. A proxy may, but need not, be a Member of the Company. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation, under its Seal or the hand of its attorney.
4. This instrument duly completed must be deposited at the Registrar's office at Boardroom Share Registrars Sdn. Bhd., 11th Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than twenty-four (24) hours before the time appointed for holding the meeting which is no later than 10.00 a.m. on Wednesday, 12 April 2023.
5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 66th AGM will be put to vote on a poll.

### MEMBERS ENTITLED TO ATTEND

6. For the purpose of determining a member who shall be entitled to attend the 66th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 59(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 6 April 2023. Only a depositor whose name appears on the Record of Depositors as of 6 April 2023 shall be entitled to attend the said meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

### AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. This Agenda item is meant for discussion only pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016 and will not be put forward for voting.

### RE-ELECTION OF DIRECTORS

8. Article 81 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company and be eligible for re-election. Three (3) out of Eight (8) Directors are to retire in accordance with Article 81 of the Company's Constitution. The Shareholders' approval is sought under **Ordinary Resolutions 1, 2 and 3**.

Article 88 of the Company's Constitution provides that the Board shall have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board of Directors. Any Director so appointed shall hold office until the next AGM and shall then be eligible for re-election. The Shareholders' approval is sought under **Ordinary Resolution 4**.

The suitability of a Director as a Board member is in accordance with the Bank Negara Malaysia (BNM) Corporate Governance Policy Document and the Group's Fit and Proper Policies and Procedures for Key Responsible Persons. The Group Nomination and Remuneration Committee (GNRC) considered the following criteria in determining the eligibility of the Directors to stand for re-election at the 66th AGM:

- (i) The Director's skill sets and competency in specialised areas of practise and level of contribution to the Board through their knowledge, skills and expertise;
- (ii) The level of independence demonstrated by the Directors, and his ability to act in the best interest of the Company;
- (iii) Probity, personal integrity and reputation, where the Directors must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness; and
- (iv) Financial integrity, where the Directors must manage his debts or financial affairs prudently.

The GNRC has also conducted an assessment on the independence of the Independent Directors seeking re-election at this AGM based on the criteria set by the Company and guided by the definition of "Independent Director" as prescribed by the Main Market Listing Requirements of Bursa Securities and BNM Corporate Governance Policy Document. The Board has assessed their time and commitment to effectively discharge their respective roles as Directors of the Company. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at the relevant GNRC and Board meetings, where applicable. The Board is satisfied that the Directors seeking re-election have maintained their independence in the financial year ended 31 December 2022.

Section 54(2)(a) of the Financial Services Act 2013 (FSA) provides that the appointment, re-appointment, election or re-election as Chairperson, Director or Chief Executive Officer of the Company is subject to approval by BNM. In this respect, BNM's approval for the tenures of the Directors seeking re-election is still effective under **Ordinary Resolutions 1, 2, 3 and 4**.

The profiles of Directors seeking re-election and re-appointment are set out in the Profile of Directors' section of the Company's Annual Report 2022.

### NON-EXECUTIVE DIRECTORS FEES AND BENEFITS PAYABLE

9. Section 230(1) of the Companies Act, 2016, provides amongst others, that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, Shareholders' approval is sought for the payment of fees and benefits payable to the Non-Executive Directors, in two (2) separate Resolutions:
  - (i) **Ordinary Resolution 5:** To approve the payment of the Non-Executive Directors' fees with effect from the 66th AGM until the next AGM of the Company

## Notice of Annual General Meeting

The Board of Directors is recommending the Directors' fees for the Company and its subsidiaries as approved at the previous AGM of the Company, for Shareholders' approval. There is no revision to the amount proposed.

### For the Company

	<b>Retainer Fee – per annum (RM)</b>	<b>Chairperson's Premium – per annum (RM)</b>
Board – Chairperson	170,000	510,000
– Member	170,000	N/A

	<b>Retainer Fee – per annum (RM)</b>	<b>Chairperson's Premium – per annum (RM)</b>
Board Committee – Chairperson	N/A	100,000
– Member	N/A	N/A

### For Subsidiaries of the Company

<b>Name</b>	<b>Position Held</b>	<b>Fee Type</b>	<b>Amount</b>
<b>CIMB Bank Berhad</b>			
Datuk Mohd Nasir Ahmad	• Chairperson	Fixed Fee: Chairperson's premium – per annum	RM150,000
		Board Retainer Fee – per annum	RM150,000
Dato' Lee Kok Kwan	<b>CIMB Bank Berhad</b>	Fixed Fee: Board Retainer Fee – per annum	RM150,000
Dato' Mohamed Ross Mohd Din	<b>CIMB Investment Bank Berhad</b>	Fixed Fee: Board Retainer Fee – per annum	RM140,000
En. Didi Syafruddin Yahya	<b>PT Bank CIMB Niaga Tbk</b>	Fixed Fee: Board Retainer Fee – per annum	IDR2,196,250,000
Ms. Teoh Su Yin	<b>CIMB Investment Bank Berhad</b>	Fixed Fee: Chairperson's premium – per annum	RM140,000
		Board Retainer Fee – per annum	RM140,000

- (ii) **Ordinary Resolution 6:** To approve the payment of allowances and benefits payable to Non-Executive Directors of the Company up to an amount of RM3,895,000 from the 66th AGM until the next AGM of the Company.

The amount payable to Non-Executive Directors comprises allowances, benefits-in-kind and other emoluments payable to them by the Company and its subsidiaries, details of which are as follows:

### For the Company

	<b>Meeting Allowance – per meeting (RM)</b>	<b>Benefits-in-kind</b>
Board – Chairperson	5,000	Corporate Club membership fee, company car including petrol and a driver, leave passage, medical coverage, mobile phone and bills, complimentary use of CIMB Apartments and other claimable benefits and reimbursable expenses.
– Member	5,000	Medical coverage, complimentary use of CIMB Apartments and benefits that are claimable including reimbursable expenses incurred in the course of carrying out their duties as Directors.
Board Committee – Chairperson & Member	5,000	Not Applicable

In determining the estimated amount of benefits payable for the Non-Executive Directors, various factors, including the number of scheduled meetings for the Board, Board Committees and Boards of subsidiaries as well as the number of Non-Executive Directors involved in these meetings were considered. The Board is hereby recommending up to an amount of RM3,895,000 as payment of allowances and benefits payable from the 66th AGM until the next AGM of the Company.

### For the Subsidiaries

<b>Name</b>	<b>Position Held</b>	<b>Fee Type</b>	<b>Amount</b>
Datuk Mohd Nasir Ahmad	<b>CIMB Bank Berhad</b>	Variable Fee: Meeting allowance – per meeting	RM5,000
Dato' Lee Kok Kwan	<b>CIMB Bank Berhad</b>	Variable Fee: Meeting allowance – per meeting	RM5,000
Ms. Teoh Su Yin	<b>CIMB Investment Bank Berhad</b>	Variable Fee: Meeting allowance – per meeting	USD1,000
			USD600
Dato' Lee Kok Kwan	<b>CIMB Bank Berhad</b>	Variable Fee: Meeting allowance – per meeting	RM5,000
			RM5,000
	<b>CIMB Investment Bank Berhad</b>	Variable Fee: Meeting allowance – per meeting	RM5,000

Name	Position Held	Fee Type	Amount
Dato' Mohamed Ross Mohd Din	<b>CIMB Islamic Bank Berhad</b>	Variable Fee: • Chairperson Meeting allowance – per meeting	RM5,000
En. Didi Syafruddin Yahya	<b>PT Bank CIMB Niaga Tbk</b>	Variable Fee: • Board of Commissioner Meeting allowance • Risk Oversight Committee – per meeting • Nomination and Remuneration Committee	IDR37,500,000
Ms. Teoh Su Yin	<b>CIMB Investment Bank Berhad</b>	Variable Fee: • Chairperson Meeting allowance – per meeting	RM5,000

Subject to the shareholders' approval for Ordinary Resolutions 5 and 6, the payment for the fees and benefits for the period commencing from the 66th AGM until next AGM will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board is of the view that the payments to the Non-Executive Directors are just and equitable taking into account their roles and responsibilities towards the Group and the contribution and services they render to the Company and its subsidiaries.

In addition, the Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Company amounted to RM1,550,556.06 (2021: RM1,481,872) and RM Nil (2021: RM Nil).

Please refer to the Notes to the Financial Statements for the amount of Directors' Remuneration at the Group and the Company, for the Financial Year Ended 2022 comprising fees and benefits of RM14.3 million and RM3.7 million, respectively. The remuneration of each Director is set out in the Notes of the Financial Statement 2022.

#### APPOINTMENT OF AUDITORS

- The Audit Committee (AC), at its meeting held on 24 November 2022 completed its annual assessment on the external auditors in accordance with CIMB's Guidelines for the Appointment/Re-appointment of External Auditors. In its assessment, the AC considered several factors before recommending the re-appointment of the external auditors, as follows:
  - Level of knowledge, capabilities, experience and quality of previous work;
  - Level of engagement with the AC;
  - Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
  - Adequacy in audit coverage, effectiveness in planning and conduct of audit;
  - Ability to perform audit work within agreed timeframe;
  - Non-audit services rendered by the external auditor did not impede independence; and
  - The external auditor demonstrated unbiased stance when interpreting standards/policies adopted by the Company.

Being satisfied with Messrs. PricewaterhouseCoopers' (PwC) performance in 2022, their technical competency and audit independence as well as fulfillment of criteria as set out in CIMB's Guidelines for the Appointment/Re-appointment of External Auditors, the AC recommended the appointment of PwC as external auditors for the Financial Year ending 31 December 2023. The Board, at its meeting held on 31 January 2023, approved the AC's recommendation for the re-appointment of PwC as external auditors of the Company for the Financial Year ending 31 December 2023. The Shareholders' Resolution is sought under **Ordinary Resolution 7**.

#### AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

- Ordinary Resolution 8** is proposed for the purpose of renewing the general mandate for issuance of Shares by the Company under Section 76 of the Companies Act, 2016. If passed, it will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without the need to convene a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of improving and/or restoring its capital position under stressed conditions and also for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company has not issued new shares pursuant to Section 76 of the Companies Act, 2016 under the general mandate sought at the 65th AGM held on 21 April 2022, which will lapse upon the conclusion of the forthcoming 66th AGM to be held on 13 April 2023.

#### AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN RESPECT OF THE DRS

- The proposed **Ordinary Resolution 9** will give authority to the Directors to allot and issue new ordinary shares in the Company in respect of the DRS, until the conclusion of the next AGM. A renewal of this authority will be sought at the subsequent AGM.

The general mandate, if granted will provide a capital management tool for the Company to preserve the Group's capital and at the same time, to provide Shareholders with the opportunity to reinvest their dividends in new shares in lieu of receiving cash.

#### AUTHORITY TO PURCHASE OWN SHARES

- Ordinary Resolution 10**, if passed, will authorise the Directors to purchase CIMB shares through Bursa Securities up to 10% of the issued and paid-up share capital of the Company. Details of the Proposed Shares Buy-Back are contained in the Statement Accompanying Notice of AGM.

#### ABSTENTION FROM VOTING

- Any Director referred to in **Ordinary Resolutions 1, 2, 3 and 4** who is a Shareholder of the Company will abstain from voting on the resolutions in respect of his/her re-election at the 66th AGM.
- All Directors who are Shareholders of the Company will abstain from voting on **Ordinary Resolutions 5 and 6** concerning Directors' remuneration at the 66th AGM.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## A. PROPOSED RE-ELECTION OF DIRECTORS PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The profile of the Directors who are standing for re-election (as per Ordinary Resolutions 1 to 4 as stated in the Notice of Annual General Meeting) at the 66th Annual General Meeting of CIMB Group Holdings Berhad, which will be held virtually at the Broadcast Venue at Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia and by remote participation via Boardroom Share Registrars Sdn Bhd's website on Thursday, 13 April 2023 at 10.00 a.m. to transact the following businesses, with or without modifications are as follows:

### 1. DATUK MOHD NASIR AHMAD

(Chairman/Independent Director)

**Nationality** | Malaysian

**Age** | 68

**Gender** | Male

**Date of Appointment** | 20 July 2015

**Length of Tenure** | 8 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of Group Board Risk and Compliance Committee and Group Sustainability and Governance Committee

#### QUALIFICATION

- Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants (MIA), Malaysia
- Masters in Business Administration (Finance), Universiti Kebangsaan Malaysia, Malaysia

#### AREAS OF EXPERTISE

- Accounting, Finance & Audit, Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership

#### DIRECTORSHIP/RELEVANT APPOINTMENTS

##### Listed Entities (Other than CIMB)

- Nil

##### Public Companies

- Chairperson/Independent Director of CIMB Bank Berhad
- Chairperson/Independent Director of CIMB Bank PLC (Cambodia)

#### RELEVANT EXPERIENCE

Datuk Mohd Nasir Ahmad was appointed the Chairperson/Independent Director of CIMB on 20 October 2018. He was the President of the Malaysian Institute of Accountants (MIA) from August 2011 to July 2013. In September 2013, he was elected to the Council of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and completed the maximum 9-year tenure in November 2022, after being re-elected in September 2016 and November 2019.

On 1 May 2021, he was appointed a member of the Financial Reporting Foundation and Chairman of the Malaysian Accounting Standards Board (MASB).

He brings with him vast experience in the areas of leadership, management, operations, finance and accounting, which spans over 40 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad (TNB) in 1979 and moving on to hold various positions in the Finance Division.

In January 1993, Datuk Mohd Nasir was seconded to TNB's subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd, as Financial Controller before being appointed its Chief Executive Officer (CEO) in June 1994.

In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Datuk Mohd Nasir also holds directorships in private companies, namely CIMB EOP Management Sdn Bhd and Touch n' Go Sdn. Bhd. He is also a Trustee of Yayasan Canselor UNITEN, Perdana Leadership Foundation and Chairperson of CIMB Foundation.

The Board is of the view that Datuk Mohd. Nasir has displayed tremendous leadership as Chairman, and he has played a pivotal role in fostering the effectiveness of the Board in setting and implementing the company's direction and strategy.

As the company navigates the effects of the pandemic and new socio-economic forces impacting all our stakeholders, Datuk Mohd. Nasir has led in reinforcing the company's culture, underscoring our commitment to building a high-performing sustainable organisation and executing our core purpose and reason for being: to help advance customers and society. With his expertise in banking operations as well as auditing and accounting, Datuk Mohd. Nasir continues to offer direct contributions to the operations of CIMB.

Datuk Mohd Nasir is seeking re-election as Independent Director of the Company until the expiry of his 9-year tenure as Independent Director in July 2024.

The Board hereby recommends the re-election of Datuk Mohd Nasir Ahmad as Independent Director of the Company for the Shareholders' approval.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Chairperson 21/21	-	Member 5/5	-	Member 5/5

## 2. EN. DIDI SYAFRUDDIN YAHYA

(Independent Director)

**Nationality** | Indonesian

**Age** | 55

**Gender** | Male

**Date of Appointment** | 7 May 2019

**Length of Tenure** | 4 years

### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Board Risk and Compliance Committee
- Member of the Group Nomination and Remuneration Committee, Group Audit Committee and Group Sustainability and Governance Committee

### QUALIFICATION

- Fellow Chartered Accountant, Institute of Chartered Accountants in England and Wales, United Kingdom
- Master of Arts, University of Cambridge, United Kingdom
- Bachelor of Arts, University of Cambridge, United Kingdom

### AREAS OF EXPERTISE

- Operations, Risk Management, Investment & Corporate Finance, Business Management & Corporate Leadership, Accounting, Finance & Audit

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- President Commissioner of the Board of Commissioners of PT Bank CIMB Niaga Tbk

#### Public Companies

- Independent Director of CIMB Investment Bank Berhad (Resigned w.e.f. 1 June 2022)

### RELEVANT EXPERIENCE

En. Didi Syafruddin Yahya previously worked for J.P. Morgan for more than 20 years based in Indonesia and, subsequently, Malaysia, where he was the Managing Director and Head of Investment Banking.

At J.P. Morgan, En. Didi Syafruddin was responsible for client coverage and providing advice on mergers and acquisitions, equity and debt capital markets transactions. He started his banking career with Morgan Grenfell & Co. in London after qualifying as a Chartered Accountant. He is currently Chairman of the Investment Panel of Urusharta Jamaah Sdn Bhd.

The Board is of the view that En. Didi has shown a high level of dedication and commitment to his role as a board member that extends beyond attending board meetings. He brings candor to board meetings and is able to engage other board members in discussions and

healthy debates. He is objective and impartial in his approach and ensures that board deliberations are aligned with the interests and goals of the company.

En. Didi is a well-known and highly regarded figure in the industry. His in-depth understanding of the banking industry locally and regionally enables the Board to stay up-to-date and be in the know of vital insights, trends, strategies and solutions which is invaluable not only to the Board but also to CIMB.

The Board hereby recommends the re-election of En. Didi Syafruddin Yahya as Independent Director for the Shareholders' approval.

### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 21/21	Member 15/15	Chairperson 5/5	Member 11/12	Member 5/5

## 3. MS. SHULAMITE N K KHOO

(Independent Director)

**Nationality** | Singaporean

**Age** | 61

**Gender** | Female

**Date of Appointment** | 15 May 2020

**Length of Tenure** | 3 years

### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Nomination and Remuneration Committee and Group Sustainability and Governance Committee

### QUALIFICATION

- Chartered Fellow, Chartered Institute of Personnel & Development, United Kingdom
- Bachelor of Science (Statistics & Actuarial Science), University of Toronto, Canada

### AREAS OF EXPERTISE

- Operations, Risk Management, Human Resources and International Experience

### DIRECTORSHIP/RELEVANT APPOINTMENTS

#### Listed Entities (Other than CIMB)

- Independent Director of Shangri-La Asia Limited

#### Public Companies

- Independent Director of AIA Co. Ltd., Hong Kong

### RELEVANT EXPERIENCE

Ms. Shulamite Khoo was the Group Human Resources Director and Executive Vice President of AIA Group, the largest public listed Pan-Asian Life Insurance Group based in Hong Kong. This was a position she held since 2011 until her retirement in 2018.

# Statement Accompanying Notice of Annual General Meeting

Prior to this, she held several senior executive positions at AXA, a French multinational insurance firm that engages in global insurance, investment management and other financial services.

She was previously an International Advisory Panel Member of the Singapore Civil Service. She also served on the Board of AIA Malaysia from 2018 up until her resignation in February 2020.

The Board is of the view that Ms. Khoo is a valuable member of the Board and has proven herself to be capable competent and is committed in her role as Director. She brings added value to the Board given her experience in human resource matters, culture, rewards and compensation systems. The Board has benefitted from Ms. Khoo's counsel as well as her mentorship and contribution towards the people and culture transformation programme at CIMB. She has also contributed immensely in her role as a member of the GNRC and GSGC.

The Board recommends the re-election of Ms. Shulamite Khoo as Independent Director of the Company for the Shareholders' approval.

## BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 21/21	-	-	Member 12/12	Member 5/5

## 4. MS. HO YUET MEE

(Independent Director)

**Nationality** | Malaysian

**Age** | 62

**Gender** | Female

**Date of Appointment** | 28 July 2022

**Length of Tenure** | 1 year

## MEMBERSHIP OF BOARD COMMITTEES

- Member of the Group Sustainability and Governance Committee, CIMB Banking Group Audit Committee and CIMB Group Audit Committee (Appointed w.e.f. 28 July 2022)

## QUALIFICATION

- Postgraduate Certificate in Sustainable Business, University of Cambridge, United Kingdom
- Chartered Accountancy, Malaysia Institute of Certified Public Accountants, Malaysia

## AREAS OF EXPERTISE

- Operations, Risk Management, Business Management & Corporate Leadership, Accounting, Audit & Finance, Sustainability

## DIRECTORSHIP/RELEVANT APPOINTMENTS

### Listed Entities (Other than CIMB)

- Nil

### Public Companies

- Nil

## RELEVANT EXPERIENCE

Prior to being appointed a Director of CIMB, Ms. Ho sat as a director on the Board of CIMB Islamic Bank Berhad, a subsidiary of CIMB Bank Berhad. Ms. Ho is a certified public accountant by training and had spent a large part of her career in Big 4 international accounting firms. She spent 25 years with EY, helming various leadership roles, including being an audit partner for large government-linked companies and multinational clients. Besides inaugurating the global EY Entrepreneur of The Year Programme in Malaysia and leading it for several years, Ms Ho also served as a Pacific Regional Partner with special focus on deployment of global IT projects and led the audit independence function regionally for several years. In June 2011, she retired early to join an engineering construction private limited company, founded by her husband, to serve as its Finance Director, a role she is serving until present. She also serves on the Board of World Wildlife Fund-Malaysia and holds directorships in several other private companies.

The Board is of the view that CIMB has benefitted from having Ms. Ho Yuet Mee on the Board, given her experience in the auditing and accounting industry, which has immensely contributed positive views to the Board. Ms. Ho is also a sustainability advocate and continuously offers her views and suggestions to the betterment of the operations of CIMB, as we strive to manage the environmental and social impacts of our business and foster a culture of sustainability, ethical conduct, and integrity across the Group.

The Board hereby recommends the re-election of Ms. Ho Yuet Mee as Independent Director of the Company for the Shareholders' approval.

## BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 10/10	Member 7/8	-	-	Member 2/2

**The directors listed above do not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.**

**The directors listed above have not been convicted of any offence within the past five (5) years nor have they been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.**

## B. PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The details of the proposed renewal of the authority for Directors to issue shares by the Company under Section 76 of the Companies Act, 2016, are stated in the Explanatory Notes of the Notice of Annual General Meeting.

## C. PROPOSED SHARES BUY-BACK PURSUANT TO PARAGRAPH 12.06(1) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### 1. INTRODUCTION

#### 1.1 RENEWAL OF AUTHORITY FOR CIMB TO PURCHASE ITS OWN SHARES (PROPOSED SHARES BUY-BACK)

At the last Annual General Meeting of the Company held on 21 April 2022, the Company had obtained the Shareholders' approval to purchase its own shares as may be determined by the Board of Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of ordinary shares purchased and/or held does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained earnings of approximately RM1.139 billion based on the Audited Financial Statements of the Company for the financial year ended 31 December 2022.

The authority obtained by the Board of Directors for purchasing the Company's own shares in accordance with the Main Market Listing Requirements of Bursa Securities governing shares buy-back by listed companies, will lapse at the conclusion of the

forthcoming 66th Annual General Meeting to be held on 13 April 2023, unless renewed by an ordinary resolution.

On 3 March 2023, the Company announced its intention to seek shareholders' approval at the forthcoming 66th Annual General Meeting, for the proposed renewal of the authority for the Company to purchase its own shares.

### 1.2 PURPOSE OF STATEMENT

The purpose of this Statement is to provide relevant information on the Proposed Shares Buy-Back and to seek your approval for the ordinary resolution to renew the authority for the Company to purchase its own shares, to be tabled at the forthcoming 66th Annual General Meeting. The Notice of Annual General Meeting together with the Proxy Form is set out herewith.

### 2. DETAILS OF THE PROPOSED SHARES BUY-BACK

The Board proposes to seek Shareholders' approval for a renewal of the authority to purchase and/or hold its own shares in aggregate of up to 10% of the issued and paid-up share capital of the Company at any point of time through Bursa Securities. Based on the issued and paid-up share capital of the Company as at 1 March 2023 of RM29,094,547,322.91 comprising 10,665,101,700 ordinary shares in the Company (CIMB Shares), a total of 1,066,510,170 CIMB Shares may be purchased by the Company pursuant to the Proposed Shares Buy-Back. The maximum number of shares that can be bought back under this authority will take into account the number of shares previously bought back and retained as treasury shares, if any.

Such authority, if approved, will be effective immediately upon passing of the ordinary resolution for the Proposed Shares Buy-Back until:

- (i) the conclusion of the next Annual General Meeting of CIMB in 2024 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant authorities.

## Statement Accompanying Notice of Annual General Meeting

The Board proposes to allocate an amount of up to retained earnings of the Company for the purchase of its own shares subject to Section 127 of the Companies Act, 2016 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase (Prevailing Laws). The actual number of CIMB Shares to be purchased will depend on market conditions and sentiments of Bursa Securities as well as the retained earnings and financial resources available to the Company. The audited retained earnings of the Company as at 31 December 2022 was RM1.139 billion.

CIMB may only purchase its own shares at a price which is not more than 15% above the weighted average market price for the past 5 market days immediately preceding the date of the purchase(s). The Company may only re-sell the purchased shares held as treasury shares at a price which is (a) not less than the weighted average market price of CIMB Shares for the 5 market days immediately preceding the date of re-sale or (b) at a discounted price of not more than 5% to the weighted average market price of CIMB Shares for the 5 market days immediately prior to the re-sale, provided that the re-sale takes place not earlier than 30 days from the date of purchase and the re-sale price is not less than the cost of purchase of the CIMB Shares being re-sold. The Company shall, upon each purchase or re-sale of shares bought back, make the necessary announcements through Bursa Securities.

The Proposed Shares Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period using internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined at a later date, depending on the availability of internally generated funds, actual number of CIMB Shares to be purchased, the anticipated future cash flows of the Group and other cost factors.

The CIMB Shares purchased and held as treasury shares may be distributed as share dividends, re-sold on Bursa Securities in accordance with the relevant rules of Bursa Securities, cancelled or continue to be retained as treasury shares. The decision whether to retain the purchased shares as treasury shares, to cancel the shares purchased, distribute the treasury shares as share dividends and/or re-sell the treasury shares on Bursa Securities will be made by the Board at the appropriate time.

The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company. The treatment of the purchased shares held as treasury shares, this being to distribute as share

dividends or to re-sell on Bursa Securities or both will in turn, depend on the availability of, amongst others, retained profits of the Company.

While the purchased shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of the provision of Section 127 of the Companies Act, 2016, the provision of any laws or requirements of the Constitution of the Company or the Main Market Listing Requirements of Bursa Securities governing substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

The Proposed Shares Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Main Market Listing Requirements of Bursa Securities.

The public shareholding spread of the Company before and after the Proposed Shares Buy-Back is as follows:

Before the Proposed Shares Buy-Back	After the Proposed Shares Buy-Back
Public shareholding spread	56.49*1 62.76*2

**Notes:**

\*1 As at 1 March 2023

\*2 Based on the assumption that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 1,066,510,170 CIMB Shares (being 10% of issued and paid-up capital of the Company as at 1 March 2023) which are to be retained as treasury shares; and
- (ii) the number of CIMB Shares held by the Directors of CIMB, the substantial shareholders of CIMB and person connected to them remain unchanged.

### 3. RATIONALE FOR THE PROPOSED SHARES BUY-BACK

The Proposed Shares Buy-Back will enable CIMB to utilise its surplus financial resources to buy-back CIMB Shares. The increase in Earnings Per Share, if any, arising from the Proposed Shares Buy-Back is expected to benefit the Shareholders of the Company.

The purchased shares can be held as treasury shares and re-sold on Bursa Securities to realise potential gain without affecting the total issued and paid-up share capital of the Company. The distribution of the treasury shares as share dividends may also serve to reward the Shareholders of the Company.

## 4. EVALUATION OF THE PROPOSED SHARES BUY-BACK

### 4.1 ADVANTAGES

The potential advantages of the Proposed Shares Buy-Back are as follows:

- (i) Allow the Company to take preventive measures against excessive speculation, in particular when the Company's shares are undervalued;
- (ii) Allow the Company more flexibility in fine-tuning its capital structure;
- (iii) The resultant reduction of share capital base is expected to improve the Earnings Per Share and may strengthen the net tangible assets of the remaining shares as well as the probability of declaring a higher quantum of dividend in the future;
- (iv) To stabilise a downward trend of the market price of the Company's shares;
- (v) Treasury shares can be treated as long-term investments. It makes business sense to invest in our own Company as the Board of Directors is confident with CIMB's future prospects and performance in the long term; and
- (vi) If the treasury shares are distributed as dividend by the Company, it may then serve to reward the Shareholders of the Company.

### 4.2 DISADVANTAGES

The potential disadvantages of the Proposed Shares Buy-Back are as follows:

- (i) The purchases can only be made out of distributable reserves resulting in a reduction of the amount available for distribution as dividends and bonus issues to Shareholders; and
- (ii) The purchases of existing shares involve cash outflow from the Company which may otherwise be retained and used for the businesses of the Company.

Nevertheless, the Board of Directors will be mindful of the interests of the Company and its Shareholders in exercising the authority to purchase its own shares.

## 5. EFFECTS OF THE PROPOSED SHARES BUY-BACK

Assuming that the Company buys back up to 1,066,510,170 CIMB Shares representing 10% of its issued and paid-up share capital as at 1 March 2023 and such shares purchased are cancelled or alternatively be retained as treasury shares or both, the effects of the Proposed Shares Buy-Back on the share capital, net tangible assets, working capital, earnings and substantial Shareholders' and Directors' shareholdings are as set out below:

### 5.1 SHARE CAPITAL

In the event that all CIMB Shares purchased are cancelled, the Proposed Shares Buy-Back will result in the issued and paid-up share capital of CIMB as at 1 March 2023 to be reduced from RM29,094,547,322.91 comprising 10,665,101,700 CIMB Shares to RM26,185,092,590.62 comprising 9,598,591,530 CIMB Shares. However, it is not expected to have any effect on the issued and paid-up share capital if all CIMB Shares purchased are to be retained as treasury shares.

The effects of the Proposed Shares Buy-Back on the issued and paid up share capital of CIMB are illustrated below:

<b>As Per Audited Financial Statement as at 31 December 2022</b>	<b>As at 1 March 2023</b>	<b>After Share Purchase and Cancellation</b>
Issued and paid-up share capital (RM)	29,094,547,322.91	29,094,547,322.91

**Note:**

\*1 Assuming up to 10% of the issued and paid-up share capital of CIMB or 1,066,510,170 CIMB Shares are purchased and cancelled.

## Statement Accompanying Notice of Annual General Meeting

### 5.2 NET ASSET AND WORKING CAPITAL

The effects of the Proposed Shares Buy-Back on the net assets per share of CIMB are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB.

If all CIMB Shares purchased are to be cancelled or retained as treasury shares, the Proposed Shares Buy-Back will reduce the net assets per share when the purchase price exceeds the net assets per share at the relevant point in time. On the contrary, the net assets per share will be increased when the purchase price is less than the net assets per share at the relevant point in time.

The Proposed Shares Buy-Back will reduce the working capital of CIMB, the quantum of which will depend on the amount of financial resources to be utilised for the purchase of CIMB Shares.

### 5.3 EARNINGS PER SHARE

The effects of the Proposed Shares Buy-Back on the Earnings Per Share of CIMB are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to CIMB.

### 5.4 SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS

The effects of the Proposed Shares Buy-Back on the Substantial Shareholders' and Directors' shareholdings based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 1 March 2023 are as follows:

Substantial Shareholders	No. of CIMB Shares Held							
	Before the Proposed Shares Buy-Back*1				After the Proposed Shares Buy-Back*2			
	Direct	%	Indirect		Direct	%	Indirect	%
Khazanah Nasional Berhad	2,566,306,861	24.06	-	-	2,566,306,861	26.74	-	-
Employees' Provident Fund Board	1,409,217,134*3	13.21	-	-	1,409,217,134	14.68	-	-
Kumpulan Wang Persaraan (Diperbadankan)	663,586,541	6.22	-	-	663,586,541	6.91	-	-

**Notes:**

\*1 Adjusted for the number of treasury shares held as at 1 March 2023.

\*2 Assuming that 10% of the issued and paid-up capital is purchased and retained as treasury shares.

\*3 Includes shares held through nominees.

Directors	Before the Proposed Shares Buy-Back*1			After the Proposed Shares Buy-Back*2		
	No. of CIMB Shares Held	%	CIMB Shares Held	%		
Dato' Lee Kok Kwan*4	1,381,208*4	0.01*3	1,381,208*4	0.01*3		
En. Didi Syafruddin Yahya*5	46,791*5	0.00*3	46,791*5	0.00*3		
Dato' Abdul Rahman Ahmad*6	36,227*6	0.00*3	36,227*6	0.00*3		

**Notes:**

\*1 Adjusted for the number of treasury shares held as at 1 March 2023.

\*2 Assuming 10% of the issued and paid-up capital is purchased and retained as treasury shares.

\*3 Less than 0.1%.

\*4 Includes the shareholdings of his spouse.

\*5 Shareholdings of his spouse.

\*6 Shares held under Nominee Company.

Save as disclosed above, none of the Directors, substantial Shareholders, and persons connected to the Directors and/or substantial Shareholders held any CIMB Shares.

## 6. APPROVAL REQUIRED

The Proposed Shares Buy-Back is conditional upon the approval of the Shareholders of CIMB at the forthcoming 66th Annual General Meeting.

## 7. SHARE PRICES

The monthly highest and lowest prices per share of CIMB Shares traded on Bursa Securities for the last twelve (12) months from March 2022 to 28 February 2023 are as follows:

<b>2022</b>	<b>High (RM)</b>	<b>Low (RM)</b>
March	5.24	4.53
April	5.22	4.91
May	5.02	4.83
June	5.07	4.78
July	5.15	4.91
August	5.34	5.10
September	5.36	5.11
October	5.60	5.12
November	5.87	5.35
December	5.83	5.57

<b>2023</b>	<b>High (RM)</b>	<b>Low (RM)</b>
January	5.78	5.65
February	5.70	5.37

**Note:** Based on the actual share price

## 8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

During the financial year ended 31 December 2022, the Company did not buy back any of its issued share capital from the open market.

## 9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors, substantial Shareholders and/or persons connected to the Directors or substantial Shareholders of the Company have any interest, direct or indirect in the Proposed Shares Buy-Back or the re-sale of treasury Shares.

## 10. MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2016 (CODE)

The Proposed Shares Buy-Back if carried out in full (whether shares are cancelled or treated as treasury shares) may result in a substantial Shareholder and/or

parties acting in concert with it incurring a mandatory general offer obligation. In this respect, the Board is mindful of any implications arising from the Proposed Shares Buy-Back under the provision of the Code.

## 11. STATEMENT BY BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

## 13. DIRECTORS' RECOMMENDATION

If you are in any doubt as to the course of action to be taken, you should consult appropriate independent advisers immediately.

After having considered all aspects of the Proposed Shares Buy-Back, our Board is of the opinion that the Proposed Shares Buy-Back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Shares Buy-Back to be tabled at the forthcoming 66th Annual General Meeting.

## 14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the AGM:

- i. The Constitution of the Company;
- ii. The audited consolidated financial statements of our Company for the FYE 31 December 2020 and the FYE 31 December 2021;
- iii. The latest available unaudited consolidated condensed interim financial statements of our Company for the FYE 31 December 2022, which was announced on 28 February 2023; and
- iv. Other related documents which are referred to in this statement.

# Administrative Details for 66th Annual General Meeting (AGM) of CIMB Group Holdings Berhad

The Board of Directors of CIMB Group Holdings Berhad ("Board") has decided that the 66th Annual General Meeting (66th AGM) of CIMB Group Holdings Berhad ("the Company" or "CIMB") shall be held virtually via Remote Participation and Electronic Voting (RPEV) facilities on the date, time and at the venue, as follows:

<b>Date</b>	Thursday, 13 April 2023
<b>Time</b>	10.00 a.m.
<b>Broadcast Venue</b>	Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia
<b>Online Meeting Platform</b>	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>Mode of Communication</b>	<ol style="list-style-type: none"> <li>1. During the 66th AGM, any questions can be posed to the Board via real time submission of typed texts at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a> during live streaming. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e. one (1) hour before the AGM, which is from 9.00 a.m. on Thursday, 13 April 2023.</li> <li>2. Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2022 commencing from 16 March 2023 and in any event no later than Friday, 6 April 2023 at 5.00 p.m., via Boardroom's website at <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> using the same user ID and password provided in Step 2 below, and select "<b>SUBMIT QUESTION</b>" to pose questions ("Pre-AGM Meeting Questions").</li> </ol>

enables anyone to attend the AGM from anywhere. Post COVID-19 pandemic, corporations continued to conduct virtual AGM including CIMB since 2020. Furthermore, throughout the years, the resolutions in CIMB's AGM have been passed electronically, and the adoption of a virtual AGM is one step ahead for good corporate governance and best practice.

## VOTING PROCEDURE

1. The voting procedure will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("Boardroom") as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Deloitte as Scrutineers to verify and validate the poll results.
2. For the purposes of this AGM, e-voting will be carried out via the following voting devices:
  - a. Personal smart mobile phones , tablets or Laptops
3. There are two (2) methods for members and proxies who wish to use their personal voting device to vote. The methods are as follows:
  - a. Use QR Scanner Code given in the email to you; OR
  - b. Go to the website URL  
<https://meeting.boardroomlimited.my>
4. The polling will only commence after the announcement of poll being opened by the Chairman and until such time when the Chairman announces the closure of poll.
5. The Scrutineers will verify the poll result reports upon closing of the poll session by the Chairman and the Chairman will declare whether the resolutions put to vote were successfully carried or not.
6. You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the 66th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the AGM is maintained. Kindly note that the quality of the connectivity to Virtual Meeting Portal for live webcast as well as for remote online voting is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

## VIRTUAL AGM

1. The Company invites shareholders to participate in the upcoming 66th AGM from their home or office and follow the entire proceedings as the AGM would be conducted via RPEV facilities. The AGM will be conducted in accordance with the practices that have already been adopted by other internationally developed capital markets. The AGM is transparent, has a high level of integrity and is environmentally friendly. Our approach is consistent with the advancement of technology that

## PROCEDURE FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING (RPEV)

7. Please note that the RPEV facilities are available to **(i) Individual Members; (ii) Corporate Shareholders; (iii) Authorised Nominee; and (iv) Exempt Authorised Nominee shall use the RPEV facilities to participate and vote remotely at the AGM.**
8. If you choose to participate in the Meeting online, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the Meeting is in progress.
9. Kindly follow the steps below on how to request for login ID and password.

### BEFORE THE 66TH AGM DAY

#### **Step 1 – Register Online with Boardroom Smart Investor Portal “BSIP” (for first time registration only)**

[Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2 to submit your request for Remote Participation user ID and password.]

- a. Access BSIP website at <https://investor.boardroomlimited.com>
- b. Click <<**Register**>> to sign up as a user.
- c. Please select the correct account type i.e. sign up as “Shareholder” or “Corporate Holder”.
- d. Complete the registration with all required information. Upload a softcopy of your or representative’s MyKAD/Identification Card (front and back) or Passport.
- e. For Corporate Holder, kindly upload the authorisation letter as well. Click **“Sign Up”**.
- f. You will receive an email from Boardroom for email address verification. Click **“Verify Email Address”** from the email received to continue with the registration.
- g. Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal for verification of mobile number. Click **“Request OTP Code”** and an OTP Code will be sent to the registered mobile number. You will need to enter the OTP Code and click **“Enter”** to complete the process.
- h. Your registration will be verified and approved within one (1) business day and email notification will be provided to you.

(Note: Registration for remote access will be opened on 16 March 2023. The RPEV facilities will open for registration from Thursday, 16 March 2023 until such time before the poll voting session ends at the 66th AGM on Thursday, 13 April 2023.)

#### **For Shareholders**

- i. Login to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
- j. Select **“CIMB GROUP HOLDINGS BERHAD 66th VIRTUAL AGM”** from the list of Meeting Event(s) and click **“Enter”**.

#### **To attend the virtual AGM remotely**

- a. Click on **“Register for RPEV”**.
- b. Read and agree to the Terms & Conditions and click **“Next”**.
- c. Enter your CDS Account and thereafter submit your request.

(Note: Registration for remote access will be opened on 16 March 2023. Please note that the closing time to appoint proxy and submit your request is not less than twenty-four (24) hours before the time of holding the AGM, i.e. latest by 10:00 a.m. on **Wednesday, 12 April 2023**.)

#### **To appoint proxy**

- a. Click on **“Submit eProxy Form”**.
- b. Select the company you would like to represent (applicable to Corporate Shareholder that represent more than one company only).
- c. Enter your CDS Account Number and number of securities held.
- d. Select your proxy - either the Chairman of the meeting or individual named proxy(ies).
- e. Read and accept the General Terms and Conditions by clicking **“Next”**.
- f. Enter the required particulars of your proxy(ies).
- g. Indicate your voting instructions – **“FOR”** or **“AGAINST”**, otherwise your proxy will decide your vote.
- h. Click **“Apply”**.
- i. Download or print the eProxy form as acknowledgement.

Note for Corporate Shareholders: if you are representing more than one (1) company, kindly click the home button and select “Edit Profile” in order to add Company name

#### **Corporate Shareholders (via email)**

- a. To submit the request, Corporate Shareholders need to deposit the original hardcopy to BSR and write in to BSR at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) by providing softcopy of the Certificate of Appointment of Corporate Representative or Form of Proxy, the name of shareholder and CDS Account Number.
- b. Please provide a copy of Corporate Representative’s MyKad/Identification Card (front and back) or Passport as well as his/her email address.

#### **Authorised Nominee and Exempt Authorised Nominee**

## Administrative Details for 66th Annual General Meeting (AGM) of CIMB Group Holdings Berhad

### Step 2 – Submit Request for Remote Participation User ID and Password

#### Via BSIP

- a. Login to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
- b. Select "**CIMB GROUP HOLDINGS BERHAD 66th VIRTUAL AGM**" from the list of Meeting Event(s) and click "**Enter**".
- c. Click on "**Submit eProxy Form**".
- d. Select the company you would like to represent (if more than one).
- e. Proceed to download the file format for "**Submission of Proxy Form**" from BSIP.
- f. Prepare the file for the appointment of proxies by inserting the required data.
- g. Proceed to upload the duly completed proxy appointment file.
- h. Review and confirm your proxy appointment and click "**Submit**".
- i. Download or print the eProxy form as acknowledgement.

Note: if you wish to appoint more than one (1) company, kindly click the home button and select "**Edit Profile**" in order to add Company name

#### Via email

- a. To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to BSR and write in to BSR at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) by providing softcopy of the Form of Proxy, the name of shareholders and CDS Account Number.
- b. Please provide a copy of the proxy holder's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

#### Email Notification

- a. You will receive notification from Boardroom that your request(s) has been received and is being verified.
- b. Upon system verification against the General Meeting Record of Depositors of the AGM as at 6 April 2023, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
- c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.

### ON THE 66TH AGM DAY (THURSDAY, 13 APRIL 2023)

#### Step 3 – Login to Online Meeting Platform

[Please note that the quality of the connectivity to Virtual Meeting Portal for the live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

#### Virtual Meeting

- a. The Online Meeting Platform will be opened for login starting an hour (1 hour) before the commencement of AGM at 9.00 a.m. on Thursday, 13 April 2023.
- b. Follow the steps given to you in the email, along with your remote access user ID and password to login to the Online Meeting Platform (Refer to Step 2 above).
- c. The steps will also guide you on how to view the live web cast, ask questions and vote.
- d. The live web cast will end, and the Messaging window will be disabled once the Chairman announces the closure of the AGM.
- e. You can then logout from the Online Meeting Platform.

## PARTICIPATION THROUGH LIVE WEBCAST, QUESTION AND VOTING AT THE 66TH AGM

1. The Chairman and the Board will endeavour their best to respond to the questions submitted by shareholders, which are related to the resolutions to be tabled at the 66th AGM, as well as financial performance/prospect of the Company.
2. All modes of communications are accepted for the purpose of posting questions to the Chairman and Board before or during the AGM. Shareholders are however, encouraged to post questions via the online platform during the AGM.
3. Shareholders may proceed to cast votes on each of the proposed resolutions, to be tabled at the 66th AGM, after the Chairman has opened the poll on the resolutions. Shareholders are reminded to cast their votes before the poll is closed.
4. Shareholders who participate in the AGM are able to view the Company's presentation or slides via the live webcast.

## ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on **6 April 2023** (General Meeting Record of Depositors) shall be eligible to participate in the AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

## FORM(S) OF PROXY

1. You may download the Proxy form(s) from our website at <https://www.cimb.com/en/investor-relations/annual-reports.html>.
2. If you are unable to attend the AGM and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, please deposit your proxy form at the office of the Company's share registrar, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** no later than 10.00 a.m. on 12 April 2023 (24 hours before the 66th AGM). Any alteration to the Form of Proxy must be initialed.
3. Alternatively, the proxy appointment may also be lodged electronically at <https://investor.boardroomlimited.com>, which is free and available to all individual shareholders no later than 10.00 a.m. on 12 April 2023 (24 hours before the 66th AGM). For further information, kindly refer to the "**Procedure for Remote Participation and Electronic Voting**" above.
4. **If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.**

## REVOCATION OF PROXY

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy 24 hours before the meeting.

## RECORDING OR PHOTOGRAPHY AT THE ONLINE AGM

No recording or photography of the AGM proceeding is allowed without the prior written permission of the Company.

## ANNUAL REPORT 2022 – GO DIGITAL & PAPERLESS!

As part of our dedicated commitment to sustainable practices, the Annual Report 2022 can be downloaded from our website at <https://www.cimb.com/en/investor-relations/annual-reports.html> and also at Bursa Malaysia website under "Company Announcements".

## PERSONAL DATA PRIVACY

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## ENQUIRY

If you have general administrative enquiries on the AGM, please contact the following during office hours:

### Boardroom Share Registrars Sdn. Bhd.

Office Helpdesk	:	+603-7890 4700
Encik Mohamed Sophiee Ahmad Nawawi	:	+603-7890 4716
Puan Yusliana Md Yusof	:	+603-7890 4718
Fax No.	:	+603-7890 4670
E-mail	:	bsr.helpdesk@boardroomlimited.com
	:	mohamed.sophiee@boardroomlimited.com
	:	yusliana.yusof@boardroomlimited.com

### CIMB

Datin Rossaya Mohd Nashir, Group Company Secretary  
 Azrina Mohd Azmi, Director, Group Company Secretarial  
 Telephone : +603-2261 0085  
 Fax No. : +603-2261 0099  
 Email : cimbagm@cimb.com

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**CIMB Group Holdings Berhad**  
**195601000197 (50841-W)**  
(Incorporated in Malaysia)

# Proxy Form

CDS Account No. \_\_\_\_\_

I/We \_\_\_\_\_ (name of shareholder as per NRIC/ID, in capital letters)

NRIC No./ID No./Company No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)

of \_\_\_\_\_

\_\_\_\_\_ (full address)

being a member of CIMB Group Holdings Berhad ("CIMB" or "the Company"), hereby appoint \_\_\_\_\_

\_\_\_\_\_ (name of proxy as per NRIC/ID, in capital letters)

NRIC No./ID No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)

or failing whom, \_\_\_\_\_ (name of proxy as per NRIC/ID, in capital letters)

NRIC No./ID No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 66th Annual General Meeting (AGM) of the Company to be held virtually at the Broadcast Venue at Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia and by remote participation via Boardroom Share Registrars Sdn Bhd's website on Thursday, 13 April 2023 at 10.00 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

## RESOLUTIONS

		<b>FOR*</b>	<b>AGAINST*</b>
1.	Receipt of Audited Financial Statements and Reports of the Directors and Auditors.		
2.	Re-election of Directors pursuant to Article 81 of the Company's Constitution: 2.1 Datuk Mohd Nasir Ahmad 2.2 En. Didi Syafruddin Yahya 2.3 Ms. Shulamite N K Khoo	Resolution 1 Resolution 2 Resolution 3	
3.	Re-election of Director pursuant to Article 88 of the Company's Constitution: 3.1 Ms. Ho Yuet Mee	Resolution 4	
4.	To approve the payment of Non-Executive Directors' fees with effect from the 66th AGM until the next AGM of the Company.	Resolution 5	
5.	To approve the payment of allowances and benefits payable to Non-Executive Directors of the Company up to an amount of RM3,895,000 from the 66th AGM until the next AGM of the Company.	Resolution 6	
6.	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to fix their remuneration.	Resolution 7	
7.	Proposed Renewal of the Authority for Directors to Allot and Issue Shares.	Resolution 8	
8.	Proposed Renewal of the Authority for Directors to Allot and Issue Shares in relation to the Dividend Reinvestment Scheme.	Resolution 9	
9.	Proposed Renewal of the Authority to Purchase Own Shares.	Resolution 10	

As Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_

No. of Shares Held:

\_\_\_\_\_  
Signature of Member(s)

\* Please indicate with an "X" how you wish your vote to be cast. (Unless otherwise instructed, the proxy may vote as he thinks fit.)

**NOTES:**

1. Section 334 of the Companies Act, 2016 provides that a member of a company shall be entitled to appoint another person or persons as his/her proxy or proxies to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the company. A proxy may, but need not, be a member of the company. A member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares.
3. This instrument duly completed must be deposited at the Registrar's office at Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than twenty-four (24) hours before the time appointed for holding the meeting which is no later than 10.00 a.m. (Wednesday, 12 April 2023).
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation, under its Seal or the hand of its attorney.
5. For the purpose of determining a member who shall be entitled to attend the 66th Annual General Meeting, the Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 59(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 6 April 2023. Only a depositor whose name appears on the Record of Depositors as of 6 April 2023 shall be entitled to attend the said meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

fold here

AFFIX STAMP

The Share Registrars

**BOARDROOM SHARE REGISTRARS SDN. BHD. (1996010006647 (378993-D))**

11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor, Malaysia

fold here



Our Integrated Annual Report cover features CIMB's chevron, reinforcing our commitment to advance customers and society forward into the future. The hexagon on the cover of our Financial Statements represents our multi-dimensional approach to planning and delivering growth. Finally, our Sustainability Report cover features a circle that reflects our greater responsibility in driving business and relationships along our value chain.

Together the three covers of CIMB's 2022 Integrated Annual Report convey our journey of moving Forward, achieving sustainable growth and delivering value for all stakeholders.



### SIMPLICITY

We have gone sparse – replacing full scale and massive images with more icons, and limited the use of colours, keeping it rich.



### CLEAN LINES

We optimised use of line-drawings, non-filled bar graphs/charts, and clean lines for clarity and visually more pleasing and easier to decipher.



### MINIMAL ART

Our design this year balances between a clever play of space, creative design, and icons and tighter leadings and margins for text to reduce number of pages.



### MONOCHROMATIC COLOR PALETTE

By using a single base colour, and its variant shades and tones, we minimised the use of multiple colours that require more ink, with potential wastage.



### REDUCTIVISM

Where possible, we have avoided and reduced the need for heavy texts, fonts, and design elements including photographs etc.

[www.cimb.com](http://www.cimb.com)



*This Report is printed on environmentally friendly paper*