

# MOVING FORWARD WITH YOU

INTEGRATED  
ANNUAL REPORT  
2023



## ADVANCING SUSTAINABLE FINANCE

Mobilised RM86.2 billion of sustainable finance since 2021, and set science-based Net Zero targets for Power and Palm Oil portfolios

page 41

## ENHANCING TECHNOLOGY RESILIENCE

With almost RM3.5 billion CAPEX invested in the last four years, it has improved digital platform availability, enabled growth of digital transactions, and reduced operational lapses risk

page 39

## CHAMPIONING A HIGH-PERFORMANCE CULTURE

Achieved top-quartile placement in the Organizational Health Index (OHI) regionally, and recognised as one of Asia's best employers

page 39



# Reducing the Environmental Impact of this Integrated Annual Report



We have taken conscious efforts to manage and minimise the environmental impact of our annual report and related processes.

You too can contribute towards this. Did you know that the equivalent of **one football field of forest is cut down every second?**

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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Our covers depict various moments in an individual's journey. Through the headline "**Moving Forward with You**", these covers showcase our commitment to helping individuals achieve their aspirations.



### Integrated Annual Report

A daughter joyfully celebrates her graduation and hugs her mother. Her graduation symbolises growth, while her mother's unwavering support shines through their embrace. This moment is a shared journey of their progress and resilience, and CIMB's commitment to moving forward hand in hand with you to support and celebrate every step of your journey.



### Financial Statement

A small business owner beams with gratitude while completing a transaction with a customer. Their exchanged smiles symbolise shared success. This cover embodies progress, partnership, and the fulfillment of aspirations – a partnership CIMB takes pride in as we continue to move forward with you.



### Sustainability Report

A mother watches appreciatively as her family embraces sustainable practices. This cover portrays a family moving forward together towards a sustainable future with the aid of innovative banking solutions provided by CIMB.

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These covers exemplify shared aspirations that connect our employees, customers, and communities, highlighting our commitment to fostering meaningful relationships and making a positive impact on society. Moreover, our covers celebrate #teamCIMB and their families. Each of the talents featured on our covers and inside layouts are our very own CIMB employees and their children, showcasing the diversity and talent within our organisation while emphasising our strong sense of community and EPICC values.



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CIMB GROUP HOLDINGS BERHAD



View our Integrated Annual Report online and on-the-go. Our reports, accounts and other information about CIMB can be found at [www.cimb.com](http://www.cimb.com)

# About This Report

**As a globally significant financial institution in ASEAN, CIMB continues to embrace principles for responsible banking in advancing customers and society. Our commitment to sustainability is at the forefront of these principles, ensuring that every decision and action contributes positively to environmental and social welfare. We continue to pioneer market-relevant, customer-centric, and industry-catalytic financial solutions in 10 countries, with a stronghold in ASEAN. During the year, we were able to build our momentum and accelerate our journey towards the final year of the Forward23+ Strategy. We continued to demonstrate our commitment to and leadership in sustainable financing, value-based intermediation financing and impact, as well as in seamless customer experience. Our focus remained on delivering a profitable year, while creating shared value for our stakeholders.**

**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 records our financial and non-financial performance during the period 1 January 2023 to 31 December 2023. It includes a comprehensive review of our sustainability initiatives and their impact.

This report is our humble effort to update our stakeholders on CIMB Group's continuing progress; key programmes and initiatives; our ability to navigate through various market challenges; our deployment of resources towards seamless delivery of business solutions; our achievements; mid- to long-term direction; and the overall health of operations in 2023 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, Cambodia, Phillipines, Myanmar and Vietnam. A range of other stakeholders across the globe will also find our report as a useful reference.

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 (MISTC), 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. This is in alignment with our adherence to the Principles for Responsible Banking, ensuring that our business strategies are not only financially sound but also socially responsible and environmentally sustainable.

To visually underscore our commitment to these principles and our EES&G considerations, we have integrated EES impact icons throughout this section. These icons represent the economic, environmental, and social impacts of our governance strategies

and initiatives. This approach reflects our commitment to not only financial success but also to being a responsible corporate citizen.

**Economic Impact****Environmental Impact****Social Impact****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 and about 1,800 partners and suppliers, we thrive on relationships built on trust. 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 stakeholders associated with CIMB towards advancing customers and society.

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

**Assurance Scope**

Consolidated Financial Statements Audit  
Carbon Footprint Assessment  
Sustainability Disclosures Verification

**Independent Assurance Provider**

PwC  
KPMG  
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 2023. In the Board's opinion, the report addresses all material issues and matters and fairly presents the Group's performance for the year 2023.

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**

Delivering Sustainable Financial Returns



Customer Centricity



Disciplined Execution



Transform Fundamentals



Purpose-driven Organisation

**Capitals**

Financial Strength



Physical Network



Valued People



Robust Relationships



Intellectual Capital



Natural Capital



Strategic Capital

**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



Economic Performance

# Forward with You

Our stakeholders are not just contributors but also direct beneficiaries of the value our initiatives generate, making their interests a fundamental focus and top priority for us.



# Shared Value @ CIMB

**Shared Value at CIMB extends beyond offering products and services that meet our customers' requirements. We are dedicated to supporting the professional growth of our employees, fostering the ambitions of our supply chain partners, and ensuring robust returns for our investors and shareholders.**

At CIMB, the concept of Shared Value fuels our drive to integrate stakeholders deeply into our mission. Our primary aim is to adopt an inclusive strategy, encouraging stakeholder engagement to significantly influence the creation of a sustainable future and enhance prospects for improvement. This means our stakeholders are not just contributors but also direct beneficiaries of the value our initiatives generate, making their interests a fundamental focus and top priority for us.

We continuously try to bridge the gap between the value expected by our stakeholders and the value proposed and delivered by us. Towards this, we refine our resource management, enhance our capabilities, and utilise our governance frameworks to ensure meaningful value is provided to all our stakeholders.

In the long term, we aim to build a high-performing, sustainable organisation that not only excels in economic, environmental, social, and governance aspects but also drives positive systemic changes across 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

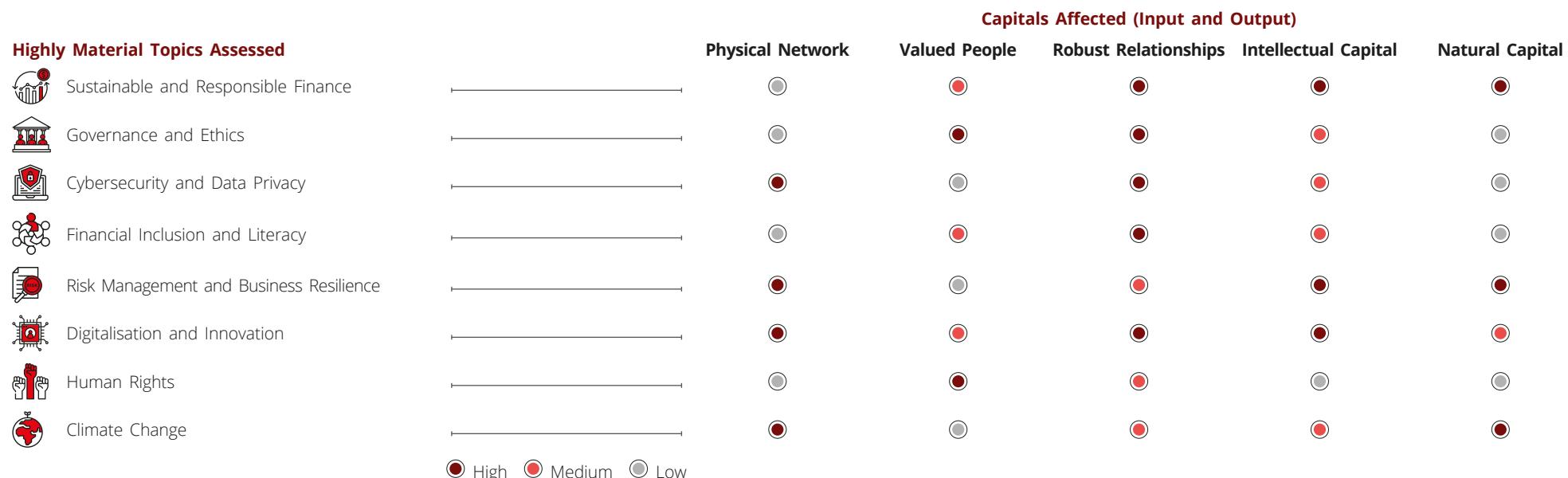
# Stakeholders' Expectations and Material Matters

Understanding the evolving needs and expectations of our stakeholders is second to none at CIMB. What contributes to this process of engagement is the evidence that's tracked and analysed from various stakeholder touchpoints.

The evidence comes in many forms including stakeholders' response towards our products and services and their feedback on our business and operations. The analysis of the data collected helps us to reassess and reprioritise areas that are mission-critical for both business and stakeholders. These areas are further examined for their dual materiality to further narrow down the focus.

In previous years (2018 and 2022), 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.

We updated our materiality assessment to thoroughly reevaluate the relevance of ESG concerns for the Group's principal stakeholders. Our next scheduled materiality refresh will be in 2024. For detailed information, refer to page 20 in the CIMB Sustainability Report 2023.



# We're listening to you

The journey of Shared Value Creation begins with gathering authentic input and feedback from our key stakeholders on diverse facets of our business and operations.



# We're focused on a better tomorrow

Our focus is on ensuring that resources are optimised to drive both financial and non-financial performance and create value for our multiple stakeholders.



# Our Integrated Approach to Managing and Driving Performance

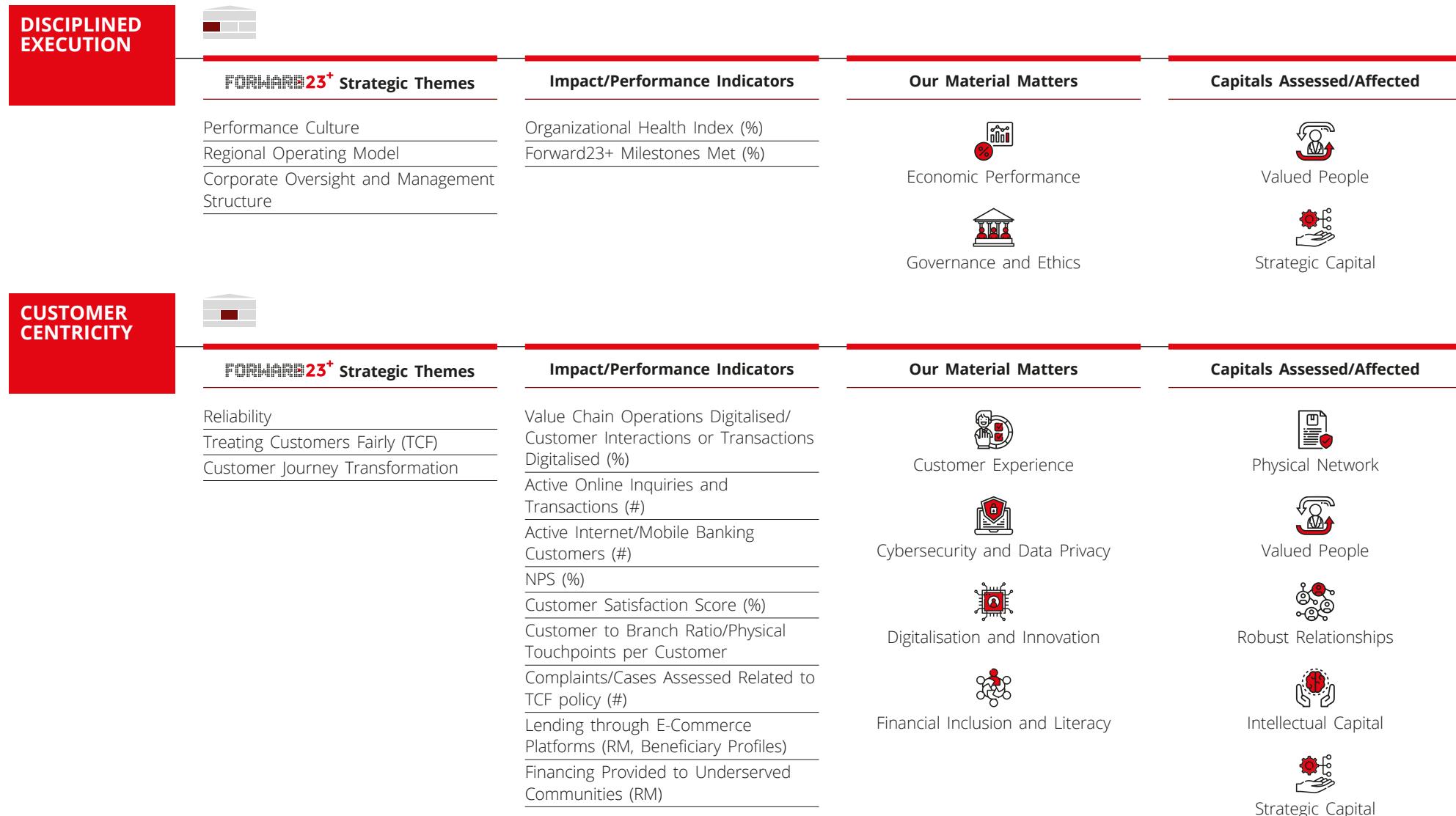
The lifeline of any business relies on critical resource inputs. Our key resource inputs, in the form of various capitals, include Financial Strength, Physical Network, Valued People, Robust Relationships, and our Intellectual, Natural, and Strategic Capitals. Irrespective of the areas where these resources are deployed, our focus is on ensuring that these resources are optimised to drive both financial and non-financial performance and create value for our multiple stakeholders.

During the year, we undertook a critical assessment to gauge our readiness to enter the final year of Forward23+ with robust capacity in terms of resources that will help accelerate us toward our performance targets. We continued to engage with various shareholders and stakeholders to identify and meet specific expectations. We also started assessing how we can elevate our performance indicators beyond Forward23+ to reflect our continuing aspirations.

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

# Our Integrated Approach to Managing and Driving Performance



TRANSFORM FUNDAMENTALS				
	FORWARD23+ Strategic Themes	Impact/Performance Indicators	Our Material Matters	Capitals Assessed/Affected
Risk Management	CET1 Ratio (%)		Governance and Ethics	
Finance and Compliance	Credit Costs (RM)   Risk Rating/Credit Ratings		Risk Management and Business Resilience	
Capital Optimisation	Capital Efficiency (%)		Cybersecurity and Data Privacy	
	Compliance and Audit Ratings			
	Breaches Reported on Governance and Compliance (#)			
	Cases Assessed for Reported Financial Crime and Corruption (#)			
PURPOSE-DRIVEN ORGANISATION				
	FORWARD23+ Strategic Themes	Impact/Performance Indicators	Our Material Matters	Capitals Assessed/Affected
Culture and Values	Training Hours Delivered (#)		Talent Attraction, Growth and Retention	
Human Capital	Total Training Investments (RM)		Governance and Ethics	
	Employees Trained under Digital and Data Academy (#)		Diversity and Inclusion	
	Employees Trained on Sustainability (#)		Human Rights	
	Key Compulsory e-Learning Modules Completion Rate (%)		Customer Experience	
	Value Creation/Knowledge Platforms (#, Partnerships)			
	Female Directors on the Board (%)			
	Women in leadership (GCEO-2 level and up, and Key Management)			
	Internal Talent Mobility (%)			
	Gender Pay Gap (Ratio)			
	Relative Net Promoter Score (NPS) compared to peers (%)			

## Our Integrated Approach to Managing and Driving Performance

<b>PURPOSE-DRIVEN ORGANISATION (Continued)</b>				
	<b>FORWARD23<sup>+</sup> Strategic Themes</b>	<b>Impact/Performance Indicators</b>	<b>Our Material Matters</b>	<b>Capitals Assessed/Affected</b>
Sustainability		<p>S&amp;P Global Corporate Sustainability Assessment Percentile (%)</p> <p>Material Issues Supported by Policy Commitments (#)</p> <p>Improvement in Governance Score on S&amp;P Global Corporate Sustainability Assessment (CSA)</p> <p>Vulnerable customers with insurance and wealth-building products (#)</p> <p>GHG emissions reduction (Scope 1 and 2) (%)</p> <p>Reductions in Scope 3 financed emissions (%)</p> <p>Clients with E&amp;S Action Plans that implemented them (%)</p> <p>Clients that implemented action plans related to Human Rights</p> <p>CSR investments disbursed (RM) and Employee Volunteer Hours (#) - Brand Value (Ranking)</p> <p>Suppliers Engaged on Sustainability Issues (#)</p>	 Sustainable and Responsible Finance  Financial Inclusion and Literacy  Climate Change  Biodiversity and Ecosystem Integrity  Human Rights  Corporate Citizenship  Governance and Ethics	 Financial Strength  Natural Capital  Physical Network  Valued People  Robust Relationships  Strategic Capital

## HOW DO WE DEFINE CAPITALS?



### Financial Strength

Our management of financial flows ensures a healthy balance sheet, facilitating future investments and satisfying customer expectations. A robust financial position enables us to generate shareholder value and support the efficacy of other capitals, enhancing CIMB's overall performance and delivering value for stakeholders. This financial stewardship positively impacts the Group's stability across our operational geographies.



### Physical Network

Our physical and digital infrastructures are pivotal in achieving high operational performance. Digital infrastructure, in particular, is crucial for enhancing the efficiency of other capitals, pivotal in providing secure, reliable customer experience, and instrumental in advancing financial inclusivity by broadening access and diversifying our service delivery models.



### Valued People

Human capital is the most critical input into our business and our focus is not just on building a productive and skillful workforce, but also on preparing them to thrive and be competitive 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 also catalysing their own personal and professional growth. Our ultimate objective is to improve human capital development, diversity, inclusion, and wellbeing of our staff.



### Robust Relationships

The strength of our brand and the depth of our stakeholder relationships underpin our performance across the region. These relationships enhance our social and relationship capital, facilitate partnerships, expand our clientele, and support the development of shared-value ecosystems, reinforcing our position in the ASEAN region.



### Intellectual Capital

Our competitive edge in the ASEAN banking sector is sharpened by our proprietary knowledge, technological innovations, and unique processes. These assets differentiate us from competitors and provide a strategic advantage in the marketplace.



### Natural Capital

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 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 with 2030 sector targets for our Thermal Coal Mining, Cement, Palm Oil and Power portfolios.



### Strategic Capital

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 is enabled by our anchor Target Empowerment and Alignment Model (TEAM), supported by sound principles of governance, risk management, and human rights as well as CIMB's differentiated EPICC values (EPICC – Enabling Talent; Passion; Integrity and Accountability; Collaboration and Customer Centricity).

# How Do We Create Shared Value?

## FOR CIMB AND #teamCIMB

We conduct our business and guide our people with the responsibility of delivering sustainable and meaningful financial outcomes. 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

- Remain resilient and responsive to the dynamic operating environment
- Integrate environmental, social and governance risks into our risk management framework
- Uphold high standards of corporate governance in the conduct of business and value chain
- Create a culture of high-performance, by promoting #teamCIMB ethos and EPICC values
- Operate with integrity and transparency towards stakeholders
- Strengthen risk management, compliance, monitoring and reporting controls and mechanisms

### Talent, Diversity, Inclusion, Health, Safety and Wellbeing

- Future-proof employees by upskilling and reskilling talent, enabling them to manage emerging risks and opportunities
- Safeguard health, safety, and wellbeing towards enhancing productivity and motivating performance
- Promote diversity to foster innovation and drive performance
- Create growth and development opportunities for employees and value chain partners
- Operationalise inclusive and agile policies and processes that contribute to employee productivity and wellbeing

  
**How We Create Value**

- Strengthen our value proposition and ability to deliver returns to investors and shareholders
- Allocate our resources strategically and reinforce our ability to plan and achieve resilient value creation
- Create a better work environment that is safe, efficient, empowered, inclusive, diverse and participative, with horizontal and vertical growth opportunities for employees

  
**Key Drivers of Shared Value**

- Group Enterprise-Wide Risk Management Framework
- Group Dividend Policy
- Group Human Resource Policies and Procedures: Code of Ethics and Conduct; Human Rights Policy
- Group Employee Diversity and Inclusion Policy; Board Diversity
- Performance Management Framework; Group Training Policy
- Group Occupational Safety and Health Policy and Procedures
- Group Procurement Policy

  
**2023 Highlights**

 **46.9%**  
Cost to Income or Efficiency Ratio

 **10.7%**  
Return on Equity

 **Top Quartile 83%**  
Organizational Health Index Score

 **33%**  
Female Representation on Board of Directors

 **RM1.4 billion**  
Procurement Spend Towards Suppliers/Vendors



# FOR CUSTOMERS AND CLIENTS

We champion the aspirations of our customers and clients through an inclusive approach to development. Our aim is to generate a net positive impact with our offerings, fostering progress for our customers and establishing banking as a force for good.



## What Matters

### Customer Centricity, enabled by Technology

- Cultivate a 'customer-first' mindset
- Transform customer journeys to create a consistently excellent experience
- Design and deliver suitable, secure, reliable and accessible financial and digital solutions that contribute to wellbeing and welfare
- Protect customers' data and safeguard customers against cyber-crimes and scams through enhanced safety checks and awareness
- Offer bespoke products, services, and advisory to empower businesses to achieve their ambitions
- Establish partnerships to raise awareness and build capacity to drive responsible and competitive businesses of the future

### Sustainable and Responsible Finance

- Mobilise capital flows towards the whole-of-economy climate transition needed to meet global climate goals while meeting business objectives
- Establish policies and guidelines to manage exposure to various sustainability risks, including climate change, biodiversity loss, and human rights risks
- Create positive impacts, and reduce potential negative impacts through products and proactive engagement

### Financial Inclusion and Literacy

- 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
- Encourage and enable individuals and businesses to manage their finances better, improving their wellbeing and quality of life



## How We Create Value

- Treat customers fairly, with integrity and commitment to financial inclusiveness and wellbeing
- Provide access to finance to all and offer responsible products and services while enabling and encouraging sustainable business and lifestyle practices
- Improve credit quality by meeting responsible lending standards
- Protect medium to long-term shareholder and stakeholder value by incorporating ESG risks (such as climate change) into business and financing decisions
- Enable a just transition to a low-carbon economy through our financial solutions



## Key Drivers of Shared Value

- Group Treating Customers Fairly Policy
- Group Sustainable Financing Policy (GSFP) and Sector Guides
- Group Human Rights Policy
- IT Security Policy and Group Personal Data Protection Policy



## 2023 Highlights



Relative Net Promoter Score (NPS) within **69%** relative to peers



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



**57**

Financing Clients with new Environmental and Social (E&S) Action Plans



**42,828:1**

Customer to Branch Ratio or Physical Touchpoints per Customer

## How Do We Create Shared Value?

# FOR SOCIETY AND THE COMMUNITY

We advocate for impactful programmes that empower communities and foster environmental sustainability.

Addressing key areas such as financial education, entrepreneurship, community empowerment, and ecological conservation, we identify and address barriers to socio-economic advancement in communities that matter to us. We tackle these challenges head-on, pave the way for a more prosperous and sustainable future for everyone.



### 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 wellbeing
- Integrate community members into the mainstream marketplace by promoting entrepreneurial and education programmes



### How We Create Value

- Provide opportunities for employees to design as well as contribute to community programmes
- Channel significant investments to impactful community programmes and initiatives
- Create long-term net positive environmental and social impact in areas that matter to communities



### Key Drivers of Shared Value

- Group Sustainability Policy
- Group Administration and Property Management Policy
- Group Corporate Responsibility Policy
- Flex4Sustainability Policy (Employee Volunteerism)



### 2023 Highlights



**88th percentile**  
in the S&P Global  
Corporate Sustainability  
Assessment



**26%**  
Reduction in Scope 1  
and Scope 2 GHG  
Emissions (vs 2019  
baseline)



**203,245**  
Volunteer Hours Invested Towards Communities



Financial Strength



Physical Network



Valued People



Robust Relationships



Intellectual Capital



Natural Capital



Strategic Capital

# CIMB's Value Creation Model

In our ongoing efforts to enhance our integrated approach, our cross-functional teams engage in regular assessments of our value creation business model, ensuring it aligns with the dynamic requirements of our business and stakeholders. This approach offers a comprehensive and long-term perspective on our resources, market environment, strategic advancements, tangible outcomes, and societal impact. Through this process, we reinforce our commitment to generating purposeful value for our stakeholders and solidifying our position as a leading ASEAN bank.

## EPICC VALUES



E

Enabling you to develop your talent and reach your potential



P

Passion to pursue excellence in all that we do



I

Integrity and accountability



C

Collaboration for our collective success



C

Customer centricity

| Read more about Our Integrated Approach to Managing and Driving Performance for various value creation and impact/performance indicators on pages 11 to 14 of this report, mapped against our Forward23+ strategic themes, our material matters and capitals

| Read more about Our Integrated Approach to Managing and Driving Performance on page 11 of this report for CIMB's scope/definitions of the Capitals

## OUR VISION

→ To be the leading focused ASEAN bank

## OUR PURPOSE

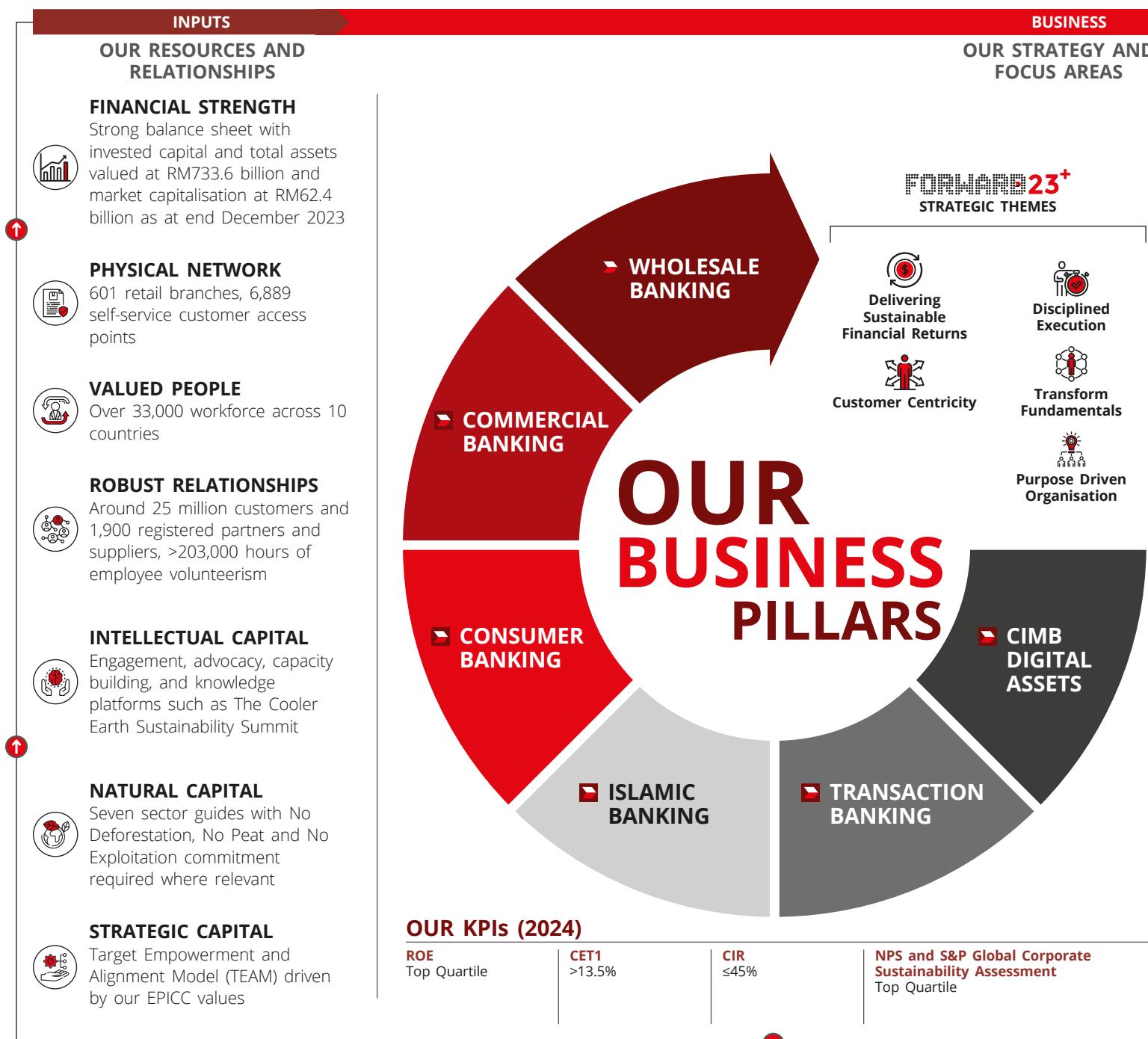
→ To build a high performing sustainable organisation to help advance customers and society

### Priority SDGs



Our value creation framework illustrates the alignment of critical business dimensions with CIMB's seven selected sustainable development goals (SDGs), foundational to our sustainability agenda. These SDGs are integral, reflecting our business imperatives and aligning with stakeholder expectations. By integrating these critical elements, we are equipped to deliver positive impacts on the environment, society, and economy, thereby adhering to our corporate responsibilities.

 | Read more about Sustainability Principles for our Scorecards and how we meet our priority SDGs on pages 16 to 17 of the CIMB Group Sustainability Report 2023



MATERIAL ESG MATTERS		PURPOSE	ACCOUNTABILITY	IMPACT
		OUR STAKEHOLDER PROPOSITIONS	OUR INTERNAL CONTROLS	OUR VALUE CREATION 2023
	Sustainable and responsible finance	<b>CUSTOMER VALUE PROPOSITION</b> We place customers at the heart of everything we do through: <ul style="list-style-type: none"><li>Easy and efficient banking, and always going the extra mile</li><li>Personalised financial solutions</li><li>Safe and secured digital platforms</li><li>Treating customers fairly</li></ul>	<b>GOVERNANCE AND LEADERSHIP</b> <b>Focus</b> Governance for oversight of effectiveness, adequacy and integrity of CIMB's system of internal controls and risk management	  <b>CIMB AND #teamCIMB</b> <b>83/100</b> Group Organizational Health Index <b>33%</b> Female Directors on the Board <b>10.7%</b> Return on Equity <b>RM32.4 billion</b> of Sustainable Finance in Green, Social, Sustainable Impact Products and Services (GSSIPS)
	Governance and ethics	<b>EMPLOYEE VALUE PROPOSITION</b> We make CIMB the best place for the best talent to work through: <ul style="list-style-type: none"><li>Competitive remuneration and benefits</li><li>Learning and talent development</li><li>Diversity and inclusion</li><li>Corporate responsibility</li><li>Health, safety, wellbeing and welfare</li></ul>	<b>Accountability</b> Board of Directors (BOD), Group Executive Committee, Group Chief Risk Officer (GCRO), Group Legal and Compliance (GLC)	
	Cybersecurity and data privacy	<b>SUPPLIER VALUE PROPOSITION</b> We forge partnerships that advance mutual interests and aspirations through: <ul style="list-style-type: none"><li>Suppliers' safety, wellbeing and project continuity</li><li>Inculcation of sustainable procurement practices</li><li>A competitive landscape aligned to the strategies of the bank for suppliers to develop and grow</li></ul>	<b>Controls</b> Internal and External Independent Audits and Assurance	
	Financial inclusion and literacy	<b>INVESTOR VALUE PROPOSITION</b> We observe highest standards of governance and integrity to build confidence through: <ul style="list-style-type: none"><li>Timely and adequate disclosures</li><li>Differentiated and responsible approach to planning and delivering growth</li><li>Oversight, controls, independent assurance and reporting</li></ul>	<b>GROUP KPIs AND SCORECARDS</b> <b>Focus</b> Key measures on profitability, cost, capital, mid- to long-term strategic initiatives, people, sustainability, risk, audit and compliance	
	Risk management and business resilience	<b>COMMUNITY VALUE PROPOSITION</b> We work towards building healthy and resilient communities in ASEAN through: <ul style="list-style-type: none"><li>Prioritising of at-risk and most vulnerable communities</li><li>Channeling finance to enable a low-carbon and just economy</li></ul>	<b>Accountability</b> BOD, Special Purpose Committees and Group CEO	
	Digitalisation and innovation		<b>Controls</b> Group Nomination and Remuneration Committee, BOD	
	Human rights		<b>CORE VALUES</b> <b>Focus</b> EPICC Values to deliver impact the right way across CIMB	
	Climate change		<b>Accountability</b> Group Chief Human Resources Officer	
	Diversity and inclusion		<b>Controls</b> Organizational Health Index (OHI); People Engagement/Enculturation	
	Customer experience			 <b>CUSTOMERS AND CLIENTS</b> Within <b>69%</b> in NPS across the key markets <b>12.2 million</b> CIMB Digital Users (MY & ID Clicks/Octo users) <b>623</b> Total Cases of Enhanced Sustainability Due Diligence (ESDD) Completed <b>99.74%</b> Clicks Availability <sup>1</sup> <b>99.95%</b> Bizchannel Availability <sup>1</sup> <b>42,828:1</b> Customer to Branch Ratio
	Biodiversity and ecosystem integrity			
	Talent attraction, growth and retention			
	Corporate citizenship			
<b>Overall Net Zero GHG by 2050</b> for all Scopes including financed emissions		<b>GHG Scope 1 and 2 net zero emissions in our operations by 2030</b>		

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

A close-up photograph of an elderly man with grey hair and glasses, wearing a dark suit and white shirt. He is smiling and holding a black mobile phone to his ear with his right hand. A large, prominent diamond ring is visible on his ring finger. The background is blurred with warm, golden lights.

# Message from the Chairman

Dear Stakeholders,

The year in review saw many economies emerging from the drag caused by monetary tightening, with the resilience of the US economy and normalisation of supply chains playing a part in the better-than-expected global growth. Declining energy prices, robust consumer balance sheets, and the reopening of the Chinese economy contributed to a strong start to the year. GDP and employment levels outperformed expectations, resulting in strong wage growth despite soaring inflation in 2022. Still, some significant risks prevail, such as a possible return of inflation and further deterioration of the geopolitical environment that could destabilise commodity prices.

The financial markets recovery was considered as uneven throughout 2023 by various analysts. However, for CIMB, it was an exciting year where we regained our pre-COVID momentum as the Forward23+ Strategic Plan took a strong foothold. We are closing-in on our ambition to become ASEAN's leading focused bank in two years. What's interesting to note are the many cycles of transformation that the bank had to go through in response to some of the most dynamic market challenges that we may have witnessed in our entire history. We are at a critical juncture where CIMB is geared for not just new growth, but sustainable growth, where we are open to new possibilities and opportunities into the future.

## **IN THE POST-COVID ERA, WHAT WERE THE SENTIMENTS IN RELATION TO CIMB'S RECOVERY AND PROGRESS IN 2023 AND BEYOND?**

Our transition over the last two years as one of ASEAN's leading financial institutions has been phenomenal. We sailed through many challenges – from mobilising finance to implementing sustainable banking principles and practices, from navigating through the evolving market and policy landscape to shaping organisational culture and change, from achieving stability and business momentum to finding new opportunities for growth. With pride, I acknowledge CIMB's strong and resilient leadership, which was instrumental in helping the bank grow from strength to strength despite these challenges.

In 2023, our strategies were continually stress tested. We remained agile in understanding our customers and delivering personalised banking solutions. We continued to lay much emphasis on our EPICC values/culture, which will go a long way in establishing our competitive edge. We reinforced our commitment to principles of responsible banking. As a result, we were able to evolve in our value proposition, accelerate our performance, create positive impact and shared value.

Throughout the year, prioritising and addressing stakeholders' concerns remained critical, and we are committed to transparency in this process. This annual Integrated Report serves as a testament to our efforts, establishing how we align our business strategies, stakeholders, and the creation of sustainable value.



*The launch of "CIMB Forward 100 Years and More" with the wonderful #teamCIMB on 27th February 2024.*

## Message from the Chairman



KDYMM Seri Paduka Baginda Raja Permaisuri Agong graced the launching ceremony of CIMB Artober Art&Soul at the Malaysia International Trade and Exhibition (MITEC) on 5th October 2023.

### **HOW DID CIMB STRENGTHEN ITS RISK AND GOVERNANCE MECHANISM IN 2023?**

Amidst a business environment fraught with uncertainty, governance priorities centred on strengthening our risk management framework. The Group's Board of Directors continued to assess various business risks, spanning technology, digital infrastructure, cybersecurity, employee wellbeing, productivity, performance, human rights, climate change, supply stability and community relations. The deliberations focused on minimising potential threats to business continuity while maximising stakeholder value.

The Board was instrumental in striking a delicate balance between long-term value and short-term considerations in determining the best risk mitigation strategies. The Board also acknowledged various trade-offs – between the need for immediate solutions to address immediate risks, and foresight that catalyses profound transformative changes to strengthen the Group's resilience and responsiveness to anticipated/future risks.



CIMB Group's 66th Annual General Meeting on 13th April 2023 was held virtually through live streaming and online voting.

### **HOW ARE YOU PROGRESSING WITH YOUR FORWARD23+ STRATEGY, ESPECIALLY WITH THE MARKET CONDITIONS IN 2023?**

We have regained our pre-COVID momentum with the Forward23+ strategy and are on track towards achieving its targets. We remain steadfast in our organisational aspirations, having aggressively pursued our yearly Forward23+ targets and even overachieving in some areas. CIMB is in a strong position to achieve all the final outcomes that the Board and leadership team had set out to achieve.

During the year, our focus was on 'rebuilding' with our stakeholders. That was partly possible due to strategic restructuring of our portfolio, enhanced technological capabilities, improved cost efficiencies, and most importantly the EPICC culture. Our general understanding is that culture will continue to play a pivotal role in successful implementation of our customer-centric approaches and strategies. In short, our relentless efforts in 2023 have positively advanced Forward23+ objectives, and reinforced our ability to create stakeholder value in all the ASEAN markets where we have a strong presence.

Moving into 2024, we are motivated as #teamCIMB to deliver results that will propel us to the finish line across all five priority areas of Forward23+ in delivering sustainable financial returns, disciplined execution, customer centricity, transforming fundamentals, and becoming a purpose-driven organisation.

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

Sustainability remained a top priority for CIMB and an integral part of our Forward23+ strategic plan. We have consistently stayed on target or even outperformed on our sustainability aspirations year on year. Our efforts did not go unrecognised. For the second year in a row, our score in the S&P Global Corporate Sustainability Assessment remained in the global top quartile, at 88th. Among 400 international financial institutions, CIMB ranked seventh worldwide in the 2023 Financial System Benchmark, which assesses performance in the areas of governance and strategy, respecting planetary boundaries, and adhering to social conventions. These recognitions serve as a reminder of our ongoing sustainability agenda and leadership.

I am particularly proud of our continuous efforts to facilitate a just transition, where we are also catering to the critical mass of SMEs, which are the backbone of Malaysian economy. In 2023, we introduced our first of its kind comprehensive Sustainability-Linked Financing (SLF) for small and medium enterprises under CIMB's GreenBizReady™ programme. Expanding upon our sustainable products and services offerings, SLF incentivises SMEs to cut emissions through attractive financing rebates of up to 0.50% per annum. Access to preferential rates is tied to sustainability performance specifically in the areas of energy and fuel consumption.

During the year, we also announced the extension of the CIMB Flood Relief Assistance Plan which offers a six-month payment relief on loan and financing products for individual and SME/business customers experiencing financial constraints due to floods. Additionally, RM700,000 was allocated to our Disaster Relief Facility at a preferential rate.

Adding to our current offering of sustainable products and services, CIMB Bank Berhad and CIMB Islamic Bank launched a suite of Electric Vehicle (EV) financing solutions to encourage the adoption of low-carbon transportation alternatives.



*Concluding The Cooler Earth Sustainability Summit, CIMB's flagship event, in September 2023.*



*On 10th October 2023, CIMB Bank Cambodia collaborated with the APSARA Authority for the Campaign on Trees and Grass Planting at the Angkor Archaeological Park in Siem Reap. The event was officiated by HE. Dr. Phoeurng Sackona, Minister of Culture and Fine Arts, Cambodia.*

## Message from the Chairman



The first EPICC Karrnivaal on 28 October 2023 to celebrate #teamCIMB's achievements, hard work and commitment.

In continuing our support for education, RM7.6 million in scholarships were awarded to 14 students across ASEAN under the 2023 CIMB ASEAN Scholarship Programme. The scholarships support students in the countries where we operate and will have the opportunity to enter CIMB's structured management trainee programme, The Complete Banker. Meanwhile, CIMB Islamic contributed seed funding of RM350,000 to Yayasan DiRaja Sultan Mizan (YDSM) to train university graduates in agriculture-based careers, as part of a tripartite agreement with YDSM and University Sultan Zainal Abidin.

In its fifth instalment, CIMB's flagship sustainability-focused event, The Cooler Earth Sustainability Summit was held over ten days in September 2023 across the region. With over 7,000 participants from the ASEAN business community, once again, leaders from the public and private sectors convened in a series of conferences, panel discussions, masterclasses, and networking events to explore the theme of the summit, *Sustainability in Action: Opportunities For a Better Tomorrow*.

### **WHAT WERE YOUR TOPLINE PRIORITIES IN PROMOTING AND STRENGTHENING #TEAMCIMB CULTURE?**

At CIMB, we believe culture drives performance. We strive to maintain a workplace culture that prioritises learning, development, and organisational values as the foundation of a high performing and engaged workforce.

EPICC values were launched in 2022 and we continued to embed these in #teamCIMB throughout 2023. Standing for 'Enabling Talent; Passion; Integrity and Accountability; Collaboration; and Customer Centricity', EPICC underlies the Target Empowerment and Alignment Model (TEAM) that we deploy as part of our People strategy.

As we work towards becoming a Purpose-Driven Organisation, EPICC guides our people to deliver impact the right way and this was our top-line priority in 2023. I take pride in working with a team that shares the same set of core values, but also celebrates value in diversity. Our continuing efforts are to dedicate resources for the wellbeing of our people, new ways of working and creating a happier workplace, motivating personal and professional development alongside business priorities.

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

In June 2023, Novan Amirudin who is the Co-CEO of Group Wholesale Banking, was appointed Chief Executive Officer of CIMB Investment Bank Berhad, taking over from Jefferi Hashim who now heads Private Banking and ESG Advisory and Solutions of Group Wholesale Banking. The Board welcomes this strategic change in leadership and is confident of their positive contributions to business.

Three of our most valuable and experienced Board members, Mr. Robert Neil Coombe, Sustainability Sponsor on Board of CIMB Group Holdings Berhad; Ms. Teoh Su Yin, Board Member of CIMB Group Holdings Berhad & Chairperson/Board Member of CIMB Investment Bank Berhad and Puan Nadzirah Abd Rashid, Board Member of CIMB Bank Berhad and CIMB Investment Bank Berhad retired in 2023. On behalf of the Board, I acknowledge their collective contributions and their strong leadership, which was unparalleled by all standards.

We also had seven new appointments during the year, which include: Ms. Christina Ong Soo Chan on the Board of CIMB Bank; Puan Zuhaida Zulkifli on the Board of CIMB Islamic; Ms. Kee E-Lene on the Board of CIMB Bank Berhad; Datin Azlina binti Mahmad on the Board of CIMB Group Holdings Berhad; Ms. Tan Ting Min on the Board of CIMB Investment Bank Berhad; Dr. Nurmazilah Dato' Mahzan on the Board of CIMB Bank Berhad; and Mr. Raymond Yeoh Cheng Seong as Chairman/Board Member of CIMB Investment Bank Berhad. We now have a strong team of specialists on the Boards, and I am confident of the new Boards' leadership in accelerating CIMB's journey into the future.

I am also happy to share that as at December 2023, 33% of our Board is represented by female leaders, continuing a track record that we intend to maintain in line with our commitment to the 30% Club and our emphasis on gender diversity.

## **FINAL REMARKS AND ACKNOWLEDGEMENT**

I would like to express our gratitude to the various stakeholders who continue to play a vital role in our journey – #teamCIMB, regulators, customers, suppliers, partners, investors, and the larger community. The consistent progress we have made on the Forward23+ Strategic Plan owe much to the confidence of our stakeholders. Looking ahead, I am eager to witness the completion of Forward23+ aspirations and to close the final leg of that journey. As always, CIMB remains here for our stakeholders, committed to Moving Forward With You.

**Datuk Mohd Nasir Ahmad**  
Chairman



KDYMM Seri Paduka Baginda Yang di-Pertuan Agong receiving the zakat contribution from CIMB Islamic at the Majlis Zakat Korporat Federal Territories Islamic Religious Council Zakat Collection Centre (PPZ-MAIWP) at Istana Negara in November 2023.

# Overview of CIMB Group

## One of the top **banks in ASEAN**

**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 December 2023, had over 33,000 staff and around 25 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM62.4 billion as at 31 December 2023. As at 31 December 2023, total assets stood at RM733.6 billion, with total shareholders' funds of RM69.8 billion and total Islamic assets of RM205.7 billion. At the end of December 2023, the substantial shareholders were Khazanah Nasional Berhad with 23.0%, Employees Provident Fund with 12.3% and Kumpulan Wang Persaraan (Diperbadankan) with 6.0%.

### 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.

### Net Profit

**RM6.98**  
Billion

### Total Assets

**RM733.6**  
Billion

### Market Capitalisation

**RM62.4**  
Billion

#### How we will win

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



#### 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: Around

 **25 Million**

Our Self-Service Access Points:

 **6,889**

Our Retail Branches:

 **601**

Our Workforce: Over

 **33,000**



 **MALAYSIA**  
Branches: **217**

 **SINGAPORE**  
Branch: **1**

 **THAILAND**  
Branches: **54**

 **INDONESIA**  
Branches: **309**  
Payment and Cash Centres, Digital Lounges and Mobile Cash Vans: **90**

 **PHILIPPINES**  
Branches/Offices: **1**

 **VIETNAM**  
Branches/Offices: **2**

 **CAMBODIA**  
Branches/Offices: **14**

 **MYANMAR**  
Representative Office: **1**

## OTHER MARKETS

 **GREATER CHINA**  
Branches: **2**  
(Shanghai, Hong Kong)

 **UNITED KINGDOM**  
Branch: **1**

## 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 a representative office in Yangon.

### **CIMB INVESTMENT BANK**

CIMB Investment Bank is a licensed entity offering curated advice and services to a number of client segments such as corporates, public sector, institutions and high-net worth individuals. CIMB Securities, which provides institutional stockbroking and equity research, is a wholly owned subsidiary of CIMB Investment Bank.

### **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.

## OUR PRODUCTS AND SOLUTIONS



Consumer  
Banking



Commercial  
Banking



Wholesale  
Banking



Transaction  
Banking



Islamic  
Banking



CIMB Digital  
Assets



### CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia. It is the 2nd largest private bank and 7th largest bank in Indonesia by assets. CIMB Niaga offers a comprehensive portfolio of conventional and Shariah banking services in Indonesia with over 300 branches across the country.

### 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 8th largest bank in Thailand by assets, with 54 branches nationwide.

### 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 a digital bank model. It is today recognised as one of Vietnam's most innovative and emerging digital banks.

# Corporate Milestones

# 1924

Bian Chiang Bank established in Kuching, Sarawak by brothers Wee Kheng Chiang and Wee Kheng Whatt and seven other partners.

**BIAN CHIANG BANK BHD.**



## 1974

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



## 1986

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



## 1987

Bank of Commerce successfully lists on Bursa Malaysia.



## 1991

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.



## 1999

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



## 2003

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



## 2005

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

## 2009

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.



# 2023

## 2016

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.

## 2017

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.



## 2019

CIMB Group, as a Founding signatory to 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.



## 2020

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.



## 2021

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).



CIMB has strengthened its commitment to sustainability by raising its sustainable finance target to RM100 billion by 2024 through the Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. This new target follows CIMB's success in achieving the RM60 billion target announced in 2022 ahead of plan. To date, CIMB has mobilised close to over RM86.2 billion in sustainable finance since 2021.



CIMB and CIMB Islamic introduced their first branch with integrated sustainable features located in a Green Building Index (GBI) certified building at IOI City Towers @ IOI Resort City, Putrajaya. The branch exemplifies CIMB's commitment to make banking services more inclusive and accessible to customers with special needs, and at the same time reduce its environmental impact.

# Key Highlights of 2023

## BUSINESS HIGHLIGHTS

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

We carried the momentum of our Forward23+ strategy into 2023, navigating through global economic volatility with resilience. This year's progress underscores our strategic vision of becoming the leading focused ASEAN bank committed to advancing customers and societies in our markets through a customer-centric approach.



#### DELIVERING SUSTAINABLE FINANCIAL RETURNS

Despite headwinds from the global macro-economic environment, CIMB Group delivered another year of strong performance resulting in an ROE of 10.7%, compared to reported ROE of 9.0% in FY22, displaying the best ROE expansion amongst Malaysian banks.

We recorded a solid rise in PBT by 14.0% and Net Profit by 28.3%, on the back of robust operating income growth.

In the pursuit of financial resilience, CIMB also prioritised cost discipline amidst revenue pressures. We have reduced the Group's CIR substantially from 53.4% in FY19 to 46.9% in FY23 with a structured cost take out of RM1 billion over three years.



#### TRANSFORM FUNDAMENTALS

Our strategic programme aimed at improving asset quality has yielded tangible results. The significant reduction in credit costs in FY23 and a commendable drop in the Gross Impaired Loan (GIL) ratio from 3.3% as at Dec-22 to 2.7% as at Dec-23 underscore the success of these efforts.

We also emphasised on a strong risk management culture and implemented proactive risk management strategies. This commitment extended to encouraging employees to report potential risk and compliance issues without fear of retaliation. The implementation of "Safeguarding the Bank" initiative on a bank-wide scale has prompted a more focused tone from the top, fostering greater recognition of staff contributions to operational risk mitigation.

Our initiatives in optimising capital and asset allocation and implementing a comprehensive finance transformation plan have all contributed to the Group's stronger, more resilient financial structure.



#### CUSTOMER CENTRICITY

We have made headway in fortifying operational resiliency and digital platform reliability with an investment of almost RM3.50 billion in capital expenditure over the last four years. This has enhanced digital transactions and platform uptime and markedly reduced the risk of operational lapses.

Furthermore, we strengthened security measures against fraud and scams by launching a cross-divisional initiative to enhance fraud prevention and customer awareness, complemented by a new freeze function in our banking apps for immediate response to suspected fraud. These enhancements were critical in delivering a seamless and secure banking experience, thus strengthening our reputation as a customer-first institution in the ASEAN banking landscape.

The combined NPS score across our four core markets have improved, and is within 69% of the industry average, with notable progress in Malaysia and Thailand. We also recorded NPS improvements across all markets for both retail and non-retail segments, reflecting our strengthened customer relationships.



#### PURPOSE-DRIVEN ORGANISATION

We surpassed our targets in 2023 to mobilise RM60 billion of sustainable finance under the Group's Green, Social, Sustainable Impact Products and Services (GSSIPS), and subsequently revised this target to RM100 billion which is more than triple our initial target in 2021.

We also set two new ambitious climate targets for our Palm Oil and Power portfolios, becoming the first bank globally to set a science-based decarbonisation target for our Palm Oil portfolio.

Our global leadership in sustainability was acknowledged by our seventh ranking among 400 global financial institutions evaluated in the 2023 Financial System Benchmark and our rating in the S&P Global Corporate Sustainability Assessment which improved from 80<sup>th</sup> percentile to 88<sup>th</sup> percentile.

Additionally, the bank-wide inculcation of our EPICC values reinforced a culture underscoring our dedication to being a purpose-driven organisation. These contributed to an improvement in Organizational Health Index (OHI) from 77 to 83, securing our position in the top quartile regionally.

## FINANCIAL HIGHLIGHTS



**OPERATING INCOME:**  
**RM21.01 billion**



**NET PROFIT:**  
**RM6.98 billion**



**DEPOSITS FROM CUSTOMERS:**  
**RM497.7 billion**



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



**GROSS LOANS:**  
**RM440.9 billion**



**TOTAL ASSETS:**  
**RM733.6 billion**



**ROE:**  
**10.7%**



**DIVIDEND PER SHARE:**  
**43.00 sen**

## SUSTAINABILITY HIGHLIGHTS



Published **2030 PARIS-ALIGNED TARGETS** for our Power and Palm Oil Portfolios. **FIRST BANK GLOBALLY** to announce Paris-aligned targets for **PALM OIL**, and **FIRST IN MALAYSIA** for **POWER**



Set **FINANCIAL INCLUSION TARGETS** for low income groups in Malaysia, with a goal to improve financial health and wellbeing



Launched Malaysia's first comprehensive **SUSTAINABILITY-LINKED FINANCING PROPOSITION** for **SMEs**



Mobilised over **RM86.2 BILLION** in **GREEN, SOCIAL, SUSTAINABLE IMPACT** Products and Services since 2021. Tripled our sustainable finance target to **RM100 BILLION** by 2024



**RANKED 12/150** among Financial Institutions, and **TOP FOR PALM OIL** for the strength and implementation of our commitments on our **DEFORESTATION AND HUMAN RIGHTS POLICIES** by Forest 500



**INVESTED RM32.9 MILLION** and **OVER 203,000 VOLUNTEER HOURS** in local communities

# Group CEO's Reflections

DATO' ABDUL RAHMAN AHMAD



The global economic landscape in 2023 was characterised by a complex interplay of challenges and opportunities. Despite the continuing recovery from the disruptions caused by the COVID-19 pandemic, uncertainties persisted. The year witnessed dynamic shifts in trade disputes, worsening geopolitical tensions, and ongoing inflationary pressures. This led to a prolonged period of high US Dollar interest rates, which affected global growth. The varying pace of economic growth across regions influenced market sentiments and investment decisions. In addition, the sudden collapse of two prominent banks sent shockwaves and exposed certain vulnerabilities within the global financial industry. Regulatory authorities responded swiftly, implementing measures to enhance regulatory oversight and restore resilience in the global financial system. This proactive action underscored a commitment to safeguarding the integrity of financial markets and restoring investor confidence. These events served as a reminder of the importance of robust risk management practices within financial institutions.

Within the ASEAN region, economic dynamics reflected a nuanced picture, showcasing resilience in the face of uncertainties. Domestic consumption, supported by improving consumer sentiment and rising disposable incomes with continued Foreign Direct Investment (FDI) continued to play a crucial role in stimulating economic activity. However, governments had to strike a balance between fostering economic expansion and managing their monetary policy in view of currency movements against the strong US Dollar. In the major markets CIMB operates in, Malaysia recorded a GDP growth of 3.8%, Indonesia 5.1%, Singapore 1.1% and Thailand 1.9%.

From the regional financial industry perspective, loan demand remained robust while banks encountered fierce competition for deposits, exerting pressure on Net Interest Margins (NIM) levels across the industry. As a consequence, average NIMs dipped below pre-pandemic levels, impacting income growth for banks across Malaysian and ASEAN markets. Notably, Singapore stood out as an exception, benefiting from significant liquidity inflows.

Against this backdrop, CIMB Group maintained its unique position as a leading focused ASEAN Bank and delivered strong positive performance guided by our strategic plan, Forward23+.

### GDP growth



Malaysia

**3.8%**

Singapore

**1.1%**

Indonesia

**5.1%**

Thailand

**1.9%**



CIMB Group maintained its unique position as a leading focused ASEAN Bank and delivered strong positive performance guided by our strategic plan, Forward23+.

## Group CEO's Reflections

### CAN YOU ELABORATE ON CIMB GROUP'S 2023 KEY FINANCIAL METRICS? HOW DO THESE METRICS COMPARE TO INDUSTRY BENCHMARKS?

As we reflect on the macroeconomic environment, the Group remained vigilant and agile in responding to evolving challenges and capitalising on emerging opportunities. The strategic initiatives undertaken by CIMB were informed by an understanding of these factors, which resulted in the Group meeting most of its FY23 targets. Our Profit Before Tax (PBT) and Net Profit grew by 14.0% and 28.3% YoY to reach RM9.54 billion and RM6.98 billion respectively. This translated to a Return on Equity (ROE) of 10.7%, compared to the reported ROE of 9.0% in FY22.

Our robust operating income grew by 5.9% YoY to hit RM21.01 billion, driven by strong growth in Non-Interest Income (NII) of 36.5% YoY from investment and market-related income. This offsets the challenging Net Income margin (NIM) environment caused by the continued elevated cost of deposits, with Net Interest Income (NII) dipping 3.5% to RM14.63 billion. Total gross loans, deposits and CASA grew strongly by 8.3%, 8.1% and 11.5% YoY, respectively, underpinned by growth across all countries and business segments.

We saw a marginally higher Cost-to-Income (CIR) ratio of 46.9% as our Operating Expenses (OPEX) rose by 6.9% YoY due to cost inflationary pressures and technology investments. Total provisions declined by 26.4% YoY, with credit cost improving from 51bps in FY22 to 32bps in FY23, in line with the moderated credit environment and sustained improvement in asset quality from portfolio reshaping.



At our 1H23 results press conference with Khairul Rifaiye, our Group Chief Financial Officer

The operating income growth and lower provision enabled us to deliver another year of strong growth in profits, making CIMB now the clear top two Malaysian banks by absolute profit metric. We remained well-capitalised with a Common Equity Tier 1 (CET 1) ratio of 14.5%, which is above our target of more than 13.5%. Given the strong capital position coupled with the healthy financial performance, we were able to distribute record dividends to our shareholders amounting to RM4.59 billion, which incorporated a special dividend of RM747 million, providing our shareholders with higher returns.

Compared to the other industry players, CIMB displayed the best ROE expansion amongst Malaysian banks and achieved strongest operating income growth as all players grappled with constrained NII growth and NIM compression, reflecting #teamCIMB's ability to adapt and navigate challenges swiftly.

CIMB was also one of the best performing large cap stocks where our share price has nearly doubled from RM3.18 as at 1 June 2020 to RM6.43 as at 28 February 2024, representing a value creation of around RM38.1 billion, with an annualised total shareholders return of 20.7% as compared to KLCI of 1.0% over the same period.



**CIMB displayed the best ROE expansion amongst Malaysian banks and achieved strongest operating income growth as all players grappled with constrained NII growth and NIM compression, reflecting #teamCIMB's ability to adapt and navigate challenges swiftly.**

Net Profit

**RM6.98  
BILLION 28.3% YoY**



## **WHAT WERE THE KEY FOCUS STRATEGIC INITIATIVES IMPLEMENTED IN 2023 THAT PUT AN EDGE TO THE BANK'S COMPETITIVE POSITION?**

The Group strategically implemented a series of initiatives that significantly strengthened its competitive position across key operational dimensions. One principal focus was on strengthening our Current Account Savings Account (CASA) and Deposit franchise, with a suite of initiatives deployed across all business segments and countries. The impact is notable, demonstrated by the 11.5% YoY growth in CASA, resulting in a CASA ratio of 41.2%, which exceeds the industry average. This achievement surpasses the pre-pandemic CASA ratio of 34.4% recorded as at end Dec-19.

Furthermore, the Group made significant progress in expanding its NOII, driven by investment and market-related income and structured realisation of NPL sale programme. This led to NOII to Total Income ratio growing significantly from 23.6% in FY22 to a strong 30.4% in FY23.

In the pursuit of financial resilience, CIMB also prioritised cost discipline amidst revenue pressures. We have reduced the Group's CIR substantially from 53.4% in FY19 to 46.9% in FY23 with a structured cost take out of RM1 billion over 3 years. However, we acknowledge given the inflationary pressure and the ongoing need for technology investments, it is imperative for us to double our efforts in cost management, going forward.

Our strategic programme aimed at improving asset quality has yielded tangible results. The significant reduction in credit costs in FY23 and a commendable drop in the Gross Impaired Loan (GIL) ratio from 3.3% as at Dec-22 to 2.7% as at Dec-23 underscore the success of these efforts.

Lastly, we have made headway in fortifying operational resiliency and digital platform reliability. With an investment of almost RM3.50 billion in capital expenditure over the last four years, this initiative has significantly enhanced our digital platform availability, facilitated robust growth in digital transactions, and markedly reduced the risk of operational lapses. These strategic investments reflect the bank's commitment to technology and operational excellence, positioning it as a leader in the ever-evolving financial landscape.

All the accomplishments above are proof of the hard work of #teamCIMB, which ties back to the meaning and importance of embracing our values and culture, EPICC. Over the year, we had more engagements such as town halls and Teh Tarik sessions with senior leaders while rolling out our Signature Leadership programmes with renowned business schools such as IMD Business School, targeted at the next generation leaders in the organisation. We also had more than 800 senior leaders attending the Leadership and Culture Dialogue Series and taking part in navigating change as well as ways to make CIMB a better place for all employees. We are pleased that these efforts are reflected by the overall improvement of the Group's Organizational Health Index (OHI) from the second quartile to the first quartile, with all countries making a considerable increase in their respective OHI scores.



With #teamCIMB Malaysia at our EPICC Karrnivaal in October

## Group CEO's Reflections

### **HOW DID CIMB NAVIGATE OPERATIONAL RISK AND REGULATORY CHALLENGES, AND WHAT STRATEGIES WERE IMPLEMENTED TO ENSURE COMPLIANCE?**

In times of intensified regulatory scrutiny, CIMB implemented a proactive and collaborative approach. The bank engaged in continuous dialogue with regulatory bodies, fostering open communication channels to address concerns and seek clarification on regulatory expectations. Regular consultations with regulators allowed CIMB to align its practices with evolving standards and anticipate potential compliance hurdles. We also acknowledge the need to further improve our efforts towards positioning CIMB as a responsible and compliant financial institution within the diverse regulatory landscape of ASEAN.

CIMB prioritised a culture of risk and compliance throughout our operations from the top down by emphasising a strong risk management culture and implementing proactive risk management strategies. Leadership actively communicated the importance of regulatory adherence, embedding a strong risk and compliance ethos within the organisational culture. This involved fostering awareness and understanding of regulatory requirements among all staff members, ensuring that compliance was ingrained through regular training sessions and establishing communication channels to keep employees updated on evolving regulatory landscapes, empowering them to make informed decisions aligned with compliance standards. This commitment extended to encouraging employees to report potential risk and compliance issues without fear of retaliation. The implementation of "Safeguarding the Bank" initiative on a bank-wide scale has prompted a more focused tone from the top, fostering greater recognition of staff contributions to operational risk mitigation.

The management of operational risk at our organisation has also seen significant enhancements. Firstly, the setup of the Risk Control Unit (RCU) across all business units and enablers in Malaysia has strengthened our operational risk controls at the forefront, enhancing our ability to identify and mitigate risks effectively. We have also strengthened our product approval processes and governance, placing a heightened emphasis on holistic

risk assessments and operational readiness to ensure the robustness of our offerings. Moreover, through enhanced reconciliation governance and monitoring tools, we have made significant strides towards elimination of late or non-submissions of general ledger account reconciliations, underscoring our commitment to operational excellence.

Lastly, our Risk and Controls framework has been bolstered with streamlined risk taxonomy and more prescriptive assessment methodologies, further enhancing our ability to identify, assess, and mitigate risks across the organisation's operations. These initiatives collectively reinforce our dedication to put a more effective risk framework in place and ensure the resilience of our operations.

Overall, the Group's success in navigating risk challenges across ASEAN can be attributed to its holistic approach, combining technology, proactive engagement, and a culture of risk and compliance to ensure the bank's operations align with regulatory expectations in the diverse markets it serves.



**The implementation of "Safeguarding the Bank" initiative on a bank-wide scale has prompted a more focused tone from the top, fostering greater recognition of staff contributions to operational risk mitigation.**

## **WHAT KEY STRIDES IN SUSTAINABILITY DID CIMB MAKE IN 2023, AND HOW DOES THE BANK BALANCE FINANCIAL PERFORMANCE WITH ENVIRONMENTAL AND SOCIAL RESPONSIBILITY?**

I am proud to share our consistent and bold efforts to make sustainability a core strategic pillar and seeing our ESG and sustainability journey growing from strength to strength.

We recognise the limited time we have to transition to a sustainable economy and the narrowing window of opportunity for positive climate action, and we are accelerating our efforts. In the three years to FY23, we cumulatively achieved RM86.2 billion of sustainable finance under the Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. Having surpassed our target this year to mobilise RM60 billion of sustainable finance by 2024, the Group revised our target to RM100 billion, which is more than triple our initial target announced in 2021.

In keeping with our commitment to Net Zero by 2050, including Scope 3 financed emissions, we have set interim climate targets and created transition plans for our high-carbon emitting industry portfolios. CIMB published a whitepaper, which provides an overview of the approach and methodologies taken to set our 2030 Net Zero targets that are science-based in line with a 1.5-degree scenario.

In 2023, we set two new ambitious climate targets for our Palm Oil and Power portfolios, making us the first bank globally to set a science-based decarbonisation target for our Palm Oil portfolio. The first target is to achieve a 16% reduction in emissions intensity by 2030 through active engagement with clients to shift production towards sustainable palm oil. The second target is to achieve a 38% reduction in emissions intensity by 2030 by focusing on low-carbon and renewable alternatives, and to accelerate the decarbonisation plans of our clients in the power sector. We take pride in the fact that beyond our own business, we are partnering with our clients to accelerate their transition to sustainable business practices.

During the year, CIMB Malaysia signed a Memorandum of Collaboration (MoC) with Bursa Malaysia for a partnership on Bursa Carbon Exchange (BCX), which offers a streamlined trading platform for high quality carbon credits via standardised contracts. Through capacity-building initiatives, the collaboration aims to build awareness of voluntary carbon markets and increase access to carbon credits for CIMB's clients.

Finally, our commitment to sustainability was further demonstrated through the enhancement of our GreenBizReady™ programme, offering SMEs valuable access to partners and resources aimed at elevating their competitiveness and facilitating cost savings through sustainable practices. An additional initiative involved the introduction of a Sustainability-Linked Financing programme tailored for SMEs in Malaysia. This innovative programme not only provides financial incentives for improved sustainability disclosures and performance, but also provides simple tools for SMEs to measure their emissions. At the same time, recognising the growing emphasis on human rights risks within global supply chains, we took proactive steps to partner and assist SME clients with high human rights risks, fostering increased awareness and the implementation of best practices to effectively address and mitigate these risks.

All the above contributed to CIMB's rating in the S&P Global Corporate Sustainability Assessment which improved from 80<sup>th</sup> percentile to 88<sup>th</sup> percentile. Furthermore, out of 400 global financial institutions evaluated in the 2023 Financial System Benchmark, CIMB secured the seventh spot worldwide. This benchmark examines performance across governance and strategy domains, reaffirming CIMB's commitment to excellence in sustainability.



Unlocking Insights panel with Dato' Amirul Feisal, En Zulkarnain Onn and Datuk Seri Amir Hamzah at The Cooler Earth event in September 2023

## Group CEO's Reflections

### **IN YOUR FINAL SPRINT OF FORWARD23+ STRATEGY, WHAT IS YOUR OUTLOOK ON THE ECONOMY AND BANKING INDUSTRY, AND HOW WILL IT AFFECT CIMB'S POSITIONING IN THE COMING YEAR?**

The global economic outlook remains uncertain with world economic growth expected to further moderate from 2.6% in 2023 to 2.4% in 2024. The expected constrained growth stems from several factors, including the potential delayed impact of quantitative easing. While it is likely that policy rates in major advanced economies have reached or are very close to their peak, any rate cuts expected this year are anticipated to be gradual, despite a noticeable easing of inflationary pressures worldwide.

Turning our attention to the ASEAN-5 economies, a growth projection of 4.6% in 2024 reflects the region's resilience amid an increasingly uncertain external environment. However, despite decelerating inflation, regional central banks are expected to be more circumspect with regards to employing looser monetary policies in an effort to stem further currency depreciation. The impact of global elections and geopolitical instability further adds to the uncertainties, emphasising the need for a cautious stance.

In navigating these complex economic dynamics in the final year of our Forward23+ Strategy, CIMB will prioritise the execution of our focused strategies in 2024. We will place continued significance on enhancing CASA and deposit franchise, with an emphasis on effective balance

sheet management to improve NIM regionally, as well as sustaining growth in NOLI through wealth management, affluent and our one bank wholesale strategy to provide a buffer against challenging NOLI growth in 2024.

We further expect CIMB Digital Assets to start contributing positively to the Group's financial performance driven by CIMB Philippines having broken even in 2023, and TNG Group and CIMB Vietnam moving in the right direction towards financial sustainability.

Amid inflationary pressures and the need for continued technological investments, it is critical for us to continue managing costs with discipline through productivity gains, ensuring efficiency and sustainability.

Another area of focus is the pivotal roles of asset quality and sustaining the Group's credit costs. Through rigorous monitoring and proactive measures, we seek to further strengthen our loan portfolio, thereby reducing the new formation of non-performing loans and driving down impaired loan ratio. Additionally, efforts will be directed towards sustaining credit costs at optimal levels and ensuring prudent provisioning practices. By prioritising asset quality and credit risk management, we aim to fortify our financial position and reinforce investor confidence in the years ahead.

The bank's strategic roadmap for 2024 also underscores a heightened focus on technology investment and operational resiliency improvements. In an increasingly digitised landscape, the bank recognises the imperative of leveraging technology particularly in advanced digital platforms and data analytics to drive customer acquisition and elevate customer experiences. Investments in automation tools are prioritised to streamline processes, reduce costs to serve, and mitigate operational risks. Concurrently, the bank places a strong emphasis on strengthening operational resiliency, ensuring robust infrastructure, and implementing comprehensive contingency plans to mitigate potential disruptions. By aligning technology investment with operational resiliency enhancements, the bank aims to reinforce its competitive edge, adapt to evolving market dynamics, and position itself for sustainable growth in 2024 and beyond.



Group Executive Committee (GEXCO) members and their leaders at our offsite meeting in September 2023

## **CONCLUSION AND APPRECIATION**

In 2023, there were several key leadership changes to help the Group be more focused in order to meet our ambitious Forward23+ targets and ambition. We welcomed the appointment of Ahmad Shazli Kamarulzaman and Lawrence Darius Loh as Co-CEOs of Group Commercial and Transaction Banking, and also expanded Gurdip Singh's role to Group Chief Operating & People Officer. I would also like to thank Rafe Haneef, CEO of Group Transaction Banking and CIMB Foundation, who left our Group May 2023, for his contributions to the Group.

At the Board level, there has been an injection of new board members and I am pleased to welcome Datin Azlina binti Mahmad to the Board of CIMB Group Holdings Berhad, Christina Ong, Dr. Nurmalizah Dato' Mahzan and Kee E-Lene to the Board of CIMB Bank Berhad; Zuhaida Zulkifli to the Board of CIMB Islamic Berhad; and Raymond Yeoh Cheng Seong and Tan Ting Min as Chairman and Board Member of CIMB Investment Bank Berhad, respectively. We now have a very diverse multi skilled Board, and I am confident their experience and exposure will add value to the Board's oversight and strategic decision-making.

Meanwhile, allow me to express my sincerest gratitude to Robert Neil Coombe, our very first Sustainability Sponsor on CIMB Group Holdings Berhad; Teoh Su Yin, Senior Independent Director of CIMB Group Holdings Berhad and Chairperson/Board Member of CIMB Investment Bank Berhad, and Nadzirah Abd Rashid, Board Member of CIMB Bank Berhad and CIMB Investment Bank Berhad who had retired in 2023 as well Hafriz Rahman who had also relinquished his position as a Board member of CIMB Bank in January 2024. Their guidance has been instrumental in the strength of CIMB's business performance, and we wish them all the best in their future endeavours.

We are also deeply saddened by the passing of Surina Shukri, a Board Member of CIMB Investment Bank in February 2024. It was a privilege to have her on our board where she played an important role in driving our growth and contributed immensely to our Investment Banking franchise.



*With Chairman and senior management at the Kelantan state town hall in October*

To our esteemed Chairman and Board of Directors, I thank you for your unwavering trust, support and confidence. I would also like to express my appreciation to the regulatory authorities for their diligent oversight of the banking industry and invaluable guidance amidst the evolving regulatory landscape. Our profound thanks also go to our shareholders, customers, clients, peers, and partners for their continued faith and trust in our endeavours.

Finally, I would like to convey my heartfelt appreciation to #teamCIMB for your hard work and valuable contributions to bring us to where we are today. I know it has not been an easy journey so, from the bottom of my heart, I thank you for the commitment and support. I look forward to collaborating closely with each of you as we strive to achieve our goal of becoming the leading focused ASEAN bank.

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

# Economic Review and Outlook

## **2023: MILDLY POSITIVE GROWTH**

2023 was regarded as a soft landing, albeit more subdued than expected. Globally, growth slowed to 2.7% from 3.5% in 2022<sup>1</sup>. Headline inflation trended lower while core inflation mirrored a similar but slower trajectory, neither completely normalised.

The US, while bracing for the worst amid soaring inflation in 2022, avoided a recession altogether and revised growth upwards. Exceeding expectations, US GDP and labour market showed resilience while inflation decelerated. GDP growth is now on track to reach pre-pandemic levels.

The Asian economic region was buoyed by strong domestic demand, driven also by the reopening of China's economy and downward inflation. Southeast Asian growth slowed to 4.0% compared to 5.6% in 2022 due to tightening policies to control inflation and weaker trade demand.

## **WHAT WERE THE ECONOMIC AND MARKET FORCES IN PLAY IN 2023?**

The US hit its debt ceiling in January 2023, sparking concerns of default. As the year progressed, the unexpected resilience of the US economy quelled fears of a near recession. Chinese growth was dampened by its struggling property sector, which saw more than a 30% rise in property foreclosures across the country. The debt-riddled real estate sector accounts for roughly 30% of China's economy, creating spillover effects on external trade. The prolonged Russia-Ukraine conflict continued to destabilise food and energy security, forcing countries to establish or accelerate alternatives.

## **HOW DID THE MALAYSIAN ECONOMY PERFORM IN THIS LANDSCAPE?**

Despite weaker external demand, domestic demand in the country underscored growth bolstered by household spending due to improvements in the labour market. Accelerated project implementation, rebounding tourism sector, and favourable labour conditions sustained growth at 3.7%, down from 8.7% in 2022<sup>2</sup>.

The services sector, particularly tourism, recovered further while agriculture and mining activities were hampered by the climate. Low commodity prices and external demand weakened prospects in Malaysia's financial markets, further dampened by lacklustre global conditions and tightening policies in external markets.

Government spending drove investment, and investment-related loan demand remained healthy. Outstanding corporate bonds grew to 4.9% from 4.4%, and outstanding household loans grew to 5.1%, albeit with slower growth in outstanding business loans overall<sup>3</sup>.

The ringgit slumped against the dollar by 5.8% in the second quarter of 2023. Still, it rose again by 1.1% in the third quarter, supported by expectations that US monetary policy will soon end and improving financial market conditions.

## **2024: PERSISTENT FRAGILITY**

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

Globally, projections for economic activity are cautiously optimistic. Despite some heightened tail risks – mainly driven by the escalation in geopolitical conflicts in the Middle East and South China Sea – fears of a recession have abated, replaced by expectations of a soft landing. The International Monetary Fund revised the predicted GDP growth rate to 2.9% in 2024<sup>4</sup>, with the World Bank forecasting a slower rate of 2.4%<sup>5</sup>.

On the upside, monetary tightening has largely halted as inflation decelerates further for many economies. A key development will be the reversal of the US Federal Reserve's policy rate hikes, expected in the second half of 2024.

On the other hand, geopolitical risks and guarded policies threaten to destabilise commodity prices, which dispersed considerably in 2023. China's handling of its property slump could dampen demand in the regional and global markets. At the same time, threats of a trade war between the US and China offer both risks and opportunities for their trade partners in Asia.

<sup>1</sup> <https://www.imf.org/en/Publications/WEO>

<sup>2</sup> <https://www.mof.gov.my/portal/en/news/press-citations/strong-8-7-gdp-growth-for-2022-shows-restored-confidence-in-national-economy-anwar>

<sup>3</sup> [https://www.bnrm.gov.my/-/qb23q2\\_en\\_pr](https://www.bnrm.gov.my/-/qb23q2_en_pr)

<sup>4</sup> <https://fortune.com/2023/10/10/imf-cuts-2024-growth-forecast-world-economy-loses-momentum-high-interest-rates-russia-war-ukraine/>

<sup>5</sup> <https://www.worldbank.org/en/news/press-release/2024/01/09/global-economic-prospects-january-2024-press-release>

<sup>6</sup> <https://www.imf.org/en/News/Articles/2023/10/18/tr101823-transcript-of-press-briefing-on-reo-for-asia-and-pacific-singapore-october-2023>

<sup>7</sup> <https://belanjawan.mof.gov.my/pdf/belanjawan2024/economy/economy-2024.pdf>

<sup>8</sup> <https://theedgemalaysia.com/node/682038>

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

The medium-term outlook remains moderate, but the ASEAN-5 economies will be sustained by strong domestic demand and resilience in key sectors and financial systems. Forecasts put average GDP growth among the ASEAN-5 at 4.6% and inflation at a further year-on-year decline at 3.5% in 2024<sup>6</sup>. As a primary sector in the ASEAN-5, agriculture will face challenges due to the combined effects of El Nino and the changing climate. Manufacturing, as another key sector, will likely be restrained by weak external demand.

Downside risks exist, such as volatile commodity prices exacerbated by the ongoing Russia-Ukraine conflict. While China's regulators are yet to see significant effects of property easing measures, the crisis continues to threaten the domestic financial sector and cause ripple effects across the region.

Within Malaysia, the economy is projected to grow between 4.0-5.0% in 2024, with headline and core inflation moderating further, as predicted by the Ministry of Finance<sup>7</sup>. We expect gross export growth to remain modest at 5.1% due to weak external demand, while private consumption is expected to grow slightly to 5.7% from 5.6% in 2023 and domestic demand from 4.9% growth to 5.3%. Public investment is expected to grow by 3.9% year-on-year largely due to federal government expenditure to support the ongoing implementation of projects, notably the development of industrial parks in Sabah and Sarawak, Perlis, and Kelantan, as well as the Central Spine Road and the National Digital Network Plan. Meanwhile, private investment is predicted to grow 6.4% year-on-year, boosted by projects across key economic areas<sup>8</sup>.

Within Malaysia, the economy is projected to grow between 4.0-5.0% in 2024, with headline and core inflation moderating further, as predicted by the Ministry of Finance<sup>7</sup>.

## **CLIMATE CHANGE: THE ECONOMICS OF JUST TRANSITION BROADLY, WHAT IS THE CURRENT STATUS OF THE CLIMATE?**

In the AR6 Synthesis Report published by the Intergovernmental Panel on Climate Change (IPCC) in 2023, certain future scenarios as a result of climate change are inevitable or irreversible. However, their extent can be curtailed through profound, swift, and consistent cuts to greenhouse gas emissions globally. Collectively, we are losing time, as adaptation options become unfeasible with the passing of time and as global temperatures continue to rise due to historical, as well as new, emissions. Our current trajectory pushes us towards adaptation limits, where human and natural systems are unable to cope with the impacts.

Broad progress has been made in climate adaptation and mitigation. However, gaps persist where global financial flows are insufficient to meet climate goals. The silver lining is that in spite of the seemingly insurmountable task at hand, net negative emissions may be effective in gradually reducing global temperatures. Considering the difficulty of reaching Net Zero, this should not be a strategy we should rely on. Political commitment, well-coordinated multi-level governance and institutional frameworks collectively facilitate effective climate action. Accelerated climate action is contingent on critical enablers such as finance, technology, and international cooperation.



## Economic Review and Outlook

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

Climate change disproportionately affects marginalised communities and low-income economies, highlighting the need for a just transition. The main outcome of COP27 was the agreement to set up a loss and damage fund. Rather than mitigation, the fund focuses on compensating the most vulnerable nations for climate-related damage. Its principles are in line with a just transition, where financial flows are channelled to assist at-risk nations in adapting to the effects of climate change.

Fast forward to 2023, leaders have ironed out the details of the fund mechanism weeks ahead of COP28. At the crux of it lies voluntary contributions as the source of funding. This raises further questions as to the effectiveness of fundraising, the justness of the mechanism if no country is obligated to pay, or how funds will be allocated.

The UN's COP is the single biggest concerted effort to facilitate collective climate action between governments. However, whether towards adaptation or mitigation, global action lags behind what is needed to avert the worst of climate change. Climate action cannot rely on goodwill or compensation alone – leaders need to raise the stakes if climate mitigation and a just transition are to be achieved.

On the other hand, the financial sector has never before been as conscious of the stakes and its responsibility as it is now. In 2021/2022, the world rallied USD1.3 trillion in climate finance, the majority of it concentrated among high-polluting nations (China, the US, Europe, Brazil and Japan)<sup>9</sup>.

Governments and corporations are pledging support, with 149 nations and 929 companies committed to Net Zero in the Net Zero Stocktake 2023 report<sup>10</sup>. Governments and regulators are working closely with the private sector to deploy innovative financial mechanisms or provide climate-related incentives and to facilitate a green transition, an encouraging sign of the global consensus to take collective action.

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

The Climate Policy Initiative concludes that current "climate finance must increase by at least five-fold annually, as quickly as possible, to avoid the worst impacts of climate change". This translates into strategic decision-making in financial institutions that prioritise rapid shifts to low-emissions or cleaner alternatives. Financial Institutions (FIs) must be very selective about capital allocation as the sector undergoes a massive shift in supporting a green transition. Climate risks and opportunities are being reviewed at the portfolio level and integrated into risk management frameworks.

Within this transition, capital allocation is focused on several high-impact sectors. Notably, the majority of climate finance is channelled into clean energy investment. Where financing falls short, large pockets of opportunity exist in agriculture and industry, as well as emerging technologies such as battery storage and hydrogen, which are both sectors with high impact in the climate transition.

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

Across the board, FIs and investors are reassessing portfolios and investing criteria, developing ESG or climate frameworks to integrate sustainability and climate-related risks into decision-making. CIMB is fully committed, with due recognition, that being prepared for a role in the climate transition will position the business to anticipate the challenges and risks ahead.

Through our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, we channel accessible financing to ESG-related business activity, including climate-related projects and infrastructure. In 2023, we exceeded our RM60 billion sustainable finance target set for 2024, reaching RM86.2 billion since 2021. Building on this success, we have now expanded our commitment to RM100 billion by 2024.

Simultaneously, we have stepped up engagement with new clients in transitioning toward a low-carbon, climate-resilient economy. Our primary focus is on strengthening collaborations with energy clients, governments, and various stakeholders to bolster their energy and electrification initiatives, specifically by providing financing for cleaner energy sources like solar and wind. The Group reduced Thermal Coal Mining exposure to 63% compared to our 2021 baseline as of the end of 2022, in line with our commitment to divest from coal entirely by 2040.

As a Net-Zero Banking Alliance signatory, the Group is formulating reduction targets for other carbon-intensive sectors. In 2023, a new goal was set for the Group's entire Palm Oil portfolio to reduce emissions intensity by 16% by 2030, including Scope 1, 2 and upstream Scope 3 emissions. This target aligns with our No Deforestation, No Peat, and No Exploitation policy. Additionally, we have also set an emissions intensity reduction target for our Power portfolio of 38% by 2030, intending to redirect financing to cleaner energy alternatives.

<sup>9</sup> <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>

<sup>10</sup> <https://zerotracker.net/analysis/net-zero-stocktake-2023>

# Key Risks and Mitigation

 <b>CREDIT RISK</b>	<b>Capitals Affected:</b>
<p><b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b></p> <p>Associated with failure of an obligor, market counterparty or an issuer of securities or other instruments held to perform contractual obligations to the Group</p> <p><b>HOW DOES IT IMPACT SHARED VALUE?</b></p> <p>Such risk creates potential losses and depletes financial capital, compromising our ability to allocate adequate investments to manage other material matters</p> <p><b>HOW DO WE MEASURE SHARED VALUE?</b></p> <ul style="list-style-type: none"> <li>• Credit quality (i.e. Delinquency, Impairment and Loan Loss Provision)</li> <li>• Risk appetite metrics (Risk Adjusted Return on Capital or RAROC)</li> <li>• Earnings and Growth</li> </ul>	<p><b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Maintain a portfolio of credit risk which is adequately diversified by country, industry, market, sector, product, customer segment and duration</li> <li>• 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</li> <li>• Conduct thematic stress test exercise on portfolio for early identification of potential problematic accounts as part of the Group's proactive management of portfolio</li> <li>• Assess quality of loans/financing approved via a regular independent post-credit review process</li> <li>• 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)</li> <li>• Ensure provisioning sufficiency through management overlay provisioning for portfolio under repayment/payment assistance</li> <li>• 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</li> <li>• Identify, measure, monitor and manage credit risk within the approved Risk Appetite as well as within the confines of the Group's credit policies</li> <li>• Provide oversight on various credit risk and governance, as well as review and report exposures regularly to GRCC and BRCC</li> <li>• Leverage data and analytics to assess portfolios, identify problem areas and decide on corrective actions</li> <li>• Adopt best practices for credit risk management in the region</li> <li>• Keep abreast of market and regulatory developments which impact the Group's credit risk metrics and make recommendations for suitable changes</li> </ul>

## Key Risks and Mitigation

 <b>MARKET RISK</b>	<b>Capitals Affected:</b>
<p><b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b></p> <p>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</p>	 Financial Strength   Robust Relationships   Valued People
<p><b>HOW DOES IT IMPACT SHARED VALUE?</b></p> <p>Market risks affect our financial capital and losses beyond our risk appetite would pose challenges to managing performance and growth</p>	
<p><b>HOW DO WE MEASURE SHARED VALUE?</b></p> <ul style="list-style-type: none"> <li>• Market Risk Limits</li> <li>• Risk appetite metrics</li> <li>• Earnings and Growth</li> </ul>	
<p><b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b></p> <p>Associated with the inability to efficiently meet the present and future funding needs or regulatory obligations, when due</p>	 Financial Strength   Robust Relationships   Valued People
<p><b>HOW DOES IT IMPACT SHARED VALUE?</b></p> <p>Such risks may adversely affect business continuity and result in unacceptable losses in the mid-term</p>	
<p><b>HOW DO WE MEASURE SHARED VALUE?</b></p> <ul style="list-style-type: none"> <li>• Adequate HQLA</li> <li>• Well diversified funding sources</li> </ul>	
<p><b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b></p> <ul style="list-style-type: none"> <li>• Identify, measure, monitor and manage market risk within the approved Risk Appetite as well as the confines of the Market Risk Policy Framework</li> <li>• 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</li> <li>• 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</li> <li>• Provide constructive challenge to the first line-of-defence</li> <li>• 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</li> <li>• 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</li> <li>• Keep abreast of market and regulatory developments which impact the Group's market risk metrics and make recommendations for suitable changes</li> </ul>	

 <b>INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK (IRRBB/RORBB)</b>	<b>Capitals Affected:</b>	<b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b>
<p><b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b></p> <p>Associated with the current and potential risk to the Group's earnings and economic value arising from movement in interest rates/profit rates</p> <p><b>HOW DOES IT IMPACT SHARED VALUE?</b></p> <p>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</p> <p><b>HOW DO WE MEASURE SHARED VALUE?</b></p> <ul style="list-style-type: none"> <li>• Balance Sheet Composition</li> <li>• Earnings and Growth</li> </ul>	 Financial Strength   Robust Relationships   Valued People	<p><b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b></p> <ul style="list-style-type: none"> <li>• Measure, monitor and manage IRRBB/RORBB benchmarking against minimum Basel requirement and internal risk appetite</li> <li>• Perform semi-annual consolidated stress tests to identify vulnerable areas in portfolio</li> <li>• Discuss and deliberate IRRBB/RORBB at the Group Asset Liability Management Committee (Group ALCO), a subcommittee of GRCC</li> </ul>

 <b>COUNTRY RISK</b>	<b>Capitals Affected:</b>	<b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b>
<p><b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b></p> <p>Associated with the risks attributed to country specific risk factors (such as economic, social, and institutional/political risk) as well as transferability &amp; convertibility risk, resulting in an obligor being unable to fulfil their financial obligations to the Group</p> <p><b>HOW DOES IT IMPACT SHARED VALUE?</b></p> <p>Such risks may influence the internal policies and effectiveness of various credit and other strategies as they create potential losses and depletes financial capital, compromising our ability to allocate adequate investments to manage other material matters</p> <p><b>HOW DO WE MEASURE SHARED VALUE?</b></p> <ul style="list-style-type: none"> <li>• Country positions (brand and ranking)</li> <li>• Earnings and Growth</li> </ul>	 Financial Strength   Robust Relationships   Valued People	<p><b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b></p> <ul style="list-style-type: none"> <li>• Establish country limits to capture and manage country risk arising from credit exposure to obligors</li> <li>• Review relevant country limits and business requirements through the Group Credit Committee before approval of country limits</li> </ul>

## 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

#### HOW DO WE MEASURE SHARED VALUE?

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

#### Capitals Affected:



Financial Strength



Robust Relationships



Intellectual Capital



Valued People

#### 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



### 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

#### 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



Natural Capital



Valued People

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

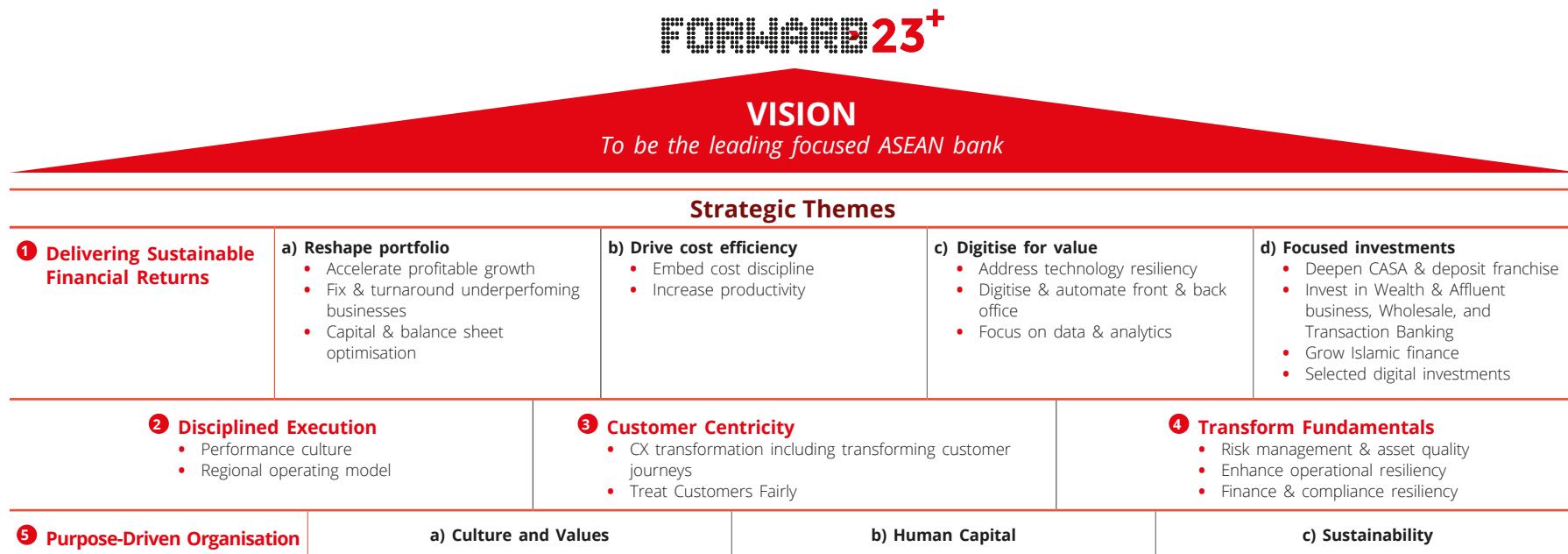
- Institutionalise Sustainability Risk Management Framework, and integrate sustainability considerations (including climate-related matters) into business decision-making
- Monitor sustainability risk profile of the Group's business through the Group Sustainability Council (GSC)
- Subscribe to local, 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
- Set sector specific Net Zero targets for carbon intensive sector portfolios, in order to mitigate climate change transition risks

<b>NON-FINANCIAL RISK</b>		<b>Capitals Affected:</b>
<b>WHAT IS THE RISK AND WHAT DOES IT MEAN?</b>		
<p><b>Operational Risk</b> 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 noncompliance risks</p> <p><b>Technology Risk</b> Associated with inadequate or weaknesses in strategy, people and process to manage technology &amp; cyber assets, operations and information, or external events, which includes financial risk, regulatory/compliance risk and the risk of reputational loss/damage</p> <p><b>Outsourcing Risk</b> Associated with risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage</p> <p><b>Fraud Risk</b> 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</p> <p><b>Business Continuity Management</b> Associated with the challenge to manage disruptions well in order to get back to the business of running the organisation as quickly as possible</p>		
<b>HOW DOES IT IMPACT SHARED VALUE?</b>		
<p>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</p>		
<b>HOW DO WE MEASURE SHARED VALUE?</b>		
<ul style="list-style-type: none"> <li>Earnings and Growth</li> </ul>		
<b>WHAT ARE THE MITIGATION ACTIONS PUT IN PLACE?</b>		
<ul style="list-style-type: none"> <li>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</li> <li>Carry-out operational risk stress tests focusing on the material risks impacting the Group's key business segments and systems</li> <li>Implement and continued enhancement of the Operational Risk Management framework, including tools, methodologies and processes to effectively drive identification, assessment, management and reporting of material non-financial risks of the Group.</li> <li>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</li> <li>Institutionalise a Business Continuity Management (BCM) Steering Committee to promote and maintain sound BCM practices, which reports directly to the Group Executive Committee (GEXCO)</li> <li>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</li> <li>Ongoing enhancements and strengthening of Technology &amp; Cyber Resilience to support the Group's Digital Transformation with implementation of Group-wide Technology Risk Management Framework and Policy that incorporates Cloud, Emerging Technologies and Artificial Intelligence &amp; Machine Learning (AI/ML) Risk Frameworks, and supported with robust independent assurance programmes such as Red Teaming, and Independent Risk Assessment Programme for Technology (iRAPT)</li> </ul>		
 <b>Financial Strength</b>		
 <b>Valued People</b>		

# Group's FORWARD<sup>23+</sup> Strategic Themes

The Group's Forward23+ Strategic Plan (2020-2024), in its third year has been marked with improvements in CIMB's numbers and financial metrics. It is aimed at creating sustainable shareholder value through meaningful improvement in ROE contributed by improved asset quality, diversification of revenue and portfolio reshaping. The overall progress is very positive and provides good momentum to deliver Forward23+ targets, given the diversified ASEAN portfolio, providing a degree of earnings resiliency amidst the challenges in Malaysia post-COVID era. 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<sup>+</sup>

## Strategic Themes

	What Does It Mean?	Stakeholders' Expectations	Priority Focus Areas (2023)	Headline KPIs (2020-2024)*
1 <b>Delivering Sustainable Financial Returns</b>	➡ Catalyse growth and turnaround businesses by tapping on high-potential opportunities across ASEAN	➡ • Build a robust business portfolio, with promising returns • Champion responsible banking operations that focus on sustainable business growth • Ensure a data-driven and fact-based dynamic asset allocation • Deliver leading digital solutions in key growth areas	➡ • Deepen CASA and deposit franchise for retail and non-retail • Enhance asset quality through increased focus on GIL, credit cost and recoveries • Improved RAROC and asset allocation in key growth areas around Consumer, SME and selected Wholesale • Strengthen Wealth and Affluent franchises through focused investments and greater regionalisation • Continued cost discipline through stringent technology investments prioritisation and enhanced staff productivity	➡ • To become a leading focused ASEAN bank (top quartile) when measured by financial metrics • Top quartile ROE • CIR of ≤45% • CET1 of >13.5%
2 <b>Disciplined Execution</b>	➡ Instil disciplined execution amongst #teamCIMB at all levels to manage performance, inculcate operational resiliency, improve efficiencies and accelerate growth	➡ • Deliver organisational targets consistently • Reduce organisational complexity to improve the speed of decision making • Recalibrate the operating model of the bank across its different markets and businesses	➡ • Enhance the culture of risk and compliance awareness through "Safeguarding the Bank" campaign • Continuous improvement to the performance management and KPI framework • Embedding of Target Empowerment and Alignment regional operating Model (TEAM)	➡ • Collective scorecards for bonus pool determination • Implementation of initiatives to embed Target Empowerment and Alignment Model (TEAM)
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	➡ • Deliver superior customer experience consistently • Treat customers fairly • Deploy agile solutions and accelerate digitalisation to make operational processes and service delivery simpler, faster and more efficient • Proactively safeguard our customers from fraud and scams	➡ • Transform customer journeys by accelerating digitalisation efforts • Implement process reengineering and digitalisation initiatives to drive superior customer experience and operational excellence • Enhance key customer touchpoints to deliver on service level agreements (SLA), channel reliability and uptime • Strengthen end-to-end security controls to prevent and mitigate the proliferation of fraud and scams in the market to safeguard our customers	➡ • Top quartile in NPS
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	➡ • Adopt a holistic approach to client selection, underwriting, market risks and collections • Drive finance as the single source of truth, modernisation and automation of support processes, and enhance compliance culture • Ensure robust management of our capital position, asset quality and balance sheet • Instil culture of operational resiliency awareness and responsibility across the organisation • Strengthen operational processes from end to end, including robust controls, regular monitoring and clear roles & responsibilities	➡ • Ongoing comprehensive review of bank-wide operations to strengthen operational resiliency • Deploy strategies to optimise capital, asset allocation and balance sheet management • Enhance funds transfer pricing (FTP) framework and governance to improve guidance on pricing and return • Ongoing implementation of group-wide finance transformation plan to strengthen finance resiliency and efficiency	➡ • Capital Adequacy Ratio • Credit Cost • CIR of ≤45%
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	➡ • Build a culture that is reflective of a purpose-driven organisation • Instil a #teamCIMB mindset through EPICC values of Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity • Demonstrate environmental stewardship in own operations and financed activities, and deploy capital to green and low-carbon projects • Reduce social inequalities by enabling financial inclusion, and by respecting and promoting human rights • Encourage Sustainable Supply Chain Practices • Adopt international standards and Principles for Responsible Banking and Value-based Intermediation (VBI)	➡ • Strengthen environmental and social safeguards in financing, via enhancement of sector guides, including the 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 and Climate Risk Management • Bank-wide rollout of EPICC culture to inculcate the right organisational values • Strengthen human capital through enhancements to employee experience, training and development, and performance assessments	➡ • Top quartile on S&P Global Corporate Sustainability Assessment • Increase female representation in Board and leadership roles • Close gender-based remuneration gaps • Mobilise RM100 billion in sustainable finance by 2024 • Invest RM150 million over five years and 100,000 hours a year in employee volunteerism by 2024 • Net zero GHG Scope 1 and 2 emissions in our operations by 2030 • Overall Net Zero GHG by 2050 (including Scope 3 financed emissions)

\* not comprehensive

# Group Chief Operating & People Officer's (GCOPO) Message

GURDIP SINGH SIDHU



**Enhancing resiliency, productivity and service experience across our operating environment remained a key focus throughout 2023. Efforts were intensified to drive comprehensive improvement initiatives that have translated into meeting and exceeding the expectations of our key stakeholders, namely our customers, employees, regulators, investors and society.**

Central to these achievements were our people. During the year, we launched multiple initiatives to strengthen the culture and leadership capabilities of our people managers. Our dedication to development, wellbeing, and welfare is integral to our operational resilience and long-term growth. This approach underscores the importance of creating a nurturing and supportive environment, with our workforce playing a critical role in driving operational excellence and adapting to workplace changes.

Overall, we made significant investments in time and resources to ensure our people's needs and expectations are addressed and aligned with organisational strategies and Forward23+ priority focus areas. Our efforts culminated in a top-quartile placement in the Organizational Health Index (OHI)\* regionally, and recognition as one of Asia's best employers, underscored by various HR awards won across the region in 2023. These achievements reflect our success in fostering an environment where people are engaged, motivated, and empowered to contribute to our collective goals.



CIMB's Organizational Health Index improved to Top Quartile in 2023

We also take pride in being recognised by the industry as a leader in the Diversity, Equity and Inclusion (DEI) agenda. This recognition comes on the back of our continued commitment to promoting gender diversity in leadership, ensuring pay parity, providing equal opportunities and fair treatment, fostering inclusiveness, and upholding dignity and respect – all of which contribute to our unique EPICC work culture.

## **WITH PEOPLE AS YOUR CRITICAL ASSET, WHAT WERE THE KEY PRIORITIES IN 2023?**

The people agenda in CIMB is driven via the following four key focus areas:

- Enhancing employee experience and overall productivity
- Talent management and career growth
- Recognition and total rewards
- Culture and values

In 2023, we further developed and enhanced various aspects within these areas:

- a) **Enhancing employee experience and overall productivity:** We focused on optimising our resources and enhancing processes to ensure that our people have a positive experience and are able to operate efficiently.
- b) **Talent management and career growth:** We set out to attract, train and develop our people to help them attain personal and professional growth. This included, amongst others, investing in the best training and development programmes for our employees.
- c) **Recognition and total rewards:** We recognised and rewarded our people competitively to build a high-performance culture. In driving this, we recognise the need to differentiate and tailor our benefits and rewards approach to the diverse needs of our employees.
- d) **Culture and values:** We strived to inculcate the right organisational values and culture to become a great place to work.

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\* The Organizational Health Index (OHI) is McKinsey & Company's proprietary diagnostic that measures critical elements of a high-performing culture in an organisation, benchmarking against more than 2,500 organisations in a range of geographies and industries. The survey is administered for CIMB on an annual basis, and CIMB's OHI scores are benchmarked against ASEAN financial institutions.

## Group Chief Operating & People Officer's Message

### WHERE IS THE GROUP IN ITS CULTURE TRANSFORMATION JOURNEY?

At CIMB, we believe that organisational culture plays a critical role in people effectiveness and people performance. A positive and enabling culture not only improves efficiencies, but can also drive new growth. Therefore, embedding the EPICC culture at CIMB remains essential to our transformation journey. Our efforts continue to be focused on helping #teamCIMB to not only embrace EPICC values but also demonstrate them in every action and every decision at the workplace.

Our strategy in cascading EPICC across the organisation focuses on three main components:



Culture transformation is an ongoing process that demands high levels of commitment, consistency and camaraderie across all levels of the organisation. Ultimately, our objective is to create a healthy work environment that boosts motivation and productivity among our workforce.

Now, two years into our journey of cultural transformation, we are encouraged by the meaningful progress observed in 2023. The unified approach from our leadership, coupled with a variety of initiatives, has translated into #teamCIMB embracing EPICC well. The positive feedback from our people via our surveys and other channels confirm this success. Moreover, affirmations from external stakeholders further validate that our people are more engaged and cooperative, leading to enhanced customer satisfaction and stronger resilience for the Group.

### OHI Scores (by Country)

	2023	2022
 Indonesia	91 	86
 Vietnam	87 	87
 Cambodia	87 	85
 Thailand	83 	81
 Singapore	80 	75
 Malaysia	78 	70
 Philippines	76 	59



**At CIMB, we believe that organisational culture plays a critical role in people effectiveness and people performance.**

## **WHAT IS THE ROLE OF LEADERSHIP IN SHAPING ORGANISATIONAL CULTURE AND PERFORMANCE?**

Leaders, particularly people managers, have a critical influence in shaping organisational culture. The collective effectiveness of leadership in nurturing a robust organisational culture catalyses business performance and growth.

In championing and demonstrating EPICC values, CIMB leadership intensified its engagement with employees through multiple touchpoints. In 2023 we focused on our top 900 leaders, initiating a series of initiatives to deepen their understanding of our core values and equipping them with the necessary tools and techniques to refine their leadership skills. The main objective has been to create a common understanding, enhance clarity and improve transparency on the company's progress, future direction, and how people can contribute to and benefit from CIMB's success. This effort was facilitated through the Leadership & Culture Dialogue Series, *Turun Padang* initiatives, and various town halls at Group, country and divisional levels.

Through the EPICC values, we have enhanced leadership accountability by introducing improved bottom-up and top-down feedback mechanisms. This includes the evaluation of leaders based on demonstrated behaviours via our 180° and 360° feedback assessments.

To build and expand our current and future pipeline of quality leadership, in 2023, we launched three CIMB Signature Leadership programmes. These programmes were uniquely curated for employees at three management levels within the organisation: key and senior, middle and junior. We partnered with renowned global institutions such as the International Institute of Management Development (IMD) and the Melbourne Business School. Additionally, an encouraging 53% of participants in these programmes were women, underscoring our commitment to diversity and inclusion in leadership.

## **WHAT IS CIMB'S APPROACH IN ATTRACTING AND RETAINING THE BEST TALENT, AND ENSURING EMPLOYEES REMAIN ENGAGED AND MOTIVATED?**

CIMB is committed to being an employer of choice, aiming to attract and retain top talent by fostering an environment that promotes their holistic wellbeing and professional growth, ensuring they find career fulfilment throughout their tenure with CIMB.

A key initiative introduced in 2023 to support #teamCIMB in 2023 is the introduction of the flexible benefits programme. This initiative empowers employees to customise their benefits, selecting additional options that best meet their individual needs, such as various health care options, fertility treatments, and extended medical coverage for family members. The roll out of the flexible benefits programme aligns with our commitment to promoting inclusiveness and overall wellbeing of employees from diverse backgrounds. Initially launched in Malaysia and Indonesia, CIMB is actively reviewing the potential for expansion across the region.

Recognising that career development is a key motivator for employees, CIMB is committed to providing continuous learning and meaningful growth opportunities. Throughout 2023, we focused on developing an integrated career development journey that allows employees to plan their career progression at CIMB through skill-gap-based learning and internal mobility. This initiative, set for broader implementation in 2024, will be enhanced by HR technologies to improve the overall employee experience.

Furthermore, leveraging CIMB's position as a leading focused ASEAN bank, we offer employees unique opportunities for regional exposure and advancement within the Group. This includes regional rotations as part of our flagship graduate programme, The Complete Banker, and facilitating secondments across our network. In 2023, we had over 100 employees benefiting from enriched roles and career paths outside their home country.

 | For more details, refer to Talent Attraction, Growth and Retention on pages 73-81 of CIMB Sustainability Report.

## Group Chief Operating & People Officer's Message



Furthermore, leveraging CIMB's position as a leading focused ASEAN bank, we offer employees with unique opportunities for regional exposure and advancement within the Group.

### **WHAT IS YOUR OUTLOOK FOR 2024?**

2024 will be a pivotal year for the Group as we conclude our Forward23+ medium-term strategy and commence the development of our next strategic phase. This transition presents an exciting opportunity for our people.

Regarding our People strategy, we intend to intensify our efforts across previously mentioned key areas. Some key areas that I am particularly passionate about for 2024 include:

- **Culture:** We will focus on deriving a higher level of consistency across the organisation in terms of adoption of our EPICC values. Additionally, we will embed culture into how we recognise and reward our people.
- **Learning and career growth:** We will enhance and make key investments in raising the bar on our training efforts, incorporating new content and advanced delivery method.
- **Workforce operating models:** As we prepare for the next phase of our strategy, we will deepen our focus on aligning our organisation and talent strategy to map out future roles and responsibilities.

Beyond the People agenda, and in line with my other portfolios, we will embark on a broader set of transformational initiatives aimed at enhancing our resiliency, productivity and service experience. Some of the notable priorities in this area include:

- **Group Operations transformation:** We are set to transform our Group Operations through digital innovation, impacting our team of over 1,900 employees who support critical customer services. A dedicated programme is underway to achieve significant enhancements in this area.
- **Workplace transformation:** Our efforts will focus on redesigning office spaces to better facilitate our hybrid work model, promoting flexibility and collaboration. I would like to use these physical enhancements to further ignite our people and drive up motivation.
- **Sustainability:** Our sustainability journey has been a very defining one. We have outlined many of our successes and plans in the Sustainability Report. Whilst 2023 saw me relinquishing the Group Chief Sustainability Officer role, this area remains very close to my heart. In 2024, I will continue to work with and guide our sustainability team as we accelerate ahead on our Net Zero operationalisation efforts and begin to chart the next phase of our sustainability journey.

#teamCIMB has come a long way in 2023 and I am looking forward to working with all of them to ensure that 2024 will be a productive and fulfilling year for all.

**Gurdip Singh Sidhu**  
Group Chief Operating & People Officer

# Group CFO's Financial Performance Review

KHAIRUL RIFAIE



## Group CFO's Financial Performance Review

The economic and industry backdrop in 2023 proved to be challenging following a very strong global economic recovery in the previous year. As such, we took a cautious stance from the start in light of the macroeconomic risks, this included continued upward pressure on interest rates, elevated global inflation and the heightened geopolitical tensions, coupled with industry specific uncertainties surrounding financial markets and deposit pricing competition. Despite this, ASEAN economies remained relatively resilient with decelerating inflation and improving domestic consumption and investments. Against these conditions, we are pleased that the Group posted a strong net profit growth of 28.3% to RM6.98 billion, translating to an earnings per share ("EPS") of 65.5 sen. The positive financial performance was attributed to all business segments and countries, barring Thailand which faced industry-wide challenges against a backdrop of muted economic growth. We met all targets but one on cost-to-income ratio ("CIR") due to the deposit price competition. There was an improvement in ROE compared to 2022, at 10.7% and within the FY23 target, while total gross loan growth of 8.3% and loan loss charge of 32bps exceeded the target. We declared a higher dividend payout of 55.0% and a special dividend amounting to RM747 million, bringing total dividend payout to a record amount of RM4.59 billion as our capital levels, CET 1 ratio, remain healthy at 14.5%, above the FY23 target.



**We are pleased that the Group posted a strong net profit growth of 28.3% to RM6.98 billion, translating to an EPS of 65.5 sen**

### **HOW DID THE OPERATING ENVIRONMENT IN 2023 AFFECT THE OVERALL FINANCIAL PERFORMANCE?**

The operating backdrop for 2023 remained challenging as market sentiment was overcast by global uncertainties and volatility throughout the year. Global trade was also weak in 2023 and as a result, Malaysia being an open economy grew at a more modest 3.7% in 2023, driven by continued growth in private consumption and with unemployment remaining low. Headline inflation declined to a manageable 2.5% from 3.3% previously while the Malaysian banking industry saw sustained loan growth. Despite this, one major challenge faced by the Group and the sector was the pressure on Net Interest Margin ("NIM") arising from the sustained deposit price competition in Malaysia as well as the higher cost of funds regionally. To mitigate the pressure on higher deposit rates, the Group put in place strategies and initiatives to strengthen and grow the low cost CASA, which brought relative success with Group CASA expanding 11.5% YoY, raising the CASA ratio to 41.2% by end-23 which is higher than the pre-pandemic level of 34.4% in 2019. The Group kept a tight rein on escalating costs as inflationary pressures emanated across all segments. On a positive note, all asset quality indicators improved through the year from a combination of a stabilisation of the credit environment and the Group's portfolio reshaping initiatives over the past few years. Despite approaching the year cautiously, we achieved a strong financial improvement in 2023 as we remained guided by the Forward23+ strategy.

The record PBT of RM9.54 billion (an increase of 14.0% YoY) in 2023 was underpinned by firstly, robust revenue growth from the strong expansion in Non-Interest Income ("NOI") and secondly, sustained asset quality improvements arising from good credit risk management. The absence of Cukai Makmur this year also contributed to the 28.3% YoY increase in reported net profit to RM6.98 billion compared to RM5.44 billion in 2022. Excluding the exceptional items of intangible assets and accelerated amortisation, restructuring costs and one-off tax impact in 2022, the Group's underlying PBT and net profit grew 12.4% and

12.5% YoY respectively. Effective cost control while ensuring positive investments in areas such as technology, kept our Cost-To-Income Ratio ("CIR") under control at 46.9%. This came in above our FY23 target of <46.5%, due to the lower than expected revenue as a result of the NIM compression. Nonetheless, we ended the year with a strengthened balance sheet and remained well capitalised, enabling the Group to declare a higher full-year dividend payout of 55.0%, as well as a special dividend of RM747 million, this translates to a record dividend payout of RM4.59 billion.

We achieved this positive financial performance due to the Forward23+ strategic plan execution which focusses on sustainable business growth, stronger credit risk management, tighter cost controls and strengthening the Group's deposit and CASA proposition. Targeted loan growth was prioritised in tandem with our portfolio reshaping strategy, with an emphasis on higher quality corporate loans and secured loans as well as wealth and private banking segments. We remain extremely vigilant on risk management and asset quality, identifying segments or businesses under stress via early detection systems and ensuring that appropriate precautionary and proactive measures are taken. The Group had also done well in digital reliability and customer centricity with improved platform availability in 2023 and steady growth in digital transactions. Similar to previous years, we made significant investments in our technology infrastructure and architecture in 2023, to ensure that our operational resiliency and stability is ahead of the market benchmark. Sustainability remains at the forefront of it all as part of the strategy to advance the ESG agenda to ensure that CIMB continues to be the industry leader in championing sustainable practices.

Some of the factors below drove the financial performance in 2023:

- The Group's revenues were 5.9% higher at RM21.01 billion compared to RM19.84 billion in 2022.

- NII contracted 3.5% YoY to RM14.63 billion despite an increase in Group gross loans. This was due to the NIM compression mainly in Malaysia, Indonesia and Thailand, driving NIM lower by 29bps YoY to 2.22% from 2.51% in 2022.
- NOII was the key driver of operating income growth in 2023, expanding 36.5% YoY to RM6.39 billion on the back of strong investment and market related income, as well as gains on non-performing loan ("NPL") sales and recoveries from Indonesia.
- Operating expenses rose 6.9% YoY to RM9.87 billion on the back of cost inflation and technology investments. The increase was within management expectations as the Group's pre-provision operating income ("PPOP") grew 5.1% YoY. Despite this, the negative JAW from the challenged NII growth brought about a marginally higher CIR of 46.9% (+40bps YoY) compared to 46.5% in 2022.
- The Group's Expected Credit Loss ("ECL") on loans, advances and financing reduced to RM1.53 billion compared to RM1.95 billion in 2022 attributed to lower provisions in Consumer and Commercial segments, as well as an improving credit environment. All asset quality indicators improved commendably during the year as the Group prioritised prudent risk management, optimised recoveries and continued portfolio de-risking. The Group's gross impaired loans ratio ("GIL") fell to 2.7% with a significantly improved Loan Loss Charge ("LLC") of 32bps compared to 51bps the year before, as well as a higher loan loss coverage of 97.0%.
- Total gross loans grew strongly by 8.3% YoY across all targeted segments and key markets. Wholesale Banking loans grew 9.5%, followed by Commercial Banking at 8.8% and Consumer Banking at 7.4%. By geography, Malaysia, Indonesia, Singapore and Thailand grew 5.3%, 8.5%, 11.0% and 4.5% respectively. Malaysia came in within the industry average, while Singapore and Thailand expanded above their local loan growth levels.
- Group deposits grew 8.1% YoY contributed by all core markets and driven by an 11.5% expansion in CASA in line with the Group's continued focus to strengthen the CASA franchise. As a result, the CASA ratio improved to 41.2% as at end-2023, comparable to levels during the COVID-19 pandemic period (41.3% as at Dec-20), when there was flushed liquidity in the system resulting in an extraordinary expansion of low cost CASA funding. Consumer and Commercial deposits grew strongly at 16.5% and 8.6% respectively, while Wholesale deposits fell marginally by 0.6% YoY. We maintained a healthy liquidity and funding position with the Loan to Deposit Ratio at 88.6%, whilst the Liquidity Coverage Ratio continues to be comfortably above 100% for all banking entities.
- With strong capital adequacy levels for all banking entities, higher dividends were proposed for the year and the Group's CET1 ratio was maintained at 14.5% as at end-2023.



**All asset quality indicators improved commendably during the year as the Group prioritised prudent risk management, optimised recoveries and continued portfolio de-risking.**

## Group CFO's Financial Performance Review

### **WHAT WERE THE GROWTH DRIVERS THAT LED TO THE STRONG FINANCIAL PERFORMANCE FOR THE YEAR?**

The Group's robust 2023 bottom-line performance was predominantly led by the solid NOII growth in treasury and markets revenues as well as foreign exchange income, coupled with lower overall provisions from prudent risk management, improved recoveries and portfolio de-risking. The strategy to focus on targeted segments and the reshaping of the portfolio have lowered the Group's risk profile and improved the asset quality. We were also able to enhance our deposit proposition across businesses and countries to better manage the headwinds on NIM.

- Businesses were focused on growing in targeted loan segments, guided by the Forward23+ strategic plan of reshaping our portfolio, whilst improving the Risk-Adjusted Return On Capital ("RAROC"). Malaysia loans grew 5.3% YoY across all divisions, particularly with the Consumer segment gaining market share in mortgages (+9.1%), auto loans (+9.4%) and credit cards (+14.0%), while Commercial and Corporate loans expanded healthily. CIMB Niaga's loan engine rewed up in 2023, growing 8.5% YoY, gaining firm ground in the Consumer (mainly mortgages and auto loans) and SME segments. CIMB Thai's gross loans grew decently by 4.5% YoY buoyed by the Consumer segment, largely from the 2-wheeler business, as the Commercial book will continue to run down following our exit in 2021. Singapore grew loans strongly at 11.0% YoY, led by Commercial (+18.6%) and Wholesale (+13.0%), while the Consumer growth of 5.9% YoY was driven by mortgages (+8.7%) and credit cards (+14.7%).

- The management and the optimisation of cost of funds was a crucial objective for 2023, considering the intense deposit price competition. We doubled down on strengthening the CASA franchise to offset the NIM compression and coupled with a comprehensive balance sheet management policy and effective optimisation of the business mix, the Group witnessed an 11.5% YoY uptick in CASA, contributed by all segments and countries, and the pressure on higher cost of funds moderated in the latter part of the year. This raised the Group's CASA ratio to 41.2%, close to the high achieved during the pandemic (2020: 41.3%).
- The robust 36.5% YoY NOII growth was achieved across the board, largely underpinned by Trading and FX income, which expanded by 78.4% YoY from increased investment and market related income driven by improved spreads, positive market movements, increased volatility and trading activity. The 104.3% YoY increase in other income was attributed to gains from planned and opportunistic NPL sales in Indonesia. More traditional fee and commission income were more subdued, recording a 2.1% growth mainly from Consumer and Investment banking.
- In spite of the 6.9% YoY escalation in operating expenses, strict cost controls were exercised and the increase was within expectations. Management ensured that the structural costs taken out between 2020-2022 were not reintroduced and closely monitored all spending over the year. As seen across all businesses around the world, inflationary factors were the principal reason for the higher costs, in addition to planned technology investments in an era where technological efficiency and resiliency are crucial. The Group utilised approximately 85% of the RM900 million planned technology capex for 2023; as part of our commitment to stakeholders to continuously improve our infrastructure reliability, as well as continue with the digitisation of the business.
- More comprehensive credit risk management practices resulted in a continued improvement in the Group's asset quality indicators over the past 2 years. We made significant strides in driving the gross impaired loans ratio lower and raising the Group's allowance coverage. This is seen in the 26.4% YoY reduction in ECL on loans, advances and financing and other provisions from a combination of lower loan provisions in Consumer and Commercial Banking and a stable credit environment. As such, the 2023 LLC improved significantly by 29bps YoY to 0.32% from 0.51% in 2022, exceeding our target for the year and appears to have settled on a steady run rate. GIL fell to 2.7% from 3.3% the year before and allowance coverage ratio increased to 97.0% from 93.1% a year ago, providing greater stability and resiliency going forward.

### **Operating Income Breakdown**

(RM'million)	2023	2022	YoY
Net interest income	14,626	15,158	(3.5%)
Non-interest income	6,388	4,680	36.5%
<b>Total</b>	<b>21,014</b>	<b>19,838</b>	<b>5.9%</b>

### **CASA ratio**



Dec 22      Mar 23      Jun 23      Sep 23      Dec 23

## **WILL CIMB CONTINUE TO BE OPTIMALLY CAPITALISED?**

The Group's capital position remains solid, with a CET1 ratio of 14.5% as at end Dec-23, unchanged compared to end Dec-22. The Group's strong capital adequacy and healthy capital position was achieved even after declaring a higher dividend payout of 55.0% and a special dividend of RM747 million. The special dividend was declared as part of the Group's capital optimisation plan. The Group's CET1 ratio has improved in recent years from the significant capital accretion driven by the Group's Forward23+ strategy of focusing on high RAROC segments. Our target CET1 ratio remains unchanged at ≥13.5% as we continue to optimally manage our capital to meet the requirements for our business growth and expectations of our stakeholders. The Group's Tier-1 and total capital ratios were also strong at 15.1% and 18.2%, respectively while the Liquidity Coverage Ratio and Net Stable Funding Ratios remains comfortably above target levels and regulatory requirement.

As part of the Forward23+ plans, the Group will explore areas for further capital optimisation in 2024 to further drive the Group's ROE. It is also noted that if the Group's CET1 ratio was at 13.5% as per the original target, the Group's ROE would have been 60bps higher than the current ROE level of 10.7%. To ensure efficient deployment of capital over the next year and optimal capital utilisation for identified growth segments and businesses across the region, the Group will maintain 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.

## **WHAT ARE THE RETURNS TO SHAREHOLDERS FOR THE YEAR?**

The Board approved and declared a higher dividend payout of 55.0% (2022: 50.5%) for 2023 with total dividends amounting to RM3.84 billion or 36.00 sen per share distributable to shareholders. The first interim dividend of 17.50 sen per share was paid in October 2023, while the second interim of 18.50 sen per share is expected to be paid by April 2024. In view of the Group's strong levels of capital, the Dividend Reinvestment Scheme has been discontinued and both interim dividends for financial year ended 31 December 2023 will be paid wholly in cash. As part of the capital optimisation plan, the Group also announced a special dividend amounting to RM747 million or 7.00 sen per share to be paid concurrently with the second interim dividend by April 2024. The declaration of the higher dividend payout and special dividend reflects the Group's continuous efforts in maintaining a healthy capital level to support growth whilst ensuring that shareholders returns are optimised.

## **HOW DID THE GROUP'S BUSINESS UNITS PERFORM IN 2023?**

- **Consumer Banking** recorded a respectable PBT growth of 8.0% YoY to RM2.98 billion in 2023 compared to RM2.76 billion in 2022, from a combination of higher NOLI and improved provisions. Operating income grew marginally at 0.8% underpinned by a higher NOLI growth from FX income and NPL sale gains in Indonesia, offset by the lower NII which was impacted by the lower NIM over the year. Operating expenses rose 6.9% YoY, resulting in a negative PPOP of 6.3% YoY. The significant decline in ECL of 38.9% YoY largely from Malaysia, translated to the higher YoY PBT.

- **Commercial Banking** performance was strong, posting a PBT of RM1.79 billion in 2023, a 22.6% increase compared to RM1.46 billion in 2022. The improved performance was underpinned by higher operating income and significantly lower provisions. Revenue was 5.1% higher from marginally higher NII of 0.9% attributed to strong loan and deposit growth of 8.8% and 8.6% YoY, respectively, as well as robust NOLI growth buoyed by higher FX income and NPL sale gains in Indonesia. Operating expenses rose 7.8% YoY bringing about a 2.6% growth in PPOP. Significantly lower provisions of 55.2% YoY from the improved asset quality in Malaysia and Indonesia, led to the robust PBT growth.

- **Wholesale Banking** sustained its performance with a 2.9% YoY PBT growth to RM3.15 billion in 2023 compared to RM3.06 billion in 2022 mainly attributed to a strong 61.9% NOLI growth from higher trading and FX income. This was partially offset by the 24.1% YoY decline in NII from higher funding costs, higher operating expenses of 4.4% and increased provisions of 27.8% from lower recoveries. Gross loans grew 9.5% YoY from all key markets while deposits were marginally lower by 0.6% due to the softer CASA in Indonesia and Thailand, as well as weaker fixed and structured deposits in Singapore.

- **CIMB Digital Assets & Group Funding's** (CDAGF) PBT improved by 33.6% YoY attributed to strong investment income, an improved CDA performance and a gain on sale of the remaining interest in CGS-CIMB. The strong NOLI income of 250.8% YoY was supplemented by an 18.7% YoY increase in NII, bringing about a 33.9% uptick in total operating income. This was offset by increased operating expenses as a result of higher partnership costs in Philippines, and higher provisions of 105.8%. The Group's digital businesses continue to grow strongly with TNG Digital reaching 15.7 million annual transacting users, a 70.7% increase YoY, and 1.3 million merchants

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as at Dec-23. CIMB Philippines broke even after four years in operation as per target and is now one of the leading digital banks in ASEAN with more than 7.4 million customers and a deposit book of RM2.09 billion, up 24.0% YoY. As a result, CDAGF PBT came in higher at RM1.63 billion compared to RM1.22 billion in 2022.

### Revenue by Segment

(RM'million)	2023	2022 BAU*	YoY
<b>Consumer Banking</b>	<b>8,766</b>	<b>8,698</b>	<b>0.8%</b>
<b>Commercial Banking</b>	<b>3,955</b>	<b>3,764</b>	<b>5.1%</b>
<b>Wholesale Banking</b>	<b>5,757</b>	<b>5,482</b>	<b>5.0%</b>
Corporate Banking	3,138	3,030	3.6%
Treasury & Markets	2,149	2,051	4.8%
Investment Banking	470	401	17.2%
<b>CIMB Digital Assets &amp; Group Funding</b>	<b>2,536</b>	<b>1,894</b>	<b>33.9%</b>
<b>Total Revenue</b>	<b>21,014</b>	<b>19,838</b>	<b>5.9%</b>

### PBT by Segment

(RM'million)	2023	2022 BAU*	YoY
<b>Consumer Banking</b>	<b>2,981</b>	<b>2,760</b>	<b>8.0%</b>
<b>Commercial Banking</b>	<b>1,785</b>	<b>1,456</b>	<b>22.6%</b>
<b>Wholesale Banking</b>	<b>3,149</b>	<b>3,059</b>	<b>2.9%</b>
Corporate Banking	1,844	1,748	5.5%
Treasury & Markets	1,262	1,297	(2.7%)
Investment Banking	43	14	207.1%
<b>CIMB Digital Assets &amp; Group Funding</b>	<b>1,626</b>	<b>1,217</b>	<b>33.6%</b>
<b>PBT</b>	<b>9,541</b>	<b>8,492</b>	<b>12.4%</b>

Note: \* Excludes RM121 million of exceptional items ("EI") encompassing: Intangible assets write-off and accelerated amortisation of RM97 million; and other EI of RM24 million

## **HOW DID THE GROUP PERFORM BY COUNTRY?**

The Group remains committed to executing the Forward23+ strategic plan in line with the Group's aspiration to be the leading focused ASEAN bank. With this, the Group scaled down its presence to 8 ASEAN countries, while still deriving benefits of the diversification efforts across with focused investments and gaining positive traction from the reshaping of our portfolio. The following section provides an overview of the Group's performance by country:



**Malaysia** continues to be the biggest profit contributor to the Group at 60% and remains focused on expanding the Consumer, Wealth, Private Banking and SME segments, as well as strengthening the CASA franchise. PBT grew 9.3% YoY from strong trading and FX income, coupled with lower provisions in the Consumer and SME portfolio. Malaysia's NIM was particularly challenging as the intense deposit competition that began in 2022 carried over into the first quarter of 2023 before moderating through the year, and ending the year with the seasonal year-end competition for deposits. As such, Malaysia NII declined even as gross loans grew by 5.3% YoY in line with industry and expectations. Deposits increased 5.5% YoY as CASA expanded by 6.5% in tandem with our strategy to grow the deposit and CASA franchise.



**Thailand** remains focused on expanding the Consumer finance segment, specifically the 4- and 2-wheeler business and wealth management, as the Commercial Banking book runs down from the exit in 2021. However, Thailand's PBT contribution declined 45.5% to RM265 million in 2023 due to the significant increase in provisions as the Bank adopted a more conservative provisioning policy, in addition to some asset quality weakness in the 4-wheel hire purchase portfolio. The lower PBT was exacerbated by a drop in operating income largely due to the weak NOLI from Consumer, as well as higher operating expenses. This was partially offset by a muted NII growth driven by gross loans growing 4.5% YoY which was partly neutralised by the contraction in NIM from higher cost of funds and lower loan yields. With this, CIMB Thai's CIR increased to 62.7% from 57.7% in 2022 from the lower NIM and Consumer wealth management income.



**Indonesia** PBT performance was strong, growing 25.8% YoY to RM2.54 billion on the back of higher NOLI from gains on sale of impaired loans, and significantly lower provisions underpinned by improvement in all asset quality metrics and portfolio mix. NII was marginally weaker as NIMs were lower by 29bps YoY at 4.40% in 2023, partially offset by strong gross loans growth of 8.5% YoY. The higher gross loans were attributed to CIMB Niaga's reshaping of its portfolio strategy and focussing to grow in targeted segments, specifically Consumer, SME and higher-quality Corporate clients. Indonesia deposits grew 3.8% YoY as CASA expanded 4.3% YoY with CIMB Niaga's priority on further entrenching the CASA franchise. Prudent cost management was evident with operating expenses marginally reducing, as CIR was relatively unchanged at 44.8% compared to 44.9% previously. For the second consecutive year, CIMB Niaga reported a record net profit.



**Singapore** performance was strong recording a 30.6% YoY increase in PBT to RM987 million in 2023 driven by growth in operating income from NIM expansion mainly driven by an enhanced consumer deposit franchise. Singapore's topline expansion was also attributed to the 11.0% YoY gross loan growth driven mainly by the SME and Corporate segment. Deposit growth was strong at 6.1% YoY, buoyed by CASA growing at 24.5%, reflecting the growing strength of Singapore's deposit franchise. Despite higher operating expenses and provisions, Singapore's much improved performance was underpinned by robust top line performance across all segments.

**Others:** Cambodia continued its positive momentum, while the Group's digital businesses in Philippines and Vietnam gained market share over the year. CIMB Philippines broke even as per target while CIMB Vietnam narrowed its losses, both contributing to the Group's PBT positively.

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### Revenue by country

(RM'million)	2023	2022	YoY
Malaysia	10,857	10,654	1.9%
Indonesia	5,561	5,504	1.0%
Thailand	1,712	1,661	3.1%
Singapore	1,983	1,483	33.7%
Other countries	901	536	68.1%
<b>Total Revenue</b>	<b>21,014</b>	<b>19,838</b>	<b>5.9%</b>

### PBT by country

(RM'million)	2023	2022 BAU	YoY
Malaysia^	5,734	5,248	9.3%
Indonesia	2,539	2,018	25.8%
Thailand	265	486	(45.5%)
Singapore*	987	756	30.6%
Other countries	16	(16)	200.0%
<b>PBT</b>	<b>9,541</b>	<b>8,492</b>	<b>12.4%</b>

Notes: BAU excludes exceptional items of: ^RM120 million and \*RM1 million

### Loans by country as at 31 December 2023



Loans Growth	YoY
Malaysia	5.3%
Indonesia^	8.5%
Thailand^	4.5%
Singapore^	11.0%
Others**	4.5%
<b>Group</b>	<b>8.3%</b>

### Deposits by country as at 31 December 2023



Deposits Growth	YoY
Malaysia	5.5%
Indonesia^	3.8%
Thailand^	8.7%
Singapore^	6.1%
Others**	22.8%
<b>Group</b>	<b>8.1%</b>

Notes: ^ In local currency

# Based on geographical location of counterparty

\*\* Including Cambodia, Vietnam and Philippines

## HOW DID THE NON-FINANCIAL ASPECTS OF BUSINESS CONTRIBUTE TO CIMB'S OVERALL PERFORMANCE AS WELL AS ITS PURPOSE?

Non-financial performance indicators enable CIMB to track and assess the broader impact and success of our business practices beyond traditional financial outcomes. These measures provide valuable insights on our role and effectiveness in areas such as environmental stewardship, social responsibility and good governance. In 2023, we measured the following non-financial indicators:



### Sustainability

Given the ample evidence pointing to a positive relationship between responsible business and a company's financial wellbeing, the traditional indicators of financial performance like ROE, can be attributed to the ability of the company to create value for multiple stakeholders beyond shareholders. CIMB recognises that financing is vital in supporting organisational growth and our critical role in closing the gap in financing sustainable development, especially in emerging markets. We continue to focus on lowering the average cost of capital for low-carbon and equitable solutions in our efforts to shape a sustainable ecosystem.

As a leading focused ASEAN bank, we are committed to mobilise capital for sustainability-focused projects and programmes and most importantly, our commitment to catalysing low-carbon and just transition. In 2023, we increased our sustainable finance commitment to RM100 billion by 2024, having achieved our earlier-raised RM60 billion target announced in 2022 well ahead of time. Since 2021, we have mobilised RM86.2 billion in sustainable financing. Impact on other forms of capital are as follows:

- **Financial Capital:** By channelling sufficient capital towards sustainable solutions, CIMB is able to tap into emerging opportunities in areas such as renewable energy, waste technologies and green transportation, amongst others. These are new strategic focus areas where CIMB can demonstrate its leadership and achieve new growth. By pivoting our portfolio towards lower-carbon exposures, we also mitigate our climate-related transition risks, which serves to reduce CIMB's credit risk in the medium term.
- **Human Capital:** By investing in employee capabilities and expertise in sustainable finance and ethical banking, we are creating a new talent pool for the industry whilst supporting our new growth objectives and focus areas.
- **Social and Relationship Capital:** Our focus on sustainable finance strengthens partnerships with regulators, policymakers, sectoral leaders and civil society to bring to market new solutions and accelerate the sustainability agenda. This commitment to sustainability also reinforces the Group's reputation, promotes financial inclusivity and minimises social disparities within our sphere of influence.
- **Natural Capital:** Our commitment to responsible banking, which is operationalised through our Sustainable Finance Policy and Sector Guides, actively contributes to mitigating climate change, preserving biodiversity and tackling various environmental challenges.



### Customer Centricity

In 2023, our focus on customer centricity was marked by a dedicated push towards digitalisation and process optimisation, with the objective of enhancing customer relationships and operational efficiency. We intensified digital transformation efforts, streamlined customer journeys, and implemented process reengineering to significantly improve customer service quality and operational excellence. As a result, our focused investments in Wealth, Transaction Banking, Islamic and various digital technologies contributed to improved customer journeys. This translated to an improved NPS in 2023, reflecting a positive momentum in terms of customer loyalty and excellence. These impacted:

- **Financial Capital:** The enhancement of customer service and experience contributes to a reduction of incidence and operational costs associated with customer complaints. In addition, it contributes to enhancing customer loyalty and brand reputation, which ultimately contributes to revenue growth.
- **Social and Relationship Capital:** Building a culture of customer excellence contributes to improved customer confidence in #teamCIMB as well as CIMB's commitment to a positive and fair customer experience.
- **Human Capital:** Our emphasis on integrating customer-centric principles within our employee development programmes promotes a culture of learning, innovation, and meaningful contribution.
- **Intellectual Capital:** The implementation of advanced processes and new policy frameworks is essential for enhancing customer experiences and improving operational efficiency. These initiatives not only improve service quality but also contribute to cost savings, demonstrating our focus on practical and impactful improvements.

# Group CFO's Financial Performance Review



## Compliance

We proactively enhanced our compliance infrastructure in 2023 in line with the escalation of the complexity of compliance challenges, particularly in IT and cybersecurity within the financial sector. This was essential to navigate the heightened regulatory expectations and as a safeguard against operational vulnerabilities inherent in the digital financial landscape.

Our targeted investments in compliance infrastructure included the deployment of a Trade Surveillance System to monitor trading activities, the establishment of a Risk Control Unit to identify and mitigate compliance risks, and the implementation of an eKYC solution to enhance customer verification processes. Additionally, the upgrading of systems enabled continuous screening of beneficiary owners' names which was critical for adhering to anti-money laundering regulations and preventing financial crimes.

### Impact on Capitals:

- **Financial Capital:** Adherence to compliance and governance safeguards the Group's financial assets by preventing costly legal and regulatory penalties.
- **Social and Relationship Capital:** Strengthening compliance frameworks underscores CIMB's dedication to integrity and responsible conduct, improving our relationship with clients, investors, and broader stakeholders.
- **Human Capital:** CIMB invests in its workforce with the provision of training on topics covering compliance and governance, elevating employees' competencies and comprehension in these critical areas.



## People and Culture

Employees are the backbone of any organisation, and #teamCIMB is essential to the Group's strategic growth and success. The integration of the EPICC culture is a key component of our transformation and over 2023. We invested in programmes and initiatives to reinforce these EPICC values, guiding employees towards embracing new ways of working and embracing a high-performance culture. Our efforts included targeted initiatives that accelerated employee wellbeing and performance. All these efforts helped us to achieve a top-quartile ranking in the regional Organizational Health Index ("OHI") survey. These positively impacted other forms of capital as follows:

- **Human Capital:** The improved OHI ranking and recognition through HR awards highlights our commitment to a strong workplace culture, positively impacting employee morale, productivity and satisfaction. This also plays a large part in attracting and retaining talent, which is crucial for the Group's long-term success.
- **Financial Capital:** Investing in our employees goes a long way in boosting productivity and efficiency, leading to innovation that contributes to the Group via improved financial outcomes, including higher revenues and profits over the longer term.

## WHAT ARE THE GROUP'S OUTLOOK AND PLANS MOVING FORWARD INTO 2024?

We approach 2024 with cautious optimism backed by sound strategies and plans to overcome or manage the many external challenges, which should translate to a better financial performance for 2024. The domestic and regional economies remain resilient, as inflationary pressure ease, consumption and investments improve and global trade recovers. Nonetheless, we expect uncertainties abound through 2024 with geopolitical tensions remaining high and exacerbated by the uncertainties on the interest rate outlook and on the ripple effects from the economic slowdown in China. We continue to keep a close watch on these economic risks as we navigate our businesses guided by the Group's strategies.

Going into the final 12 months of the 5-year Forward23+ strategic plan, we are resolute in our efforts towards achieving the end-2024 ambitions and targets. We remain steadfast in executing the strategies and initiatives, specifically in growing within our targeted segments, tightening credit risk management and maintaining strict cost controls. Efforts will continue to be put into lowering impaired loans and maintaining a high level of loan loss coverage via prudent risk management and asset quality monitoring. With expectations of the NIM environment remaining challenging, the Group intends to emphasise NIM and balance sheet management as well as continuing to strengthen our CASA and deposit franchise. In these times of escalating costs, we are watchful on our operating expenses without sacrificing much-needed investments to improve our technological and operational resiliency and digital capabilities.

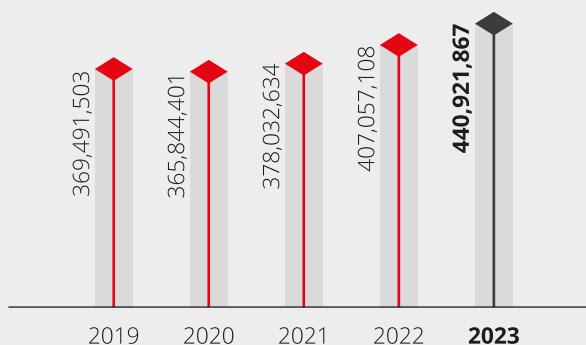
The financial targets for 2024 comprise of an ROE of between 11.0-11.5%, total loan growth of between 5-7%, CIR of below 46.9% and an LLC of between 30-40bps. We expect to maintain our CET1 ratio at or above 13.5% and maintaining the dividend payout ratio of between 40-60%, with a guidance of 55%. The ROE and CIR guidance will likely fall short of the Forward23+ targets originally set in 2020 (ROE of 11.5-12.5% and CIR of ≤45%) largely due to the higher accumulated capital as well as the negative impact on NII from compressed NIM arising from the challenging cost of deposit environment. We aim to navigate this more efficiently in 2024 and have put in place plans to prioritise NIM and capital management. With this, we believe the Group has created a solid platform under the Forward23+ strategy to further propel CIMB to greater heights and we look forward to achieving it together with you, our esteemed stakeholders.

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

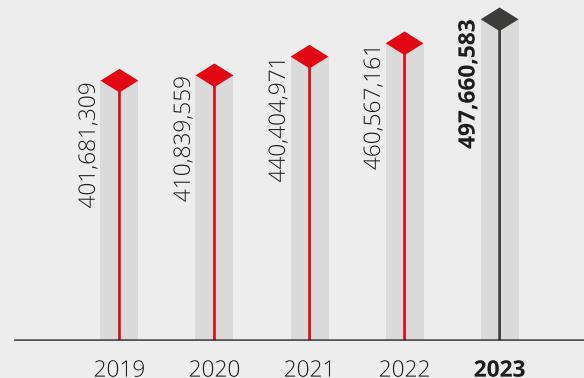
<b>The Group</b>	<b>2023</b>				<b>2022</b>			
	<b>Revenue RM'000</b>	<b>PBT RM'000</b>	<b>Current year tax RM'000</b>	<b>Taxation paid RM'000</b>	<b>Revenue RM'000</b>	<b>PBT RM'000</b>	<b>Current year tax RM'000</b>	<b>Taxation paid RM'000</b>
Malaysia	10,857,003	5,733,680	(1,738,923)	(1,591,264)	10,653,686	5,128,345	(2,119,091)	(1,733,043)
Indonesia	5,560,720	2,538,857	(455,700)	(497,700)	5,504,369	2,017,875	(490,169)	(504,730)
Thailand	1,711,823	265,076	(58,218)	(41,648)	1,660,704	486,231	(141,157)	(199,478)
Singapore	1,983,333	986,829	(143,196)	(33,389)	1,482,721	754,985	(26,099)	-
Other countries	901,603	16,289	(30,323)	(45,737)	536,036	(16,426)	(37,558)	(37,139)
	<b>21,014,482</b>	<b>9,540,731</b>	<b>(2,426,360)</b>	<b>(2,209,737)</b>	<b>19,837,516</b>	<b>8,371,010</b>	<b>(2,814,074)</b>	<b>(2,474,389)</b>

# 5-Year Group Financial Highlights

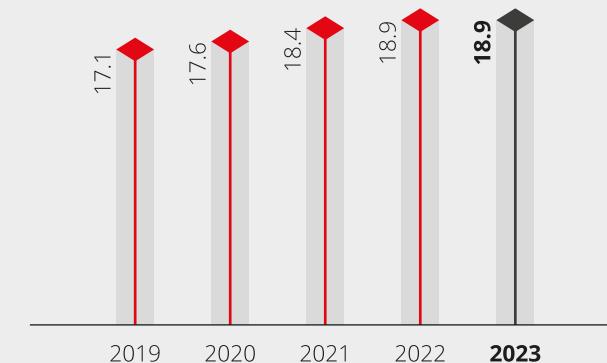
**GROSS LOANS, ADVANCES AND FINANCING**  
(RM'000)



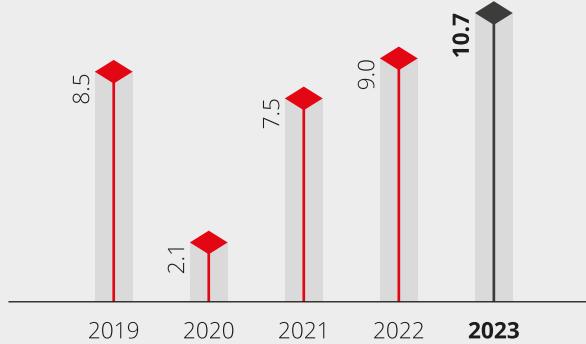
**DEPOSITS FROM CUSTOMERS<sup>1</sup>**  
(RM'000)



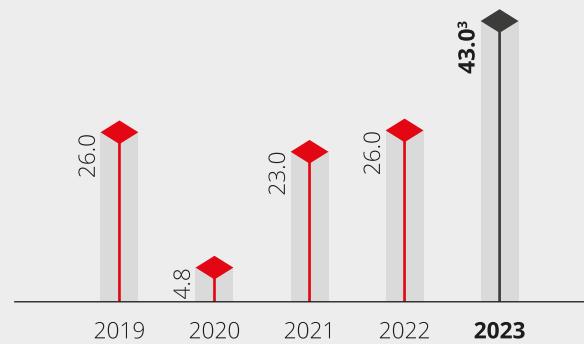
**TOTAL CAPITAL RATIO<sup>2</sup>**  
(%)



**ROE**  
(%)



**DIVIDEND PER SHARE**  
(Sen)



<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> Includes proposed single-tier special dividend of 7.00 sen per ordinary share in respect of the financial year ended 31 December 2023.

# 5-Year Group Financial Summary

Key Highlights	Financial Year Ended 31 December				
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
<b>Consolidated Statement of Income</b>					
Net income <sup>5</sup>	<b>21,014,482</b>	19,837,516	19,512,940	16,987,379	17,539,165
Overheads <sup>5</sup>	<b>9,865,076</b>	9,345,507	9,418,949	8,775,170	9,616,191
Profit before expected credit losses	<b>11,149,406</b>	10,492,009	10,093,991	8,212,209	7,922,974
Expected credit losses on loans, advances and financing	<b>1,534,446</b>	1,952,725	2,613,587	5,342,209	1,638,785
Profit before taxation and zakat	<b>9,540,731</b>	8,371,010	5,789,478	1,530,329	5,974,840
Net profit for the financial year	<b>6,980,962</b>	5,439,863	4,295,334	1,194,424	4,559,656
<b>Consolidated Statement of Financial Position</b>					
Gross loans, advances and financing	<b>440,921,867</b>	407,057,108	378,032,634	365,844,401	369,491,503
Total assets	<b>733,572,152</b>	666,721,225	621,907,058	602,354,899	573,245,655
Deposits from customers <sup>1</sup>	<b>497,660,583</b>	460,567,161	440,404,971	410,839,559	401,681,309
Total liabilities	<b>663,733,261</b>	602,937,372	561,798,310	545,180,777	515,776,579
Shareholders' funds	<b>68,326,961</b>	62,491,206	58,863,263	55,925,641	56,237,171
Commitments and contingencies	<b>1,662,078,807</b>	1,371,423,297	1,213,155,193	1,123,995,768	1,146,023,486
<b>Financial Ratios (%)</b>					
Common equity tier 1 ratio <sup>2</sup>	<b>15.3</b>	14.9	14.6	13.3	13.3
Tier 1 ratio <sup>2</sup>	<b>15.9</b>	15.8	15.5	14.6	14.4
Total capital ratio <sup>2</sup>	<b>18.9</b>	18.9	18.4	17.6	17.1
Return on average equity	<b>10.7</b>	9.0	7.5	2.1	8.5
Return on average total assets	<b>1.00</b>	0.84	0.70	0.20	0.82
Net interest margin <sup>5</sup>	<b>2.22</b>	2.51	2.45	2.27	2.41
Cost to income ratio <sup>5</sup>	<b>46.9</b>	47.1	48.3	51.7	54.8
Gross impaired loans to gross loans	<b>2.7</b>	3.3	3.5	3.6	3.1
Allowance coverage ratio	<b>97.0</b>	93.1	100.2	91.6	80.7
Loan loss charge	<b>0.32</b>	0.51	0.73	1.51	0.45
Loan deposit ratio	<b>88.6</b>	88.4	85.8	89.0	92.0
Net tangible assets per share (RM)	<b>5.62</b>	5.09	4.95	4.65	4.70
Book value per share (RM)	<b>6.41</b>	5.86	5.76	5.64	5.67
CASA ratio	<b>41.2</b>	39.9	42.5	41.3	34.4
<b>Other Information</b>					
Earnings per share (sen)					
– basic	<b>65.5</b>	52.2	42.9	12.0	47.0
Dividend per share (sen)	<b>43.0<sup>6</sup></b>	26.0	23.0	4.8	26.0
Dividend payout ratio (%)	<b>66<sup>6</sup></b>	51	50	40	56
Number of shares in issue ('000) <sup>3</sup>	<b>10,665,102</b>	10,665,102	10,221,452	9,922,966	9,922,966
Weighted average number of shares in issue ('000)	<b>10,665,102</b>	10,425,806	10,022,287	9,922,966	9,705,987
<b>Non-Financial Highlights</b>					
Share price at year-end (RM)	<b>5.85</b>	5.80	5.45	4.30	5.15
Number of employees <sup>4</sup>	<b>33,632</b>	32,696	33,265	34,183	35,265

<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.

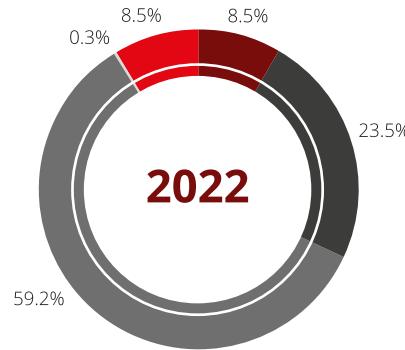
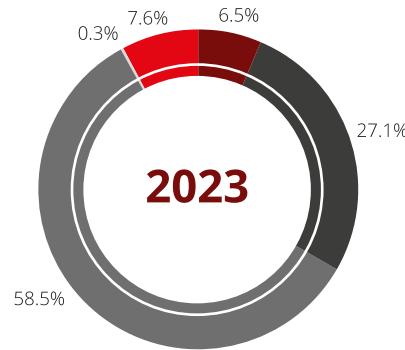
<sup>4</sup> Excludes headcount borne by third parties.

<sup>5</sup> 2019-2020 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.

<sup>6</sup> Includes proposed single-tier special dividend of 7.00 sen per ordinary share in respect of the financial year ended 31 December 2023.

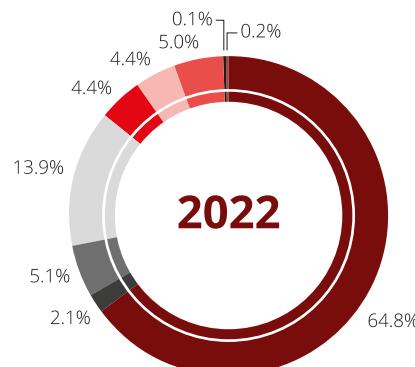
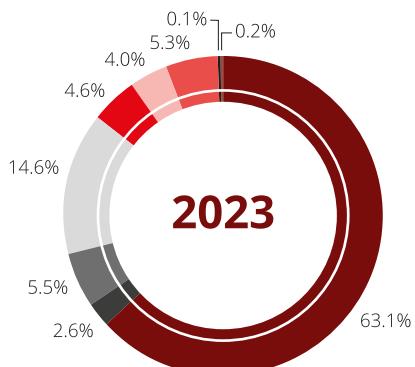
# Simplified Statements of Financial Position

## ASSETS



- 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)

## EQUITY AND LIABILITIES



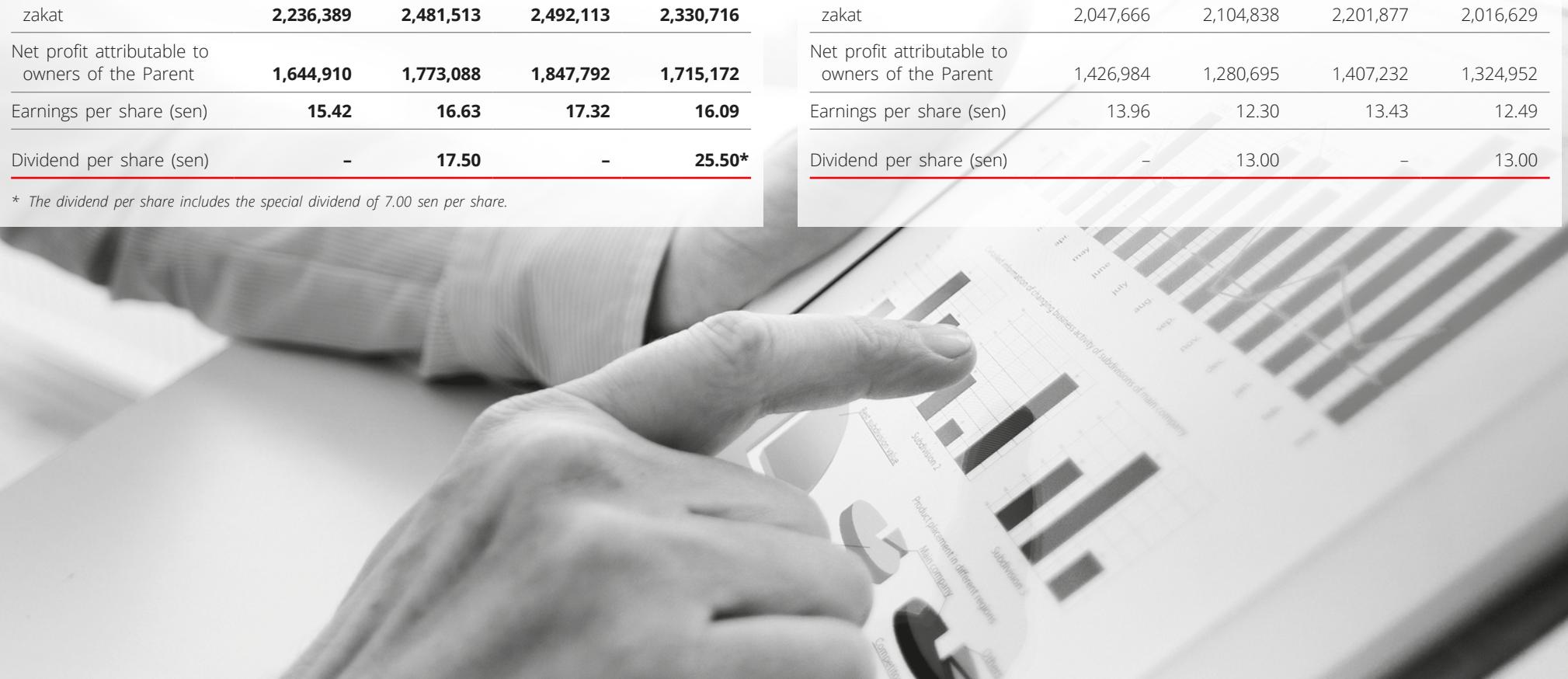
- Deposits from customers
- Investment accounts of customers
- Deposits and placements of banks and other financial institutions
- Bills and acceptances payable and other liabilities
- Debt securities issued and other borrowed funds
- Ordinary share capital
- Reserves
- Perpetual preference shares
-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

# Quarterly Financial Performance

RM'000	2023			
	Q1	Q2	Q3	Q4
Net income	<b>4,997,245</b>	<b>5,333,953</b>	<b>5,308,056</b>	<b>5,375,228</b>
Net interest income (after modification loss)	<b>2,713,621</b>	<b>2,756,227</b>	<b>2,840,561</b>	<b>2,773,297</b>
Net non-interest income and income from Islamic banking operation	<b>2,283,624</b>	<b>2,577,726</b>	<b>2,467,495</b>	<b>2,601,931</b>
Overheads	<b>(2,343,515)</b>	<b>(2,405,067)</b>	<b>(2,491,764)</b>	<b>(2,624,730)</b>
Profit before taxation and zakat	<b>2,236,389</b>	<b>2,481,513</b>	<b>2,492,113</b>	<b>2,330,716</b>
Net profit attributable to owners of the Parent	<b>1,644,910</b>	<b>1,773,088</b>	<b>1,847,792</b>	<b>1,715,172</b>
Earnings per share (sen)	<b>15.42</b>	<b>16.63</b>	<b>17.32</b>	<b>16.09</b>
Dividend per share (sen)	-	<b>17.50</b>	-	<b>25.50*</b>

\* The dividend per share includes the special dividend of 7.00 sen per share.

RM'000	2022			
	Q1	Q2	Q3	Q4
Net income	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



# Key Interest Bearing Assets and Liabilities

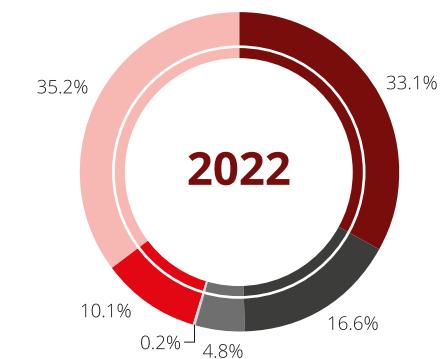
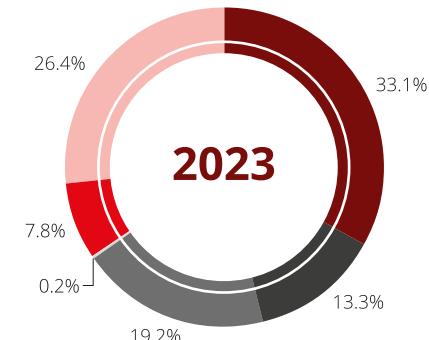
	Financial Year Ended 31 December 2023			Financial Year Ended 31 December 2022			
	As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million		As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million
<b>Interest earning assets:</b>							
Cash and short-term funds & deposits and placements with banks and other financial institutions	<b>37,980</b>	<b>3.63</b>	<b>1,757</b>	Cash and short-term funds & deposits and placements with banks and other financial institutions	47,105	2.23	1,093
Total securities <sup>1</sup>	<b>198,538</b>	<b>3.91</b>	<b>7,111</b>	Total securities <sup>1</sup>	156,109	3.23	5,091
Loans, advances and financing	<b>429,450</b>	<b>5.81</b>	<b>24,036</b>	Loans, advances and financing	394,557	4.81	18,430
<b>Interest bearing liabilities:</b>							
Total deposits <sup>2</sup>	<b>541,166</b>	<b>2.96</b>	<b>15,581</b>	Total deposits <sup>2</sup>	497,929	1.65	8,066
Bonds, Sukuk, debentures and other borrowings	<b>22,620</b>	<b>5.23</b>	<b>1,013</b>	Bonds, Sukuk, debentures and other borrowings	18,183	3.16	590
Subordinated obligations	<b>11,134</b>	<b>4.51</b>	<b>497</b>	Subordinated obligations	11,015	3.86	408

<sup>1</sup> Total securities include financial investments at fair value through profit or loss, debt instruments at fair value through other comprehensive income and debt instruments at amortised cost

<sup>2</sup> 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

	2023 RM'000	2022 RM'000
<b>Value Added</b>		
Net interest income (before modification loss)	<b>11,087,453</b>	11,622,921
Modification (loss)/gain	<b>(3,747)</b>	6,707
Net interest income (after modification loss)	<b>11,083,706</b>	11,629,628
Income from Islamic banking operations	<b>4,260,336</b>	3,999,849
Net non-interest income	<b>5,670,440</b>	4,208,039
Overheads excluding personnel costs, depreciation and amortisation, and payments to community and suppliers/vendors	<b>(1,489,639)</b>	(959,814)
Expected credit losses on loans, advances and financing	<b>(1,534,446)</b>	(1,952,725)
Expected credit losses written back/(made) for commitments and contingencies	<b>174,921</b>	(30,756)
Other expected credit losses and impairment allowances made	<b>(231,928)</b>	(177,757)
Share of results of joint ventures	<b>(58,914)</b>	(26,022)
Share of results of associates	<b>41,692</b>	66,261
<b>Value added available for distribution</b>	<b>17,916,168</b>	16,756,703
<b>Distribution of Value Added</b>		
<b>To employees:</b>		
Personnel costs	<b>5,935,888</b>	5,539,404
<b>To the Government:</b>		
Taxation and zakat	<b>2,378,636</b>	2,778,079
<b>To providers of capital:</b>		
Cash dividends paid to shareholders	<b>3,252,856</b>	649,579
Non-controlling interests	<b>181,133</b>	153,068
<b>To the community<sup>1</sup>:</b>		
Community investments	<b>32,900</b>	34,000
<b>To the suppliers/vendors<sup>2</sup>:</b>		
Suppliers/Vendors	<b>1,400,000</b>	1,700,000
<b>To reinvest to the Group:</b>		
Dividend reinvestment plan	<b>-</b>	1,994,866
Depreciation and amortisation	<b>1,006,649</b>	1,112,289
Retained earnings	<b>3,728,106</b>	2,795,418
<b>Value added available for distribution</b>	<b>17,916,168</b>	16,756,703



- To employees
- To the Government
- To providers of capital
- To the community<sup>1</sup>
- To the suppliers/vendors<sup>2</sup>
- To reinvest to the Group

1. 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 2021, 2020 and 2019 were RM28.7 million, RM29.3 million and RM45.8 million respectively.

2. Suppliers/Vendors include payment made towards products or services or investments in any supplier education or development programmes. Payments made to suppliers/vendors in 2021, 2020 and 2019 were RM1,900.0 million, RM1,200.0 million and RM945.0 million respectively.



The Group and its banking subsidiaries have always maintained a set of internal capital ratios that are above the minimum regulatory capital requirements. The following table shows the relevant capital ratios of each of the regulated banking entities of the Group.

<b>Capital Ratios</b>	<b>Common Equity</b>		<b>Total Capital As at 31 December 2023</b>
	<b>Tier 1 Capital As at 31 December 2023</b>	<b>Tier 1 Capital As at 31 December 2023</b>	
CIMB Group	<b>14.511%</b>	<b>15.126%</b>	<b>18.178%</b>
CIMB Bank	<b>14.695%</b>	<b>15.136%</b>	<b>19.015%</b>
CIMB Islamic	<b>12.996%</b>	<b>13.522%</b>	<b>15.545%</b>
CIMB Investment Bank Group	<b>98.955%</b>	<b>98.955%</b>	<b>98.955%</b>
CIMB Niaga	<b>22.394%</b>	<b>22.394%</b>	<b>23.527%</b>
CIMB Thai	<b>15.255%</b>	<b>15.255%</b>	<b>20.876%</b>

The Group also monitors the leverage ratio which stood at 7.09% as at the financial year ended 31 December 2023. The leverage ratio is computed by dividing the Tier 1 capital of RM54.99 billion with Total Exposures\*\* of RM775.50 billion. For reference, the leverage ratio for financial year ended 31 December 2022 was 7.26%, based on Tier 1 capital of RM51.12 billion with Total Exposures\*\* of RM704.58 billion.

\*\* Total Exposures computed in line with BNM Basel III Leverage ratio guideline.

## KEY INITIATIVES

Our goal is to continuously maintain a sustainable and robust capital position, whilst optimising its use fully 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 2023 calendar year include:

- (1) CIMB Group redeemed RM0.7 billion Basel III Tier 2 Subordinated Debt and RM1.0 billion Basel III AT1 Capital Securities.
- (2) CIMB Group issued RM1.3 billion Basel III Tier 2 Sustainability Sukuk Wakalah. It also issued RM0.4 billion Basel III Additional Tier 1 Sustainability Sukuk Wakalah.
- (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 2023, the Board had declared a first interim dividend of 17.50 sen per ordinary share, a second interim dividend of 18.50 sen per ordinary share and a special dividend of 7.00 sen per ordinary share equivalent to RM747 million, bringing total FY23 dividend to a record of 43.00 sen per ordinary share equivalent to RM4.59 billion. The dividends declared for the financial year ended 31 December 2023 are all paid in cash.

## 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. The DRS was not made applicable to all dividends declared for the financial year ended 31 December 2023 as the Group continues its efforts to manage and optimise its capital proactively as well as meeting its stakeholders' expectations.



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

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

\*\*\* Payout ratio excluding special dividend.

\*\*\*\* Payout ratio including special dividend.

# Credit Ratings

## CIMB BANK BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook	Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	June 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	RAM Rating Services Berhad (RAM)	August 2023	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 billion Senior Sukuk Wakalah Programme 7. RM15 billion Tier-2 Subordinated Sukuk Wakalah Programme 8. RM15 billion Additional Tier-1 Sukuk Wakalah Programme	AAA P1 AA <sub>2</sub> A <sub>1</sub> AAA AA <sub>1</sub> AA <sub>2</sub> A <sub>1</sub>	Stable
Standard & Poor's Ratings Services (S&P)	November 2023	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	Malaysian Rating Corporation Berhad (MARC)	September 2023	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Tier 2 Basel III Subordinated Debt Programme	AAA MARC-1 AA+	Stable

## CIMB GROUP HOLDINGS BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	June 2023	1. Long-term Issuer Rating 2. Short-term Issuer Rating	Baa1 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2023	1. Long-term Corporate Credit Rating 2. Short-term Corporate Credit Rating 3. RM6.0 billion Conventional and Islamic Medium-term Notes Programme 4. RM10.0 billion Additional Tier-1 Capital Securities Programme 5. RM15 billion Senior Sukuk Wakalah Programme 6. RM15 billion Tier-2 Subordinated Sukuk Wakalah Programme 7. RM15 billion Additional Tier-1 Sukuk Wakalah Programme 8. Proposed RM3 billion Conventional Commercial Papers Programme	AA <sub>1</sub> P1 AA <sub>1</sub> A <sub>1</sub> AA <sub>1</sub> AA <sub>2</sub> A <sub>1</sub> P1	Stable

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Malaysian Rating Corporation Berhad (MARC)	September 2023	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

## Credit Ratings

### CIMB INVESTMENT BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	June 2023	1. Long-term Issuer Rating 2. Short-term Issuer Rating	A3 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2023	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)	June 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	A3 P-2 A3 P-2	Stable
RAM Rating Services Berhad (RAM)	August 2023	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)	September 2023	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**

<b>Rating Agency</b>	<b>Rating Date</b>	<b>Rating Classification</b>	<b>Rating Accorded</b>	<b>Outlook</b>
Moody's Investors Service (Moody's)	June 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	Positive
RAM Rating Services Berhad (RAM)	August 2023	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	August 2023	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**

<b>Rating Agency</b>	<b>Rating Date</b>	<b>Rating Classification</b>	<b>Rating Accorded</b>	<b>Outlook</b>
Moody's Investors Service (Moody's)	June 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	Positive
Pefindo	September 2023	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 considering 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.

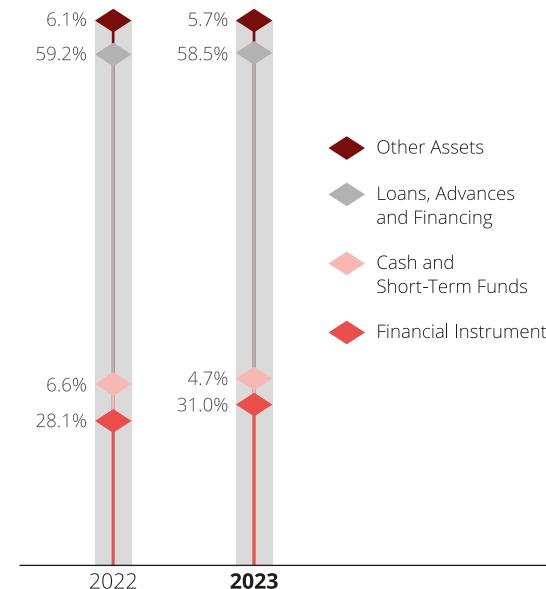
Balance Sheet Management team is responsible for implementation of the Standardised Base Rate (SBR) which replaced Base Rate (BR) as the new reference rate for retail floating-rate loans and financing for individuals from 1 August 2022. SBR is set at the prevailing Overnight Policy Rate (OPR). SBR is 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 growth of 8.0% in 2023 as CASA and Fixed Deposit grew YoY. Loans, advances, and financing grew by 8.3% in 2023, however the Net Interest Margin contracted YoY mainly due to market competition resulting in higher costs of deposits.

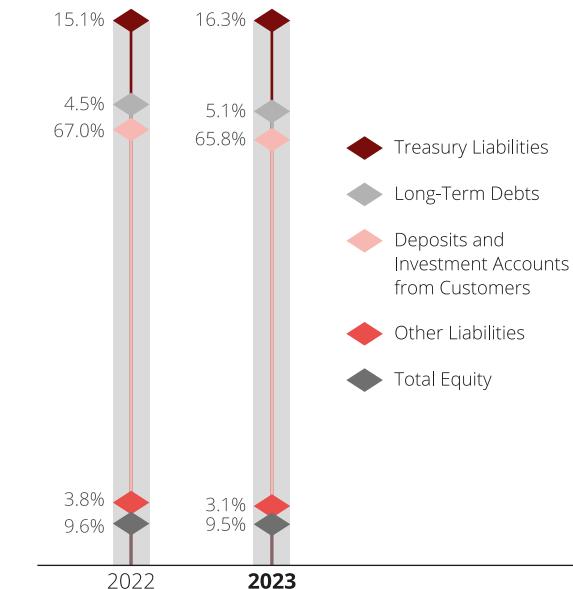
## LCR

The Group maintained a healthy and stable level of liquid assets, reflected by a Bank Global Liquidity Coverage Ratio (LCR) of 138% and Bank Islamic LCR of 149% as at 31 December 2023, which is well above the minimum requirement of 100%. The bank also observes its level of liquidity using indicators such as loans-to-funding (LTF) which includes debt issuances in addition to deposits and loan-to-fund-and-equity (LTTE) which expands the measure with the inclusion of equity. The measure for LTF and LTTE for the Group as at 31 December 2023 remains healthy at 83% and 73% respectively. The Group also tracks the Net Stable Funding Ratio (NSFR) and ensures sufficient growth of high-quality liquid assets as well as sticky deposits to maintain a sustainable liquidity buffer to support assets growth.

### Assets



### Liabilities and Equity



# Investor Relations

**CIMB Group navigated 2023 cautiously in a year fraught with the greatest volatility and uncertainty since the pandemic. The positive reaction from the investment community to this measured approach was reflected in the foreign shareholding remaining high and with the share price achieving all-time high levels. The Group's Investor Relations initiative revved into full gear over the year as we bridged the gap with investors at home in Malaysia as well as across the major global financial centers, in addition to two Investor Days for CIMB Digital Assets and Sustainability. We pursued and fulfilled our objective to consistently update the investment community on all pertinent financial and non-financial matters either by businesses or countries, while ensuring that the Forward23+ plan underlines the overall strategic direction. Despite multiple challenges over the 12-month period, the Group was able to meet and exceed all but one of the 2023 financial targets, even after upgrading selected guidance post the 1H23 financial results.**

2023 witnessed greater geopolitical polarity across the globe which coupled with economic and market volatility, transpired to fuel markets with uncertainty over the 12 month period. Emergence of new conflicts and tensions in the Middle East added to the 3-year Russia-Ukraine war, further complicating the already disrupted global supply chain which was exacerbated by China's structural slowdown. Global central banks collectively halted interest rate hikes by mid-year as runaway inflation was finally reined in, while stronger-than-expected macroeconomic data suggests possible fiscal easing going into 2024. ASEAN was fairly subdued in terms of developments which presented a more conducive and stable operating environment, albeit with an eye on the Indonesia elections in early 2024 and the potential follow through effects from the deceleration in China. The Investor Relations team clearly communicated the Group's strategies to manage these challenges transparently and realistically, which we believe was appreciated by the investment community.

The Group stayed true to the objective of strengthening operational resiliency and digital reliability through the year, whilst continuing to champion the Sustainability agenda for the Malaysian banking industry with the focus of creating value for a broader set of stakeholders by further raising the sustainable financing target for GSSIPS to RM100 billion from RM60 billion. From a corporate development perspective, the Group completed the sale of its remaining 25% interest in the stockbroking entity CGS-CIMB on the final business day of 2023. We saw several senior management changes with the appointment of Gurdeep Singh Sidhu as Group Chief Operating & People Officer, Novan Amirudin as CEO of CIMB Investment Bank as well as the appointments of Lawrence Loh and Ahmad Shazli Kamarulzaman as co-CEOs of Group Commercial and Transaction Banking. These represented some of the variety of financial and non-financial matters that the Investor Relations team addressed from the investment community.

Undoubtedly, investors and stakeholders place greatest emphasis on financial information and performance. CIMB Group adheres strictly to the principle of ensuring all stakeholders are accorded equal access to information as timely and transparently as possible, and where appropriate, matters are addressed directly by senior management. Through the year, management actively updated the investment community on the strategic direction of the Group, business lines and country performances. The pertinent topic for the year was mainly the state of deposit price competition in the key operating countries, which had an adverse impact on industry NIM, and how the Group dealt with this challenge via strengthening of its deposit and CASA franchise. Other relevant issues included; i) cost management and the impact on CIR, ii) the sustainability of the Group's improved asset quality and steps taken to ensure its stability, iii) capital management and the prescribed level of comfort for CET, iv) capital optimisation strategies and the ability to increase dividend payout, v) strategies to improve CIMB Niaga's contribution to the Group, and vi) direction and updates on key Forward23+ developments towards achieving the targeted ROE.

Understanding investors' needs and wants is essential for a successful Investor Relations initiative. The team ensured that all queries and concerns were addressed as timely and comprehensively as possible, whilst providing maximum access for external stakeholders to CIMB Group's senior management via the facilitation of one-on-one meetings, teleconferences, non-deal roadshows and investor conferences. Both the Group CFO Khairul Rifaie and Group CEO Dato' Abdul Rahman Ahmad led the engagements and were aided by other members of senior management, namely Ibu Lani Darmawan (President Director and CEO of CIMB Niaga), Effendy Shahul Hamid (CEO Group Consumer & Digital Banking), Lee Kai Kwong (CFO CIMB Niaga) and Luanne Sieh (Group Chief Sustainability Officer).

# Investor Relations



*The CEO of Group Consumer and Digital Banking, Effendy Shahul Hamid, presenting at the CIMB Digital Assets Investor Day*

In October 2023, the Group hosted the CIMB Digital Assets Investor Day to bring forth a comprehensive overview of the Group's strategies with regards to the operations of the Touch 'n Go Group (including Touch 'n Go Digital), CIMB Philippines and CIMB Vietnam. The Investor Day was led by the CEO of Group Consumer & Digital Banking, Effendy Shahul Hamid and the Group CFO, supported by the CEOs of CIMB Philippines and TnG Digital, who shone the spotlight on up-and-coming businesses which have the potential to be growth drivers for the Group. The hybrid event was well attended and received positive feedback. In September 2023, we conducted the annual Sustainability Investor Day in conjunction with The Cooler Earth Summit. The Group Chief Sustainability Officer, Luanne Sieh held court in providing exciting updates on the Group's progress and initiatives.

## SIGNIFICANT EVENTS:

Date	Event	
16 June 2023	CIMB Group appoints Novan Amirudin as CEO of CIMB Investment Bank	Bursa Announcement
23 June 2023	CIMB Group appoints Gurdip Singh Sidhu as Group Chief Operating & People Officer	Bursa Announcement
4 September 2023	CIMB Group appoints Lawrence Loh and Ahmad Shazli Kamarulzaman as Co-CEOs of Group Commercial and Transaction Banking	News
29 December 2023	CIMB completes divestment of remaining 25% interest in CGS-CIMB	Bursa Announcement

## ANALYST BRIEFINGS

The customary quarterly financial results analyst and investor briefings were led by the Group CEO and Group CFO, where the financial performance for each quarter were presented, as well as progress updates on the Forward23+ strategy. All briefings were conducted virtually and continued to receive strong involvement from both domestic and regional equity and debt analysts and fund managers with active Q&A sessions.

The Investor Relations team is committed to greater disclosure, transparency and stakeholder inclusiveness by ensuring that Financial Statements and press releases are uploaded to Bursa Malaysia within the stipulated dates and times. Additionally, relevant documents are shared with internal and external stakeholders via email. These documents, together with the recording of the investor briefings are made available on the Group's Investor Relations webpage in a timely manner. The



*The Group CEO and CFO at the 4Q23 results briefing*



*Ms. Luanne Sieh (Group Chief Sustainability Officer), Ms. Teoh Su Yin (Independent Director of CIMB Group and Chairperson of the Group Sustainability and Governance Committee) and Ms. Tania Davina Yoganathan (Head of Sustainability Malaysia) at the Sustainability Investor Day 2023*

Group continues to host press conferences for the announcement of the half- and full-year financial results. The Group CEO and CFO present 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.

### **ANNOUNCEMENT OF FINANCIAL RESULTS:**

Date	Event	Type of Meeting
31 May 2023	CIMB Group 1Q23 Results	Conference Call
30 August 2023	CIMB Group 2Q23 Results	Conference Call
30 November 2023	CIMB Group 3Q23 Results	Conference Call
29 February 2024	CIMB Group 4Q23 Results	Conference Call

### **AGM/EGM**

The Group held its 66th Annual General Meeting (AGM) on 13 April 2023 at its corporate headquarters in Menara CIMB, and was conducted virtually for the fourth consecutive year. Although COVID-19 restrictions had eased, several non-Malaysian members of the Board of Directors were unable to travel and had to participate virtually. Likewise, the decision was made to conduct a full-virtual AGM for the safety and wellbeing of our shareholders.

Dato' Abdul Rahman Ahmad addressed shareholders in a more upbeat tone than the previous years in view of the much improved Group revenues, robust loan growth, the recovery of deposit growth most notably CASA, the tight cost management measures and the lowering of loan provisions. These factors led to the improved Group profitability and ROE in 2022 as well as capital levels. Further, the Group CEO elaborated on the progress of the various Forward23+ programmes, which laid firm foundation towards achieving the Group's 2024 targets. Dato' Abdul Rahman painted a cautiously optimistic picture for 2023, with particular emphasis on the escalating geopolitical conflicts globally, sustained disruptions in major economies and the intensifying deposit competition.

The 66th AGM was as interactive as previous years, as the virtual Q&A session tackled a variety of pre-submitted and "live" questions, feedback and opinions, which were answered by the Group CEO, CFO and members of the Board. Dato' Abdul Rahman also addressed a list of official questions from the Minority Shareholders Watch Group (MSWG) and Permodalan Nasional Berhad (PNB). The shareholders' topics focused on asset quality, Forward23+ initiatives and strategic direction, operational issues in Malaysia as well as Sustainability matters.



*The Board of Directors addressing shareholders at the 66th AGM*

### **INVESTOR MEETINGS**

2023 saw a gradual return of in-person investor meetings as foreign investors increased visits to regional corporates. The opportunity to host institutional investors in our meeting rooms which laid idle since the pandemic was pleasant and welcomed. Face-to-face interactions are crucial for the Investor Relations function to facilitate direct engagement with senior management. The Group intensified participation in non-deal roadshows and investor conferences across the main financial centers globally, with both the Group CEO and CFO reaching out to investors in their home countries. It was the first opportunity for many investors to meet and speak to Dato' Abdul Rahman personally and the ability to engage directly on various internal and external issues strengthens relationships and builds trust.

In 2023, the Group held 88 investor meetings, a significant increase from the 71 meetings in 2022. This included 13 in-house meetings and 21 teleconference and virtual calls. The number of sell- and buy-side analysts and fund managers met were slightly lower at 447 for the year compared to 490 in 2022, mainly due to the Group conducting higher quality one-on-one, face-to-face meetings and smaller group meetings. With free movement and travel, the investment community is striking a better balance between virtual calls for ease of logistics and convenience, and face-to-face interactions for the better quality discussions.

## Investor Relations

CIMB Niaga maintained the same number of investor meetings (29) in 2023, in light of the interest in ASEAN & Indonesian financial institutions from the favourable economic developments. CIMB Niaga saw an increase in the number of investors met in 2022, as investors favour the face-to-face investor engagement.

As per previous years, the Investor Relations team hosted eight virtual meetings with the domestic buy- and sell-side before each quarterly closed period to keep investors updated on latest progress updates. This is an addition to the four regular quarterly financial announcement briefings, the recordings of which are permanently accessible on the Group's Investor Relations webpage.

### NO. OF MEETINGS/NO. OF FUND MANAGERS AND ANALYSTS

#### CIMB Group

	2022		2023	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house meetings	12	27	<b>13</b>	<b>36</b>
Conferences	13	155	<b>15</b>	<b>68</b>
Non-deal roadshows	23	50	<b>39</b>	<b>79</b>
Teleconferences	23	258	<b>21</b>	<b>264</b>
<b>Total</b>	<b>71</b>	<b>490</b>	<b>88</b>	<b>447</b>

#### CIMB Niaga

	2022		2023	
	Meetings	FM/Analysts	Meetings	FM/Analysts
In-house meetings	29	97	<b>29</b>	<b>104</b>
<b>Total</b>	<b>29</b>	<b>97</b>	<b>29</b>	<b>104</b>

### CONFERENCES AND ROADSHOWS

The Group actively attended investor conferences and conducted non-deal roadshows (NDRs) physically in 2023, both regionally and globally. One of the principal responsibilities of the Investor Relations division is to ensure that existing and potential strategic institutional investors are accorded face time with members of senior management to discuss latest developments, listen to updates on strategic direction and business trends and to pose questions directly without fear or favour. The Group CEO and CFO travelled to and met numerous investors in Singapore, Hong Kong, London, the United States of America and several financial centers in Europe to personally update on the Forward23+ plan, discuss the financial performance and engage on various topics affecting the global financial sector. We also participated in several virtual conferences, which remained an option during the year.

We increased our direct engagement efforts and participated in 4 conferences and 4 NDRs in 2023, comprising a total of 54 investor meetings (15 meetings in conferences and 39 meetings in NDRs) and meeting 147 buy- and sell-side institutional participants. This was a significant increase in the number of meetings compared to the previous year. The Investor Relations team continues to utilise shareholder analysis tools and services to target the right investors and maximise management's time utility.

## CONFERENCES AND ROADSHOWS

Date	Event	Location	Organiser
6 January 2023	CGS-CIMB 15th Annual Malaysia Virtual Corporate Day	Kuala Lumpur	CGS-CIMB
8 March 2023	Non-Deal Roadshow	Singapore	UBS
9-10 March 2023	19th Annual CITIC CLSA ASEAN Forum	Bangkok	CLSA
20-21 March 2023	Credit Suisse 26th Asian Investment Conference	Hong Kong	Credit Suisse
6 June 2023	Macquarie ASEAN Banks Tour	Kuala Lumpur	Macquarie
12 September 2023	CIMB ESG Corporate Day 2023	Kuala Lumpur	CIMB
11-13 September 2023	Non-Deal Roadshow	London	UBS
14 September 2023	Non-Deal Roadshow	Paris	UBS
18-19 September 2023	Non-Deal Roadshow	Boston, Des Moines	UBS
9-10 October 2023	Non-Deal Roadshow	Singapore	JP Morgan
18-20 October 2023	Non-Deal Roadshow	Hong Kong	Citi
31 October 2023	CIMB Group Digital Assets Investor Day 2023	Kuala Lumpur	CIMB

## RESEARCH COVERAGE

As the third largest company by market capitalisation on Bursa Malaysia as at end-2023 and a core component of the FBMKLCI Index, CIMB Group's blue chip status ensures strong coverage by the investment community. Additionally, the Group remains the second largest financial institution in Malaysia by assets and the fifth largest in ASEAN. As of end December 2023, 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	AllianceDBS Research
3	AmlInvestment Bank
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-Seagroatt & 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

# Investor Relations

## CREDIT RATING

Independent external evaluations of corporates are an essential part of views and opinions formed by existing and potential institutional investors, correspondent banks, counterparty financial institutions, business partners and stakeholders. The Investor Relations team leads the engagements with local, regional and global credit rating agencies to ensure that the ratings and factual data encompassed are comprehensive and fair. Given the upheavals in global economies and the banking sector over the recent years, it remains essential for external stakeholders to be provided with independent reviews of the resilience, strength and creditworthiness of the Group's financials, risk and asset quality management, capital adequacy and operational performance.

As such, the Investor Relations team maintains a strong relationship with these credit rating agencies during annual review periods as well as for ad-hoc updates and clarifications. The Group's senior management meets virtually and physically to discuss and outline the Group and banking entities' strategic direction, plans and financial performance. Complete operational data and financial details are provided by the Investor Relations team to the agencies for their evaluation purposes. The Group maintains solicited and unsolicited arrangements with Moody's Investors Services, Standard and Poor's (S&P), RAM Ratings, Malaysian Rating Corporation (MARC) and Fitch Ratings; who provide local-and foreign-currency credit rating profiles for all licensed banking entities within the Group. The strong relationship also provides the Group with access to the latest insights and updates on regional and global economies and markets from the rating agencies' perspective.

## SHARE PRICE PERFORMANCE AND FOREIGN SHAREHOLDING

The Group's share price performance was commendable in 2023 despite the challenges to the Malaysian equity market over the year. This was buoyed by a strengthened financial performance, management's realistic guidance on financial targets as well as delivering on operational improvements in line with the Forward23+ strategic plan. The Group's share price rose by 6.6% for the year, ending at RM5.85 as at end-2023 compared to the adjusted end-2022 price of RM5.49. The challenges in the earlier part of the year was reflected in the Group's foreign shareholding which fell to a low of 28.5% in Aug-23 after starting the year at 30.8%. The share price movement tracks foreign shareholding closely as the share price was at the year-low of RM4.66 in Jun-23, before a posting strong rebound in the second half of the year as investor interest returned, with the stock hitting a high of RM5.96 in Dec-23 following the foreign shareholding trend which ended the year at 30.7%. The intensified investor engagement via NDRs, conferences and meetings appear to have achieved the desired outcome as the Group witnessed the entry of new investors and continued position-building by existing shareholders over the past 12 months.

This effectively translated to a 9.3% outperformance against the FBMKLCI, which declined by 2.7% over the year. The Group also outperformed the wider Malaysian financial sector (KLFin Index) which declined by 0.3% in 2023, as domestic financial institutions faced profitability challenges from the intensified deposit competition which compromised NIMs and inflation-led operational cost increases. CIMB Group was able to buck the trend by delivering on its portfolio reshaping initiatives, a stronger financial performance from CIMB Niaga and turning around previously loss-making operations.

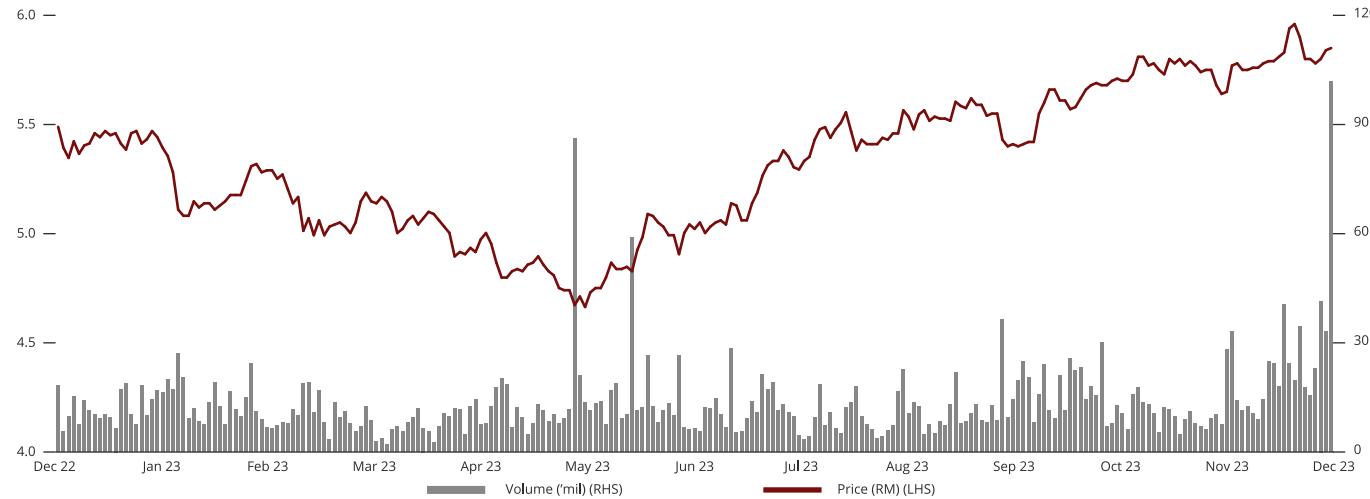
The Group met and surpassed all but one of its financial targets for the year, which was well received by the investment community. With all targets and Forward23+ initiatives on track, the Group declared a higher dividend payout of 55% for the year, with a proposed all-cash second interim dividend of 18.50 sen per share. In addition, the Group announced a special dividend of RM747 million, translating to 7.00 sen per share, bringing the total dividends declared for 2023 to a record RM4.6 billion or 43.00 sen per share.



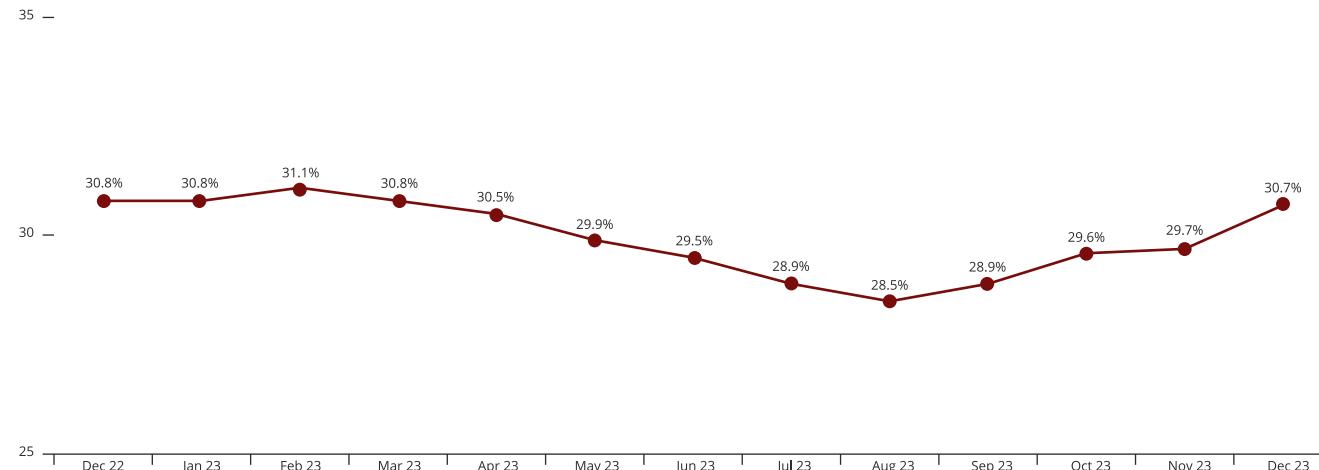
**The Group announced a special dividend of RM747 million, translating to 7.00 sen per share, bringing the total dividends declared for 2023 to a record RM4.6 billion or 43.00 sen per share.**



### CIMB Group Share Price and Volume

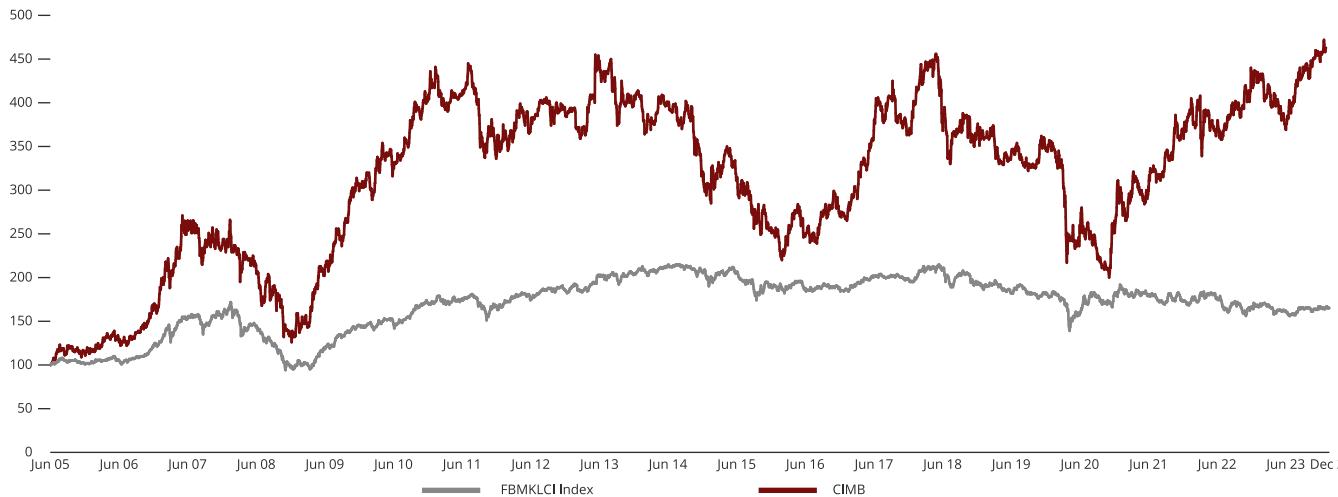


### CIMB Group Foreign Shareholding



## Investor Relations

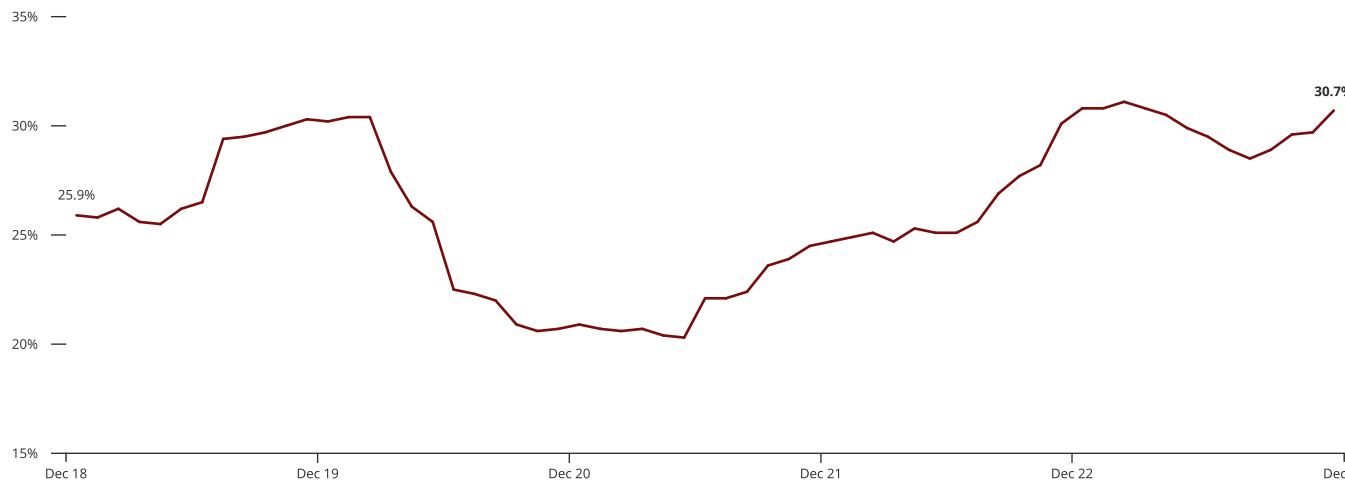
### Shareholders' Returns (6 June 2005\* – 31 December 2023)



	1 YEAR	17.5 YEARS
CIMB	+6.6%	+363.2%
FBMKLCI	-2.7%	+65.4%

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

### 5-year Foreign Shareholding Trend (December 2018 – December 2023)



# Financial Calendar

## 28 FEBRUARY 2023

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

## 13 MARCH 2023

Notice of book closure for single tier second interim dividend of 13.00 sen per share for the financial year ended 31 December 2022

## 14 MARCH 2023

Date of entitlement for the single tier second interim dividend of 13.00 sen per share for the financial year ended 31 December 2022

## 16 MARCH 2023

Notice of 66th Annual General Meeting

## 16 MARCH 2023

Issuance of Annual Report for the financial year ended 31 December 2022

## 12 APRIL 2023

Payment of the single tier second interim dividend of 13.00 sen per share for the financial year ended 31 December 2022

## 13 APRIL 2023

66th Annual General Meeting

## 31 MAY 2023

Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2023

## 30 AUGUST 2023

Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2023

## 20 SEPTEMBER 2023

Notice of book closure for single tier first interim dividend of 17.50 sen per share for the financial year ending 31 December 2023

## 21 SEPTEMBER 2023

Date of entitlement for the single tier first interim dividend of 17.50 sen per share for the financial year ending 31 December 2023

## 12 OCTOBER 2023

Payment of the single tier first interim dividend of 17.50 sen per share for the financial year ending 31 December 2023

## 30 NOVEMBER 2023

Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2023

## 29 FEBRUARY 2024

Announcement of the unaudited consolidated financial results for the fourth quarter ended 31 December 2023

## 2024 TENTATIVE DATES

31 MAY 2024

**1Q 2024**

Financial Results

30 AUGUST 2024

**2Q 2024**

Financial Results

29 NOVEMBER 2024

**3Q 2024**

Financial Results

FEBRUARY 2025

**4Q 2024**

Financial Results

# Business Review

## GROUP CONSUMER AND DIGITAL BANKING



### Effendy Shahul Hamid

Despite a challenging operating environment and ambitious targets set against a strong 2022, our businesses stayed on course and grew exceptionally well. We streamlined the consumer banking and digital assets divisions, laying the groundwork for long-term success and enabling best-in-class sharing and evolution. This positive momentum is echoed in our overall performance, and the total banking customer base continued its accelerated growth at 9.1% YoY through the expansion of products, services, and partnerships.

Our markets in Malaysia, Indonesia, Singapore, Thailand and Cambodia (MISTC) remained resilient through strong foundations, achieving a PBT growth of 8% YoY while we continued to strengthen the risk engines and digital proliferation to future-proof the business and better serve our customers. Digital businesses exceeded expectations with accelerated growth in loans and deposit books, including CIMB Philippines achieving its first year of profitability. We proudly stand among the select few in ASEAN who have successfully realised next-gen banking models.

We continued to accelerate our digital agendas, carefully listening to our customers to ensure we are designing the propositions they want. We have also begun thinking about product development cadence and capabilities, channel strategies and enterprise data initiatives for the future.

Overall, it has been a strong year for our consumer and digital franchise and we will continue charting the path towards building long-term value for our stakeholders.

### WHO WE ARE AND WHAT WE DO

Group Consumer and Digital Banking (GCDB) comprises the Group's entire consumer banking franchise, retail segments, products and channels across seven ASEAN countries, including two digital banks. In addition, GCDB is also responsible for CIMB Group's investments, partnerships and value-creation activities in the digital space, previously within the ambit of CIMB Digital Assets, which includes Touch 'n Go (TNG) and TNG Digital (TNGD).

Operating a diverse banking footprint across Malaysia, Indonesia, Singapore, Thailand, Cambodia, Philippines and Vietnam, GCDB provides a range of retail financial products and services collectively to around 25 million customers through a network of over 600 retail branches, more than 6,800 self-service customer access points, and multiple digital banking platforms.

GCDB provides every day as well as bespoke banking solutions to individual customers covering both Conventional and Islamic (selected markets) financial products and services which include deposit accounts, property loans/financing, auto loans/financing, credit cards, personal financing, wealth management and investment, bancassurance, remittance and foreign exchange.

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

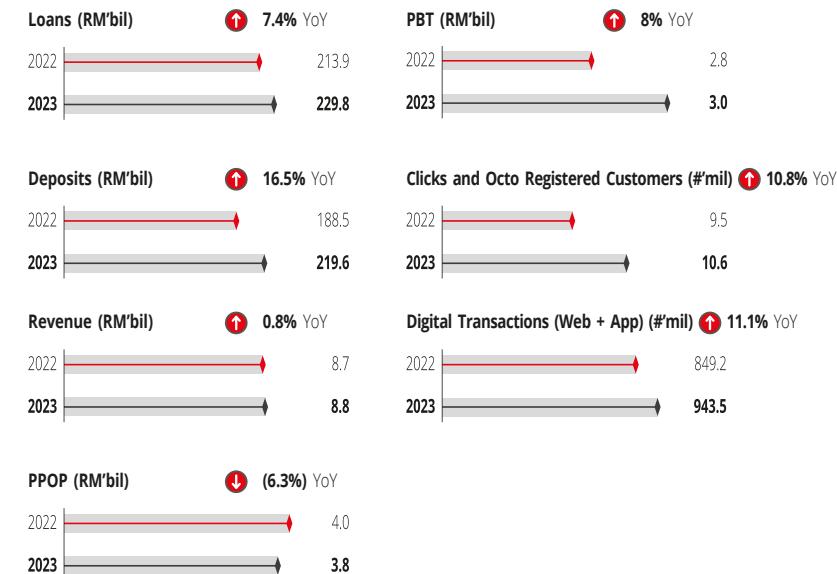
Overall performance is trending in the right direction towards our Forward23+ ambitions, marked by robust financial performance and balance sheet growth that outpaced the industry.

Customer acquisition maintained an accelerated growth at 9.1% YoY, with the Preferred segment expanding by 9.2% YoY. This is attributed to the ongoing focus on product innovation, high-potential business segments, and strategic scaling in digital platforms and partnerships. CIMB Group has emerged as one of the largest in customer count among the top ASEAN banks by market capitalisation.

#### **CONSUMER BANKING FRANCHISE (MISTC)**

MISTC continued to deliver financial growth despite challenges from net interest margin (NIM) compression, a weaker investment environment and macro headwinds. PBT grew 8% YoY on the back of balance sheet expansion, contained expenses and lower provisions. Loans charted a 7.4% growth YoY, with all MISTC franchises registering decent growth but mainly anchored by Malaysia, driven by mortgages and auto loans. Deposits grew 16.5% YoY driven by healthy CASA and strong FD growth across all markets.

Digital engagement continued to accelerate, with an 11.1% growth in digital transactions YoY.



### Digital and Other Businesses (CIMB Philippines, CIMB Vietnam, TNG and TNGD)

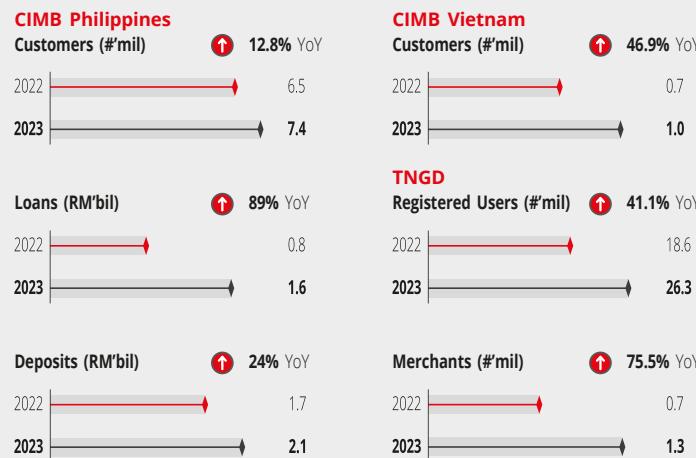
Strong growth momentum in these businesses and accelerating the realisation of the Group's digital banking aspirations.

**TNG's** business fundamentals remain robust, enabling the achievement of profitability targets. In 2023, TNG stayed on course in strengthening digital capabilities, customer experience, and develop new business cases beyond payments to drive long term value.

**TNGD** continued its path towards monetisation with significant progress in expanding its array of digital financial services, customer loyalty programmes and other revenue streams. The eWallet achieved a new growth milestone, reaching over 26 million users and 1.2 million merchant points.

**CIMB Philippines** doubled down in driving loan and deposits growth, achieving loan growth of 89% YoY and deposits growth of 24% YoY, marking the first positive PBT since its establishment.

**CIMB Vietnam** continued to grow and sustain customer acquisition momentum, achieving the first 1 million customers via partnerships and new use cases.



### SUSTAINABILITY HIGHLIGHTS

GCDB has made significant strides in advancing its sustainability agenda across various fronts. We continued to promote existing products and introduce new sustainable options to communities and empower customers to adopt a sustainable lifestyle. These efforts have resulted in a total disbursement of RM10.9 billion in Green, Social & Sustainable Impact Products and Services<sup>1</sup> (GSSIPS), with noteworthy initiatives such as the first-in-market to introduce the most comprehensive suite of Electric Vehicle (EV) financial solutions and Sustainable Living Home Solutions (CIMB Malaysia), as well as launching Green Renovation-i Financing (CIMB Singapore).

We also remained committed to building an inclusive, progressive and financially literate society through innovative products, technology, facilities, programmes, and partnerships, including:

- Improved branch facilities, services and processes to be more disabled friendly, with wheelchair services across all Malaysia branches
- Introduced the first branch with integrated sustainable features encompassing environmental and social aspects (CIMB Malaysia)
- Championed the government's e-credit disbursement initiatives, reaching the Malaysian masses (TNGD)
- Established inclusive workplace practices for differently-abled individuals (TNG, TNGD and CIMB Thai)
- Launched the 'Dana Rahmah' initiative to provide essential insurance coverage to Malaysia's B40 community (TNGD)

For more details on our sustainability contributions, please refer to CIMB's Sustainability Report 2023 [↗](#)

### 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 macroeconomic environment with NIM compression, a weaker investment environment, and geopolitical risks as well as concerns on cybersecurity and fraud risks</li> <li>Continued to drive balance sheet growth while monitoring credit quality</li> <li>Doubled down in high-value areas where digital capabilities and propositions are concerned, for long-term value creation</li> </ul>	Implemented various security measures and intensified efforts around operational resiliency in the areas of structure, processes, governance, and operating model
<b>CHALLENGE</b>	<ul style="list-style-type: none"> <li>Heightened competition with challenges arising from both digital banks and non-bank financial services that disrupt consumer behaviours, digital operating models, and rising cost of deposits</li> <li>Streamlined divisions to facilitate best-in-class sharing</li> <li>Leveraged on 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>	<b>Consumer Banking (MISTC)</b> <ul style="list-style-type: none"> <li>+7.4% YoY loan growth</li> <li>+16.5% YoY deposit growth</li> </ul> <b>CIMB Philippines</b> Deepened existing partnerships to broaden customer acquisition and cross/up-sell financial product offerings to achieve profitability
<b>OPPORTUNITY</b>	<ul style="list-style-type: none"> <li>Continued demand for embedded financial services, digital-platform-oriented plays, and sustainability products</li> <li>Focused on developing market leadership in sustainable banking solutions</li> <li>Continued building-out of partner-centric business models across the board, solidifying capabilities and positioning as platform-based digital businesses</li> </ul>	Accelerated digital-capability building, product and service offerings within and beyond CIMB ecosystems <b>CIMB Niaga and CIMB Vietnam</b> Innovative digital build-out and unique in-market ability to pursue platform partnerships for financial services distribution <b>CIMB Philippines</b> Leading digital banking franchise in ASEAN, strong momentum and customer base for product cross-selling and monetisation
<sup>1</sup> CIMB MISTC		<b>RM10.9 billion</b> disbursed in GSSIPS <b>TNGD</b> Leading digital platform in Malaysia, strongly positioned as partner of choice for financial institutions

# Business Review

## WHAT OUR STAKEHOLDERS EXPECTED


**SHAREHOLDERS**

Achieve operational stability, resilience, and efficiency while proliferating technology and high-growth digital businesses to ensure sustainable returns and long-term value creation


**CUSTOMERS**

Provide differentiated propositions, deliver best-in-class customer and digital platform experiences, and strengthen trust through a robust risk engine


**COMMUNITIES**

Champion community welfare and wellbeing through financial inclusivity, accessibility, and sustainability initiatives


**EMPLOYEES**

Prioritise employee wellbeing and exposure through our diversified ASEAN portfolio


**REGULATORS**

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 2023

**8%<sup>1</sup> YoY**  
PBT growth

**First-year profitability**  
with 89% YoY loan growth  
(CIMB Philippines)

**Enhanced security features and data analytics** to safeguard users

**Expanded product propositions and accessibility to digital financial services** through strategic partnerships and innovation

**Bank of the Year** by Asian Banker and Euromoney (CIMB Malaysia)

**TNGD awarded Fintech of the Year and Brand of the Year**

**Best bank in the Philippines and fastest-growing customer base** amongst digital banks in ASEAN through CIMB Philippines' digital delivery model

**CIMB Flood Relief Assistance Plan** supported customers affected by the floods (CIMB Malaysia)

**Over 135k hours<sup>2</sup>** of volunteer work and sustainability training

**RM10.9 billion** disbursed in GSSIPS

**First-in-market** to introduce the most comprehensive suite of EV financial solutions

**Introduced first branch** with integrated sustainable features (CIMB Malaysia)

**Championed financial inclusion** with TNGD disbursed >50% of government's e-credit initiatives, >50% of lending customers as first-time bank borrowers in the Philippines

**Promoted inclusive communities** including workplaces for differently-abled individuals (TNG, TNGD and CIMB Thai), wheelchair services in all Malaysia branches

**Streamlined divisions** and enabled best-in-class sharing

**Best Company to Work** for in Asia (CIMB Vietnam)

**Multi-award-winning bank in digital solutions** including Best Bank for Digital Solutions (CIMB Malaysia), Most Innovative Digital Bank (CIMB Vietnam), Wealth Management Platform of the Year (CIMB Thai)

**Intensified in-person staff engagement** and sharing sessions

**OHI improved** to top quartile

**Advanced in risk management** through regional oversight, process enhancement, and strengthened governance and controls

## FORWARD 23+

### Our Strategic Focus Areas

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

### Material Matters

- Sustainable, Responsible Finance
- Financial Inclusion and Literacy
- Customer Experience
- Digitalisation and Innovation
- Cybersecurity and Data Privacy
- Corporate Citizenship
- Risk Management and Business Resilience

### Capitals Affected

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



## AWARDS AND RECOGNITION



### Global Retail Banking Innovation Awards 2023

- Best Retail Bank – Malaysia
- Best Digital Bank – Malaysia
- Best Mobile Banking Initiative – Malaysia
- Best Savings Account – Malaysia
- Outstanding Retail Sales Across Digital Channels – Malaysia
- Wealth Hub of the Year – Malaysia
- Best Credit Card for Affluent Clients – Malaysia

### Asiamoney Best Bank Awards 2023

- Best Domestic Bank – Malaysia
- Best Bank for Digital Solutions – Malaysia

### Euromoney Award for Excellence 2023

- Best Bank – Malaysia

### Asian Banker's Global Excellence in Retail Financial Services Awards 2023

- Best Retail Bank – Malaysia

### International Finance Awards 2023

- Most Innovative Digital Bank – Vietnam

### Global Banking & Finance Review Awards

- Excellence in Innovation – Digital Banking – Vietnam

### HR Asia

- Best company to work for in ASIA 2023 – Vietnam

### Forbes' World's Best Banks 2023

- Best Bank – Philippines

### Asian Banking & Finance (ABF) Retail Banking Awards 2023

- Wealth Management Platform of the Year – Thailand
- Analytics Initiative of the Year – Thailand

### The Digital Banker Global Retail Banking Innovation Awards 2023

- Best Marketing Personalisation Across Channels – Thailand

### Qorus Reinvention Award – APAC 2023

- Gold in Distribution – Indonesia

### Putra Brand Awards 2023

- Putra Brand of the Year – TNGD

### Fintech Frontier Malaysia Awards

- Fintech of the Year 2023 – TNGD

## 2024 OUTLOOK AND PROSPECTS

As we set our course into the final year of our Forward23+ strategic plan, we remain focused on driving profitability through targeted loan and CASA growth, strengthening the Wealth segment and optimising core fundamentals. Our overarching principle is to future-proof the business, and we will undertake continued modernisation of technology and build digital capabilities around data analytics and consumer products to drive greater resiliency, speed of development, and innovation to capture long-term value.

We will continue to place people-first as our employees are the most valuable asset in driving the growth and success of the businesses. Our proficiency in full-digital next-gen banking models, alongside with our talents and leaders from these digital-native businesses, will add intrinsic value to the Group and position us to stay ahead in the face of heightened competition from emerging digital banks.

### Consumer Banking Franchise (MISTC):

- **CIMB Malaysia** continues to focus on strong balance sheet growth, with a robust retail distribution engine and an affluent play. In 2024, the Group will continue to invest towards technology modernisation and operational optimisation.
- **CIMB Niaga** continues to sustain its growth momentum through product innovation, partnerships, and high-potential business segments to broaden ambitions for potential outsized value.
- **CIMB Singapore** will stay on course, strengthening its positioning as a regional wealth hub, and double down on digitisation, product designs and partnerships to scale.
- **CIMB Thai** remains focused on strong product propositions in the affluent space and is gearing towards a step change in digital capability and enabling ecosystem partnership models for high scalability potential and brand differentiation.

### Digital and Other Businesses:

- **CIMB Philippines** is expected to continue operating on a robust growth trajectory as the leading digital bank in the market. We will continue to scale on acquisitions, deposits and loans at manageable credit risk costs while seeding new growth for the business.
- **CIMB Vietnam** will gear towards the next phase of scaling and accelerate our ambitions in the market through high-value partnerships, digital capabilities and expanding the loan and deposit portfolio.
- **TNG** is set forth on a growth expedition. 2024 will see us exploring new avenues for revenue and unifying core verticals to adapt to the changing landscape as we gear towards the next phase of TNG's evolution and realising its full potential.
- **TNGD** will continue to serve as a crucial platform for Malaysia. We will expand by creating differentiated products and services, leveraging our merchant network, and further optimising the cost structure as we move towards new growth.

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Accelerated profitable growth through loan growth and deposit gathering while optimising cost</li> </ul>	<ul style="list-style-type: none"> <li>• 7.4% YoY loan growth and 16.5% YoY deposit growth in Consumer Banking (MISTC)</li> <li>• First-year profitability with 89% YoY loan growth in CIMB Philippines</li> </ul>
<b>Customer Centricity/Digitise for Value</b>	<ul style="list-style-type: none"> <li>Doubled down on Preferred &amp; Wealth with client-centric advisory model, exploiting regional corridors via referrals</li> <li>Focused on long-term growth and creating 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>• Growth in affluent AUM 16.3% and customers 9.2% YoY</li> <li>• Over 220 cross-border referrals for insurance and wealth financing</li> <li>• TNG eWallet expanded digital financial services and delivered additional revenue streams</li> </ul>
<b>Focused Investments</b>	<ul style="list-style-type: none"> <li>Pursued new capabilities in technology, data and analytics to deliver differentiated services, value propositions and greater customer experience across the board</li> <li>Proliferated 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>• 9.1% YoY growth in total banking customers</li> <li>• Implemented robust security features and processes to safeguard customers</li> <li>• Enhanced digitised banking experiences, including chatbots, interactive displays for self-service and digital branches</li> <li>• TNGD launched New GOrewards Loyalty Programme to drive more value to customers</li> <li>• Enhanced distribution and access to digital financial services via new product development and digital partnerships</li> <li>• CIMB's digital and other businesses continued to progress strongly on multiple fronts, outperforming growth targets and capturing value for the Group</li> </ul>

## Business Review

# GROUP COMMERCIAL AND TRANSACTION BANKING



**Lawrence Loh, Ahmad Shazli Kamarulzaman**

2023 marked an important milestone as the Group took a big step in solidifying our customer value proposition by integrating Group Commercial Banking and Group Transaction Banking as a unified business unit. Leveraging on the opportunities for mutual synergies to drive our customer-centric strategies, we delivered a robust performance growing PBT at 22.6% contributing significantly to CIMB Group's PBT growth despite the challenging macro environment which included elevated interest rates, heightened geopolitical tensions and the disruption in supply chain worldwide.

### WHO WE ARE AND WHAT WE DO

As a leading regional business, Commercial Banking is dedicated to serving the business community in ASEAN, ranging from small and medium enterprises (SMEs) to mid-corporates. With an integrated marketing approach, our full suite of financial services and comprehensive financial solutions are tailored to meet the specific needs of these segments. Our conventional and Islamic suite of solutions include credit/financing facilities, cash management solutions, treasury and structured products. 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.

In addition to serving the SME and Business Banking segments, the Group also provides specialised product solutions for the overall non-retail segment of the Banking Group through its Transaction Banking arm. This includes Trade Finance, Cash Management, Online Banking, Securities Services, as well as Financial Institutions solutions, covering SME, Mid-Corps, Corporate Banking, Financial as well as Non-Bank Financial Institutions. We provide comprehensive end-to-end cash management solutions to optimise cash flows, accessible through our digital channels for convenience. Our trade finance solutions span a broad range, from import and export services to buyer and seller financing, catering to the diverse needs of domestic and international trade. Additionally, we provide full securities services solutions, including fund accounting, agency, custody, and corporate trustee services, to meet our clients' comprehensive business needs.

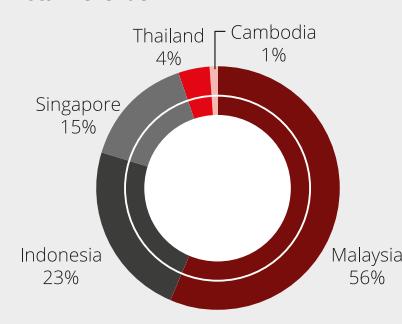
### FINANCIAL AND NON-FINANCIAL PERFORMANCE

#### **COMMERCIAL BANKING**

Group Commercial Banking recorded strong financial performance with a higher PBT of RM1.79 billion, a 22.6% YoY increase compared to RM1.46 billion in 2022. This is largely attributed to higher income and lower provisions. Income was at RM3.96 billion, 5.1% higher compared to RM3.76 billion in the previous year, mainly supported by a strong fee based income growth from our continued focus on fee based products. Deposit growth remained strong with 8.6% YoY at RM91.3 billion compared to RM84.1 billion in 2022. This was driven by a stronger current account deposits growth in Malaysia, Indonesia and Singapore. Loans growth also improved to 8.8% YoY as we continued our efforts to grow the SME segment across the region.

#### **TRANSACTION BANKING**

Transaction Banking achieved a 15% revenue growth across the region, with all core countries showing an increase in business activity. Singapore and Thailand led this growth, expanding their business by over 50% in 2023. Net Interest Income (NII) saw a significant 17% rise, primarily driven by Cash Management. This increase was fuelled by the rising rate environment and a growth in average total deposit balances. Non-Interest Income (NOII) experienced a 7% uplift, aligned with our strategy to enhance transaction fees. Additionally, it is worth noting that Singapore's contribution to the total revenue grew by 5%, reflecting the commendable growth achieved in that region.

**COMMERCIAL BANKING****Op Income (RM'mil)** ↑ 5.1% YoY**PBT (RM'mil)** ↑ 22.6% YoY**Loans (RM'bil)** ↑ 8.8% YoY**Deposits (RM'bil)** ↑ 8.6% YoY**TRANSACTION BANKING****Total Revenue****AWARDS AND RECOGNITION****COMMERCIAL BANKING****Asian Banking & Finance Retail Banking Awards 2023**

- SME Digital Innovation of the Year, Malaysia

**Global Retail Banking Innovation Awards 2023**

- Outstanding Digital Innovation in SME Banking, ASEAN

**Credit Guarantee Corporation (CGC) Malaysia**

- Top FI Partner Award (Islamic Financial Institution Category)

**Asian Banking & Finance Wholesale Banking Awards 2023**

- Singapore International SME Partnership Initiative Bank of the Year

**Alpha SEA Islamic Finance Awards 2023**

- Best Islamic Finance SME Bank, Indonesia

**Syarikat Jaminan Pembangunan Perniagaan Bhd (SJPP)**

- The Best Performance

**WHAT INFLUENCED OUR ABILITY TO CREATE VALUE**

DRIVERS OF PERFORMANCE AND GROWTH	STRATEGIES/ APPROACHES DEPLOYED	VALUE CREATION RESULTS AND OUTCOMES	DRIVERS OF PERFORMANCE AND GROWTH	STRATEGIES/ APPROACHES DEPLOYED	VALUE CREATION RESULTS AND OUTCOMES
<b>RISK</b>			<b>RISK</b>		
<ul style="list-style-type: none"> <li>Global recession</li> <li>Geo-politics and instability</li> </ul>	<ul style="list-style-type: none"> <li>Devise a cautious loans growth strategy</li> <li>Emphasise on asset quality discipline with predictive/forward-looking indicators</li> <li>Plans for greater loan loss coverage</li> </ul>	<ul style="list-style-type: none"> <li>Moderate loans growth at 8.8%</li> <li>Improvement in credit cost</li> <li>Recorded a higher allowance coverage for the year</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining competitiveness in the face of rising interest rates and increasing operational costs, impacting net interest margins and fee income</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen client value proposition by expanding Main Operating Accounts, underpinned by targeted product programme and pricing strategies</li> </ul>	<ul style="list-style-type: none"> <li>Main Operating Accounts' penetration increased 6% YoY</li> </ul>
<b>CHALLENGE</b>			<b>CHALLENGE</b>		
<ul style="list-style-type: none"> <li>Shift in customer expectations and needs</li> <li>High interest rate environment</li> </ul>	<ul style="list-style-type: none"> <li>Garner deposits</li> <li>Capitalise on international transaction flows</li> <li>Expand on digital banking proposition</li> </ul>	<ul style="list-style-type: none"> <li>8.6% increase in customer deposits</li> <li>24.5% increase in fee-based income driven primarily by FX revenue</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring transactional platform stability to maintain client satisfaction as dependency on technology for transaction increases</li> </ul>	<ul style="list-style-type: none"> <li>Continuous investments and enhancements in digital platforms to bolster technological capabilities and ensure system stability</li> </ul>	<ul style="list-style-type: none"> <li>Number of BizChannel users grew 11% YoY</li> <li>100% BizChannel uptime</li> </ul>
<b>OPPORTUNITY</b>			<b>OPPORTUNITY</b>		
<ul style="list-style-type: none"> <li>Paradigm shift to Digital for sustained growth</li> <li>ESG proliferation and advancement</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the Digital strategy - digital loans and online banking penetration</li> <li>Demonstrate ESG stewardship by fostering greater awareness and acceptance</li> </ul>	<ul style="list-style-type: none"> <li>3% increase in Bizchannel penetration</li> <li>Total GSSIPS related financing amounting to RM7,159 million out of which RM6,154 million for Micro and Small Enterprise Financing (Financial Inclusion) and RM1,005 million for Green, Social and Sustainable Financing</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging the e-commerce boom to enhance digital cross-border transaction services amid expanding global markets</li> </ul>	<ul style="list-style-type: none"> <li>Identify target clients and deepened penetration with tactical programmes, digital platform education, and competitive rates</li> </ul>	<ul style="list-style-type: none"> <li>Increase in cross-border payments revenue of 33%</li> </ul>

# Business Review

## COMMERCIAL BANKING

### WHAT OUR STAKEHOLDERS EXPECTED



### HOW WE CREATED VALUE IN 2023

Revenue Growth of <b>5.1%</b> Total GSSIPS related financing amounting to <b>RM7,159 million</b> out of which RM6,154 million for Micro and Small Enterprise Financing (Financial Inclusion) and RM1,005 million for Green, Social and Sustainable Financing	<b>RM17,979 million</b> Total loans disbursed (limit) regionally More than 100 SMEs benefited through <b>CIMB MicroBizReady™</b> ESG capabilities and knowledge sharing	Facilitated engagements with more than 100 SMEs through <b>CIMB MicroBizReady</b> <b>8,873 hours</b> of employee voluntary contribution regionally	<b>100%</b> hybrid working arrangement <b>146,435</b> training hours	<b>RM2 billion</b> loans disbursed through government schemes in Malaysia
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### FORWARD23+

#### 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



#### Capitals Affected

- Intellectual Capital
- Robust Relationships



### PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Increased granularity in loans growth by doubling down on SME segment</li> <li>Enhanced revenue mix through deposits and fee-based income</li> </ul>	<ul style="list-style-type: none"> <li>8.8% SME year-on-year loans growth in the region</li> <li>24.5% increase in funding income and fee based income</li> </ul>
<b>Customer Centricity</b>	<ul style="list-style-type: none"> <li>Accelerated digitalisation of SME proposition for improved customer experience</li> <li>Personalised customer journeys for more fulfilling and rewarding engagements</li> </ul>	<ul style="list-style-type: none"> <li>Overall NPS Market position improved to Rank 9 in 2023 from Rank 14 in 2022</li> <li>Simplified the audit confirmation request for customers to reduce turnaround time</li> <li>Improved customer stickiness</li> </ul>
<b>Purpose-driven Organisation</b>	<ul style="list-style-type: none"> <li>Embedded sustainability principles and framework as a guiding principle for growth</li> <li>Instilled a greater sense of purpose in our people through well-concerted community welfare efforts</li> </ul>	<ul style="list-style-type: none"> <li>Total GSSIPS related financing amounting to RM7,159 million out of which RM6,154 million for Micro and Small Enterprise Financing (Financial Inclusion) and RM1,005 million for Green, Social and Sustainable Financing</li> <li>Total welfare hours of 8,873 hours</li> </ul>

### SUSTAINABILITY HIGHLIGHTS

During the year, we launched the Sustainability-Linked Financing (SLF) Programme with a total allocation of RM3.0 billion through 2030. The SLF aims to incentivise SMEs to achieve credible greenhouse gas emission reduction targets through attractive financing rebates of up to 0.50% per annum. The programme also offers simple tools for measurement and verification. With such a complete value proposition, CIMB emerged as the first bank in the market to offer such impact-driven SLF opportunities for the SMEs.

With the foresight of Energy Efficiency and Conservation Bill 2023 being in force, we organised a session on Energy Efficiency ("EE") for our customers during The Cooler Earth Sustainability Summit 2023. This session aims to bring forth EE as an equivalent and complementary solution to Renewable Energy for companies to reduce their cost and carbon emission.

During the year, CIMB continued in its efforts to support BNM Low Carbon Transition Facility ("LCTF") and High-Tech and Green Facility ("HTG"). Through our internal campaign, more than RM150 million in financing was approved for our SME customers in 2023. This reinforces our commitment to mobilise sustainable finance through active participation of both our staff and customers.

### 2024 OUTLOOK AND PROSPECTS

2024 is the final year of the Forward23+ programme and we will accelerate our efforts to optimally deliver on our key strategic themes - delivering sustainable financial returns, customer centricity and being a purpose-driven organisation for our people and our customers. 2024 will also see us consolidating our position to achieve new growth by:

- Pushing the envelope on our SME proposition, which will continue to build on insight-driven strategies, digital-led innovative solutions, and digital-enabled architecture that will drive operational excellence
- Driving deposits growth through seamless services, virtual onboarding, and promoting next generation online banking
- Championing sustainability for growth, with our immersive ESG framework that's both internally and externally oriented

## TRANSACTION BANKING

### WHAT OUR STAKEHOLDERS EXPECTED

				
<b>SHAREHOLDERS</b> Ability to swiftly identify and adapt to fast-changing trends, fostering sustainable growth and prosperity in our operational regions	<b>CUSTOMERS</b> Emphasis on enhancing customer experiences and satisfaction, facilitating easy digital access to financial services	<b>COMMUNITIES</b> Continue to evolve and roll out innovative solutions that meet the changing needs of business communities, ensuring their benefit	<b>EMPLOYEES</b> Focus on prioritising employee wellbeing and growth through a positive work environment and a culture of learning	<b>REGULATORS</b> Ensuring strict adherence to current regulations and governance through product procedures and policies

### HOW WE CREATED VALUE IN 2023

<b>+15%</b> Growth in revenue YoY	<b>+19%</b> Increase in active BizChannel clients YoY	<b>+11%</b> Increase in mobile banking clients YoY	Enhanced employee satisfaction by enabling hybrid work options, offering greater flexibility	<b>RM15.7 million</b> invested in 20 regulatory-related projects, reinforcing our commitment to compliance
<b>FORWARD23+</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> <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Digitalisation and Innovation</li> <li>Customer Experience</li> <li>Talent Attraction, Growth and Retention</li> <li>Governance and Ethics</li> </ul> 				

### SUSTAINABILITY HIGHLIGHTS

Transaction Banking champions sustainability with a strategic focus on impactful social contributions and product innovation, highlighted by our flagship Sustainable TIA-I initiative. This Shariah-compliant Investment Account directs investments towards supporting CIMB Group's prioritised Sustainable Development Goals, specifically SDG 8, aimed at Decent Work and Economic Growth. Targeting micro, small, and medium-sized enterprises, the initiative has garnered RM309 million in assets as of 2023, reflecting our commitment to integrating financial services with social progress.

Strong governance is integral to our sustainability framework, ensuring our operations adhere to the highest standards of transparency and accountability. Additionally, our environmental initiatives, including river clean-ups and recycling drives, are designed to cultivate a culture of environmental stewardship within our employees and among our stakeholders. These efforts collectively showcase Transaction Banking's dedication to sustainable development and responsible banking practices.

For more details on our sustainability contributions, please refer to CIMB's Sustainability Report 2023. 

### PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Boosted NOLI to diversify our revenue stream, transitioning from reliance primarily on NII to NOLI</li> </ul>	<ul style="list-style-type: none"> <li>Achieved a 7% YoY increase in NOLI</li> </ul>
<b>Customer Centricity</b>	<ul style="list-style-type: none"> <li>Invested in IT infrastructure to upgrade and enhance existing platforms and transaction features</li> <li>Developing a new client frontend portal to transform digital interactions and transactions</li> </ul>	<ul style="list-style-type: none"> <li>Active customers on the BizChannel platform increased by 19% YoY</li> </ul>

### 2024 OUTLOOK AND PROSPECTS

Looking ahead, we aim to reinforce our position as a key player in the regional financial landscape. The upcoming year presents promising opportunities and strategies to enhance our presence. With the increasing significance of digital banking, we plan to introduce the new client front-end portal, CIMB Biz, rolling it out in stages across different countries following a new agile development model and begin migrating clients to this new digital platform starting in 2024. Our commitment to technological enhancement will continue, focusing on advancements in our product offerings to boost resiliency, stability, and safety. These efforts aim to deliver seamless and efficient services, thus elevating our customer experience as customer-centricity will remain a central focus in 2024.

In addition, we will concentrate on expanding and strengthening our deposit balances, including strategies to grow our Main Operating Accounts base. Introducing new products, solutions, and customised services will fortify our customer relationships and drive NOLI growth, further diversifying our income structure. As we confront the opportunities and challenges ahead, the division is committed to driving innovation, enhancing customer satisfaction, and contributing to CIMB's sustainable growth.

## Business Review

# GROUP WHOLESALE BANKING



### Chu Kok Wei, Novan Amirudin

Group Wholesale Banking (GWB) delivered positive growth in 2023, with all business streams up YoY. Overall income grew by 5.0% YoY to RM5.8 billion, with significant improvement in non-interest income (NOII). Double digit income growth was recorded across Financial Institutions, Investment Banking and Treasury Sales. Our market share in Investment Banking improved despite a decline in market wallet – we ranked top five across key regional markets and maintained our #1 position in Malaysia for the second year in a row.

Strategically, we completed the divestment of our residual stake in CGS-CIMB, a regional stockbroking business partnership with CGS International Holdings Limited (CGI) through the sale of shareholding to CGI, bringing total proceeds for the 100% sale since 2018 to approximately RM2.5 billion. We have since 8 March 2024 reinvested into the equities business by acquiring KAF Equities Sdn Bhd and have re-branded this as CIMB Securities Sdn Bhd. In terms of sustainability agenda, we are the first Malaysian bank to have announced sector targets and won awards by reputable bodies such as the 'Best for ESG Investing in Malaysia' by Asiamoney and the 'Best Sovereign Green Sukuk of the Year in Republic of Indonesia' by Alpha Southeast Asia. Internally, we refreshed our operating model to fully embrace a customer-centric approach to championing business.

### WHO WE ARE AND WHAT WE DO

We are a leading wholesale banking franchise in Southeast Asia and provide comprehensive conventional and Islamic banking services to cater to our clients' needs. Our solutions include loans and specialised finance, liquidity and payments solutions, treasury and markets products and investment banking advisory to a range of wholesale client segments such as corporates, public sector, financial institutions and high net worth individuals.

Our regional model is supported by focused presence across Southeast Asian countries and international locations such as Hong Kong, Shanghai, and London. Our vast geographical footprint offers a competitive advantage by building on our insights on regional markets and bespoke solutions. Our ultimate goal is to deliver best-in-class and seamless customer experience across all markets.

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

GWB contributed RM5.8 billion of income to the Group in 2023, a 5.0% increase YoY, while Pre-Provision Operating Profit (PPOP) improved by 5.5% against 2022. PPOP grew significantly in both Private Banking and Financial Institutions by 42% and 24% YoY respectively. Overall, GWB contributed 33% to the Group's Profit Before Tax (PBT) with positive improvement in Risk-Adjusted Return on Capital.

Balance sheet was strong in 2023 with loan growth of 10% YoY, while deposit balances remained steady despite stiff competition for deposits. Our coverage teams successfully deepened wallet share, where corporate client segment cross-sell ratio improved to 39% in 2023 compared to 36% in 2022.

Investment banking income improved significantly by 20% YoY. We are the top Malaysian bank by wallet share across our key markets in Southeast Asia, in aggregation gaining 4.4% market share across debt capital markets, equity markets and mergers & acquisitions YoY. Private Banking have shown solid growth in multiple areas, with recorded YoY increase of 19% in Net New Money (fresh funds to be managed), supported by a strong growth in new-to-bank clients regionally as a result of regionalisation efforts of key business functions and operations.

As a regional institution with established presence across Southeast Asia, we focus on supporting the trade and investment flows within the Southeast Asian network. Regional income continues to perform positively, especially in Singapore with a recorded impressive growth of 23% YoY, while income from cross-border referral grew by 9% YoY. Overall, income contribution from outside of Malaysia continue to make up more than half of GWB income in 2023.

### WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

	DRIVERS OF PERFORMANCE AND GROWTH	STRATEGIES/ APPROACHES DEPLOYED	VALUE CREATION RESULTS AND OUTCOMES
RISK	Credit and asset quality	Robust asset quality monitoring and management	Improvement in asset quality metrics, including lower credit cost and gross impaired loans, as well as increased loan loss coverage
CHALLENGE	High portion of income generated from loan	Diversification away from loans, focusing on cash and NOII cross-sell	Positive improvement in 2023 RAROC as a result of improved cross-sell
OPPORTUNITY	Sustainable finance and other products	Adherence to sustainability agenda and principles in providing solutions for clients	Deployed RM14 billion of sustainable financial products across financing and bonds (including sukuk) amongst others

### AWARDS AND RECOGNITION



#### Asian Banking and Finance Wholesale Banking Awards 2023

- Domestic Project Finance Bank of the year Indonesia
- Mergers & Acquisition Deal of the Year Malaysia
- Equity Deal of the Year Malaysia
- Sustainability Initiative of the Year Malaysia
- Sustainability Initiative of the Year Indonesia

#### The Asset Triple A Islamic Finance Awards

- Best Investment bank - Asia Pacific
- Sukuk Adviser of the Year - Asia Pacific
- Best Structured Products - Malaysia (Rates CiFR)
- Best Investment Solutions - Malaysia

#### The Asset Triple A Private Capital Awards

- Best Bank for Investment Solutions, Rates, Credit, FX, Commodities - Malaysia
- Best Bank for Investment Solutions, Multi Asset, Equity, Rates, FX - Indonesia and Thailand

#### Alpha Southeast Asia Best Financial Institution (FI) Awards

- Best Bond House for Sustainable Finance
- Best Bond House - Malaysia
- Best Equity House - Malaysia

#### Asiamoney Private Banking Awards

- Best Domestic Private Bank - Malaysia
- Best Digital Private Bank - Malaysia
- Best for ESG Investing - Malaysia
- Best for High Net Worth - Malaysia

#### Asian Banking and Finance - Corporate & Investment Banking Awards

- Syndicated Loan of the Year - Singapore

## WHAT OUR STAKEHOLDERS EXPECTED

				
<b>SHAREHOLDERS</b> Provide better returns to shareholders through higher Risk-Adjusted Return on Capital (RAROC), while growing competitively beyond financing	<b>CUSTOMERS</b> Continue to strengthen and diversify our capabilities to provide best-in-class products and services	<b>COMMUNITIES</b> Contribute to the underserved communities beyond financial solutions	<b>EMPLOYEES</b> Create a conducive environment for employees to thrive, while providing them with the right tools to succeed	<b>REGULATORS</b> Ensure controls are implemented effectively and consistently to be in line with regulators' direction

## HOW WE CREATED VALUE IN 2023

Continued improvement in RAROC through both higher income contribution from non-loan products and our ongoing efforts to optimise the utilisation of Risk Weighted Assets	#1 in Investment Banking in Malaysia by wallet share and the only Malaysian bank in the top five Investment Banks across key regional markets  Strong income growth across Private Banking and Financial Institutions client segments	~6000 hours volunteered by #teamCIMB in the region towards promoting recycling efforts and helping the underprivileged	>100,000 hours of training and upskilling completed including: ~1,400 hours dedicated by senior management to complete CIMB – Cambridge Institute for Sustainability Leadership Programme  IT hardware upgrade – laptops and dual monitors provided for employees to boost productivity	Achieved 99.5% scoring from Control Effectiveness Testing Validation by Group Compliance
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## FORWARD23+

### Our Strategic Focus Areas

- Customer Centricity
- Transform Fundamentals
- Deliver Sustainable Financial Returns



## SUSTAINABILITY HIGHLIGHTS

We continued the momentum of positive ESG efforts from 2022 in 2023, completing multiple initiatives across business streams. We are the first bank globally to announce a science-based net zero target for palm oil. Key client deals in the year span across multiple sectors, for example:

- Renewable energy sector: Tenaga Nasional Berhad Power Generation Sukuk Wakalah issuance of RM2 billion and the largest mini hydro project financing deal in Malaysia of RM975 million
- Telecommunication sector: Sustainability Lead Arranger and Sustainability Structuring Agent for a sustainability-linked financing of RM1.4 billion

Altogether, around RM7.0 billion of sustainable financing was approved in 2023.

Regionally, we contributed >6,000 hours serving the community through multiple CSR initiatives including blood donation campaigns and other contributions such as food supplies to the underprivileged. We initiated a cross-year initiative to support around 150 underprivileged students with the necessary IT equipment, positively contributing to their academic excellence.

Guided by the Group's direction, GWB continued to be transparent with stakeholders in reporting progress against sustainability goals and commitments. Sustainability related targets have been incorporated across different levels and areas within GWB to ensure compliance with our Sustainability goals. This included setting sustainable finance targets and investing in staff training hours.

For more details on our sustainability contributions, please refer to CIMB's Sustainability Report 2023 

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Customer Centricity</b>	Deepening client wallet through more systematic coverage i.e., creating seamless client experience across the region, invest in content and idea generation	Multiple awards received for solutions curated for clients and for specific products: <ul style="list-style-type: none"> <li>Best Bank for Investment Solutions</li> <li>Best Structured Products and Investment Solutions</li> <li>Syndicated Loan of the Year</li> <li>Sustainability Initiative of the Year</li> </ul>
<b>Disciplined Execution</b>	Strategic reorganisation to a regional operating model that focuses on productivity within organisation structure to identify and address pockets of inefficiency	Refreshed organisation structure with clearer roles and responsibilities to maximise productivity and improve product solutioning capabilities tailored for our clients
<b>Deliver Sustainable Financial Returns</b>	Diversification of income sources to reduce reliance on loan income	Growth in Current and Savings Account, Investment Banking and Treasury Sales income

## 2024 OUTLOOK AND PROSPECTS

The global economy is expected to remain moderate in 2024, supported by lower inflation forecast and gradual interest rate cuts, with uncertainties in the market due to continued geo-political tensions and political instability with general elections affecting almost half of the global population.

In line with the Group's Forward23+ targets and strategies, we strive to serve clients better and further improve the way business is conducted. Key focus will be on:

- Enhancing coverage: Further refinement of our client coverage model by driving a "one bank" view for seamless best-in-class solutions customised to client needs, providing sector-based expertise, and adding value beyond traditional banking offerings. With the new stockbroking arm, CIMB Securities Sdn Bhd, GWB is now better accommodated to clients' needs
- Increasing productivity: Operationalisation of our new operating model, which includes more clearly defined roles and accountability, streamlined internal processes for optimised risk management and higher productivity and improved specialisation to deliver superior results. We continue to invest in digitalisation efforts, spanning across sales enablement tools and distribution platforms to improve overall process efficacy
- Improving returns: Diversification of income sources, leveraging on more cross-sell opportunities to maximise returns

## Business Review

# GROUP ISLAMIC BANKING



### Ahmad Shahriman Mohd Shariff

2023 was a year of further growth for CIMB Islamic through the continued focus on the 'Islamic First' strategy deployed by the Bank, complemented by government support towards the Islamic Banking industry. Various policies were announced and implemented, such as the Halal Industry Master Plan 2030 and the Madani Economy framework envisioning Malaysia as the global Islamic economy leader. CIMB Islamic continued to drive profitability growth in high-impact segments. Cost discipline remained an integral focal point as the Bank emphasised cost optimisation with various initiatives across segments and divisions. We remained firm in our commitment to support the growth of local SMEs and develop financing solutions for the green and social economy sectors.

### 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 ASEAN.

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 in Islamic finance.

### FINANCIAL AND NON-FINANCIAL PERFORMANCE

Group Islamic Banking had several product launches and notable deals in sustainable finance and value partnerships to deliver bespoke knowledge and capacity modules to the critical mass of small-medium enterprises (SMEs) and B40 entrepreneurs. Overall, regional Islamic financing, including asset under Restricted Agency Investment Account (RAIA), registered financing growth of 13.8% YoY, closing the year at RM156 billion gross financing. Regional deposits also grew at 11.5% YoY to close the year at RM150 billion. The growth momentum for financing and deposits continued to be supported by the Islamic First strategy in Malaysia and Indonesia. Despite the challenging environment, regional operating income grew 4.4% YoY while maintaining its cost to income ratio through strict cost discipline. Regionally, Indonesia PBT performed well, back by the strong Consumer business while the robust Singapore PBT was contributed by its successful pivot to commercial financing.

### AWARDS AND RECOGNITION



#### **The Banker's Islamic Bank of the Year 2023**

- Islamic Retail Bank of the Year

#### **Alpha SEA Islamic Finance Awards 2023**

- Malaysia – CIMB Islamic: Best Islamic Finance Sukuk House
- Indonesia – CIMB Niaga Syariah – Best Islamic Finance SME

#### **IFN Best Banks Poll 2023**

- Best Islamic Bank

### WHAT INFLUENCED OUR ABILITY TO CREATE VALUE

DRIVERS OF PERFORMANCE AND GROWTH	STRATEGIES/APPROACHES DEPLOYED	VALUE CREATION RESULTS AND OUTCOMES
<b>RISK</b>	<p>The rebound in financing growth post pandemic combined with shortening of term deposit placements due to anticipation of higher interest rates triggered a deterioration in banks' Liquidity Coverage Ratio (LCR). The shift was most prominent among banks with a larger reliance on interest-sensitive wholesale deposits, such as Islamic banks.</p>	<p>Maintained healthy Common Equity Tier 1 capital (CET1) ratio of 13.0% and robust LCR of 149% to ensure that the bank delivers sustainable returns. CASA recorded a double-digit growth of 24.7% YoY (from RM34.7 billion to RM43.3 billion) while IA recorded 38.7% growth YoY (from RM13.7 billion to RM19.0 billion).</p>
<b>CHALLENGE</b>	<p>Nurturing the growth of SMEs is pivotal in ensuring the viability of micro-entrepreneurs in the fast and challenging business landscape</p>	<ul style="list-style-type: none"> <li>- iTekad Asnaf Negeri provided a comprehensive six-week training programme for the asnaf community, focusing on entrepreneurship, financial management, and technical skills to cultivate new social entrepreneurs.</li> <li>- Program Keusahawanan 6.0 offered targeted business grants and specialised training to home-bakers from underserved communities, enhancing their entrepreneurship and business management skills and providing opportunities to upscale their micro-businesses.</li> <li>- Encourage graduates to venture into agropreneur via the Melon Manis project in Terengganu by creating greenhouses for melon trees and in turn, support the Government's national food security agenda.</li> </ul>
<b>OPPORTUNITY</b>	<p>Affluent Bumiputera individuals were identified as having significant concerns regarding Islamic Legacy Planning, with over 45% lacking understanding of the Faraid concept and holding various misconceptions.</p>	<p>Hosted nine regional events for Muslim Preferred customers to address common misconceptions and raise awareness about the Faraid concept and Shariah laws related to estate planning.</p> <p>Formed a strategic partnership with As-Salihin to launch <i>Wasiat, Harta Sepencarian &amp; Hibah</i> in 2024, with <i>Wasiat</i> being the first product launched on 2nd January 2024.</p> <p>Muslim Preferred customers from 9 regions attended the Islamic Legacy Planning events, successfully addressing their misconceptions and informational gaps regarding the Faraid concept and Shariah-compliant estate planning. Islamic Legacy Planning is positioned as a focused proposition to drive BancaTakaful with Hibah through Sun Legacy Shield that was launched by Sun Life Malaysia on 17th July 2023.</p> <p>Express &amp; Comprehensive <i>Wasiat</i> was launched in partnership with As-Salihin Trustee on 1st January 2024 to address the complexities on Islamic Estate Planning.</p>

## WHAT OUR STAKEHOLDERS EXPECTED



## HOW WE CREATED VALUE IN 2023

<p>Group Islamic Banking's total asset hit the RM200 billion mark in 2023 and represents 30% of CIMB Group's total assets</p>	<p>Muslim Preferred customers in nine states were educated on Legacy Planning to address common misconceptions and raise awareness about the Faraid concept and Shariah laws related to estate planning</p>	<p><b>Contributed RM1.6 million</b> to the Harapan Ramadhan programme, which provides assistance in the form of food packs and cash vouchers to around 30,000 beneficiaries from vulnerable communities across 14 states</p>	<p><b>43%</b> increment in training hours compared to last year, averaging at 53.6 hours per employee</p> <p>36% of total staff obtained various Islamic Finance related certifications and 5 high potential staff were sent for CIMB signature programmes</p>	<p>Expanded VBI initiatives such as iTekad 2.0 and Program Keusahawan New Edition in line with BNM's Financial Sector Blueprint focusing on entrepreneurship training and supporting vulnerable communities.</p>
<p><b>FORWARD23+</b> <b>Our Strategic Focus Areas</b></p> <ul style="list-style-type: none"> <li>Purpose Driven Organisation</li> <li>Disciplined execution</li> <li>Sustainable Financial Returns</li> </ul>				
<p><b>Material Matters</b></p> <ul style="list-style-type: none"> <li>Customer Experience</li> <li>Sustainable Finance</li> <li>Financial Literacy, Inclusion and Wellbeing</li> </ul> 				

## SUSTAINABILITY HIGHLIGHTS

**Environmental** CIMB Islamic contributed towards environmental conservation through EcoSave Savings Account-i that included the launch of new projects such as the Babagon Water Catchment initiative in Kota Kinabalu which happened in conjunction with the Experiential Learning of The Cooler Earth Sustainability Summit 2023.

**Social** CIMB Islamic extended numerous contributions towards entrepreneurship programmes such as iTekad Asnaf, Programme Keusahawan, and Melon Manis Agropreneur Programme by providing seed funding and business skill training. Continuous support was also given to alleviate the financial burden of vulnerable and disadvantaged communities in both Malaysia and Indonesia.

**Governance** CIMB Islamic participated in the development of the Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guide for Agriculture, Forestry and Fishing to assist financial institutions and their counterparties in decision-making and to establish a basic framework to help the industry build capacity.

## PROGRESS ON FORWARD23+ THEMES/FOCUS AREAS

FORWARD23+ STRATEGIC THEMES	INITIATIVES	RESULTS
<b>Delivering Sustainable Financial Returns</b>	<ul style="list-style-type: none"> <li>Completed three new projects to further accelerate Investment Account (IA) Growth: Durian-I, Enablement of eTIA via CIMB Clicks, TIA Board rate enhancements</li> <li>Launched special campaigns such as TIA-I and CASA bundle to improve CASA balance</li> </ul>	<ul style="list-style-type: none"> <li>Investment Account grew 38.7% YoY through focused efforts, generating substantial Risk-Weighted Assets (RWA) savings for the Group.</li> <li>CASA balance grew by 24.7% YoY</li> </ul>
<b>Purpose Driven Organisation</b>	<ul style="list-style-type: none"> <li>Expanded VBI initiatives in line with BNM's Financial Sector Blueprint focusing on entrepreneurship training and supporting vulnerable communities. Examples include iTekad 2.0 and Program Keusahawan New Edition.</li> <li>Launched new EcoSave-I projects, such as the Babagon Water Catchment initiative in Kota Kinabalu.</li> <li>Partnered with Yayasan Sultan Mizan on Terengganu Melon Manis project to encourage graduates to venture into agropreneurship.</li> <li>Championed the Harapan Ramadhan initiative as part of zakat wakalah distribution</li> </ul>	<ul style="list-style-type: none"> <li>Successful focus on entrepreneurship training and community support, illustrated by initiatives like iTekad 2.0 and Program Keusahawan New Edition.</li> <li>Three hectares of forest in the Babagon water catchment area, which provides 57% of Kota Kinabalu's clean water supply, will be restored.</li> <li>Established two greenhouses to cultivate 3,000 melon trees, aiming to develop 20 new agropreneurs annually and support the government's national food security agenda.</li> <li>Provided assistance to 30,134 beneficiaries in vulnerable communities across 14 states.</li> </ul>

## 2024 OUTLOOK AND PROSPECTS

In 2024, CIMB Islamic is strategically positioned to achieve significant growth, advancing into the final stage of the Forward23+ programme. Our focus is firmly set on reaching our targets, with a strategic emphasis on enhancing our financing and CASA growth, Preferred Banking, wealth management services, and reinforcing our digital infrastructure and operational robustness. Our commitment extends beyond financial metrics, as we continue to empower our customers and communities, prioritising those in vulnerable positions, through our innovative, responsible, and sustainable financial solutions.

### Key Focus Areas:

- Diversifying Financing Income:** Increasing our focus on high-margin growth segments to diversify our financing income.
- Innovative and Digitally-Powered Customer Support:** Implementing a stronger and more innovative approach to assist our customers in future planning, utilising our enhanced wealth planning product propositions, and introducing new distribution initiatives.
- Comprehensive Islamic Product and Service Suite:** Ensuring we are well-positioned to capitalise on the growth of Islamic finance in Malaysia and Indonesia by offering a comprehensive suite of products and services in the Islamic finance space.
- Sustainability Awareness and Participation:** Championing, engaging, and building capability and capacity for sustainability, both internally and externally, in Malaysia, Indonesia, and Singapore.
- Sustainable Financing Capabilities:** Continue to develop our sustainable financing capabilities and enhancing our strategy in this space with new product developments and innovations.
- Responsible Profit Generation:** Focusing on generating profits in a responsible manner, thereby creating a net positive impact through our products and services.



# BOARD OF DIRECTORS

- 1 DATUK MOHD NASIR AHMAD**  
Chairperson/Independent Director
- 2 AFZAL ABDUL RAHIM**  
Independent Director
- 3 HO YUET MEE**  
Independent Director

- 4 SHULAMITE N K KHOO**  
Independent Director
- 5 DATO' ABDUL RAHMAN AHMAD**  
Group Chief Executive Officer/  
Executive Director
- 6 DATO' LEE KOK KWAN**  
Non-Independent Director

- 7 DATIN AZLINA MAHMAD**  
Independent Director
- 8 DATO' MOHAMED ROSS MOHD DIN**  
Independent Director
- 9 DIDI SYAFRUDDIN YAHYA**  
Independent Director

# Board of Directors' Profiles



## DATUK MOHD NASIR AHMAD

Chairperson/Independent Director

### Nationality

Malaysian

### Age

70

### Gender

Male

### Date of Appointment

20 July 2015

### Length of Service

9 years

#### MEMBERSHIP OF BOARD COMMITTEES

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

#### RELEVANT EXPERIENCE

Datuk Mohd Nasir Ahmad is a Fellow of Association of Chartered Certified Accountants (ACCA), United Kingdom, a Chartered Accountant with Malaysian Institute of Accountants (MIA), and holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia.

He is currently Chairman of CIMB Group Holdings Berhad, CIMB Bank Berhad, CIMB Bank PLC Cambodia and Touch 'n Go Sdn Bhd. He was appointed as Independent Director of CIMB on 20 July 2015 and CIMB Group Chairman 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 is also Chairman of CIMB Foundation, Trustee of Yayasan Canselor UNITEN and Perdana Leadership Foundation, and board member of FIDE Forum.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Chairperson 16/16	-	Member 7/7	-	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 2023

# DATO' ABDUL RAHMAN AHMAD

Group Chief Executive Officer/Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Service
Malaysian	55	Male	10 June 2020	4 years

## 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, United Kingdom

## AREAS OF EXPERTISE

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

## DIRECTORSHIP/RELEVANT APPOINTMENTS

### Listed Entities (Other than CIMB)

- Commissioner, PT Bank CIMB Niaga Tbk
- Director, CIMB Thai Bank Pcl

### Public Companies

- Chief Executive Officer/Director, CIMB Bank Berhad

## RELEVANT EXPERIENCE

Dato' Abdul Rahman Ahmad assumed the role of Executive Director and Group Chief Executive Officer of CIMB as well as Chief Executive Officer of CIMB Bank Berhad on 10 June 2020.

With over two decades of leadership experience spanning across various sectors, Dato' Abdul Rahman held Chief Executive Officer positions in reputable organisations such as Malaysian Resources Corporation Berhad, Media Prima Berhad, Ekuiti Nasional Berhad and Permodalan Nasional Berhad. Prior to joining CIMB, he was the Non-Executive Non-Independent Chairman at Sime Darby Berhad and Velesto Energy Berhad.

Currently, Dato' Abdul Rahman is a council member of Asian Institute of Chartered Bankers (AICB), Malaysia International Islamic Financial Centre (MIFC) Leadership Council and serves as a panel member of Kumpulan Wang Amanah Negara, Malaysia's natural resource fund managed by Bank Negara Malaysia. Additionally, he is a member of the Association of Banks in Malaysia (ABM) and serves on the committee of the Joint Committee on Climate Change (JC3).

## BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	-	-	-	-

### 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 2023*



## Board of Directors' Profiles



# DATO' MOHAMED ROSS MOHD DIN

Independent Director

#### Nationality

Malaysian

#### Age

72

#### Gender

Male

#### Date of Appointment

19 April 2016

#### Length of Service

8 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson, Audit Committee
- Member, 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/Director, CIMB Islamic Bank Berhad

#### RELEVANT EXPERIENCE

Dato' Mohamed Ross started his career with HSBC Bank Malaysia Berhad (HSBC) in early 1972 where he held various roles in Corporate and Retail Banking as well as Branch Management. His contributions extend to serving as the Head of Treasury Malaysia and Head of Group Audit Malaysia between 1987 and 1996, gaining experience in Foreign Exchange and Treasury operations during international assignments in Hong Kong, London and New York. In his capacity as the Managing Director in 2003, he oversaw HSBC Amanah's Islamic onshore business in Malaysia until his retirement in December 2007.

Post-retirement, Dato' Mohamed Ross assumed the role of Executive Director and Senior Advisor of HSBC Amanah Takaful Malaysia Sdn Bhd until December 2008. Simultaneously, he served as an Independent Director of HSBC Amanah Malaysia Berhad until April 2016, chairing the Risk Committee and contributing as a member of the Audit and Nominations Committee.

Currently, Dato' Mohamed Ross sits on an Advisory Board for a Private Equity Fund as an Independent Member. Additionally, he serves a Trustee on the Board of Lembaga Zakat Selangor and as an Independent Director on the Board of an Asset Management company. In early 2021, he was appointed as a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	Chairperson 16/16	Member 7/7	Member 10/11	-

#### 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 2023

# DATO' LEE KOK KWAN

Non-Independent Director

Nationality	Age	Gender	Date of Appointment	Length of Service
Malaysian	58	Male	20 July 2015	9 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Member, 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)

- Director, IGB Berhad

##### Public Companies

- Director, CIMB Bank Berhad
- Director, CIMB Investment Bank Berhad
- Director, Cagamas Holdings Berhad
- Director, RAM Rating Services Berhad

#### RELEVANT EXPERIENCE

Dato' Lee Kok Kwan served as the Deputy Chief Executive Officer (CEO) of CIMB prior to assuming his Board appointments. In this role, he oversaw a broad spectrum of functions including Treasury and Markets, encompassing Sales and Trading activities in interest rates, credit, foreign exchange, bonds, equity, commodities and derivatives for the Group. He played a pivotal role in developing these areas since joining CIMB in 1996, significantly expanding the businesses to become one of the largest global markets operations in ASEAN, along with corporate and transaction banking.

Before joining CIMB in 1996, Dato' Lee accumulated over seven years of market and treasury experience within the Canadian banking sector. He held the position of Treasury Portfolio Manager, where he managed interest rates and optionality risk and return for a prominent Canadian bank. Additionally, he was a member of its Senior Asset-Liability Management Committee.

Dato' Lee also serves as a member of the Board of Trustees of the Capital Markets Development Fund (CMDF) and assumed the role of Chairperson of the Bond and Sukuk Information Platform Sdn Bhd on 3 November 2017 and 22 November 2017 respectively. Furthermore, he holds directorships in several other private companies.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	-	Member 6/7	-	-

#### 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 2023



## Board of Directors' Profiles



# DIDI SYAFRUDDIN YAHYA

Independent Director

#### Nationality

Indonesian

#### Age

57

#### Gender

Male

#### Date of Appointment

7 May 2019

#### Length of Service

5 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson, Group Nomination and Remuneration Committee and Board Risk and Compliance Committee
- Member, Group Sustainability and Governance Committee
- Member, Audit Committee (resigned w.e.f 8 October 2023)

#### 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, PT Bank CIMB Niaga Tbk

##### Public Companies

- Nil

#### RELEVANT EXPERIENCE

En Didi Syafruddin Yahya brings over two decades of experience from his tenure at J.P. Morgan Chase Bank (J.P. Morgan), where he held various leadership roles in Indonesia and later in Malaysia where he was Managing Director and Head of Investment Banking. During his time in J.P.Morgan he played a key role in client coverage offering strategic counsel on mergers and acquisitions, as well as equity and debt capital markets transactions to leading companies in Indonesia and Malaysia.

Commencing his banking career with Morgan Grenfell & Co. in London after earning his Chartered Accountant qualification, En Didi Syafruddin has garnered a wealth of expertise in the financial sector. Presently, he serves as the Chairman of the Investment Panel at Urusharta Jamaah Sdn Bhd.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	Member 11/12	Chairperson 7/7	Member 11/11	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 2023

# AFZAL ABDUL RAHIM

Independent Director

Nationality	Age	Gender	Date of Appointment	Length of Service
Malaysian	46	Male	31 January 2019	5 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Member, 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, Time dotCom Berhad
- Director, Symphony Communication Public Company Limited

##### Public Companies

- Nil

#### RELEVANT EXPERIENCE

En Afzal Abdul Rahim is a prominent technology entrepreneur currently serving as the Chief Executive Officer of TIME dotCom Berhad (TIME), a leading ASEAN telecommunications operator specialising in Fixed Line, Data Centers, and Global Submarine Cable Systems. His association with TIME commenced in 2008 following the establishment of The AIMS Asia Group and Global Transit International in 2006.

En Afzal is recognised for his contributions to the technology industry. He founded the non-profit Malaysian Internet Exchange in 2006 and held a position as a Board Member of Endeavor Malaysia, an organisation dedicated to fostering high-impact entrepreneurs.

His professional journey began in the automotive sector, initially as a Chassis Development Engineer and later transitioning to client management within the engineering consultancy domain at Group Lotus PLC. Notably, En Afzal also holds a license as a Commercial Pilot.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	-	-	Member 9/11	-

#### 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 2023



## Board of Directors' Profiles



# SHULAMITE N K KHOO

Independent Director

#### Nationality

Singaporean

#### Age

63

#### Gender

Female

#### Date of Appointment

15 May 2020

#### Length of Service

4 years

#### MEMBERSHIP OF BOARD COMMITTEES

- Member, Group Nomination and Remuneration 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)

- Director, Shangri-La Asia Limited

##### Public Companies

- Director, AIA Co. Ltd., Hong Kong

#### RELEVANT EXPERIENCE

Ms Shulamite Khoo served as the Group Human Resources Director and Executive Vice President of AIA Group, the largest publicly listed pan-Asian life insurance group headquartered in Hong Kong, from 2011 until her retirement in 2018.

Before her tenure at AIA, Ms Khoo held several senior executive positions at AXA, a prominent French multinational insurance firm specialising in global insurance, investment management, and other financial services.

Ms Khoo's expertise and leadership have been recognised beyond her corporate roles. She was previously appointed as an International Advisory Panel Member of the Singapore Civil Service. Additionally, she served on the Board of AIA Malaysia from 2018 until her resignation in February 2020.

#### BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC	GSGC
Member 16/16	-	-	Member 11/11	Member 3/5

##### 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 2023*

# HO YUET MEE

Independent Director

Nationality	Age	Gender	Date of Appointment	Length of Service
Malaysian	64	Female	28 July 2022	More than 1 year

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson, Group Sustainability and Governance Committee
- Member, CIMB Banking Group Audit Committee and CIMB Group Audit Committee

#### 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

Before assuming her role as a Director at CIMB, Ms Ho Yuet Mee served as a director on the Board of CIMB Islamic Bank Berhad, a subsidiary of CIMB Bank Berhad. Ms Ho is a certified public accountant, having spent a significant portion of her career in prominent international accounting firms, primarily with EY, where she accumulated 25 years of experience. During her tenure at EY, she held various leadership positions, including serving as an audit partner for major government-linked companies and multinational clients.

Ms Ho played a pivotal role in establishing the global EY Entrepreneur Of The Year Programme in Malaysia and spearheaded its operations for several years. Additionally, she served as a Pacific Regional Partner, focusing on the implementation of global IT projects and oversaw the audit independence function regionally for an extended period.

In June 2011, Ms Ho opted for early retirement to join an engineering construction private limited company, founded by her husband, where she currently serves as its Finance Director. Alongside her corporate responsibilities, she is actively involved in 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 15/16	Member 16/16	-	-	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 2023



## Board of Directors' Profiles



# DATIN AZLINA MAHMAD

Independent Director

**Nationality**

Malaysian

**Age**

57

**Gender**

Female

**Date of Appointment**

1 May 2023

**Length of Service**

1 year

**MEMBERSHIP OF BOARD COMMITTEES**

- Member, Group Audit Committee and Group Nomination and Remuneration Committee

**QUALIFICATION**

- Bachelor of Science in Economics, The Wharton School of Business, University of Pennsylvania, Philadelphia, United States of America
- Bachelor of Arts, The College of Arts and Sciences, University of Pennsylvania, Philadelphia, United States of America

**AREAS OF EXPERTISE**

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

**DIRECTORSHIP/RELEVANT APPOINTMENTS**
**Listed Entities (Other than CIMB)**

- Director, Bursa Malaysia Berhad

**Public Companies**

- Nil

**RELEVANT EXPERIENCE**

Datin Azlina possesses over 30 years of extensive banking experience. Her professional journey commenced in 1989 at J.P. Morgan Chase Bank Berhad (J.P. Morgan), where she started as an analyst and progressed to become one of the senior bankers responsible for managing key corporate and institutional clients in Malaysia. She retired from J.P. Morgan as an Executive Director of the Global Corporate Bank on 2 March 2021.

Following her retirement, Datin Azlina was appointed by the Minister of Finance as a Public Interest Director to the Board of Directors of Bursa Malaysia Berhad, effective 16 March 2021. In this capacity, she also serves as a Member on Bursa Malaysia Berhad's Risk Management Committee, Nomination and Remuneration Committee and Regulatory and Conflicts Committee.

Datin Azlina's vast experience in corporate and investment banking, her pivotal role in establishing the corporate banking franchise of J.P. Morgan in Malaysia, her proficiency in banking operations and her extensive client coverage experience make her a valuable addition to the Board, complementing its existing skill set and dynamics.

**BOARD AND BOARD COMMITTEE ATTENDANCE**

BOD	AC	BRCC	GNRC	GSGC
Member 11/11	Member 9/10	-	Member 3/3	-

**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 2023*

# Group Company Secretary's Profile

## DATIN ROSSAYA MOHD NASHIR

Group Company Secretary

Nationality	Age	Gender	Date of Appointment	Length of Service
Malaysian	56	Female	2002	22 years

### 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
- CIMB-CISL Sustainability Leadership Programme, Institute for Sustainability Leadership, University of Cambridge

### 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 was appointed Group Company Secretary of CIMB on 17 March 2006. She holds the responsibility for the Group's Corporate Secretarial and Governance team and advises the CEO and the Board on corporate and governance matters. Her position also covers the Group's regional operations where her strong experience is utilised in close liaisons between the Board and its key stakeholders, in Malaysia and in the Group's regional offices.

Datin Rossaya has nearly 30 years of experience in corporate secretarial practice. She also brings insights as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum. She is also a Director of several subsidiaries in CIMB.

She also has passion for and experience in sustainability in the financial services sector, and has initiated several sustainability projects for #teamcimb.

Prior to joining CIMB, Datin Rossaya was with Permodalan Nasional Berhad, where she held the position of Joint Company Secretary for several of its subsidiaries. She began her career with the Time Engineering Group.



# 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

**Sukanta Kumar Dutt**  
Independent Director

**Dato' Lee Kok Kwan**  
Non-Independent Director

**Christina Ong Soo Chan**  
Independent Director  
(Appointed on 1 March 2023)

**Kee E Lene**  
Independent Director  
(Appointed on 15 March 2023)

**Dr Nurmalizah Dato' Mahzan**  
Independent Director  
(Appointed on 3 August 2023)

**Nadzirah Abd Rashid**  
Independent Director  
(Retired on 14 September 2023)

**Hafriz Abdul Rahman**  
Non-Independent Director  
(Resigned on 1 February 2024)

### SECRETARY

**Datin Rossaya Mohd Nashir**

## CIMB

CIMB INVESTMENT BANK BERHAD

### CHAIRPERSON

**Raymond Yeoh Cheng Seong**  
Independent Director  
(Appointed on 1 November 2023)

### MEMBERS

**Muhammad Novan Amirudin**  
Chief Executive Officer/Executive Director  
(Appointed on 15 June 2023)

**Manu Bhaskaran**  
Independent Director

**Dato' Lee Kok Kwan**  
Non-Independent Director

**Tan Ting Min**  
Independent Director  
(Appointed on 1 May 2023)

**Datin Azlina Mahmad**  
Independent Director  
(Appointed on 1 May 2023 & resigned on 3 July 2023)

**Jefferi Mahmud Hashim**  
Chief Executive Officer/Executive Director  
(Resigned on 15 June 2023)

**Nadzirah Abd Rashid**  
Independent Director  
(Retired on 14 September 2023)

**Teoh Su Yin**  
Chairperson/Independent Director  
(Retired on 7 October 2023)

**Surina Shukri**  
Independent Director  
(Deceased on 29 February 2024)

### SECRETARY

**Datin Rossaya Mohd Nashir**

## CIMB ISLAMIC

CIMB ISLAMIC BANK BERHAD

### CHAIRPERSON

**Dato' Mohamed Ross Mhd 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

**Zuhaida Zulkifli**  
Independent Director  
(Appointed on 1 March 2023)

**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

**Farina J. Situmorang**  
Independent Commissioner  
(Appointed on 25 January 2024)

**CORPORATE SECRETARY**  
**Transiska Oei**

**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 Apiksirikul**  
Independent Director

**Natasak Rodjanapiches**  
Independent Director

**Dato' Abdul Rahman Ahmad**  
Non-Independent Director

**Vera Handajani**  
Non-Independent Director

**Chanmanu Sumawong**  
Independent Director  
(Resigned on 13 April 2023)

**Dr Rom Hiranpruk**  
Independent Director  
(Resigned on 13 April 2023)

**Niti Jungnintrundr**  
Independent Director  
(Resigned on 12 August 2023)

**SECRETARY**

**Patima Jumpasut**

**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

**JOINT SECRETARIES**

**Ly Sophea**  
**Datin Rossaya Mohd Nashir**

**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**

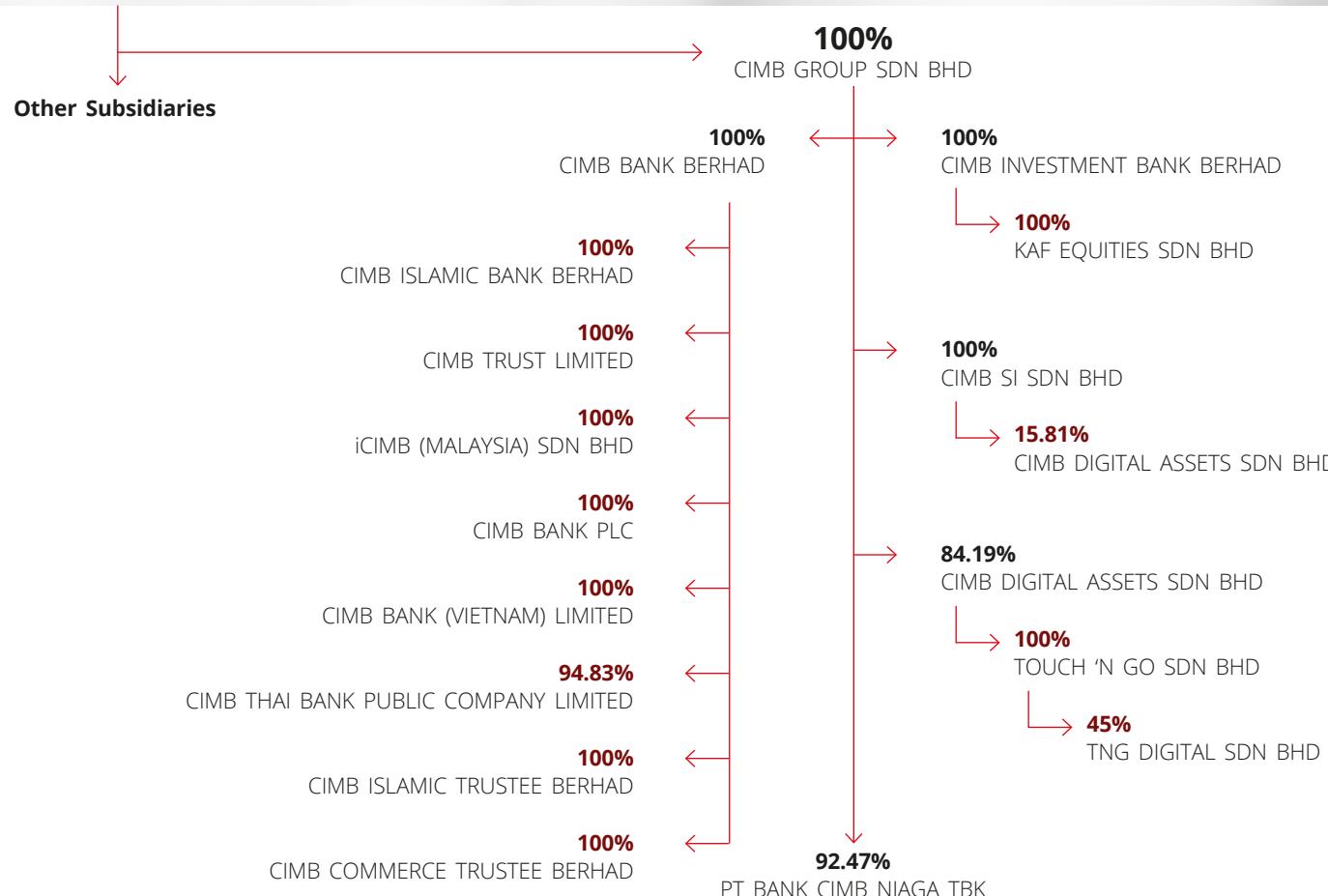
**Tran Hai Long**  
**Datin Rossaya Mohd Nashir**

# Corporate Structure

As at 29 February 2024



CIMB GROUP HOLDINGS BERHAD



# Group Shariah Committee Profile



## ASSOCIATE PROFESSOR DR MOHAMED FAIROOZ ABDUL KHIR

(Chairman)

**Nationality**
**Malaysian**
**Age**
**48**
**Gender**
**Male**
**Date of Appointment**
**16 August 2020**
**Length of Tenure**
**4 Years**

## ASSOCIATE PROFESSOR DR MOHAMED FAIROOZ ABDUL KHIR

(Chairman)

**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
- Certified Shariah Advisor (CSA) from Association of Shariah Advisors (ASAS), 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
- Member, Shariah Advisory Committee of Tabung Haji

**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)

## PROFESSOR DR AISHATH MUNEEZA


**Nationality**
**Maldivian**
**Age**
**39**
**Gender**
**Female**
**Date of Appointment**
**13 April 2018**
**Length of Tenure**
**6 Years**
**Qualification:**

- PhD in Law – International Islamic University Malaysia
- LLM (Banking) – International Islamic University Malaysia
- Bachelor of Laws (Hons) – International Islamic University Malaysia
- Certified Shariah Professional (CSP) from Association of Shariah Advisors (ASAS), 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
- Member, Public Interest Monitoring Consultative Committee of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), Bahrain
- Professor & Associate Dean, Students & Internationalisation, School of Graduate and Professional Studies, INCEIF University
- Elected Executive Committee Member, Bar Council of Maldives
- Senior Islamic Finance Consultant, UNFPA, Malaysia

**Relevant Experience:**

- Former Associate Professor, INCEIF University
- 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)
- Former Chairman, Shariah Committee at Housing Development Corporation Ltd., Maldives

## Group Shariah Committee Profile



**DR AHMAD  
SUFIAN CHE  
ABDULLAH**

**Nationality**

Malaysian

**Age**

46

**Gender**

Male

**Date of  
Appointment**

1 November 2019

**Length of Tenure**

5 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:**

- Chairman, Shariah Advisory Board, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Shariah Committee, Small Medium Enterprise Development Bank Malaysia 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
- Former Shariah Committee, Kenanga Investment Bank Berhad
- Former 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

**DR MOHAMMAD  
MAHBUBI ALI**



**Nationality**

Indonesian

**Age**

41

**Gender**

Male

**Date of  
Appointment**

1 April 2023

**Length of Tenure**

1 Year

**Qualification:**

- PhD in Islamic Banking and Finance from IIUM Institute of Islamic Banking and Finance Malaysia
- Master's degree in Islamic Finance from International Center for Education in Islamic Finance (INCEIF), Malaysia
- Bachelor's degree in Shar'iah Finance (Islamic Economics) from Tazkia Institute, Indonesia
- Certified Shariah Adviser and Auditor (CSAA) from AAOIFI, Bahrain
- Certified Shariah Advisor (CSA) from Association of Shariah Advisors (ASAS), Malaysia

**Directorship/Relevant Appointments:**

- Board of Director, ZICO Shariah Advisory
- Director of Shariah, AIFA Consulting
- Member of Shariah Committee, FWD takaful Sdn Bhd
- Shariah Advisor, Dar al-Muraja'ah al-Shariyyah, Bahrain
- Member of the Curriculum Review Committee, Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) in Bahrain
- Adjunct Fellow, International Institute of Advanced Islamic Studies (IAIS Malaysia)

**Relevant Experience:**

- Former Chairman of Shariah Committee, Affin Islamic Bank Berhad
- Former Head of Economics, Finance, Awqaf and Zakat cum Associate Principal Fellow, International Institute of Advanced Islamic Studies (IAIS Malaysia)
- Former Research Fellow, IAIS Malaysia
- Former researcher, International Shariah Research Academy for Islamic Finance (ISRA) Malaysia
- Former Visiting Professor, Indonesian University of Education



## EN JALALULLAIL BIN OTHMAN

**Nationality****Malaysian****Age****57****Gender****Male****Date of Appointment****6 May 2023****Length of Tenure****11 Months****Qualification:**

- LLB, Queen Mary & Westfield College of the University of London
- Certificate in Legal Practice, University Malaya

**Directorship/Relevant Appointments:**

- Independent Director of CIMB Islamic Bank Berhad
- Member of the Board Risk & Compliance Committee
- Member of the Technical Committee of the Malaysia Accounting Standards Board ("MASB")
- Member of the Malaysian Bar Council Committee for Islamic Finance and Trade in Legal Services
- Member of the Listing Committee of Bursa Malaysia
- Member of the Senate of INCEIF University
- Moderator with the Finance Accreditation Agency ("FAA") and an Arbitrator for Islamic Finance with the Asian International Arbitration Centre ("AIAC")
- Chapter reviewer and contributor for the International Shariah Research Academy ("ISRA")
- Member of the Board for Financial Reporting Foundation
- Member of Audit Committee for Financial Reporting Foundation
- Member of INCEIF University Board of Trustees

**Relevant Experience:**

- En Jalalullail Othman heads the Islamic Finance practice in Shook Lin & Bok, one of the oldest and largest law firm in Malaysia. Encik Jal was instrumental in setting up the Islamic Finance practice and continues to chart the course of this practice area within the Firm.
- His portfolio of work includes advising on a wide range of sukuk issuances for financing power plants in Malaysia and China, vessel construction, project financing for the automotive industry, the textile and garment industry, the downstream and upstream palm oil industry, advising on Islamic structured products and Islamic syndicated financing.
- En Jal is also actively involved in the drive for innovation in the industry and in this respect Encik Jal leads the team advising on various product developments for Islamic banks, both in Malaysia and abroad.
- In addition to Islamic Finance, En Jal's other major areas of practice are corporate commercial law and real estate. His experience in advising on some major cross border mergers and acquisition and real estate acquisitions have benefited him in his role as an Islamic Finance lawyer.

# MANAGEMENT

**GROUP**



**1 AMRAN MOHAMAD**  
Group Chief Internal Auditor

**2 KWAN KEEN YEW**  
Group Chief Legal & Compliance Officer; and Group Chief Integrity & Governance Officer

**3 CHU KOK WEI**  
Co-Chief Executive Officer, Group Wholesale Banking

**4 VERA HANDAJANI**  
Group Chief Risk Officer

**5 DATO' ABDUL RAHMAN AHMAD**  
Group Chief Executive Officer/Executive Director, CIMB; Country Head, Malaysia; and Chief Executive Officer/Executive Director, CIMB Bank Berhad

**6 EFFENDY SHAHUL HAMID**  
Chief Executive Officer, Group Consumer & Digital Banking

**7 AHMAD SHAZLI KAMARULZAMAN**  
Co-Chief Executive Officer, Group Commercial & Transaction Banking

**8 KHAIRUL RIFAI**  
Group Chief Financial Officer



**9 LANI DARMAWAN**  
Country Head,  
Indonesia; and  
President Director  
& Chief Executive  
Officer, PT Bank  
CIMB Niaga Tbk

**10 PAUL WONG  
CHEE KIN**  
Country Head,  
Thailand; and  
President & Chief  
Executive Officer,  
CIMB Thai Bank  
PCL

**11 VICTOR LEE MENG  
TECK**  
Country Head,  
Singapore; and  
Chief Executive  
Officer, CIMB Bank,  
Singapore

**12 AHMAD SHAHRIMAN  
MOHD SHARIFF**  
Chief Executive Officer/  
Executive Director, CIMB  
Islamic Bank; Chief  
Executive Officer, Group  
Islamic Banking; and  
Chief Executive Officer,  
CIMB Foundation

**13 NOVAN AMIRUDIN**  
Chief Executive  
Officer/Executive  
Director, CIMB  
Investment Bank; and  
Co-Chief Executive  
Officer, Group  
Wholesale Banking

**14 GURDIP  
SINGH SIDHU**  
Group Chief  
Operating &  
People Officer

**15 HANIZ  
NAZLAN**  
Group Chief  
Strategy Officer

**16 LAWRENCE  
LOH**  
Co-Chief  
Executive  
Officer, Group  
Commercial &  
Transaction  
Banking

# Group Management Profile

## LANI DARMAWAN

Country Head, Indonesia; and President Director & Chief Executive Officer, PT Bank CIMB Niaga Tbk

Nationality	Age	Gender
Indonesian	62	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 CIMB Niaga Auto Finance, a subsidiary of PT Bank CIMB Niaga Tbk.
- She has more than 35 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.

## PAUL WONG CHEE KIN

Country Head, Thailand; and President & Chief Executive Officer, CIMB Thai Bank PCL

Nationality	Age	Gender
Malaysian	55	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.

## VICTOR LEE MENG TECK

Country Head, Singapore; and Chief Executive Officer, CIMB Bank, Singapore

Nationality	Age	Gender
Singaporean	54	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

- Over 25 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.
- Responsible for transforming and building Singapore's banking business, strategic positioning, and deepening its foothold in ASEAN region.
- Previously as Chief Executive Officer for CIMB Group Commercial Banking, he was responsible for growing and driving innovation for the SME and Mid-Corporate segments in the region. Championed customer centricity, digital enablement, as well as CIMB's sustainability agenda for the entire Commercial Banking business.
- 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".

**CHU KOK WEI**

**Co-Chief Executive Officer,  
Group Wholesale Banking**

Nationality	Age	Gender
Malaysian	50	Male

**QUALIFICATION**

- MSc in Finance and Economics with Distinction, and First Class Honours of BSc (Econ) Economics, London School of Economics and Political Science, University of London, United Kingdom
- Chartered Financial Analyst (CFA)
- Chartered Banker

**DIRECTORSHIP/RELEVANT APPOINTMENTS**

- President, Financial Markets Association Malaysia (FMAM)
- Member, 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.

**NOVAN AMIRUDIN**

**Chief Executive Officer/Executive Director, CIMB Investment Bank; and Co-Chief Executive Officer, Group Wholesale Banking**

Nationality	Age	Gender
Malaysian	44	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**

- Director, CIMB Investment Bank Bhd
- Director, CIMB Securities Sdn Bhd

**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 and Group Private Banking.
- In addition, Novan is the Chief Executive Officer of CIMB Investment Bank Berhad.
- Novan comes with more than 20 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.

**EFFENDY SHAHUL HAMID**

**Chief Executive Officer,  
Group Consumer & Digital Banking**

Nationality	Age	Gender
Malaysian	51	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, United States of America

**DIRECTORSHIP/RELEVANT APPOINTMENTS**

- Chairman, TNG Digital Sdn Bhd
- Chairman, CIMB Bank (Vietnam) Ltd
- Director, Touch 'n Go Sdn Bhd
- Director, CIMB SI Sdn Bhd
- Director, CIMB Digital Assets Sdn Bhd

**RELEVANT EXPERIENCE**

- As CEO of 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 of Group Ventures and Partnerships, he was responsible for the development of the Group's new and disruptive revenue and value creation streams, with a focus on cultivating new-age partnerships at scale, venturing through selective strategic investments in platform-based business, and managing the Group's digital banking franchises.
- Prior to that, Effendy was CEO of Group Asset Management & Investments, responsible for the Group's investments businesses across both public and private markets, including the regional asset management business, its private equity fund management business and the proprietary equity investments portfolio.
- Prior to that, as CEO of Group Commercial Banking, he manages 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, Effendy 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, Effendy spent the early years of his career in several companies in a corporate development capacity, mostly involved in private Pacific, merger and acquisition and general business expansion initiatives across Asia Pacific.
- Regional business experience having worked and lived in Malaysia, Hong Kong and Singapore.

# Group Management Profile

## AHMAD SHAHRIMAN MOHD SHARIFF

Chief Executive Officer/Executive Director, CIMB Islamic Bank; Chief Executive Officer, Group Islamic Banking; and Chief Executive Officer, CIMB Foundation

Nationality	Age	Gender
Malaysian	47	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
- CIMB-CISL Sustainability Leadership Programme, Institute for Sustainability Leadership, University of Cambridge
- Oxford Advanced Management and Leadership Programme, Said Business School, University of Oxford

### DIRECTORSHIP/RELEVANT APPOINTMENTS

- Director, CIMB Islamic Bank Berhad
- Secretary and Council Member, 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 service 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.
- As of 2 October 2023, Shahriman has also taken on the role of CEO, CIMB Foundation.

## KHAIRUL RIFAI

Group Chief Financial Officer

Nationality	Age	Gender
Malaysian	44	Male

### QUALIFICATION

- First Class Honours degree in Accounting and Finance, University of Warwick, United Kingdom
- MSc in Finance from Imperial College, United Kingdom
- Member, Institute of Chartered Accountants in England and Wales (ICAEW)
- Member, Chartered Banker Institute (MCBI)
- Member, Malaysian Institute of Accountants (MIA), Malaysia

### DIRECTORSHIP/RELEVANT APPOINTMENTS

- Director, CIMB Group Sdn Bhd
- Director, CIMB Berhad
- Director, CIMB Holdings Sdn Bhd
- Director, Commerce MGI Sdn Bhd
- Director, Premier Fidelity Sdn Bhd
- Director, SIBB Berhad
- Director, SBB Berhad
- Director, S.B. Properties Sdn Bhd
- Director, S.B. Venture Capital Corporation Sdn Bhd
- Director, Perdana Nominees (Tempatan) Sdn Bhd
- Director, 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.

## GURDIP SINGH SIDHU

Group Chief Operating & People Officer

Nationality	Age	Gender
Malaysian	51	Male

### QUALIFICATION

- Honours in Accounting and Finance, the London School of Economics and Political Science, University of London, United Kingdom
- Chartered Financial Analyst (CFA)
- 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 27 years of experience in financial services and management consulting, and has been with CIMB Group for over 17 years. He was recently appointed as the Group Chief Operating and People Officer where he oversees five functions within the organisation. These are Human Resources, Sustainability, Operations, Admin & Property Management as well as Strategic Procurement. He works alongside the Group CEO in driving transformation priorities and being a focal point in managing stakeholders.
- Prior to this role, Gurdip was the Group Chief People Officer (2020 to 2023) where he was responsible for setting the human capital direction and strategy of the Group, in alignment with the Group's overall strategy and priorities.
- Prior to that, 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+ strategic roadmaps. During this stint, he had helped shape and steer the Group through various strategic phases and initiatives, including setting up the sustainability function as well as heading it for a period of time.
- 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.
- Gurdip graduated with honors from The London School of Economics and Political Science (LSE) with a Bachelor's of Science in Economics, majoring in Accounting and Finance. He is a Chartered Financial Analyst (CFA) and has completed the CIMB-INSEAD Leadership Programme.

**HANIZ NAZLAN****Group Chief Strategy Officer**

Nationality	Age	Gender
Malaysian	41	Male

**QUALIFICATION**

- Bachelor of Science (Hons) Degree in Actuarial Science, London School of Economics & Political Science, University of London, United Kingdom
- 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, United States of America

**DIRECTORSHIP/RELEVANT APPOINTMENTS**

- Director, CIMB Group Sdn Bhd
- Director, Principal Asset Management Berhad
- Director, Principal Islamic Asset Management Sdn Bhd
- Director, Financial Park (Labuan) Sdn Bhd
- Director, CIG Berhad
- Director, CIMB Private Equity Sdn Bhd
- Director, CIMB SI II Sdn Bhd
- Director, CIMB Strategic Assets Sdn Bhd
- Director, Commerce Asset Ventures Sdn Bhd
- Director, Proton Commerce Sdn Bhd
- Director, Renggis Ventures Sdn Bhd
- Director, TNG Digital Sdn Bhd
- Director, CIMB Bank (Vietnam) Ltd (Board of Controllers)

**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 18 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.

**VERA HANDAJANI****Group Chief Risk Officer**

Nationality	Age	Gender
Indonesian	53	Female

**QUALIFICATION**

- Master of Business Administration, Kellogg – Hong Kong University of Science and Technology, United States of America/Hong Kong
- Bachelor of Arts (Economics), Trisakti University, Jakarta, Indonesia

**DIRECTORSHIP/RELEVANT APPOINTMENTS**

- Commissioner, PT Bank CIMB Niaga Tbk
- Director, 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 28 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, Indonesia and Malaysia.
- 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 from Corporate Banking Relationship Management, 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.

**KWAN KEEN YEW****Group Chief Legal & Compliance Officer; and  
Group Chief Integrity & Governance Officer**

Nationality	Age	Gender
Malaysian	50	Male

**QUALIFICATION**

- Bachelor of Laws (Hons), University of Sheffield, United Kingdom

**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.

# Group Management Profile

## AMRAN MOHAMAD

Group Chief Internal Auditor

Nationality	Age	Gender
Malaysian	49	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, 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.

## AHMAD SHAZLI KAMARULZAMAN

Co-Chief Executive Officer,  
Group Commercial & Transaction Banking

Nationality	Age	Gender
Malaysian	53	Male

### QUALIFICATION

- BSc (Hon) Economics and Accounting, University of Bristol, United Kingdom

### DIRECTORSHIP/RELEVANT APPOINTMENTS

- Chairman, Sathorn Asset Management Co. (Thailand)
- Chief Executive Officer, Southeast Asia Special Asset Management Berhad
- Director, CIMB Bank PLC, Cambodia
- Director, CIMB Factorlease Sdn Bhd

### RELEVANT EXPERIENCE

- As Co-Chief Executive Officer of Group Commercial and Transaction Banking (GCTB), Shazli is jointly responsible in overseeing the GCTB division across the region, covering Business Banking, SME Banking, Cash Management and Trade Finance solutions for the Group. His primary focus is on Business Banking which includes strategy, credit, customer management and product & services for both Conventional and Islamic Banking. He is also responsible for the management of the Group's Bad Bank in Malaysia and Thailand.
- Shazli previously headed Commercial Banking Malaysia, where he was instrumental in driving and transforming the Commercial Banking Malaysia business, which comprises of Business Banking and SME Banking segments. He has also been instrumental in the Group's recovery operations, having set up Group Special Asset Management to recover the NPLs for Corporate, Commercial/SME and Retail Banking since he joined CIMB in 2006.
- Prior to joining CIMB, Shazli was one of the pioneers of Malaysia's national asset management company, Pengurusan Danaharta Nasional Berhad (Danaharta) where he oversaw the acquisition of NPLs from financial institutions, the correspondent resolution processes, as well corporate debt restructuring exercises and syndications. Prior to Danaharta he was with Amanah Investment Bank Bhd.

## LAWRENCE LOH

Co-Chief Executive Officer,  
Group Commercial & Transaction Banking

Nationality	Age	Gender
Singaporean	50	Male

### QUALIFICATION

- Bachelor of Commerce in Accountancy, University of Queensland, Australia
- Asian Financial Leaders Programme (AFLP), Singapore Management University and Human Capital Leadership Institute in collaboration with the Monetary Authority of Singapore
- Institute of Banking and Finance (IBF) Fellow in Corporate Banking

### DIRECTORSHIP/RELEVANT APPOINTMENTS

- Nil

### RELEVANT EXPERIENCE

- Appointed as Co-Chief Executive Officer of Commercial and Transaction Banking on 2 October 2023. Lawrence is responsible in the growth and innovation of the SME segment in the region. He champions the product development, digital enablement, beyond banking initiatives as well as CIMB's sustainability agenda for the entire SME and Transaction Banking business.
- Lawrence also leads the CIMB Group's 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. He drives the strategic direction, growth, product/service innovation and client management of the Transaction Banking pillars.
- Lawrence has more than 24 years of banking experience. Before joining CIMB Group, Lawrence was Managing Director and Head of Group Business Banking responsible for UOB Group's Small Business segment across its ASEAN markets.
- Prior to UOB, he held several key management roles in a global private and investment bank. He also had operational and leadership responsibilities in product, analytics and business development in consumer and private banking. He began his career as a management consultant.
- Lawrence holds a Bachelor of Commerce from the University of Queensland, Australia, and is an alumni of the Asian Financial Leaders Programme in collaboration with the Monetary Authority of Singapore. He is also a Fellow – Corporate Banking with the Institute of Banking and Finance.

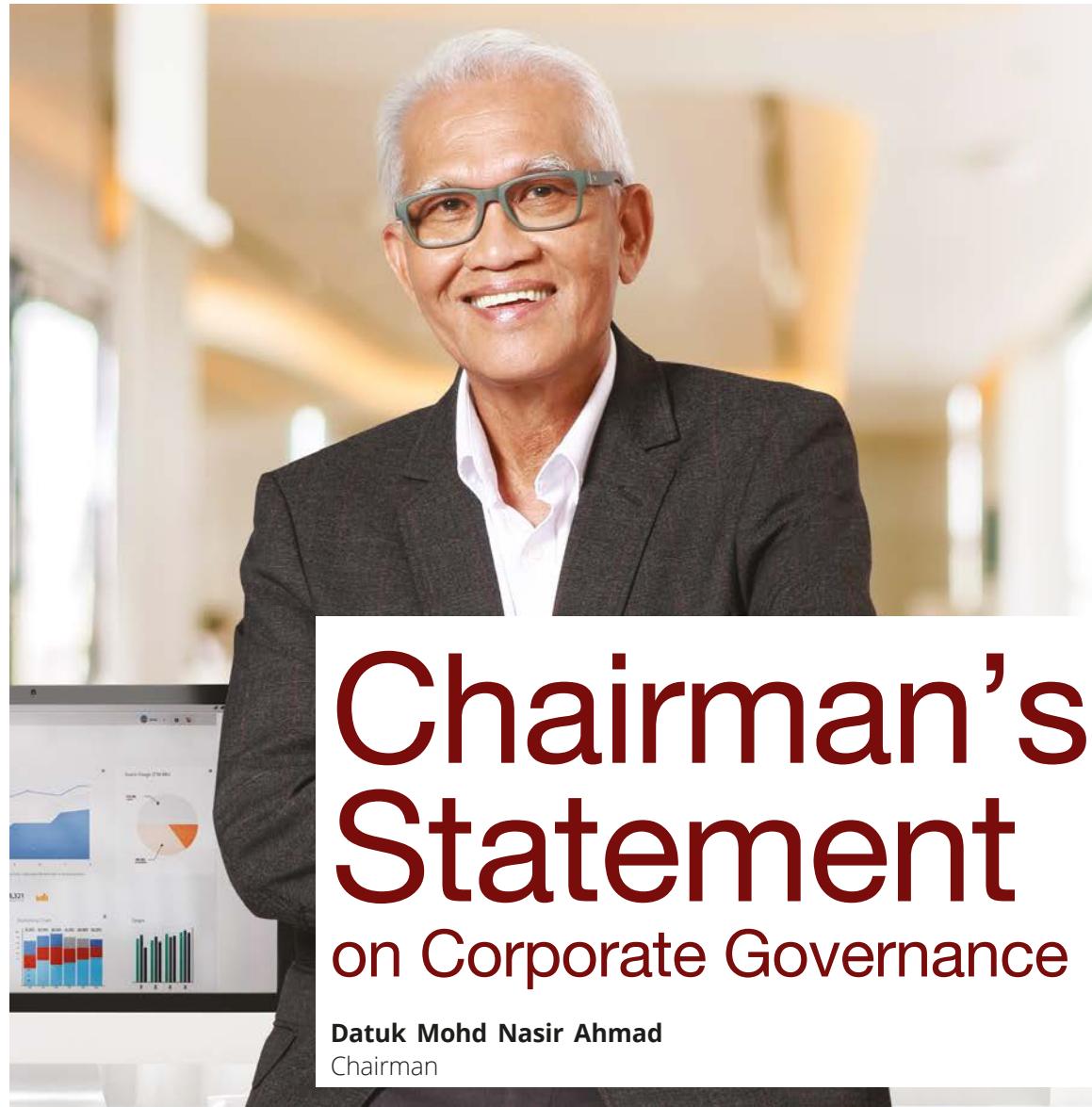
# Group Organisation Structure

31 December 2023



CIMB GROUP HOLDINGS BERHAD





# Chairman's Statement on Corporate Governance

Datuk Mohd Nasir Ahmad  
Chairman

## DEAR STAKEHOLDERS,

It is my pleasure to present the CIMB 2023 Corporate Governance Overview Statement.

The growing stakeholder activism is putting multiple aspects of the Board performance under intense scrutiny – from board composition to the quality of conversations in the board room, from the board's orientation to enterprise risks, short, medium and long term to the effectiveness of board decisions and risk governance. Also, against the fast-maturing ESG landscape, especially in the ASEAN countries where we have strong presence, there has been a growing expectation on enhanced disclosures and more importantly, internalisation of ESG strategies towards driving measurable and positive impact. CIMB continued to take an uncompromising approach towards strengthening its governance mechanisms and as a result, shaping a resilient and responsible financial institution.

In 2023, a lot of emphasis in the CIMB Boardroom has been placed on the governance of one of the most critical assets of the bank namely #teamCIMB. Investors, globally as well as in the ASEAN region, are interested in how the culture of organisations reflect their ability to compete, perform and thrive in the future. Human capital and the related topics such as workers' rights, workplace policies, diversity, equity and inclusion agenda are increasingly viewed as critical for managing enterprise risks. A deeper commitment to managing performance in these areas, as well as mitigating associated risks by promoting our EPICC Culture, remained part of Board deliberations.

Much emphasis has also been on strengthening the Board Leadership through continuous learning and capability building in areas such as sustainable finance, climate governance, DEI, and compliance stewardship. For instance, beyond just the representation of women on board, stakeholders and watch groups are expecting businesses to institutionalise processes that foster gender representation at all levels in the organisation, with a clear business case related to balanced risk perspectives and higher emotional quotient that drives value beyond just shareholders. Internal checks as well as risk audits and assessments to integrate some of these non-financial aspects of business into financial performance review were some of the key considerations in evolving our governance framework.

The year saw extremely volatile markets and unstable global/regional/local political and economic environment. As a result, there has been more emphasis on Board oversight of resource allocation, leadership performance, succession planning, business contingency preparedness and risk mitigation action. At CIMB, we continued to stress-test our strategies in the post-COVID era, while playing by the traditional principles of corporate governance – transparency, fairness, and accountability.



**We remain steadfastly committed to upholding the values of integrity and accountability within our corporate governance systems. These systems are designed to consistently serve the best interests of our stakeholders as we continue our journey of value creation. Through meticulous controls and mechanisms, our aim is to propel CIMB to become the leading focused ASEAN bank, guided by the overarching purpose of moving forward with you.**

Throughout the past year, our primary objective has been to ensure that our corporate governance systems remain fit and agile to deliver on Forward23+ objectives and respond to unanticipated business exigencies/risks. These challenges included accelerating performance while finding new growth opportunities through partnerships and market exploration, navigating tightened regulations and new policies that could potentially increase cost of doing business, and most importantly, remaining committed to the principles of responsible banking while building a profitable portfolio.

Our Board acknowledges the importance of developing a capability development framework to keep the members and decision-making agile. We recognise our responsibilities within the broader regulatory framework and the ESG context, crucial for fostering resilience both in our people and the businesses we operate. Group-wide policies are continually reviewed and reinforced to stay abreast of evolving governance standards and requirements.

Looking ahead, we remain steadfastly committed to upholding the values of integrity and accountability within our corporate governance systems. These systems are designed to consistently serve the best interests of our stakeholders as we continue our journey of value creation. Through meticulous controls and mechanisms, our aim is to propel CIMB to become the leading focused ASEAN bank, guided by the overarching purpose of moving forward with you.

A handwritten signature in black ink, appearing to read "Nasir Ahmad".

**Datuk Mohd Nasir Ahmad**  
Chairman

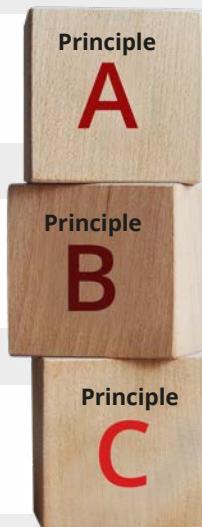
# Corporate Governance Overview Statement

The primary purpose of this Corporate Governance Overview is to provide shareholders with a comprehensive insight into CIMB's corporate governance practices for FYE 2023 and how these practices fortify CIMB's ability to foster long-term value by adhering to the three (3) key corporate governance principles outlined in the Malaysian Code on Corporate Governance:

**Board Leadership and Effectiveness**  
(27 practices, 3 step-ups)

**Effective Audit and Risk Management**  
(8 practices, 2 step-ups)

**Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**  
(8 practices)



This Corporate Governance Overview is crafted in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements and is to be read together with the CIMB Corporate Governance Report 2023, accessible on CIMB's website at [www.cimb.com](http://www.cimb.com). The Corporate Governance Report meticulously outlines how CIMB has implemented each practice as set out in the Malaysian Code on Corporate Governance throughout FYE 2023.

## OUR CORPORATE GOVERNANCE FRAMEWORK

CIMB's Corporate Governance Framework, firmly rooted in statutory provisions, regulatory requirements and best practices, maintains its integrity amidst adaptation to the ever-evolving landscape of:

- (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 – ASEAN Corporate Governance Scorecard;
- (vii) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries published by the Securities Commission Malaysia; and
- (viii) Development in regional regulations and international market practices.

In 2023, CIMB won a commendable accolade for corporate governance from the National Annual Corporate Report Awards (NACRA) 2023. CIMB was the Platinum winner for the "Excellence Awards - Companies with More Than RM10 Billion in Market Capitalisation".

## BOARD LEADERSHIP AND EFFECTIVENESS

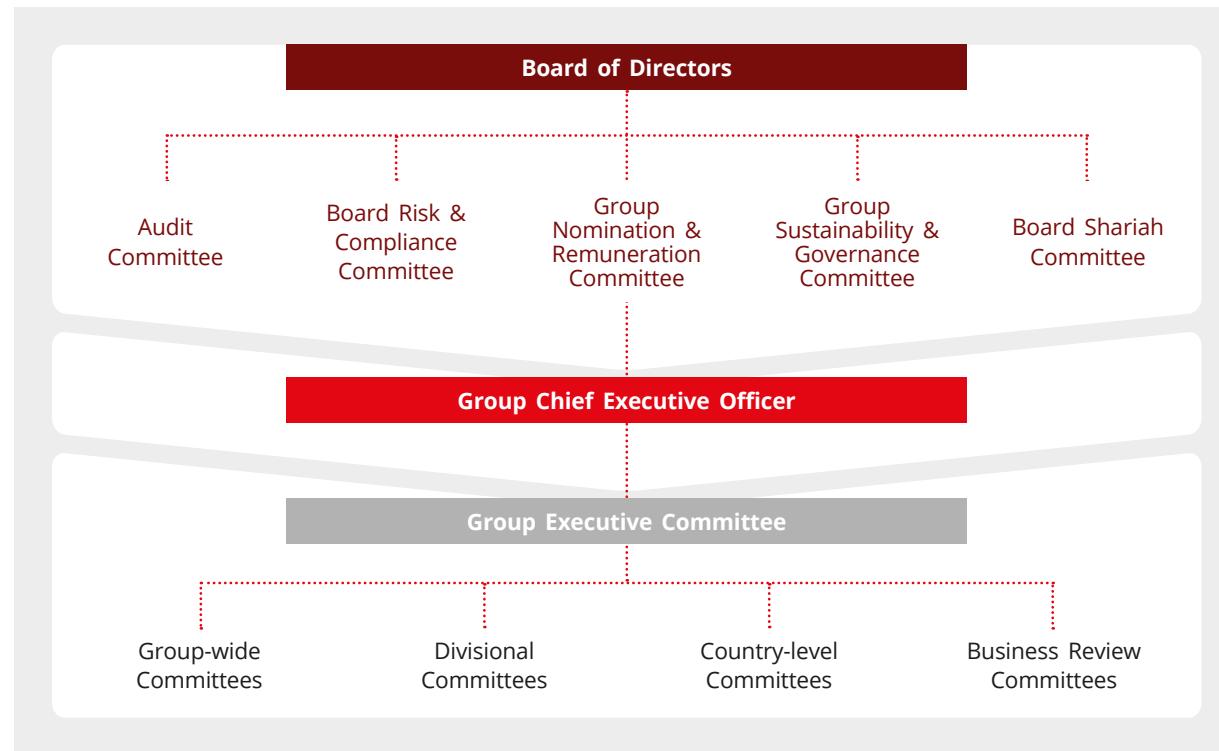
→ Principle



### THE ROLES AND RESPONSIBILITIES OF OUR BOARD

In formulating CIMB's strategic direction and vision, our Board conscientiously recognises the pivotal need to cultivate and deliver long-term sustainable values for CIMB's stakeholders. The pursuit is underpinned by the Board's emphasis on astute leadership through oversight on management and continuous monitoring of the business, performance, conformance to the regulations and risk controls. Our Board remains steadfast in its consideration of the environmental, social 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. Continuous reviews of Group policies and procedures ensure CIMB's alignment with the evolving best governance standards, including prompting the formulation of new frameworks when necessary.

The methodical and comprehensiveness of CIMB's existing governance framework ensures the orderly discharge of our Board's roles and responsibilities where the 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 outlines seven (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, available on CIMB's corporate website at [www.cimb.com](http://www.cimb.com). To ensure that it remains relevant and at the pinnacle of best governance practices, the Board Charter undergoes a review every three (3) years or as and when necessary. The last review was conducted in 4Q 2023 and was tabled for approval and adoption by the Board in April 2024.

## Corporate Governance Overview Statement

Throughout FYE 2023, our Board demonstrated unwavering commitment to ensuring CIMB's governance structure remained resilient. Tests were conducted against a spectrum of stressors, most notably post-pandemic recovery strategies, unanticipated economic shocks, the pressure of supporting customers and clients, and the escalating threat of financial cyber-crimes while pursuing optimal profitability. Other matters under the Board's oversight include the following:

### Main Areas of Oversight in FYE 2023

- Strategic/Business Plans and Management's Performance in Implementing the Strategies and Plans
- Annual Budget
- Principal Risks, Appropriate Internal Controls and Mitigation Measures
- Succession Planning
- Communications Policy
- Governance and Integrity Framework
- Group CEO's and Directors' Appointments and their Emoluments and Benefits
- Annual Effectiveness and Performance of the Board Committees
- Financial Statements and Interim Dividend
- Corporate Organisation Structure
- Bank Negara Malaysia's Risk Management and Scenario Analysis Policy Document
- CIMB's Net Zero Targets and Whitepaper

### Key Matters Reviewed/Deliberated/Approved

- Annual Budget
- Group CEO's Quarterly Report
- Quarterly Capital Management Update
- Quarterly Shareholder Statistics Update
- Quarterly Report on Directors' Training, Directorships and Summary of Dealings Outside of Closed Period
- Reports from Board Committees
- Group Risk Posture
- Financial Statements
- Interim Dividends and Dividend Reinvestment Scheme
- Formalisation of/Updates to Group Policies
- Re-Appointment of External Auditors for FYE 2022
- Business Units Updates and Projects
- Basel II/Pillar 3 Disclosures
- Performance Assessment and Proposed Compensation for Executive Director
- Revision to Terms of References of Board or Board Committees
- Compliance Work Plan
- Annual Evaluation Exercise for Board and Key Responsible Persons
- Forward23+ Strategy
- Annual Insurance Programme Renewal
- Touch & Go Related Matters
- Sustainability Framework, Policy and Progress, including material matters such as climate change and financial inclusion
- The Group's sustainability scorecard and performance to-date
- Group's Net Zero strategy and 2030 climate targets
- New targets for financial inclusion
- Covid-19 Impact Analysis and Risk Updates
- Proposed Sukuk Programme
- Business and Strategic Plan
- Corporate Structure Streamlining
- Group Technology Blueprint
- Composite Risk Rating
- Regulatory Updates
- Brand Strategy Framework

### **SEPARATION OF ROLES OF THE CHAIRPERSON AND GROUP CHIEF EXECUTIVE OFFICER**

CIMB recognises the paramount significance of clearly distinguishing the responsibilities of the Chairperson and the Group CEO. The roles of the Board Chairperson and Group CEO are entrusted to separate individuals, cultivating an optimal balance that results in heightened accountability and enriched decision-making efficacy.

Our Board is helmed by Datuk Mohd Nasir Ahmad, an Independent Non-Executive Director (INED), who plays an instrumental role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities. As the Chairperson, he also steers the Board in the oversight of Management and instils the right culture, values, and behaviours throughout the organisation. The Chairperson is not a member of the Audit Committee and the Group Nomination and Remuneration Committee.

Notwithstanding that Datuk Mohd Nasir Ahmad 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 En Afzal Abdul Rahim as the new SID.

The roles of the Chairperson, SID, and Group CEO are elaborately 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 comprehensive oversight of CIMB's operations and day-to-day affairs to the Group CEO, Dato' Abdul Rahman Ahmad. The Group CEO assumes the responsibility of leading the Management and for making and implementing operational decisions, supported by the Group Executive Committee (GEXCO) and other Management Committees. The Business Review Committees for Countries and Business Divisions continue to provide a platform for the Group CEO to scrutinise the performance and pivotal strategic aspects of the respective countries' entities and business divisions. These Business Review Committees allow the Group CEO to monitor and evaluate the alignment of core programmes against the agreed strategies and roadmap while providing regular feedback to Management to ensure prompt corrective actions as required.

## **DELEGATION BY THE BOARD TO THE BOARD COMMITTEES**

The Board has delegated authority upon distinct Board Committees, endowing them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board Committee meticulously set out the responsibilities of the Board Committee, conduct of meetings including quorum, voting requirements, and Board Committee membership, if any. All of our Board Committees exclusively comprise of only Non-Executive Directors. Any changes or amendments to the terms of reference for any Board Committee necessitate approval from the Board. The minutes of Board Committee meetings, which record the key deliberations and decisions made during these meetings, are tabled to all Board members for their information. During every Board meeting, the Chairperson of each Board Committee will provide succinct updates on significant matters discussed at the Board Committee meetings, 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:

### **AUDIT COMMITTEE (AC)**

#### **Members:**

1. Dato' Mohamed Ross Mohd Din  
– Chairperson/INED
2. Ms Ho Yuet Mee  
– Member/INED
3. Datin Azlina Mahmad  
– Member/INED  
*(Appointed on 1 May 2023)*

#### **Objective:**

To support the CIMB Board in ensuring a reliable and transparent financial reporting process within CIMB and its subsidiaries, and to review the corporate governance practices and internal control system to ensure checks and balances within the Group.

#### **Main Areas of Oversight:**

- Financial Reporting
- Internal Controls
- Internal Audit Function
- External Audit Reports
- Related Party Transactions
- Corporate Governance Disclosures
- Board's Conflicts of Interest Policy

#### **Key Matters Discussed:**

- Matters relating to CIMB, three Malaysia Banking Entities and Regional Subsidiaries
- Matters relating to other Non-Banking Subsidiaries of the Group
- Review of Financial Results and Approval of Financial Statement
- Related Party Transactions
- MFRS/IFRS 9 Updates
- Audit and Non-Audit Services provided by External Auditors
- PwC Audit Committee and Internal Controls Report for FYE 31 December 2023
- PwC Early Warning Report for FYE 31 December 2023
  - PwC Transparency Report
  - PwC Audit Plan
  - Reappointment of External Auditors
  - CIMB Singapore Branch: Auditor's Long Form Report for FYE 31 December 2023
  - CIMB Singapore Branch: Independent Review of its Business Relations with Customers Who Are Persons of Interest
  - Prohibited and Permitted Non-Audit Services for Group External Auditors
- Credit Related Control Issues
  - Management's Action Plans
- Group Corporate Assurance Division (GCAD), Internal Audit Plan for 2023
- GCAD Forward23+ Progress Update
- External Quality Assurance Review Report on GCAD
- GCAD 2024 Audit Plan & Resource Requirement
  - GCAD 2024 Financial Budget
  - GCAD 2024 and Group Chief Internal Auditor (GCIA) Scorecard
  - AC Evaluation on GCAD and GCIA Performance for 2023
  - Terms of Reference of Audit Committee
  - BNM Composite Risk Rating
  - Red Team Exercise Report
  - Documents pertaining to Annual Report 2023



→ Principle

# Corporate Governance Overview Statement

## BOARD RISK AND COMPLIANCE COMMITTEE (BRCC)

**Members:**

1. En Didi Syafruddin Yahya  
– Chairperson/INED
2. Datuk Mohd Nasir Ahmad  
– Member/INED
3. Dato' Mohamed Ross Mohd Din  
– Member/INED
4. Dato' Lee Kok Kwan  
– Member/Non-Independent Non-Executive Director (NINED)

**Objective:**

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.
2. To provide oversight and advice to the Board and Management in respect of the management of compliance risk.

**Main Areas of Oversight:**

- Risk Appetite and Risk Posture
- Risk Governance
- Risk Frameworks
- Risk Management Practices and Policies
- Risk Strategy
- Compliance Risk
- Risk and Compliance Culture
- Oversight on IT Risks
- Compliance Framework
- Anti-Money Laundering/Counter Financing Terrorism Risk Appetite
- Compliance and Anti-Money Laundering/Counter Financing Terrorism Strategy
- Recovery Planning
- Third Party Risk Management

**Key Matters Discussed:**

- Macroeconomic Outlook
- Group Risk Reports:
  - Group Risk Appetite Dashboard
  - Asset Quality Heatmap
  - Compliance to the 2023 Risk Posture
  - International Offices Risk Appetite Dashboard
  - Non-Financial Risk & Business Continuity Management Update
- Sustainability Risk
- Sustainability progress on key targets including GSSIPS, GHG operational emissions, sustainability training, employee volunteering hours and disbursement of community investment
- Group Legal & Compliance Report
- FYE 2022 Annual Performance Review for Group Chief Risk Officer and Group Chief Legal & Compliance Officer
- Risk Appetite Statement for FYE 2023
- Customer Experience (CX) Performance
- Overview of China Exposure
- Revised 2023 Risk Appetite Statement for CIMB Group
- Approved the Third Party Risk Management Framework, which superseded the Group Outsourcing Policy & Procedures and Partnership Risk Policy
- Approved the Business Continuity Management (BCM) Framework and Revision of BCM Policy

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## GROUP NOMINATION AND REMUNERATION COMMITTEE (GNRC)

### Members:

1. En Didi Syafruddin Yahya
  - Chairperson/INED (Re-designated as Chairperson on 8 October 2023)
2. Dato' Mohamed Ross Mohd Din
  - Member/INED
3. Ms Shulamite N K Khoo
  - Member/INED
4. En Afzal Abdul Rahim
  - Member/SID
5. Datin Azlina Mahmad
  - Member/INED (Appointed on 6 October 2023)

### Objective:

1. To support the Board in carrying out its functions by providing a transparent and consistent procedure concerning the Board, Board Committees, individual Directors, CEO/Executive Director (ED) and Senior Management Officers (SMOs) pertaining to appointments and removals, composition; and annual evaluation.
2. 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.
3. 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.

### Main Areas of Oversight:

- 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
- Annual Evaluation exercise comprising:
  - Board Effectiveness Assessment
  - Fit and Proper Assessment of Directors, CEOs/EDs, Group Shariah Committee Members & Company Secretary
- Succession planning for Boards, Board Committees and CEOs/EDs and Senior Management
- Remuneration packages based on the Group's existing remuneration guidelines and framework for Directors, members of the Board Committees, CEOs/EDs, Senior Officers (SOs), MRTs
- Governance matters in relation to the Board and Directors
- Directors' Development Plans

### Key Matters Discussed:

- 2022 Review by Control Functions
- Long-Term Incentive Plan
- Board and Board Committees' Composition
- Annual Evaluation Exercise
- Remuneration of Board, Group CEO/EDs, SOs and MRTs
- Setting of KPIs for Group CEO/ED and SOs
- Policies and Updates on Corporate Governance of the Group
- Directors' Development Plan
- Renewal of Appointment of Directors with BNM
- Appointment of Board Shariah Committee Members
- Streamlining of Boards and Board Committees of CIMB Group
- Board and Committee Succession Planning
- Diversity on the Board and Senior Management
- Update to Succession Planning for SOs
- Appointment of New SOs
- Fit and Proper Assessment
- Board Effectiveness Assessment Results
- Assessment of the Potential Candidates for the Position of Country CEO and SOs
- Leadership Changes for CIMB Group
- Appointment of Board Search Firm
- Reappointment of Retiring Directors at Annual General Meeting and Renewal of Directors Appointment with BNM for Tenures Expiring in 2023/2024
- Review of Board Remuneration to Directors for Subsidiaries
- Group Remuneration Policy and Remuneration Disclosures
- Board Composition and Skill Set Framework
- Board Governance Framework

# Corporate Governance Overview Statement

## GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE (GSGC)

**Members:**

1. Ms Ho Yuet Mee
  - Chairperson/INED (Re-designated as Chairperson on 8 October 2023)
2. Datuk Mohd Nasir Ahmad
  - Member/INED
3. Ms Shulamite N K Khoo
  - Member/INED
4. En Didi Syafruddin Yahya
  - Member/INED
5. Dr Nurmazilah Dato' Mahzan
  - Member/INED (Appointed on 9 November 2023)
6. Ms Tan Ting Min
  - Member/INED (Appointed on 9 November 2023)

**Objective:**

The GSGC's primary objective is to assist the Board in fulfilling its responsibilities in:

1. Advocating and fostering the ethical conduct, integrity culture and sustainability mind-set across CIMB and its Group.
2. Providing oversight, advice and direction on the development and implementation of strategies, frameworks, and policies for all of our material matters including but not limited to climate change and financial inclusion.
3. Overseeing the management of bribery, corruption and other related risks and the consequence management of breaches thereof.

**Main Areas of Oversight:**

- Advocates and fosters a culture/DNA of sustainability, ethical conduct, and integrity across the Group
- 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
- 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
- Oversees the management of bribery, corruption, and other related risks, as well as the consequence management of breaches thereof
- The Group's climate scorecard and performance to-date
- Reporting of the Group's Scope 1 & 2 GHG emissions reduction measures and performance
- Progress and new target for sustainable finance
- New targets for financial inclusion
- Strategies for Corporate Social Responsibility

**Key Matters Discussed:**

- Market, regulatory and policy developments on sustainability
- International and local sustainability guidelines, reporting standards, such as IFRS S1 and S2, and frameworks
- Sustainability strategies, roadmap, and targets to strengthen our approach in minimising negative impacts while creating positive impacts
- Policy commitments on topics related to our material issues
- Climate risk management, strategy to achieve Net Zero by 2050
- Climate change targets and portfolio-level physical and transition risks
- Establishment of the Group's Net Zero strategy and targets, including 2030 climate targets for Palm Oil and Power portfolios, transition plans for Thermal Coal, Cement, Palm Oil and Power portfolios and Net Zero Whitepaper publication
- Establishment of methodology, assumptions, challenges and preliminary outcomes of the Group's Climate Scenario Analysis proof-of-concept
- Sustainable and responsible finance goals and approaches
- Sustainability culture, values and leadership
- Sustainability risks and implications to the financial system
- Review of Sustainability Strategy and Roadmap and Sustainability Commitments, including Net Zero 2050 Commitment and No Deforestation, No Peat and No Exploitation requirements
- Overview of Integrity and Governance Unit Function
- Discussion on Corporate Green Power Programme and Carbon Credit Purchase
- The Cooler Earth Summit, an annual event focusing on sustainability initiatives and strategies
- Green Social Sustainable Impact Products and Services (GSSIPS)
- Financial Inclusion
- Climate Change Sector Specific Net Zero Pathways
- Climate Change Regulations such as the Climate Change and Principle-based Taxonomy (CCPT) and Climate Risk Management & Scenario Analysis Policy Document (CRMSA) and Climate Scenario Analysis
- Disclosures against Reporting Standards such as IFRS S1 and IFRS S2
- Financial Inclusion Targets
- Corporate Social Responsibility Strategies

## Principle

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**BOARD SIZE, COMPOSITION AND DIVERSITY**

As at 31 December 2023, our Board consisted of 9 members:

**INDEPENDENT BOARD**

Following the retirement of Mr Robert Neil Coombe, our Board had, on 1 May 2023, appointed Datin Azlina Mahmad as an INED replacing the former. En Afzal was re-designated to Senior Independent Director on 8 October 2023. Our Board had considered the skills, background experience, and contribution of Datin Azlina Mahmad before appointing her to the Board. Datin Azlina Mahmad was also appointed as a member of the AC on 1 May 2023 and later the GNRC, with effect from 6 October 2023. With Datin Azlina Mahmad on board, the number of INED is now seven (7) in FYE 2023.

Upon Ms Teoh Su Yin's retirement on 7 October 2023:

- (i) En Afzal Abdul Rahim was appointed as the new SID on 8 October 2023;
- (ii) En Didi Syafruddin Yahya was appointed as the new Chairperson of the GNRC on 8 October 2023;
- (iii) Ms Ho Yuet Mee was appointed as the new Chairperson of the GSGC on 8 October 2023; and
- (iv) Mr Raymond Yeoh Cheng Seong was appointed as the new Chairperson of CIMB Investment Bank Board on 1 November 2023.

Our Board had, as part of the Fit and Proper assessment for any appointments of a new Director, evaluated and was satisfied that all the seven (7) 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, Bank Negara Corporate Governance Policy, and Listing Requirements.

Additionally, all the INEDs had, during the annual Fit and Proper assessments, undertaken that there was no change in their circumstances since the last annual undertaking that may affect their independence. Each INED is also obligated to inform our Board of any circumstances that could impair his or her independence.

As at 31 December 2023, each of the INEDs, including the Chairperson, were 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 one who:

- (i) is not an Executive Director or an officer of CIMB, its subsidiaries or any related corporations of CIMB within the last 2 years;
- (ii) is not a family member of any Executive Director, officer or major shareholder of CIMB or its subsidiaries;
- (iii) has not been engaged as a professional adviser by CIMB or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of an entity which provides professional advisory services to CIMB;
- (iv) has not engaged in any transaction with CIMB or is not presently a partner, Director or a major shareholder, as the case may be, of CIMB (other than subsidiaries of CIMB), which had been engaged in any transaction with CIMB;
- (v) has not been a partner or employee of CIMB Group's external auditor during the past year;
- (vi) must not have a significant business or other contractual relationship with CIMB or any of its affiliates; and
- (vii) is not involved in any business or relationship which the Board deems may pose a conflict of interest to CIMB.

# Corporate Governance Overview Statement

## BOARD DIVERSITY

Our Board has the Board Diversity Framework in place, a comprehensive guideline applicable to all the Directors of CIMB Group. The Framework sets out the principles on diversity on the Boards, providing a foundation for 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 can leverage the full spectrum of all available talent. The said Framework is available on CIMB's corporate website at [www.cimb.com](http://www.cimb.com).

Since its implementation in FYE 2022, the Board Composition and Skill Set Framework continues to complement the Board Diversity Framework, which serves as a structural blueprint 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 will be reviewed annually and amended as and when required to accommodate any changes and challenges pertaining to business, market dynamics and regulatory landscapes.

After taking into account the need to have operational diversity aligned with business needs, regulatory expectations, and shareholder anticipations, 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. The Board emphasises substantial experience, predominantly in the banking industry and other financial services, as the primary skill set for the Board. As at 31 December 2023, 90% of the Board members have been assessed to have experience and expertise in banking and other financial services industries. Periodic analysis of the Board composition and diversity will be conducted systematically to ensure adherence to the guiding principles in the Board Composition and Skill Set Framework.

During FYE 2023, none of the INED had surpassed the tenure of more than nine (9) years from the date of their initial appointment. This is in adherence to CIMB's Board Charter, which limits an independent director's tenure of service to a maximum of nine (9) years. As at 31 December 2023, 22% of the Board members had served less than 3 years, 45% had served between 3 and 6 years and 33% are long-serving Directors having served 6 years or more. The average tenure of appointment as of 31 December 2023 stands at 4.4 years.

The Board had maintained 30% women representation in line with the recommendation of the Code. The Board had also met the mandated minimum requirement by appointing at least one (1) member who is below 50 years old as outlined in the Board Composition and Skill Set Framework. This strategic step seeks to foster the Board with fresh, innovative and constructive ideas and perspectives from younger generational talents.

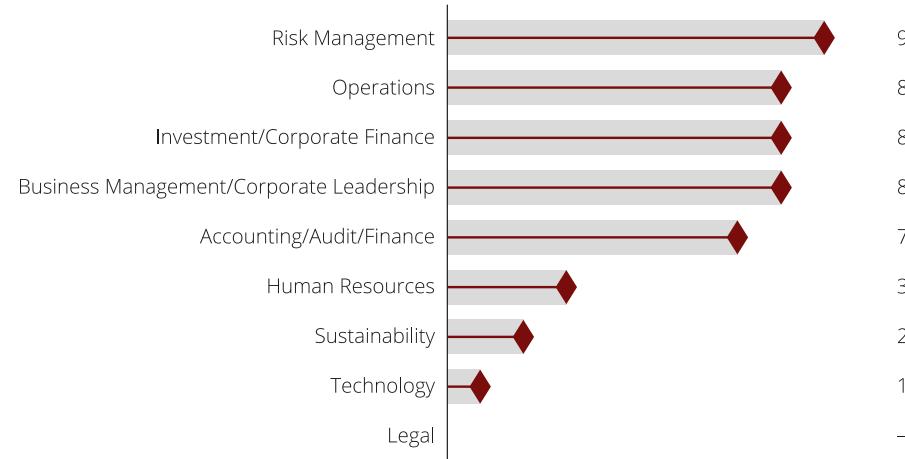
CIMB's Board composition, tenure and diversity as at 31 December 2023 are illustrated below:

### CIMB's Board Diversity

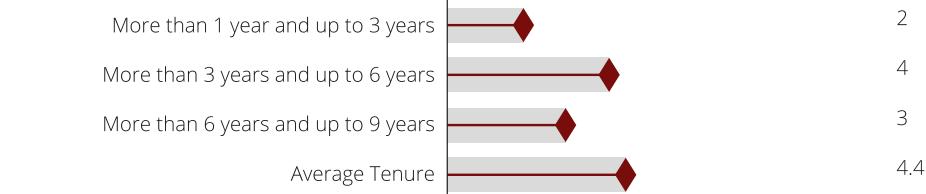
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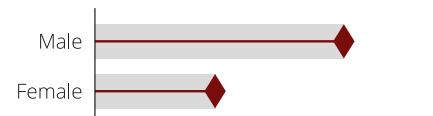
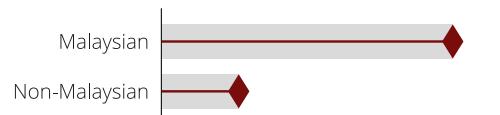


#### Skill



#### 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, all of whom (including En Didi Syafruddin Yahya, the Chairperson) are INEDs.

The Board Composition and Skill Set Framework, established in 2022, lays out certain guiding principles for the GNRC's assessment in the identification, nomination and selection of a new Director while concurrently addressing the Board succession planning. The guiding principles ascertain the essential primary skills and experiences and specify the minimum number of Board members required for each skill set and other governance requirements on board 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 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.

Prospective candidates deemed suitable will be identified to occupy vacancies on the Board and Board Committees as and when they arise. On 1 June 2022, an external search firm was appointed to facilitate the sourcing and placement of Board candidates. The GNRC also has access to an extensive pool of candidates, which includes recommendations by incumbent Board members, major shareholders, Management and through external sources such as the Directors' Register by FIDE FORUM, BNM and Perbadanan Insurans Deposit Malaysia, as well as affiliations with 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 obtains an independent perspective on the Board's effectiveness to gain insights into the Board's performance against peer boards and best practices. An external firm was last engaged to conduct the Board performance evaluation for FYE 2022.

GNRC, facilitated by the Group Company Secretary, had appointed an external consultant in June 2023 to perform the FYE 2022 BEA exercise. The external consultant appointed in 2023 has an in-depth understanding of the CIMB business since the Group had previously appointed them to perform the FYE 2019 BEA exercise. Additionally, the external consultant offers extensive methodology and approach in the BEA exercise, which include:

- (i) Questionnaire on Board effectiveness;
- (ii) Interview with the Board of Directors;
- (iii) Review on Board processes, diversity, and Board composition;
- (iv) Leadership assessment;
- (v) Board dynamics assessment; and
- (vi) Action planning workshop.

In essence, the result of the BEA yielded a favourable outcome, affirming the effectiveness of the Board, Board Committees and individual Directors in the discharge of their roles. Presentation to the GNRC and the Board had also been completed in February 2024 and March 2024, respectively.

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# Corporate Governance Overview Statement

The BEA exercise also pinpointed the following focal points for improvement:

- (i) Definition of the Board's role and focus areas in line with CIMB's strategic direction towards 2030, with consideration of achieving equilibrium between regulatory compliance and strategic planning
- (ii) Introduction of specialised Board learning programs, interactive sharing sessions, offsite engagements, and insights from subject matter experts to deepen understanding and proficiency in key topical trends such as ESG, Digitalisation, Cybersecurity, and others;
- (iii) Preparation for a succession pipeline for the Board, e.g. new Chairman, in preparation for potential leadership changes and in line with CIMB's strategic direction
- (iv) To consider recruitment of Directors with Transformation and Technology expertise who are able to provide regional perspective;
- (v) To conduct a Management Leadership style assessment to understand the mix between the new Chairman, Directors and Management Leadership styles;
- (vi) To adhere to the allocated timeslot for each agenda item rigorously as a means to encourage concise discussion and to prevent any single topic from dominating the entire meeting session;
- (vii) To consider the appointment of external expertise and subject matter experts when needed; and
- (viii) Re-evaluation of the distribution of responsibilities, the number of positions held, and the frequency of meetings for Directors, particularly those concurrently serving on multiple Boards and committees, with a focus on optimising time spent in Board and committee meetings.

The conclusion drawn from the BEA also stands as a compass in the re-appointment of the Directors, Board Committees' membership appointment and potential restructuring of Board/Board Committees.

## DIRECTORS' DEVELOPMENT

Our Board has in place the Directors' Development Plan for Directors since July 2017. The Plan outlines induction programmes, mandatory trainings and development areas required and expected for the Directors based on their length of tenure and/or seniority.

With the establishment of the Board Composition and Skill Set Framework in 2022, a survey was conducted, which provided each Director the opportunity to (i) self-assess his/her level of competencies based on the skill sets set out in the said Framework, (ii) identify his/her other skill sets and level of competencies as well as to (iii) ascertain skill sets that he/she aspires to newly acquire or strengthen. The survey result is being utilised and the biannual survey will be conducted in 1Q 2024 as it is instrumental in the continuous development programmes curated 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 every quarter. In FYE 2023, our Board members had attended various training programmes in the areas of 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 adoption of this Framework has been approved by the shareholders at the 60th Annual General Meeting held in 2017. This Framework is tailored to recognise the contribution of the Directors in relation to their fiduciary duties and statutory responsibilities, risks, and time commitment. Additionally, the Framework serves as an instrument in attracting and retaining Directors with the desired experience and skills from various sectors.

This Framework is reviewed every three (3) years by the Board through the GNRC. As an instance, to ensure market competitiveness, a review was conducted in FYE 2021, which included entitlement for medical benefits (including outpatient and dental, hospitalisation, and executive health screening) to all Board members, excluding CIMB's Executive Directors or any Directors concurrently serving as an Executive elsewhere. In the 4Q of 2023, the GNRC agreed that a thorough review of the Framework was long due and subsequently, upon the Board's approval in February 2024, an external consultant was appointed to perform market comparison, benchmarking and the proposed Remuneration Framework.

The current CIMB Group Directors' Remuneration Framework is as follows:

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.

\* The Chairperson also receives benefits in kind, which include car maintenance, petrol and toll cards, a personal driver, leave passage, corporate club membership fees, a mobile phone and bill, a personal bodyguard, and a security guard.

The Directors are also safeguarded by Directors' and Officers' liability insurance for any liabilities incurred in discharging their duties, excluding instances of fraud, dishonesty, and any personal profit or advantage. The details of each Director's received/receivable remuneration and the insurance premium are disclosed under Notes of the Financial Statement 2023.

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## 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:

<b>Principle</b>	<b>Purpose</b>	<b>Approach</b>
<b>Strong governance</b>	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>
<b>Appropriate assessment of performance</b>	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>
<b>Market competitiveness</b>	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>

# Corporate Governance Overview Statement

## COMPONENTS OF REMUNERATION

Employee remuneration is composed of two main components – fixed and variable:

Components	Composition	Purpose and Approach
<b>Fixed</b>	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>
<b>Variable</b>	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>

The Equity Ownership Plan (EOP) and Long-Term Incentive Plan (LTIP) serve 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 three (3) years. Over the last five (5) years, 51 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) have been 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 on the reputation or interest of the Group

The mean annual compensation of all employees (excluding Group CEO) is broadly RM169,000. The ratio between the total annual compensation of the Group CEO and the mean annual compensation of all employees (excluding Group CEO) is 59.

## 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. Our Group performance management process comprises agile performance conversations through periodic check-ins between manager and staff throughout the year.

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and concludes with an annual year-end performance assessment of each individual 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.

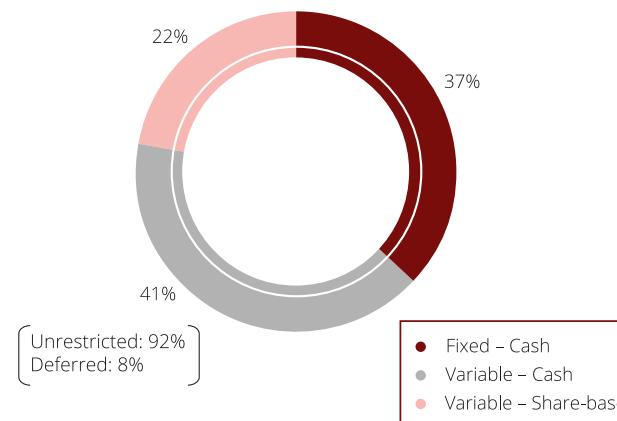
The control functions of Audit, Compliance and Risk operate independently from the business units in CIMB, and have appropriate authority to carry out their individual functions without intervention from the business units. To prevent conflict of interest, the remuneration of employees in these control functions are not dictated by the 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**

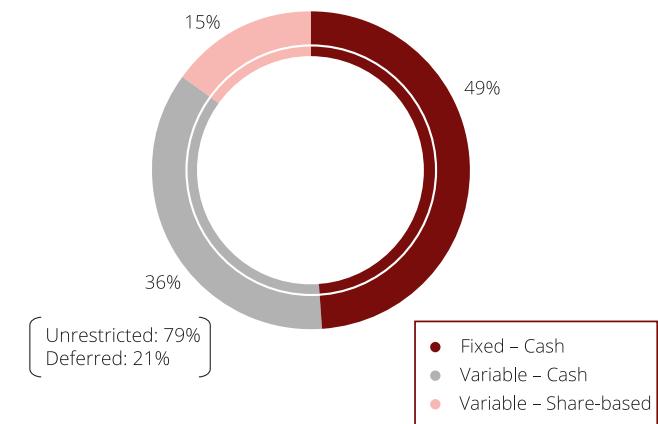
### **SUMMARY OF 2023 REMUNERATION OUTCOME**

Breakdown of remuneration awarded to Senior Officers and Material Risk Takers for 2023:

#### **Senior Officers**



#### **Material Risk Takers**



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.

The total remuneration awarded to 18 SOs for the FYE 2023 was RM110.6 million (included in this remuneration, the allocation of LTIP attributed to 2023).

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 55 MRTs for the FYE 2023 was RM171.2 million (included in this remuneration the allocation of LTIP attributed to 2023).

Variable compensation of the Group CEO and senior leaders is made up of short-term bonuses and long-term incentives, and at least 40% of this variable compensation is deferred, comprising a mix of shares/share options and cash.

# Corporate Governance Overview Statement

## QUANTITATIVE DISCLOSURES FOR 2023

**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 2023	–	165

**Table 2: Breakdown of Deferred Remuneration**

Category	SOs (RM'000)	MRTs (RM'000)
Total amount of outstanding deferred remuneration		
• Cash	5,524	23,092
• Shares	69,088	65,149
Total amount of deferred remuneration paid out during the financial year		
• Cash	1,393	9,668
• Shares	4,020	10,321
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	2,826	–	533	3,359
	Variable remuneration				
	• Non-deferred	4,300	–	516	4,816
	• Deferred	1,680	– <sup>1</sup>	201	1,881
	Total remuneration award for FYE 2023	8,806	– <sup>1</sup>	1,250	10,056

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 2023 : 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.

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The following table summarises the Group CEO's shareholdings as at 31 December 2023:

Name	Shares held Beneficially (units)	Unvested EOP Shares Not Subject to Performance Measures (Units)	Total Shares (Units)	Value of Shares (as at 31 December 2023) as a Percentage of Annual Salary	Unvested LTIP Shares and Share Options Subject to Performance Measures (Units)
Dato' Abdul Rahman Ahmad	36,227	0	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 2023 is 392% 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 and operations of the Board. This also entails facilitating efficient information exchange within the Board and Board Committees and between Senior Management and Non-Executive Directors.

Directors maintain 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's responsibilities also extend to fostering communication between the Board, its committees and Management and generally assist Directors in discharging their duties. The Group Company Secretary renders assistance with the induction of new Directors and facilitates the ongoing professional development of Directors. The Board exercises authority over the appointment and removal of the Group Company Secretary. Presently, Datin Rossaya Mohd Nashir serves as the Group Company Secretary and has been with the Group since 2002. The roles of the Group Company Secretary are outlined 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 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 2023, CIMB's Board and Board Committee meetings were held both virtually and physically. Members of the Senior Management were also invited to attend selected Board meetings to support the Board with further information on the matters being deliberated. All Directors attended over 75% of all Board Meetings in FYE 2023. The terms of reference of the Board set 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, if any.

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The attendance of the Board members and Board committee members at the meetings during FYE 2023 are as follows:

Director	Attendance of Meeting				
	Board	BRCC	AC	GNRC	GSGC
Datuk Mohd Nasir Ahmad	16/16	5/5	-	-	5/5
Dato' Abdul Rahman Ahmad	16/16	-	-	-	-
Ms Teoh Su Yin*	10/11	-	-	9/9	4/4
Mr Robert Neil Coombe*	3/4	-	-	-	1/2
Dato' Mohamed Ross Mohd Din	16/16	5/5	16/16	10/11	-
Dato' Lee Kok Kwan	16/16	5/5	-	-	-
En Afzal Abdul Rahim	16/16	-	-	9/11	-
En Didi Syafruddin Yahya	16/16	5/5	11/12	11/11	5/5
Ms Shulamite N K Khoo	16/16	-	-	11/11	3/5
Ms Ho Yuet Mee	15/16	-	16/16	-	2/2
Datin Azlina Mahmad**	11/11	-	9/10	3/3	-

**Notes:**

BRCC - Board Risk and Compliance Committee

AC - Audit Committee

GNRC - Group Nomination and Remuneration Committee

GSGC - Group Sustainability and Governance Committee

\* Ms Teoh Su Yin and Mr Robert Neil Coombe have retired as of 7 October 2023 and 14 April 2023, respectively

\*\* Datin Azlina Mahmad was appointed as an Independent Director of CIMB on 1 May 2023

Before the Board meeting, the Chairperson oversees the setting of the agenda and, in consultation with the Group CEO, 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 2023, all

papers/materials were circulated to the Board within the stipulated timeline. Any departure from the said timeline will be reported to the GEXCO on a quarterly basis for improvement and further action, where necessary. The deliberations and decisions arrived at during Board meetings are 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 tabled at the following meeting for confirmation and, thereafter, signed by the Chairperson.

## SENIOR MANAGEMENT DIVERSITY

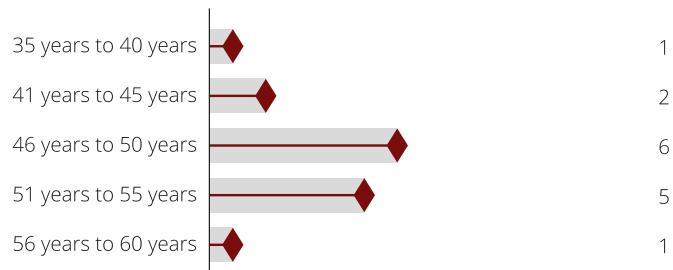
CIMB has in place a Group Employee Diversity & Inclusion Policy, which promotes diversity; in this context, it refers to gender, age, background, belief, ethnicity, skill, and ability that cover employees from all levels. The demographic of the Senior Management as at 31 December 2023 is set out below:

### Senior Management Diversity

#### Nationality



#### Age



#### Gender



## EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The AC supports the Board in ensuring a reliable and transparent financial reporting process is in place and reviews the corporate governance practices and internal control system to ensure checks and balances within the Group.

The AC is chaired by Dato' Mohamed Ross Mohd Din, and the members are Ho Yuet Mee and Datin Azlina Mahmad, all of whom are INEDs. Datin Azlina was appointed on 1 May 2023 in place of Didi Syafruddin Yahya. Members of the AC have 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 2023, the AC reviewed all key internal audit reports and ensured that Management had completed all necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other issues identified by the internal auditor and other control functions. The Chairperson of the AC will highlight to the Board the key deliberations for their objective review.

CIMB has a process for considering the appointment/re-appointment of External Auditors, which is in line with BNM's Guidelines on External Auditors. These guidelines require the AC to assess the External Auditors' compliance with the qualification criteria set out by BNM, including evaluating their independence, objectivity, and performance.

To advocate good corporate governance, in 2022, the Group External Auditor Policy was enhanced to incorporate best practices, i.e., CIMB to run a Request for Proposal (RFP) for the appointment of an External Auditor for the financial year ending 2023 (i.e., appointment/reappointment for FYE 2024). Thereafter, for every five (5) years, CIMB would run an RFP for the appointment of an External Auditor. The requirement of the RFP was included in the Section 2.1.2 Policy Statement of Group External Auditor Policy. The appointment is subject to CIMB's annual review process and BNM's approval.

Further to the above, 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 a 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.

Details of the AC's oversight of the Group's financial reporting, risk management, and internal control systems can be found in the AC Report.

### 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.

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### RISK MANAGEMENT

CIMB employs a Group Enterprise-Wide Risk Management (Group EWRM) Framework as a standardised approach to effectively managing risks and opportunities. The 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 the regulatory environment.

The BRCC is chaired by En Didi Syafruddin Yahya and is responsible for providing oversight and advice to the Board and the Management with respect to risks, including future risk strategy, risk appetite and management of compliance risk. As at 31 December 2023, the BRCC comprises four (4) members, of whom three (3) members (including the Chairperson) are INEDs.

Details pertaining to risk management can be found in the AC Report.

### INTERNAL CONTROL

The AC supports the Board in overseeing and reviewing the internal control system. Group Corporate Assurance Division (GCAD) reports independently to the AC and provides an independent appraisal of the adequacy and effectiveness of risk management, controls, and governance processes implemented by Management. GCAD's annual audit plan is developed based on an assessment of risks, exposures, and CIMB Group strategies using a risk-based assessment methodology. GCAD also undertakes investigations and ad hoc reviews upon request from Management, the Board, or regulators.

The internal audit function is periodically reviewed by the AC to ensure its adequacy in performing its role. GCAD reports significant findings to the AC with recommended corrective actions. Management is responsible for ensuring 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.

A qualified external independent reviewer conducts periodic external assessments 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 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 2023, GCAD had a staff strength of 159 individuals from diverse backgrounds and qualifications; with 60% of the auditors possessing at least one (1) relevant certification, including 61 staff who have obtained Certification for 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 the Risk Management Report.

# Corporate Governance Overview Statement

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### **COMMUNICATION BETWEEN CIMB AND STAKEHOLDERS**

CIMB's Investor Relations activities seek to provide regular and fair dissemination of information to shareholders, analysts, fund managers and other external stakeholders. Briefing sessions are conducted for analysts and fund managers after the lodgement of quarterly financial 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 ensuring a consistent and transparent line of communication with external stakeholders. The CIMB website provides all necessary corporate and financial information and an avenue for investors to provide feedback and submit queries. In FYE 2023, CIMB Group continued to actively engage 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, 13 in-house meetings, attended 15 virtual and physical investor conferences and 39 meetings on non-deal roadshows. Management engaged with 447 analysts and fund managers during the year.

### **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 66th AGM on 13 April 2023 with the Notice and Agenda of the AGM delivered to the shareholders on 16 March 2023, 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 66th 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 66th AGM was attended by all Directors, Management and 1806 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 66th 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 66th 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, whistleblowing and fraud management.

#### **DIRECTORS' CODE OF CONDUCT**

Our Board adopts the Code of Conduct for Directors, which 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. It 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 the 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's Whistle Blowing Policy is applicable to all employees, suppliers, vendors, associated stakeholders, and customers.



→ Principle

## GROUP ENTITY GOVERNANCE POLICY

CIMB maintains a Group Entity Governance Policy (EGP) that categorises the entities according to a set of pre-determined criteria. The EGP serves the dual purpose of clarifying the relationship between the various entities within the Group as well as setting out the minimum governance requirements contingent upon the entity's designated category. The EGP underwent a thorough review recently and has been updated to reflect the shifts and changes to CIMB's entities in the preceding years.

## 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, there was only one (1) related party transaction in FYE 2023:

- The collaboration between CIMB Bank Berhad and TnG Digital Sdn. Bhd. on the Gold Liquidity Provider Agreement, dealing as principal and on arm's length basis, and a 50:50 profit-sharing ratio with an initial period of three (3) years from the effective date, and automatically renewed for an additional period of two (2) years. CIMB Bank Berhad and TnG Digital Sdn. Bhd. are both owned by CIMB Group Sdn. Bhd.

The above related party transactions do not require shareholder approval, as the value of each transaction does not trigger the threshold on percentage ratios that are necessary 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 2023.

## SUMMARY

The Board considers that CIMB has complied with and applied the Principles of the Code in FYE 2023, 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 the 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. The Board believes that disclosure of these Top 5 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.

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

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 28 February 2024.

# Additional Disclosures

(As at 31 December 2023 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 2023, the Group has collectively issued the following instruments:

### **(A) IDR1,000,000 MILLION BONDS**

On 8 February 2023, CIMB Niaga Auto Finance issued unsecured IDR1,000,000 million bonds. The bonds are divided into 370 days Series A Bond and 3 years Series B Bond amounted to IDR700,000 million and IDR300,000 million, with fixed interest rate of 6.25% and 7.15% per annum respectively.

### **(B) RM14 MILLION MTN**

On 5 July 2023, CIMB Bank Berhad issued RM14.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond.

### **(C) RM19 MILLION MTN**

On 17 July 2023, CIMB Bank Berhad issued RM19.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond.

### **(D) USD130 MILLION NOTES**

On 28 July 2023, CIMB Bank Berhad issued USD130.0 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bear a coupon rate of SOFR plus 1.00% per annum payable quarterly.

### **(E) RM17 MILLION MTN**

On 15 August 2023, CIMB Bank Berhad issued RM17.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond.

### **(F) USD30 MILLION NOTES**

On 26 September 2023, CIMB Bank Berhad issued USD30.0 million 1-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bear a coupon rate of SOFR plus 0.50% per annum payable quarterly.

### **(G) USD100 MILLION NOTES**

On 3 October 2023, CIMB Bank Berhad issued USD100.0 million 35-month fixed rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bear a coupon rate of 5.45% per annum payable quarterly.

### **(H) RM100 MILLION SENIOR SUKUK**

On 30 November 2023, CIMB Islamic Bank issued RM100 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 3.95% per annum payable semi-annually.

### **(I) RM600 MILLION SENIOR SUKUK**

On 30 November 2023, CIMB Islamic Bank issued RM600 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.02% per annum payable semi-annually.

### **(J) RM300 MILLION SENIOR SUKUK**

On 30 November 2023, CIMB Islamic Bank issued RM300 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.31% per annum payable semi-annually.

### **(K) RM350 MILLION MTN**

On 12 June 2023, the Company issued RM350 million 1-year MTN which will mature on 12 June 2024. The MTN bears an interest rate of 3.88% per annum payable semi-annually.

### **(L) RM5.0 MILLION CONVENTIONAL COMMERCIAL PAPERS (CPs)**

On 15 November 2023, the Company issued RM5.0 million 1-month CPs under its Conventional Commercial Papers Programme. The CPs bear a discount rate of 3.50% and were fully redeemed on 15 December 2023.

### **(M) SUSTAINABILITY SUKUK WAKALAH 2023/2033 RM400 MILLION**

On 8 March 2023, the Company issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 4.30% per annum, payable on a semi-annual basis. The proceeds from the issuance were used to subscribe to the RM400 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

**(N) SUBORDINATED NOTES 2023/2033 RM415 MILLION**

On 29 March 2023, CIMB Thai issued RM415 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.70% per annum payable every six months.

**(O) ADDITIONAL TIER 1 SUSTAINABILITY SUKUK WAKALAH 2023/2121 RM400 MILLION**

On 23 October 2023, the Company issued RM400 million Perpetual non-callable 5 years Additional Tier 1 Sustainability Sukuk Wakalah, bearing a periodic distribution rate of 4.75% per annum, payable on a semi-annual basis. The proceeds from the issuance were used to subscribe to the RM400 million Additional Tier 1 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

**(P) SUSTAINABILITY SUKUK WAKALAH 2023/2033 RM900 MILLION**

On 23 October 2023, the Company issued RM900 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah, bearing a periodic distribution rate of 4.36% per annum, payable on a semi-annual basis. The proceeds from the issuance were used to subscribe to the RM900 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

**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 RM2,190,000 for the Group and RM74,000 for the Company.

**7. VARIATION IN RESULTS**

There were no material variations in results for the financial year ended 31 December 2023 from the unaudited results released on 29 February 2024.

**8. PROFIT GUARANTEE**

The Group did not receive any profit guarantee during the financial year ended 31 December 2023.

**9. REVALUATION POLICY ON LANDED PROPERTIES**

Please refer to the accounting policy in Notes K, L and N of the Summary of Material 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 53 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 to its overall oversight and responsibility of the internal control and risk management system of CIMB Group and is constantly keeping abreast with developments in the field of risk and governance. To this end, the Board is supported by the Board Risk & Compliance Committee ("BRCC") and the Audit Committee ("AC"), which have been assigned the primary oversight responsibilities for the Group's risk management and internal control systems. The Board remains responsible for governance and oversight of risk and internal control, as well as all the actions of the Board Committees with respect to 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 established key processes for evaluating the Group's internal control and risk management system's efficacy, sufficiency, and integrity.

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. Regular testing is performed to ensure the viability and resilience of the internal control systems and processes and assess their adequacy, effectiveness, efficiency, and integrity.

## **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 with respect to 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 has 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"), headed by the Group Chief Internal Auditor ("GCIA") reports independently to the CIMB Group AC and the Banking Group AC and is independent of the activities and operations of the business and other support units. The primary responsibility of GCAD is to independently appraise the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management. The GCIA administratively reports to the Group CEO to maintain independence from Management.

GCAD's scope of audit coverage encompasses all business and support units, including subsidiaries and overseas branches lacking independent audit units. The selection of audit areas within the audit universe is based on an annual audit plan approved by the CIMB Group AC and the Banking Group AC. The annual audit plan is developed based on assessment of risks, exposures and CIMB Group strategies using a risk-based assessment methodology. GCAD also undertakes investigations and ad-hoc reviews upon request from Management, the Board, or regulators.

The audit report represents final product of an audit assignment, encompassing the audit scope, evaluation of the internal control system, detailed audit observations, management actions, and timelines for implementing GCAD's recommendations. The CIMB Group AC or the Banking Group AC (as appropriate) reviews regulatory breaches identified, significant exceptions or non-compliances, ascertaining appropriate and prompt remedial actions 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") and 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.

## **GROUP AUDIT COMMITTEE**

CIMB Group AC 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. The 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 responsibility of the Banking Group AC is limited to CIMB Bank, CIMB Islamic Bank and CIMB Investment Bank and their subsidiaries and branches within and outside Malaysia. Senior Management, internal auditors and external auditors report to the 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 the CIMB Group AC and the Banking Group AC for review and deliberation. The CIMB Group AC and the Banking Group AC (as appropriate) review and ascertain that mitigation plans are implemented by Management to safeguard CIMB Group's interests and uphold proper governance. Adversely rated business and support units receive counselling from the respective 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 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 CIMB 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 that determine the entity's risk appetite corresponding to its business strategies. In accordance with CIMB Group's risk management structure, the BRCC, who reports directly to the Board, assumes the responsibility 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, 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 the CIMB Group with distinct responsibilities and functions 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 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.

## Statement on Risk Management and Internal Control

- 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 practice. 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 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's 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 are driven at CIMB 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 continues to invest in its people, processes, and systems, to stand vigilant against financial crime – an ever-growing, and constantly evolving, threat to the financial industry and the global economy. Our policies and procedures are routinely reviewed to ensure full compliance with all applicable legal and regulatory requirements, whilst adopting those industry best practices relevant to our organisation. We continue to expand our anti-financial crime compliance capabilities in our first line of defence, including upskilling our business compliance functions with up-to-date financial crime compliance training. Investments in the enhancement of anti-financial crime systems continue to be a focus for the Group. CIMB Group stands alongside regulators and peers in the fight against rising trends such as increasing mule and fraud crime and is a member of the National Scam Response Centre (NSRC), that brings together the resources and expertise to combat cyber financial scams. Along with other reporting institutions in Malaysia, CIMB Group completed its first submission of reports under the Foreign Account Tax Compliance Act (FATCA), in addition to fulfilling its annual reporting obligation under the Common Reporting Standard (CRS), to the Inland Revenue Board of Malaysia.

## **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 2023, SRM have conducted analysis on staff knowledge adequacy in handling Islamic banking products and services. This is to ensure staff involve in Islamic banking business and operation have adequate knowledge on Shariah principles as well as Islamic banking products and services as part of control measures in managing SNC risk in CIMB. Although no major issues were discovered during the review, several recommendations were made to strengthen the existing learning structure. In addition, to ensure SNC Key Risk Indicator is robust to gauge any SNC risk and their potential impact on Islamic business performance, SRM have reviewed the current SNC Key Risk Indicator reporting procedures to suit current SNC risk environment. No major issues were discovered during the review.

Shariah Risk Awareness for RCUs 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 RCU Forum for RCUs and DCOROs that is conducted on a quarterly basis.

## **SHARIAH REVIEW**

The Shariah review function is carried out by Shariah Review & Assurance ("SRA") of Islamic Banking Compliance. SRA conduct regular assessment on compliance of the operations, business, affairs and activities of CIMB Group with Shariah and Islamic regulatory requirements.

SRA, as a second line-of-defence, reports independently to the BSC of CIMB Islamic Bank Berhad, and functionally to the Chief Compliance Officer of CIMB Islamic, forming part of the CIMB Group's Legal & Compliance Division. 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, which sets out the policies for Shariah review applicable to the Islamic financial services of CIMB Group in ensuring compliance to Shariah and Islamic regulatory requirements, and handling of Shariah Non-Compliance ("SNC") events. In addition, it also sets out the procedures for Shariah review planning, execution, and SNC events reporting.

The key responsibilities of SRA function include but are not limited to the following:

- Formulating Annual SRA work plan, based on Compliance Risk Assessment Methodology (CRAM);
- Performing regular Shariah reviews as outlined in the approved annual work plan;
- Conducting Post-Implementation Reviews on new Islamic products and services; and

# Statement on Risk Management and Internal Control

- Assessing and monitoring SNC issues which include:
  - Assessing potential Shariah issue raised by Business Unit ("BU") or entity;
  - Investigating and escalating Potential Shariah Non-Compliance (PSNC) event to PSNC Committee for confirmation on the PSNC and to Board Shariah Committee for actual SNC decision; and
  - Assisting affected BU or entity to develop preventive and corrective rectification plan to avoid recurrences.

Relevant trainings on Shariah Compliance and SNC reporting process 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 and finance institute to provide relevant Islamic banking certification to its auditors. There are 15 auditors who have completed Certified Qualification in Islamic Finance, two (2) completed Intermediate Qualification in Islamic Finance and another five (5) completed Associate Qualification in Islamic Finance. There are also 3 auditors currently pursuing Certified Professional Shariah Auditor ("CPSA") and 1 has been certified as CPSA holder.

## **BOARD SHARIAH COMMITTEE**

The BSC plays a pivotal role in upholding Shariah compliance throughout CIMB operations, in line with regulatory requirements of the jurisdictions where CIMB Group conducts business. With unwavering commitment to Shariah principles, the BSC ensures Shariah rulings related to Islamic Banking and capital market products and services comply with the fundamental tenets of Shariah as outlined by the relevant Shariah authorities.

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.

Consistent with the SGPD issued in 2019 by BNM, the policies and/or procedures developed by the respective Shariah organs within the Group provide a sturdy framework for fostering robust Shariah governance arrangements and processes that calibrate to the business and strategies as mandated by BNM. The implementation of the Shariah governance is effected through the following functions:

Shariah Advisory & Governance;  
 Shariah Review;  
 Shariah Risk Management;  
 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 Group Legal Compliance (GLC), Group Risk and Group Corporate and Assurance Division (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 rulings of the Shariah Advisory Council of BNM and Securities Commission and decision or advice of the BSC as well as reviewing documents to adhere with Shariah precepts; and

- **Research**

Conducting thorough research and analysis on Shariah matters to formulate authoritative Shariah opinions in supporting the business proposals for BSC approval.

In addition to Advisory and Research functions, Shariah Advisory & Governance department is also supported by the BSC Secretariat and Islamic Finance Capacity Building that supports the Group Learning & Development ("Group L&D") function. The details of these functions are described as follows:

- **Secretariat**

Function of Secretariat to the BSC includes coordinating meeting 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, secretariat is also responsible in engaging with the relevant parties who wish to seek further deliberation of Shariah issues from the BSC.

Secretariat of BSC also may serve internal committees such as Potential SNC Committee (PSNCC) and Shariah Governance Forum (SGF).

- **Governance**

S&G also plays the role as the coordinator for all Shariah organs in managing the overall governance of Islamic business of CIMB Group including but not limited to the implementation of the Shariah Governance, review of product structures, mechanism, end-to-end products development, and recovery process.

A few initiatives have been implemented to promote the Shariah compliance culture in CIMB Group, including the establishment of awareness programme, i.e., issuance of Shariah bulletin 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 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 from top to bottom.

## **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 significant 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 would comprise GEXCO members.

# Statement on Risk Management and Internal Control

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

The development of the internal policies and procedures are governed by the Group Policy Management Framework ("GPMF"). The established policies and procedures are developed to provide proper internal control mechanisms and help to protect the Bank against operational risks. The policies and procedures are required to be reviewed and updated periodically with the intent to ensure continuous improvements of the controls whilst ensuring operational efficiency.

## PERFORMANCE REVIEW

The Boards of CIMB and its major subsidiaries are regularly apprised of key financial and operating statistics, including legal and regulatory matters, for deliberation and, where necessary, provide guidance and instruction for timely resolutions of issues.

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, 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.

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) Cyber security 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 continues to be vigilant and stay alert on the cyber threat landscape with close monitoring by the dedicated Cyber Security Defence Centre and Threat Monitoring & Intelligence unit. In addition, Cyber security 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. This is done via mandatory e-learning as well as annual attestation by all employees, 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. The Code was revised 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. Employees have indicated in a recent organisation-wide survey that CIMB continues to demonstrate a strong commitment to creating an inclusive work environment.

### HUMAN RESOURCES POLICIES AND PROCEDURES

The Human Resources P&P ("HRPP") of CIMB Group provides clarity for the organisation in all aspects of the human resource management in CIMB Group. CIMB Group reviews its HRPP periodically to ensure that the P&P remain relevant, and appropriate controls are in place to manage operational risks. Revision to the HRPP is also conducted where there are relevant legislative changes requiring such revision.

Group Human Resource updates employees of 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 to 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 our succession plans for critical positions across the Group via a multi-tiered talent review structure to ensure sufficient depth is in place. Aligning to the focus towards governance and resiliency, we have also incorporated governance exposure as a key experiential development for our successors. As a result, we have maintained positive momentum in terms of our succession realisation; achieving over 70% for two (2) consecutive years, 2022 and 2023. This is a testament of CIMB Group's commitment to continue developing our people to take on senior leadership positions across the Group.

In 2023, we have also successfully launched three (3) new signature leadership development programmes to cater for talent and successors from the various management levels across the Group. The programmes were designed as leadership journeys that span across 15 to 18 months with clear intent to drive career progression through experiential learning with

deep emphasis on industry immersion, executive coaching, and network building within and beyond CIMB Group. We first kicked-off the CIMB Leading Leaders Development Programme, in partnership with IMD to accelerate the development of our successors and high performing senior leaders. Thereafter, the CIMB Emerging Leaders Development Programme, in partnership with Melbourne Business School was rolled out to sharpen the potential of our middle management talent. Last but not least, we have also successfully kicked-off the CIMB Junior Leaders Development Programme, in partnership with Asia School of Business and Global Institute for Tomorrow to drive personal leadership agility and strengthen the capability of our junior management talent. At this juncture, we have 172 talent across the Group who are in the midst of going through their signature leadership development programmes.

Efforts to drive international assignments especially short-term secondments have also been ramped up to provide experiential development opportunities especially for our junior and middle management talent. We have since mobilised 104 employees regionally, which include 64 short-term secondments.

Building on our commitment to institutionalise coaching, we continued to capitalise on our efforts to further scale coaching to a wider target audience. The number of employees going through coaching assignments in 2023 have increased fourfold to 267. We also launched the Leaders as Coach Programme; a customised development intervention focused on equipping our people managers with fundamental coaching capabilities with an aim to strengthen their broader people management skills. Thus far, 148 middle to senior people managers have completed the programme accordingly. All these efforts saw the number of employees who have benefited from coaching and its training increased by more than sixfold over the past year.

In 2023, we dedicated ourselves to elevating the competency and capability of our workforce, aiming to strengthen our risk and compliance culture. As a strategic initiative, we developed an Operational Risk and Compliance competency framework and initiated a competency assessment for the 1.5 Line of Defence (LoD) (specifically for Designated Compliance and Operational Risk Officers (DCOROs), Risk Control Specialists (RCSs) and Risk Control Unit (RCU) Heads) and key control functions. Key training programmes have been identified based on the assessment results and RCU Heads have completed their respective Individual Development Plans. Furthermore, Compliance, Audit and Risk (CAR) exposure/ attachment have been incorporated as part of the overall talent development for successors. These endeavours complement our ongoing commitment to delivering and enhancing our broad-based and role-based risk and compliance training throughout the organisation. We have also started to enhance a few of our risk and compliance-related compulsory e-learns in 2023.

# Statement on Risk Management and Internal Control

In our ongoing embrace of hybrid workplace arrangements, we have evolved our course programme management to incorporate both synchronous and asynchronous formats. This entails a mix of virtual or online classes, supplemented by regular face-to-face sessions and e-learning modules. We consistently uphold the quality of our programmes, as evidenced by high satisfaction ratings. Encouraging a proactive approach, we empower our employees to take ownership of shaping their learning journey to meet individual development needs.

We have broadened our learning academy offerings to encompass emerging skills, knowledge, and capabilities, tailored to the evolving demands of various stakeholders and business functions. Simultaneously, we intensified the rollout of Sustainability programmes to empower our talent to champion the firm's sustainability agenda. Moreover, we have elevated our digital and data learning academy to encompass the latest trends, such as AI applications and data analytics skills. This expansion is strategically geared toward upskilling roles, refining decision-making capabilities, and fostering a creative and innovative mindset within the workplace. Our dedication to professionalising our workforce remains unwavering, underscoring our commitment to upskilling and futureproofing our employees.

## **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 Group Nomination and Remuneration Committee, 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 related to risk, compliance and controls which are incorporated into the collective and individual scorecards. Risk-adjusted performance measures such as Risk Adjusted Return on Capital are also incorporated in some of our scorecards and reporting. These performance measures are assessed based on independent input from CIMB Group's risk, audit and compliance functions on the respective units.

## **CULTURE**

Enabling Talent, Passion, Integrity & Accountability, Collaboration, and Customer Centricity, or EPICC in short, are our five core values aiming to unify #teamCIMB across the Group. These values serve as a key instrument in building a shared workplace culture and aligning personal goals to CIMB's purpose of building a high-performing sustainable organisation to help advance customer and society. Launched in early 2022 through a concerted effort utilising multiple communication platforms and events, EPICC began to gain mindshare amongst #teamCIMB.

In 2023, EPICC gained momentum further through a focus on change management, engagement and "hardwiring" of values into structure, processes and policies. "Hardwiring" initiatives were targeted at key segments, including the senior leadership team. Examples of initiatives include the values-based 180-degree bottom-up feedback for the senior management staff including the Group Executive Committee (GEXCO), integration of values in performance appraisals for senior staff, and the launch of values-based assessment in hiring.

At the state capital town halls and EPICC Karrnivaal, staff had opportunities to engage with leaders and peers, forging new bonds and breaking down silo barriers across divisions. We also spotlighted EPICC role models in many strategic platforms to inspire and encourage the embodiment of EPICC values among employees.

Leadership commitment was further fortified through centrally-led initiatives such as the Leadership & Culture Dialogue series (LCDS) and Multiplier Check-ins led by Heads of Division. With the Change Agent Network (CAN) taking the lead to implement "EPICC Hours" within divisions, staff awareness and ownership continued to grow. As a whole, the effort invested in EPICC rollout has been rewarding, evident from active staff and leaders participation, strong ownership from Change Agents along with a steady increase in followers on our social media platform, epicc.cimb on Instagram.

We continue to track the impact of EPICC initiatives through the annual Organizational Health Index (OHI) survey, and 2023 results have indicated a marked improvement in overall results, including a notable increase in EPICC scores within the OHI.

Given our focus on improving risk and compliance culture, the "Safeguarding the Bank" (STB) campaign was launched in 2023, aligned with the "Integrity & Accountability" pillar of our EPICC values. The campaign drove overall employee engagement and education on this topic through a series of dialogues such as Risk Control Unit (RCU) Meet, the Tarik with Leaders and cross-divisional leadership panel session as well as recognition opportunities via the Safeguarding the Bank award at the EPICC Karrnivaal. Additionally, a toolkit was cascaded across RCU teams to drive consistency in key topics such as escalation.

## **WHISTLE BLOWING**

Whistle blowing 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 whistle blow 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 whistle blowing 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 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 Group Sustainability & Governance Committee ("GSGC") 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.

The IGU employs an annual B&C risk assessment to evaluate both the organisation's overall risk level and the effectiveness of existing controls in mitigating the threats of B&C. This proactive approach ensures a thorough understanding of potential vulnerabilities, allowing the establishment of necessary action plan in response to the evolving risk and maintaining a robust ABC framework. In 2023, the IGU enhanced the B&C risk assessment methodology by incorporating additional risk factors. These now include scrutiny of gift and entertainment practices, bolstering whistleblowing mechanism, evaluating procurement processes, implementation of employee screening procedures, as well as scrutinising donation and sponsorship activities. This expanded approach would ensure a more comprehensive evaluation of potential risks and reinforces CIMB Group's commitment to an effective and robust ABC framework.

## **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.

# Statement on Risk Management and Internal Control

The Three Lines of Defence each plays an important role to uphold CIMB Group's core value 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.

In 2023, the banking industry saw an increase in impersonation scams and authorised push payment fraud. CIMB Group remains committed to customer protection through a comprehensive fraud risk countermeasure. This includes strong risk governance, proactive risk assessment, effective fraud controls leveraging on technology, as well as continuous fraud awareness and strong industry collaboration towards more resilient fraud risk management to safeguard our customers' financial wellbeing.

## SUSTAINABILITY MANAGEMENT

The Sustainability Governance Framework defines the roles and responsibilities of 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, as well as other material matters such as biodiversity and human rights. 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, advice and direction on the development and implementation of strategies, frameworks and policies for all of our material matters including but not limited to climate change and financial inclusion. 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 systems for sustainability-related matters, while the GNRC looks at diversity, equity 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 Operating & People Officer ("GCOPO") and 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 include, 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. The GSC also acts as a governing body for sustainability bond/sukuk assets.

## GROUP SUSTAINABILITY DIVISION

In 2020, the Group Sustainability Division was established as its own division, with the creation of the role of GCSO who reports to the Group CEO via the GCOPO. 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 the Philippines.

Sustainability projects and initiatives are typically executed by multidisciplinary teams from various BUs and BEs. For example, various sector-specific Net Zero Working Groups ("NZWG") comprise of members from Wholesale and Commercial Banking, as well as Group Risk and Group Sustainability, and works to deliberate, develop and execute CIMB's Net Zero Financed Emissions targets for key sectors.

Since 2022, we implemented the Integrated Sustainability Operating Model (ISOM) in Malaysia to scale up and mainstream the Group's sustainability efforts. The ISOM model allows for a decentralised approach to ramp up sustainability innovation and embed sustainability culture, values and accountability across the Group. In 2023, we expanded this model to Indonesia, Singapore, Thailand and Cambodia whereby full-time sustainability specialists and part-time champions were appointed within business units and enabling functions to drive sustainable finance and practices at the forefront.

## **SUSTAINABILITY LINKAGES TO PAY**

Our commitment to sustainability is evidenced by the fact that our Group CEO, top management and all divisions have sustainability key performance indicators (KPIs) in their collective scorecards. Collective scorecards are a team-based performance appraisal system whereby employees are assessed as part of a collective team rather than only as individuals. The KPIs in these collective scorecards reflect our material matters, and their performance against these KPIs are directly linked to the funding of the bonus pool of all divisions, thereby directly impacting the compensation of the executive management and employees in the division.

## **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") outlines our overarching principles and approach to sustainability and sustainability risk management;
- The Group Sustainable Finance Policy ("GSFP") 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 risk, and seven Sector Guides are in place for Palm Oil, Forestry (including Rubber), Oil and Gas, Construction and Infrastructure, Coal, Mining and Quarrying and Manufacturing activities. A structured due diligence and escalation is in place for clients and transactions identified to have high sustainability risk; and
- The Group Human Rights Policy was adopted and formalised in July 2022. It lays out our overarching commitments, principles and approaches to respecting Human Rights. Human Rights requirements was embedded into financing policies in August 2022 in Malaysia, Singapore and Indonesia. In 2023, we rolled out the policy in Thailand, Cambodia and Vietnam.

## **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") three issued by the Malaysian Institute of Accountants. AAPG three 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 regards CIMB Group's internal control system as adequate in safeguarding the shareholders' interests and assets of CIMB Group. The Board also confirms that an effective ongoing process for identifying, evaluating, and managing significant risks in CIMB Group is in place and is committed to continuously reviewing all controls, namely compliance and risk management controls.

# Risk Management

## RISK MANAGEMENT OVERVIEW

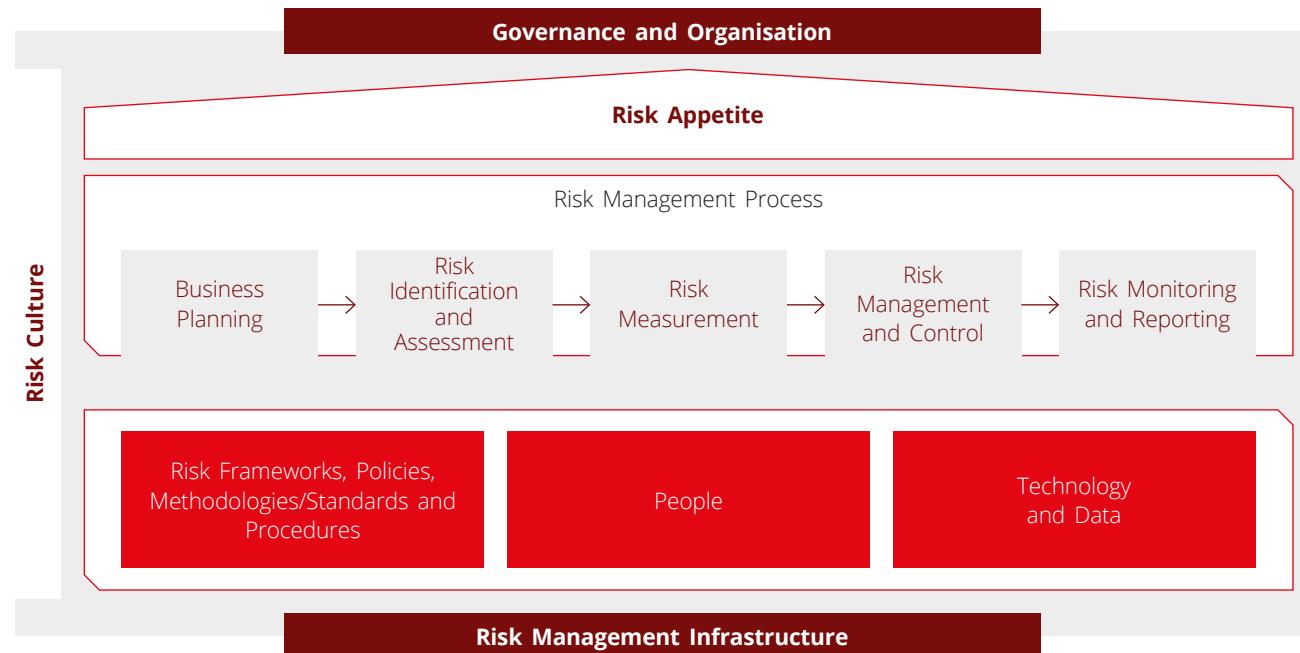
A robust and effective risk management system is critical for the Group to achieve continued risk balanced profitability and create shareholder and stakeholder value in today's globalised and inter-linked financial and economic environment.

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.

(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 directly to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks.

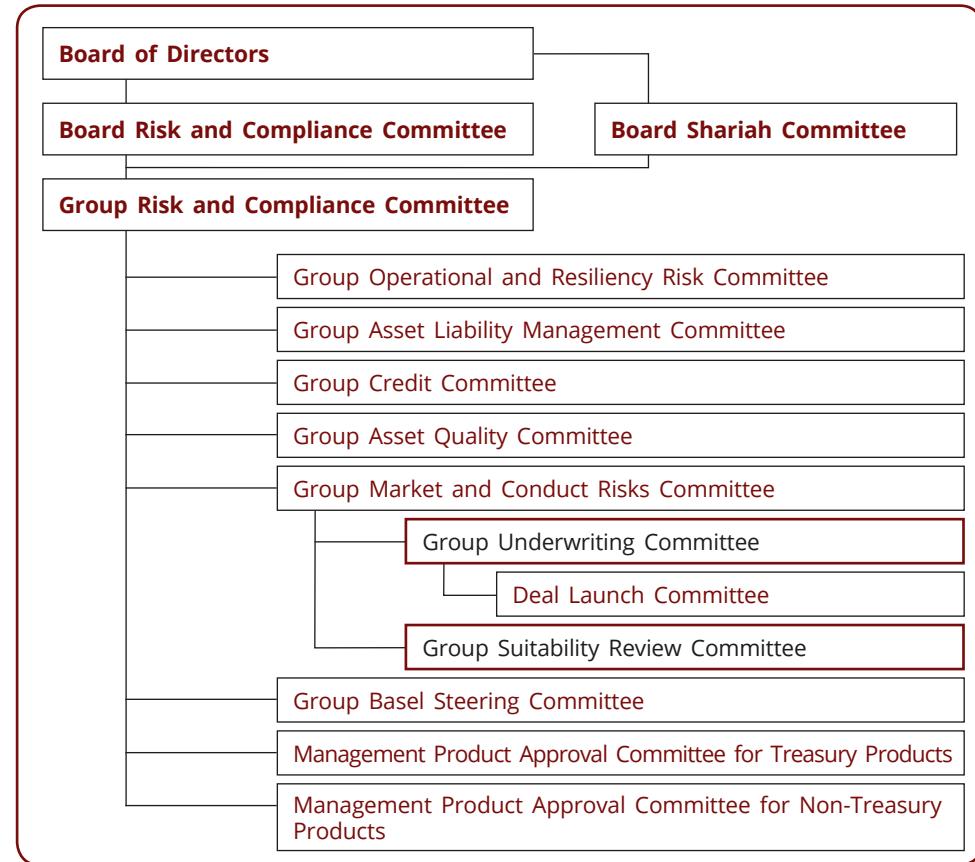
The GRCC is supported by specialized delegated/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, 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;

## Risk Management

- (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;
- (xi) Regulatory compliance 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 possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates; and
- (xii) 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 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.

## **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

# Risk Management

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, validation of financial models, 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 effectively by providing an operational risk framework that enables them to identify, assess, manage and report their operational risks.

The team also provides independent feedback 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 Basel model and underwriting model development implementation and validation of risk models, and management of risk data for credit risk measurement and risk reporting across the Group. In addition, the climate risk unit within the CoE is responsible for working with Group Sustainability, various risk CoEs and business units to implement climate risk management at an enterprise level, in support of the Group's 2050 net zero ambition, which is to transition all operational and attributable greenhouse gas emissions from the Group's financing and investment portfolios in alignment with net zero pathways by 2050.

Sustainability risk (including climate risk) is recognised as a principal and cross-cutting 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. Refer to the section on Sustainability Risk for further details. Notwithstanding this, Sustainability risk has been and will continue to be integrated into the Group's existing risk management frameworks.

## **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 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, CIMB Bank & PT Niaga TBK have implemented relevant machine learning models on its retail and SME portfolio, with further expansion plans going into 2025 and beyond.

# Risk Management

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 CIMB Bank in growing good quality loans/financing whilst ensuring that risk safeguards remain sound and intact.

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, counterparty, 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 Market Risk Management quantitative analysts to assess their applicability relative to market conditions.

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.

# Risk Management

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 identification and monitoring of operational risk and controls 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 committee established 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 operational risk 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.

## 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 regulatory guidelines;
- 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;
  - 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 product and product variation including changes to the product related process flow is subjected to 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, and 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.

# Risk Management

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 enhanced in 2023. As the Group pursues its digital programme under Forward23+, 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 continued to enhance its oversight & validation in 2023 through the execution of the annual Red Teaming (a practice of testing the effectiveness of security of an organisation's systems, processes, people, by emulating a malicious actor and hacking into secure systems or data), Independent Risk Assessment on thematic risks and cyber drill.

## **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), which is part of NFRM CoE, 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 Procedure. 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.

The banking industry continues to face a dynamic and evolving fraud risk landscape, driven by advancements in technology, changes in consumer behaviour, and the emergence of new fraud typologies. In 2023, the industry witnessed a notable rise in impersonation scams and authorised push payment ("APP") fraud, highlighting the need for continuous vigilance and adaptation in fraud mitigation strategies.

In navigating the ever-evolving fraud landscape, the Group remains committed to protecting our customers' funds and investments and has implemented comprehensive fraud risk countermeasures, including proactively promoting the understanding and assessment of risk and facilitating the development of risk management strategy with relevant business units to deal with identified fraud concerns. In 2023, the Group established a Banking Fraud Oversight Committee jointly chaired by two Senior Independent Non-Executive Directors ("SINED") to support the Board in providing focused oversight over the management of online banking frauds and data breach incidents. In addition, to drive a strong fraud-resilient culture, continuous fraud-awareness is provided to our customers and employees via both mainstream and social media platforms to inculcate a better understanding and awareness of fraud prevention.

## **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 risk. 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).

Apart from monitoring and analysing the SNC events or incidences submitted by Risk Control Unit (RCU)/Designated Compliance and Operational Risk Officers (DCORO) to Shariah Review and Assurance CoE under Group Legal and Compliance 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 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 2023, SRM conducted an analysis on staff knowledge adequacy in handling Islamic banking products and services. This is to ensure staff involved in Islamic banking business and operations have adequate knowledge on Shariah principles as well as Islamic banking products and services as part of control measures in managing SNC risk in CIMB. Although no major issues were discovered during the review, several recommendations were made to strengthen the existing learning structure. In addition, to ensure SNC key risk indicator is robust to identify SNC risk and their potential impact on Islamic business performance, SRM reviewed the current SNC key risk indicator reporting procedures that is appropriate for the current SNC risk environment. No major issues were discovered during the review.

Shariah Risk Awareness for RCUs 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 RCU Forum for RCUs and DCOROs that is conducted on a quarterly basis.

## 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 CoE 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.

# Risk Management

## **11. REGULATORY COMPLIANCE RISK**

Regulatory compliance 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 possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates.

## **12. 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 within 10 main industries have been classified as high sustainability risk sectors, and a total of seven Sector Guides are in place for Palm Oil, Forestry (including Rubber), Oil and Gas, Construction and Infrastructure, Coal, Mining and Quarrying and Manufacturing sectors. 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.

## **13. 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.

## **14. 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 in place to provide staff with guidance on the latest safety measures and protocols where required.

# 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.

As at 26 February 2024, the Group AC comprises three (3) members, all of whom are Independent Non-Executive Directors and Banking Group Audit Committee (Banking Group AC) comprises six (6) members, all of whom are Independent Non-Executive Directors.

The Group AC undertakes the functions of Audit Committee of CIMB Bank, CIMB Islamic Bank and CIMB Investment Bank and their subsidiaries and branches within and outside Malaysia. The Group AC also has an oversight over other regional countries and Touch' n Go Sdn Bhd through annual Joint AC meetings.

## 1. ATTENDANCE OF MEETINGS

The details of the Group AC membership and meetings held in 2023 are as follows:

<b>Name of Committee Member</b>	<b>Status</b>	<b>Number of Committee Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Dato' Mohamed Ross bin Mohd Din	Chairman/ Independent Director	16	16
Ms Ho Yuet Mee	Independent Director	16	16
Datin Azlina Mahmad (appointed w.e.f. 1 May 2023)	Independent Director	10	9
En Didi Syafruddin Yahya (resigned w.e.f. 8 October 2023)	Independent Director	12	11

In addition to the 16 meetings held to deliberate on matters relating to the Group (which includes 15 Joint AC meetings attended by Banking Group AC), 30 other meetings were held by members of the Banking Group AC to deliberate on matters relating to the three Malaysian banking entities, making a total of 46 meetings for the year.

The details of the Banking Group AC membership and meetings held in 2023 are as follows:

<b>Name of Committee Member</b>	<b>Status</b>	<b>Number of Committee Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Dr Nurmazilah Dato' Mahzan (appointed w.e.f. 3 August 2023)	Chairman/ Independent Director	13	13
Ms Ho Yuet Mee	Independent Director	30	30
Dr Azura Othman	Independent Director	30	30
Mr Ahmed Baqar Rehman	Independent Director	30	30
Ms Kee E Lene (appointed w.e.f. 15 March 2023)	Independent Director	24	21
Ms Tan Ting Min (appointed w.e.f. 1 May 2023)	Independent Director	19	18
Puan Nadzirah Abd Rashid (retired w.e.f. 14 September 2023)	Independent Director	22	22

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.

The Group AC were also attended by Group Chief Executive Officer, Group Chief Financial Officer and the Group Chief Internal Auditor ("Group CIA"), by invitation while the attendance of other Senior Management, is dependent on matters deliberated by the Group AC. Meanwhile, Management of the relevant Business Units were invited to Banking Group AC to provide explanations on control gaps and remediation actions undertaken arising from the observations highlighted in the audit reports.

# Audit Committee Report

## **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 2023**

The AC has carried out the following activities in financial year ended 31 December 2023, in the discharge of its roles and responsibilities:

### **INTERNAL AUDIT PROCESS**

- a. Approved the annual internal audit plan and the mid-year review of the plan for FY2023. Reviewed the audit plan for Business Units and Business Enablers based on risk assessment conducted, adequacy of scope, coverage 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. Reviewed the audit activities undertaken by GCAD and across the region covering the planned audit assignments including regulatory audits, investigations, ad hoc assignments, review of policies and procedures, frameworks and IT projects, together with audit outcome on quarterly basis.
- d. Evaluated GCAD's overall performance for 2023 based on the scorecard approved and provided written feedback for improvements.
- e. Reviewed the minutes of meeting on matters deliberated at Audit Issue Resolution Committee (AIRCom) meeting relating to audit findings, risk, implication, root cause(s) and Management remedial action plans to address the recommendations.
- f. Reviewed and approved any Management's requests on audit observations remediation timeline extension, taking into consideration the justifications provided.

- g. Reviewed, deliberated, and endorsed the Statement on Risk Management and Internal Control (SORMIC), Corporate Governance Overview Statement and Report for Board's approval and disclosure in the FY2023 Annual Report.
- h. Reviewed, deliberated, and approved Audit Committee Report for incorporation in FY2023 Annual Report.
- i. Continued monitoring the achievement requirement on Certification of Banking Auditors (CBA) as imposed by Asian Institute of Chartered Bankers (AICB).

### **EXTERNAL AUDIT PROCESS**

- a. Reviewed the results of PwC's audit together with their recommendations and Management's response to their findings highlighted in Audit Committee Report and Internal Control Report for FY2022, limited review of the unaudited financial statements for the financial period ended 30 June 2023.
- b. Reviewed and approved the External Auditor's 2023 audit plan and scope of work on 22 August 2023
- c. Held a closing meeting of external audits with the External Auditor to review the financial results, MFRS 9 related matters, credit, finance & treasury related matters, IT general control findings, and tax related matters and other areas of concerns identified.
- d. Held 3 private meetings with external without the presence of the Group Management and Executive Directors on 25 January 2023, 27 March 2023 and 27 November 2023 to discuss relevant issues and obtain feedback for improvements, pursuant to the Terms of Reference of the Audit Committee.
- e. 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. Other areas assessed were scope and proposed fees for the non-audit services and competitiveness of fees quoted.

- f. Reviewed and assessed the performance of external auditors covering performance, independence, and objectivity pursuant to the requirements as set out in Bank Negara Malaysia's Policy Document on External Auditor and based on the set of criteria stipulated in the Group's Policies and Procedures for Appointment and Reappointment of External Auditors for Audit and Non-Audit Services. Completed the annual assessment on the External Auditor in November 2023 prior to recommendation to the Board on its reappointment.

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.
  - Feedback on service level by Management in regard to their involvement with the external auditors during the course of audit.
- g. Reviewed the Management Representation Letters to the external auditors in relation to their limited review of the financial results for the six months ended 30 June 2023 and the statutory audit for the financial year ended 31 December 2023 before recommending it for the Board's approval.

## **INTEGRITY, 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, and to ascertain that appropriate and prompt remedial actions are taken by management.

- d. 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.
- e. 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.
- f. Reviewed the efficiency of GCAD's operations and the economical utilisation of its resources.
- 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.
- 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:
  - Discussed key observations arising from audits and investigations conducted and the effectiveness of corrective actions taken; where necessary, the relevant responsible party would attend AIRCom.
  - 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.

# Audit Committee Report

- 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).
- Discussed Business Units/Business Enablers' (BU/BEs) 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 BU/BEs 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 (or as and when required) 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 annual audited financial statements and quarterly unaudited financial results of the Group as well as 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, treasury and finance (i.e. impairment assessment, other assets and other liabilities)
  - Tax related matters
  - Information technology matters
  - Summary of any uncorrected misstatements
  - MFRS 9 related matters

- c. In relation to the financial statements for the financial year ended 31 December 2023, the AC at its meeting held on 26 January 2024 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. Reviewed the reports of RPTs taking into account the nature and underlying details of the transactions, in establishing any potential conflict of interest that may arise by ensuring that the terms and conditions of the transactions are commercially based and transacted at arm's length, 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 a 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. Prepared the annual and revised risk-based audit plan for the Group which included the manpower requirement for each planned audit.
- b. Carried out audits and investigations under GCAD Malaysia and overseas branches as per the approved audit plans and investigations requested by Management, the Board or regulators. A total of 226 reports were issued during the year.

- c. 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.
- d. 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.
- e. Identified potential cost savings and prevention of data and income leakage and qualitative value added mainly via new control design and catalysing change in behavior (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.
- f. 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.
- g. 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.
- h. 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.
- i. Conducted quarterly regional town hall for top-down communication on key matters relating to the internal audit function.
- j. Conducted a two-days Regional Audit Planning Summit to discuss and deliberate key audit methodologies, annual planning and pressing matters relating to the function.
- k. Continued to enhance relationship with Management through Quarterly Business Monitoring (QBM). GCIA, Department Heads or Section Heads have regular meetings with relevant key stakeholders to strengthen the working relationship and business understanding, for better audit focus.
- l. 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.
- m. Submitted periodic reports to the AC, top Management and regulators.
- n. Supported AC in the annual review exercise on appointment of External Auditor.
- o. As at 31 December 2023, Corporate Assurance function of the Group has 347 staff (Malaysia: 159; Regional: 188) with relevant academic/professional qualifications and experience to carry out the activities of the internal audit, support and administrative function. Total costs of RM91.8 million (Malaysia: RM42.9 million) was incurred to maintain the internal audit function of the Group for the financial year 2023.
- p. Presented the 2024 GCAD's internal audit budget for review, deliberation and endorsement.

## **INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP)**

The QAIP is developed to ensure the effectiveness of audit functions. It includes both internal and external assessments to evaluate GCAD's conformance with the applicable rules, standards and requirements stipulated in the following:

- IIA's International Standards for the Professional Practice of Internal Auditing,
- BNM Guidelines on Internal Audit Function of Licensed Institutions,
- Malaysian Code on Corporate Governance 2021,
- Bursa Malaysia Listing Requirements,
- Statement on Risk Management and Internal Control, and
- GCAD's policy and procedures.

### **a. Internal assessment**

This is performed according to the approved annual Internal Quality Assurance Review ("IQAR") plan by IQAR team within GCAD. The results are reported to the AC on quarterly basis.

# Audit Committee Report

## b. External Assessment

This is carried out by a qualified, independent external assessor at an interval of not more than five years. The appointment goes through an established procurement process and approved by the AC. The external assessor appraises and provides opinion on GCAD's level of conformance with the applicable rules, standard and requirements.

The last external quality assessment was conducted in 2021 where GCAD was assessed to be generally in conformance with the applicable rules, standards, and requirements.

## PROFESSIONAL PROFICIENCY

The GCIA ensures that the internal auditors are equipped with sufficient skillset and continuous professional development in order to perform their duties and responsibilities effectively.

Competency gap assessment is conducted on a yearly basis to determine the training needs and to establish the Training Plan for the year. Based on the outcome of competency gap assessment for the year 2023, in-house and external trainings are scheduled to cover both technical and soft skills. In addition, GCAD has launched the Competency Development Programme which is a strategic initiative aimed at fostering internal capability and enhancing our talent attraction and retention efforts.

As part of professional development, internal auditors are encouraged to pursue the relevant certification programmes to equip themselves with the necessary knowledge. Based on current GCAD staff's strength, 61% of auditors hold at least one professional certification and 47% of auditors have completed Certified Bank Auditor (CBA) qualification. The professional certification programmes comprise the following:

- Certification for Bank Auditors (CBA)
- Certified Credit Professional (CCP)
- Certified Information System Auditor (CISA)
- Certified Internal Auditor (CIA)
- Islamic Finance Certification

- Pasaran Kewangan Malaysia Certificate (PKMC)
- Certified Fraud Examiner (CFE)
- OMEGA Performance Credit Skills
- Certified Credit Executive (CCE)
- Member of Professional Body (CPA & ACCA)

In addition, GCAD has established the criteria for data and digital talent as part of GCAD Forward23+ project – Digital Upskilling pillar. As of 2023, 53% of auditors have met the criteria of Data and Digital talents.

## 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 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 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 advise 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 (Chairman)
2. Professor Dr. Aishath Muneeza
3. Dr. Ahmad Sufian Che Abdullah
4. Mr Ahmed Baqar Rehman (contract ended 5 May 2023)
5. Professor Dr. Yousef Abdulah Al-Shubaily (contract ended 31 March 2023)
6. Dr. Mohammad Mahbubi Ali (appointed on 1 April 2023)
7. En Jalalullail Othman (appointed on 6 May 2023)

The Board hereby affirms that based on advice of the BSC, 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 during the financial year 2023 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 initiatives to strengthen the good governance and oversight function of the Board over Shariah matters, the following activities were carried out in 2023:

- Two Joint Board and BSC meetings were held in April and November 2023 respectively. The BSC members presented 2 topics on: (i) Decision Making Process by the Shariah Advisory Council (SAC) of Security Commission (SC) and Digital Currency from Shariah Perspective and (ii) Managing Islamic Social Finance Using 'Adl and Ihsan based Approach at its first Joint Board and BSC Meeting held on 10 April 2023. The second Joint Board and BSC meeting held on 20 November 2023 focused on Zakat related matter where Management invited Lembaga Zakat Selangor to talk on '*Pengurusan Zakat: Kutipan dan Agihan Berdasarkan Amalan dan Praktis Lembaga Zakat Selangor*'. Management of CIMB Islamic also presented on 'Zakat Wakalah: CIMB Islamic Approach on Distribution'.
- A training session had been conducted by Prof. Engku Rabiah Adawiyah Engku Ali on the topic of Shariah Decision Making Pursuant to Islamic Jurisprudence.

## Board Shariah Committee Report

- In addition, BSC had also organised an Off-Site Meeting and discussed on Industry Shariah Research on Hedging/Anticipatory Hedging, Ujrah Based Credit Card, Updates on Sustainability Pursuant to BNM Financial Sector Blueprint 2022-2026, Islamic Social Finance, Discussion on Tawarruq Concentration Pursuant to BNM Financial Sector Blueprint 2022-2026 and Shariah Research Plan 2024.

As guided by Securities Commission's Guidelines for Shariah Advisers, BSC members had fulfilled with the minimum 3 SIDC's CPE approved courses on capital market during the financial year 2023.

Among the training programs provided by SIDC which qualify for CPE points attended by BSC members were as follow:

- Train-The-Trainer For Derivatives Market Professionals: Design And Deliver An Effective Training Session (TTT Part 1)
- Train-The-Trainer (TTT) For Derivatives Market Professionals: Design And Deliver An Effective Training Session (TTT Part 2)
- Train-The-Trainer For Derivatives Market Professionals: Design And Deliver An Effective Training Session (TTT Part 3)
- Train-The-Trainer For Derivatives Market Professionals: Design And Deliver An Effective Training Session (TTT Part 4)
- Sustainable and Responsible Investment (SRI) Virtual Conference 2023
- Module 1: Directors As Gatekeepers Of Market Participants
- Module 2A: Business Challenges And Regulatory Expectations – What Directors Need To Know (Equities & Futures Broking)
- Module 4: Emerging and Current Regulatory Issues In The Capital Market
- Cybersecurity & Data Privacy: The Fight Against Financial Crime

In addition to the above training programs, the BSC members also attended and participated in the following events and training:

- Muzakarah Cendekianan Shariah Nusantara 2023
- Muzakarah Penasihat Syariah 2023
- Kuala Lumpur Islamic Finance Forum 2023
- Islamic Sustainable Finance & Investment Forum 2023
- Joint Board for Group Sustainability

### **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.

Pursuant to CIMB's Annual Evaluation Manual and BNM's Corporate Governance Policy Document, CIMB is to obtain an independent perspective on the Board's effectiveness to gain insights on the Board's performance against peer Boards and best practices, once every 3 years. CIMB had in 2023 appointed an external consultant to conduct for year end 2022 Board Effectiveness Assessment (BEA) on the Boards and Board Committees of CIMB, CIMB Bank, CIMB Islamic and CIMB Investment. A comprehensive approach including quantitative and qualitative assessment was adopted to assess the Boards, Board Committees and its Directors.

### **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 the BSC. 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.

The beneficiaries of the zakat fund are determined by relevant internal CIMB policy and procedure and guideline as approved by the BSC.

## 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 ("BSC") as established under CIMB Islamic Bank Berhad ("CIMB Islamic"), are responsible to advise 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 BSC, 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.

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 with 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 mainly by qualified Shariah officers consist of Shariah researchers as well as the advisory and consultancy function under Shariah Advisory & Governance department of Group Islamic Banking Division that supports us in our decision and deliberations, providing check and balance for all Shariah matters as presented to us by the Management. Shariah Advisory and Board Shariah Committee Secretariat Policy and Procedure are 2 main documents in governing the daily function of Shariah Advisory & Governance department.

The CIMB Group Shariah Review Policy and Procedure was established to set out policies for the 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-Compliant 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.

## Board Shariah Committee Report

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 basis. Group Corporate Assurance Division ("GCAD") reports independently to the CIMB Group Audit Committee ("AC") and the Banking Group Audit Committee ("Banking Group AC") and is independent of the activities and operations of the business and other support units. In addition, GCAD reports on matters related to Islamic Banking and Shariah audits to the BSC. 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. 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 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. The annual audit plan is developed based on assessment of risks, exposures and strategies of CIMB Group and its Islamic banking and finance business.

To strengthen the compliance towards Shariah, the Group has continuously instilled a Shariah-compliance culture by adopting a holistic top-down approach within the organisation. At the apex, the Group set an appropriate 'tone from the top', where the Board and BSC play their oversight role on the Shariah governance in the Group. The Group also held Board and BSC engagement sessions or Joint Board meeting between Board of Directors and BSC which serve as a platform for effective communication between Board, BSC and Senior Management on oversight over Shariah governance.

The Group also continues Shariah Capacity Building programmes to inculcate strong shariah knowledge within the Group. The Group has supported CIMB Islamic and CIMB Bank staff to enroll in relevant certification programs such as Associate Qualification in Islamic Finance (AQIF), Certified Shariah Advisor (CSA), Certified Professional Shariah Auditor (CPSA), Islamic Finance Internal Qualification Program (IFIQ) and others. The Bank had also organised a training session conducted by Dr. Mohammad Mahbubi Ali as the representative from the Board Shariah Committee where he shared about the Understanding Product Structuring in Islamic Finance.

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 the overall aims and operations, business, affairs and activities of CIMB Islamic are in compliance with Shariah but it has come to the BSC's attention that a material Shariah Non-Compliant event(s) has occurred within the Group and has been or in the process of being rectified. Details of the Shariah Non-Compliant events are as follows:

- (1) Non-Execution of Tawarruq Commodity Trading prior disbursement for Invoice Financing-i.

**Nature:** Non-Execution of Tawarruq Commodity Trading prior disbursement for Invoice Financing-i.

**Measures undertaken:**

- a) Execution of Tawarruq Commodity Trading for the impacted financing account.
- b) Refund of the profit paid by customer totaling of USD2,175.33 by offsetting the customer's account for Invoice Financing-i.

**Status:**

- a) The action item was completed by executing the tawarruq transaction to the impacted financing account.
- b) The Bank has set-off of USD2,175.33 which was credited back to the client's account.

- (2) Overcharged of Late Payment Charges ("LPC") in property auction sale.

**Nature:** Overcharged of LPC in property auction sale.

**Measures undertaken:** Refund of the additional charges totaling of RM163,594.46 to the impacted successful bidders ("SBs").

**Status:**

- a) For SBs with CIMB Current Account/Saving Account (CASA): Completed.
- b) For SBs without CIMB Current Account/Saving Account (CASA):
  - Completed refund for partial of the SBs.
  - As for the rest of the SBs, pending SB's information on their account details.

Apart from the purification of income from Shariah Non-Compliant events, the Group has instituted several rectification measures relating to processes and procedures to enhance control mechanism and minimise recurrence of Shariah Non-Compliant incidents.

In our opinion:

- (1) The contracts, transactions and dealings entered into by the Group during the financial year ended 31 December 2023 that were presented to us were done in compliance with Shariah save and except for the contracts involved in the two Shariah Non-Compliant events;
- (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 save and except for the abovementioned material Shariah Non-Compliant events and the said amount have been partially\* refunded to the rightful owner; and
- (4) The zakat calculation is in compliance with Shariah principles.

*\*Note: The refund for overcharged of LPC in property auction sale is currently awaiting SB's information on their account details and if no respond from the SB by 31 August 2024, the Bank will proceed with unclaimed money process by 31 January 2025.*

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 BSC, are of the opinion that the operations of the Group's Islamic banking and finance business for the financial year ended 31 December 2023 were conducted in conformity with Shariah.

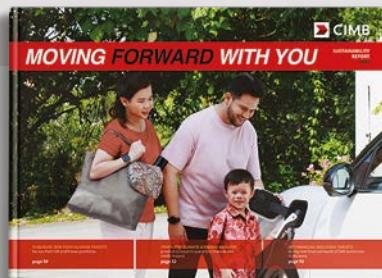
On behalf of the Board Shariah Committee

**Associate Professor Dr. Mohamed Fairooz Abdul Khir**  
Chairman

**Dr. Ahmad Sufian Che Abdullah**  
Member

Kuala Lumpur  
15 March 2024

# Sustainability Statement



## **SCOPE: REPORTING COVERAGE AND PRINCIPLES**

All information disclosed in this statement covers the calendar year 1 January 2023 to 31 December 2023, unless otherwise stated. It covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia. We disclose four years of all quantitative information for relevant indicators, wherever feasible. As much as possible, we have applied the reporting principles of balance, comparability, clarity, completeness, reliability and accuracy. Our last report was published in March 2023.

The CIMB Group Sustainability Report 2023 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. It communicates our sustainability commitments, performance and plans going forward.

## **REPORTING STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS**

This report is prepared with the aim of providing our stakeholders with meaningful disclosures to make well-informed decisions. It has been developed according to best practices and standards, adhering to international and local sustainability guidelines and frameworks.

These include:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Global Reporting Initiative (GRI) Standards 2021
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- The United Nations Environment Programme Finance Initiative Principles for Responsible Banking

We also benchmark our disclosures against the indicators of the S&P Global Corporate Sustainability Assessment, Sustainability Accounting Standards Board (SASB), and International Sustainability Standards Board (ISSB) – IFRS S1 and IFRS S2.

## **RELIABILITY: ASSURANCE OF QUALITY**

We continuously review and deliberate on the degree of transparency and level of disclosure across various functions of the Group. The reporting framework, key updates and the Sustainability Report are presented, discussed, and approved in line with our sustainability governance framework. In strengthening the credibility of this Sustainability Report, selected sustainability indicators have been subjected to an independent assurance by KPMG PLT (KPMG) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The Subject Matter, Scope and Conclusion can be found in KPMG's limited assurance report set out on pages 165 to 167 of our Sustainability Report 2023.

## **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 2023.

Please contact:

**Luanne Sieh**  
Group Chief Sustainability Officer  
[sustainability@cimb.com](mailto:sustainability@cimb.com)

# Sustainability Statement

## SUSTAINABILITY PRINCIPLES AND STRATEGY

At CIMB, we embrace our pivotal role in sustainability, understanding that our influence extends beyond our own efforts to empowering our clients and all our stakeholders towards positive change. Our commitment is to lead by example, encouraging practices that reduce harm and enhance wellbeing: this, we believe, is the true essence of creating a net positive impact. Beyond envisioning a better tomorrow, we actively build it, uplifting our customers, communities, and the environment along the way. Together, we are rewriting the narrative for prosperity.

#ThankYouFromTomorrow for joining us in illuminating a sustainable path forward.

The following five principles guide our sustainability efforts:



Recognise and be guided by internationally accepted principles from key organisations to promote responsible business performance



Exercise a precautionary approach, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equity



Create net positive impact, adopting an inclusive approach to positively influence our business relations in their sustainability performance and taking a holistic approach in striving for a just transition to a greener economy

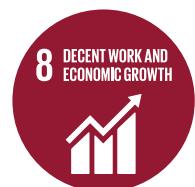


Proactively integrate economic, environmental and social considerations in our business decisions, including financing, investments, and procurement, and in managing our people and operational impacts



Engage actively and openly with our stakeholders regarding the management of sustainability risk and to identify opportunities for sustainable development

## SUSTAINABLE DEVELOPMENT GOALS



These principles guide our commitments to driving sustainable finance and global development, which are aligned with the United Nations Sustainable Development Goals (SDGs) where we can have the most influence. We have mapped out our seven priority SDGs to which our material matters and corresponding policies and programmes, in particular, our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, are aligned.

## PARTNERSHIPS

We work closely with industry partners and regulatory bodies to encourage broader adoption of the sustainable development agenda. As members of international and local working groups, we share experiences and adopt best practices and tools. We also actively engage with a range of Non-Governmental Organisations (NGOs) to both learn from and contribute to our collective sustainability journey.

### NET-ZERO BANKING ALLIANCE (NZBA)

We were the first ASEAN bank to join the NZBA, which is part of the Glasgow Financial Alliance for Net Zero (GFANZ). The NZBA consists of 142 banks from 44 countries, representing over 41% of global banking assets, that are committed to aligning their investments and financing with Net Zero emissions by 2050. This alliance aims to reinforce, accelerate and support the implementation of decarbonisation strategies, providing internationally coherent frameworks and guidelines, supported by peer learning. As a signatory of the NZBA, we mobilise our products, services and relationships to facilitate a just transition towards a climate-resilient future. 



### JOINT COMMITTEE ON CLIMATE CHANGE

We actively participate in the Joint Committee on Climate Change (JC3), which is co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC). JC3 mobilises collective action in Malaysia's financial sector to promote climate resilience in both the sector and the wider economy. The inputs, insights, and recommendations arising from JC3 are used to shape sustainability policies and regulations set by BNM and SC. Currently, CIMB co-chairs the JC3 Subcommittee 1's Transition Risk Working Group (TRWG) and JC3 Subcommittee 2 on Governance and Disclosure and is an active contributor to many other subcommittees and working groups. 



### UNITED NATIONS GLOBAL COMPACT (UNGC)

We are a participant of the UN Global Compact and a member of the Malaysia network. Launched in 2000, the UNGC is a leading voluntary initiative that encourages global businesses to adopt sustainable and socially responsible policies based on ten principles covering human rights, labour, the environment, and anti-corruption. As of 2023, the UNGC has garnered participation from more than 24,000 companies across 167 countries. 



### VALUE-BASED INTERMEDIATION (VBI)

We are strong advocates of BNM's VBI, which aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable value for the economy, community and environment. This commitment is consistent with our dedication to benefiting shareholders' sustainable returns and long-term interests. CIMB Islamic is currently part of the sub-working group for the VBI Financing and Investment Impact Assessment Framework (VBIIF) Sectoral Guide on Agriculture, Forestry and Fishing. 



## Sustainability Statement

### 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, and policy decision-makers. Our mission is to shift the paradigm of business and finance towards sustainable actions. At our fifth Summit, titled, "Sustainability in Action: Opportunities for a Better Tomorrow", we focused on highlighting the multitude of opportunities that arise from a transition towards a greener economy and a more equitable society, with the aim of inspiring people, businesses and societies to take action towards a more sustainable future. 



Looking forward to 2024, in order to better serve our clients and stakeholders' need, we plan to evolve our approach. In 2024, we plan to host a series of smaller events and workshops across regions, spread throughout the year, for continued and more targeted engagement.

Email us at [sustainabilityevents@cimb.com](mailto:sustainabilityevents@cimb.com) to keep up to date on our events in your country.

### CEO ACTION NETWORK (CAN)



We co-founded CAN with our partner, IMPACTO, in 2020 to create a closed-door peer-to-peer informal network of CEOs and board members committed to driving sustainable action in corporate Malaysia. With more than 70 members from over 20 critical sectors, CAN aspires to catalyse its members and the broader economy towards proactively 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. We have met all our Collective Commitments at Level 2<sup>1</sup> for 2023. We are currently working with other CAN members to develop an updated and more ambitious set of collective commitments for 2024 and beyond. 

	Commitment	Status
 <b>Governance</b>	<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. Our CEO, top management and all divisions have sustainability key performance indicators (KPIs), as described in the Governance and Risk chapter of this report. These KPIs reflect our material matters and achievement of the KPIs impact the compensation of the executive management and employees </li> </ul>
 <b>Environment</b>	<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 its recommendations </li> </ul>
 <b>People</b>	<ul style="list-style-type: none"> <li>Set public targets on percentage of female composition in top management</li> <li>Conduct a 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>

<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

The environment, society and economy are continuously evolving, and with that, what it means to be a responsible bank is also changing. As a leading ASEAN bank, we are driven by our commitment to our key stakeholders – shareholders, customers, and society at large – to evolve together towards a future that benefits all. To do this, one of our key approaches is to identify the material economic, environmental and social matters for our organisation. Central to our approach is the concept of double materiality. This is where we consider the potential direct and indirect impacts of our activities on society and the environment, as well as the potential impact of societal and environmental matters on our business.

We identify our material matters through regular comprehensive materiality assessments, underpinned by inputs from our stakeholders. These critical matters inform our strategy to drive the Group's long-term value creation and competitiveness. They serve as the bedrock on which we build our sustainability strategy as a leading ASEAN bank. Our 2022 materiality refresh and the methodology used is detailed on our website [\(2\)](#), and we are planning to conduct a comprehensive review of our material matters in 2024.

Click on each material matter for information on why each matter is important, the key risks and opportunities associated with each matter, as well as our long-term approach to managing the issue. Our material matters are numbered based on their prioritisation within the Bank.

### 1 SUSTAINABLE AND RESPONSIBLE FINANCE [\(2\)](#)

Delivering products and services to support people, businesses and activities that create positive impacts on society, from economic, environmental and social perspectives. Managing risks and potential negative impacts arising from the activities that CIMB finances, including impacts on environment, society and the economy in general.

### 2 GOVERNANCE AND ETHICS [\(2\)](#)

Strengthening our value proposition and ability to deliver returns to investors and shareholders. Allocating resources strategically and reinforcing our ability to plan and achieve resilient value creation. Reinforcing a healthy culture of ethics, integrity and transparency throughout the organisation.

### 3 CYBERSECURITY AND DATA PRIVACY [\(2\)](#)

Safeguarding CIMB's data and systems, as well as customers' data and privacy. Protecting customers from fraud and scams.

### 4 FINANCIAL INCLUSION AND LITERACY [\(2\)](#)

Providing access to affordable financial services, and improving financial literacy and health, especially among disadvantaged communities.

### 5 RISK MANAGEMENT AND BUSINESS RESILIENCE [\(2\)](#)

Implementing controls to manage CIMB's risk exposure, meet regulatory expectations and mandate, as well as ensure commercial sustainability. Adapting to emerging trends to maintain business resilience and economic performance.

### 6 DIGITALISATION AND INNOVATION [\(2\)](#)

Ensuring a seamless digital experience for customers. Transforming our operations by deploying tools such as data analytics capabilities and artificial intelligence to be a data-first organisation.

### 7 HUMAN RIGHTS [\(2\)](#)

Upholding international human rights laws and standards. Promoting fair labour practices and fair treatment of communities.

### 8 CLIMATE CHANGE [\(2\)](#)

Taking action to achieve Net Zero overall GHG emissions by 2050, managing climate-related risks and opportunities, while contributing to national and global climate goals.

### 9 DIVERSITY AND INCLUSION [\(2\)](#)

Providing and promoting equal, fair and inclusive opportunities, regardless of gender, age, background, beliefs, ethnicity, skill and abilities.

### 10 CUSTOMER EXPERIENCE [\(2\)](#)

Engaging in responsible marketing and fair dealing practices to strengthen customer trust. Going the extra mile for our customers and delivering excellent customer experience that builds long term relationships.

### 11 BIODIVERSITY AND ECOSYSTEM INTEGRITY [\(2\)](#)

Integrating biodiversity and nature (including waste and water management) considerations into financing and other business decisions.

### 12 TALENT ATTRACTION, GROWTH AND RETENTION [\(2\)](#)

Attracting and nurturing the right talent to future-proof the organisation and its business. Implementing effective mechanisms to retain talent for business continuity, productivity, performance and competitiveness.

### 13 CORPORATE CITIZENSHIP [\(2\)](#)

Supporting regional and national policies to reduce poverty, building sustainable communities. Implementing CSR initiatives that contribute to Environmental, Economic and Social (EES) wellbeing as well as address the needs of stakeholders.

 ECONOMIC

 ENVIRONMENTAL

 SOCIAL

# Governance and Risk

At CIMB, we are committed to a governance approach that centres on people and the planet. We strive to create lasting value that resonates with everyone we reach, from our shareholders to the communities we interact with. We hold ourselves to the highest standards of transparency, accountability and integrity. For us, banking is a means to empower, to protect and to build – not just wealth, but a world resilient to challenges and ready for the generations that will inherit it.

Our resilient risk and governance systems are rooted in the shared values and norms embraced by #teamCIMB. This is embedded through:



**Strong governance systems** that are based on transparency, accountability and integrity



**An integrated risk management approach** that incorporates environmental and social risks, as well as ethical considerations into daily decision-making and operations



**Robust policies and processes** that ensure strict compliance with corporate ethics, anti-corruption and anti-bribery regulations



**Proactive sustainability risk management**, including climate, biodiversity and human rights risks, for long-term value creation and that promotes a just transition towards a low-carbon economy

## MATERIAL TOPICS



### Governance and Ethics

## 2023 ACHIEVEMENTS

- Improved our S&P Global CSA Governance score by 44% since 2019
- Introduced Tax Machine Learning, significantly enhancing our tax process optimisation and accuracy, thereby reinforcing our commitment to meet tax reporting requirements more efficiently
- Implemented Risk Control Unit within the Group Sustainability Division to strengthen the risk management framework and ensure compliance with regulatory standards. This unit centralises risk oversight, conducts assessments, monitors compliance, enhances controls and encourages ongoing improvements in risk handling



### Risk Management and Business Resilience

- Enhanced our Group Risk Appetite Statement to ensure that sustainability and climate-related aspects are considered in business planning and monitoring
- Rolled out UNEP FI Environmental & Social Risk Analysis Training programme across Malaysia, Indonesia, Singapore, Thailand and Cambodia



### Climate Change: Risks and Opportunities

- Delivered our first group-wide climate scenario analysis proof-of-concept
- Strengthened the Group's financed emissions calculation and estimation methodology as well as coverage
- Provided RM4.1 billion of green and sustainable financing in 2023, a year-on-year increase of RM1 billion. This is driven by green home and vehicle financing to consumers in our effort to support companies and consumers across the region to decarbonise and build climate resilience



### Biodiversity and Ecosystem Integrity

- Engaged with and issued action plans to 17 clients on NDPE since the introduction of NDPE commitment requirements to the Palm Oil and Forestry (including Rubber) sectors
- Developed and commenced rollout of our Biodiversity Risk Assessment process as part of our sustainability due diligence on clients across key markets



### Human Rights

- Engaged with 924 stakeholders (employees, clients and vendors) throughout Malaysia, Thailand and Cambodia to raise awareness of, and promote compliance with, human rights issues
- Localised and implemented the Group Human Rights Policy in Thailand, Cambodia and Vietnam<sup>1</sup>

<sup>1</sup> The Group Human Rights Policy has been localised in Indonesia, and adopted fully in Malaysia and Singapore since 2022.

# Sustainable Action

At CIMB, integrating sustainability throughout our value chain is driven in equal parts by both our moral and ethical conviction that it is the right thing to do, and evidence that it is good for business.

We are committed to enhancing the lives and wellbeing of our employees and suppliers throughout ASEAN, while actively minimising our environmental footprint. Central to this commitment is the reduction of our operational GHG emissions. By striving for a safe, fair and inclusive work environment that fosters development and wellbeing while contributing to a better future, we not only fulfil our ethical obligations but also strategically position ourselves for long-term success. By taking Sustainable Actions, we build trust, demonstrate leadership and enhance our resilience against sustainability risks – including those stemming from climate change. Consequently, our commitment to both environmental and social responsibility translates directly into enhanced performance and long-term prosperity, both for CIMB and the communities we serve.

## A Low-carbon Bank



Minimising our operational GHG emissions and other environmental impacts to support a sustainable future for all

## 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



Ensuring a diverse and inclusive workplace that encourages creativity and productivity

MATERIAL TOPICS	2023 ACHIEVEMENTS
 <b>Climate Change: Operational Emissions</b>	<ul style="list-style-type: none"> <li>Achieved reduction of 35% in Scope 1 and 26% in Scope 2 (market-based) GHG emissions against the 2019 baseline</li> <li>Completed LED conversion for 29 branches in Malaysia</li> <li>Installed rooftop solar PV systems in CIMB Thai Chiang Mai HQ and CIMB Niaga Graha Bintaro</li> <li>Attained a 13% renewable energy utilisation rate sourced from CIMB's own rooftop solar PV systems, Green Electricity Tariff (GET) and Renewable Energy Certificates (RECs)</li> <li>Achieved net zero for Scope 1 and 2 GHG emissions for CIMB's operations in Singapore</li> </ul>
 <b>Talent Attraction, Retention and Growth</b>	<ul style="list-style-type: none"> <li>Introduced benefit enhancements and launched a flexible benefits programme in Malaysia and Indonesia</li> <li>Launched CIMB Signature Leadership programmes for mission-critical positions, senior position successors, emerging leaders and junior leaders</li> <li>Won 29 regional Human Resource awards</li> <li>Improved Organizational Health Index score to 83% in 2023 from 77% in 2022</li> </ul>
 <b>Diversity and Inclusion</b>	<ul style="list-style-type: none"> <li>Gender pay ratio of 1.00 (male) : 1.01 (female)</li> <li>38% female representation in leadership (GCEO-2 and above, including Key Management employees)</li> <li>Improvement of diversity in the succession pool for critical roles across the Group</li> </ul>

# Sustainable Business

At CIMB, we conduct business in a way that fosters long-term economic development with a deep commitment to ethical responsibility, as well as social and environmental stewardship. Through our portfolio of products and services, we provide solutions aimed at encouraging the transition to a lower-carbon economy, uplifting social equity, and safeguarding our planet for long-term shared prosperity and wellbeing.

We recognise the disparity in financial inclusion and health across ASEAN, and proactively address pressing issues such as the rising cost of living and escalating financial fraud, head-on. These issues often hit the most vulnerable populations – low-income families and the elderly – the hardest. Our goal is to ensure that economic empowerment is accessible to more, by enhancing financial literacy and widening access to our solutions.

As a customer-centric institution, we continuously refine our approach to providing a better, faster and safer banking experience, responsive to the shifting needs and aspirations of our customers. Harnessing the transformative power of digitalisation, with significant investments in digital innovation and cybersecurity, we are determined to live up to our promise to provide distinctive, personalised and secure banking experiences.



## Positive Impact through Finance

Deliver innovative sustainable finance solutions and advisory that enable our clients to create positive impacts and reduce harm



## Empowerment through Financial Inclusion and Health

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 technology to improve our processes and better serve our customers



## Robust Cybersecurity and Privacy

Safeguard our customers' data and privacy to the highest standards against potential threats

## MATERIAL TOPICS



### Sustainable and Responsible Finance: Creating Positive Impacts

## 2023 ACHIEVEMENTS

- Mobilised RM32.4 billion of sustainable finance via Green, Social, Sustainable Impact Products and Services
- Launched Malaysia's first comprehensive Sustainability-Linked Financing proposition for SMEs
- Won 14 awards across the region for sustainable finance



### Financial Inclusion and Literacy

- Distributed RM8.7 billion of financing to low-income individuals across ASEAN
- Provided RM6.2 billion of financing to micro and small enterprises in support of SDG 8: Decent work and economic growth
- Trained more than 7,800 youths under our financial literacy programmes



### Customer Experience

- Achieved a Net Promoter Score within 69% of the industry in our four key markets
- Rolled out a strategy to combat financial scams



### Digitisation and Innovation

- CIMB Clicks<sup>1</sup> uptime at 99.74%
- BizChannel<sup>1</sup> uptime at 99.95%



### Cybersecurity and Data Privacy

- Enhanced our Security Operation Centre and Threat Intelligence to address increasing cyber threats
- >100,000 hours of cybersecurity and data privacy lessons completed by over 30,000 CIMBians

<sup>1</sup> Figures are calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance.

# Corporate Citizenship

In addition to transforming our business practices and offerings to create a net positive impact for our stakeholders, CIMB is also focused on creating fair opportunities for socio-economic and community development as a responsible corporate citizen. We prioritise initiatives that address social inequalities and environmental concerns, targeting impactful areas such as education, economic empowerment, health and community wellbeing, and the environment. By fostering a culture of volunteerism and collaboration, we actively encourage our employees and stakeholders to participate in these efforts, with a target of achieving 100,000 hours of volunteering annually. Our goal is to make a meaningful difference in the lives of those who need it most, such as low-income groups and indigenous communities. Ultimately, we aim to pave the way towards a future with a healthier planet, where prosperity and wellbeing can be enjoyed by all.

## Equitable and Inclusive Education



Provide access to quality education for underserved and disadvantaged communities

Our goal is to support 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 implement effective entrepreneurship development programmes aimed at empowering economically vulnerable groups to attain higher or more sustainable income

## Healthy and Resilient Communities



Provide access to affordable and essential healthcare to safeguard the wellbeing of communities

We work to provide strategic financial support to enhance public and community healthcare, and support for persons with disabilities

## Collective Green Action



Raise community awareness of responsible environmental practices

Our environmental programmes aim to support organisations engaged in nature and biodiversity conservation

## MATERIAL TOPICS



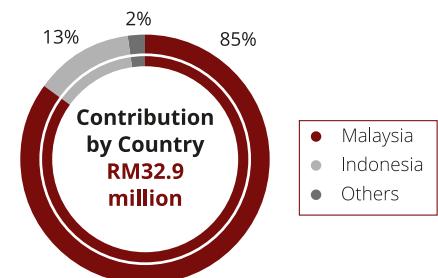
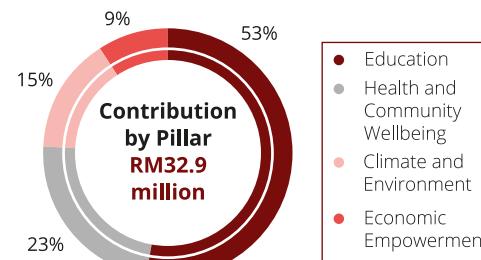
## Corporate Citizenship

## 2023 ACHIEVEMENTS

- Disbursed RM32.9 million in community investments
- Achieved record employee volunteerism hours totalling 203,245 hours

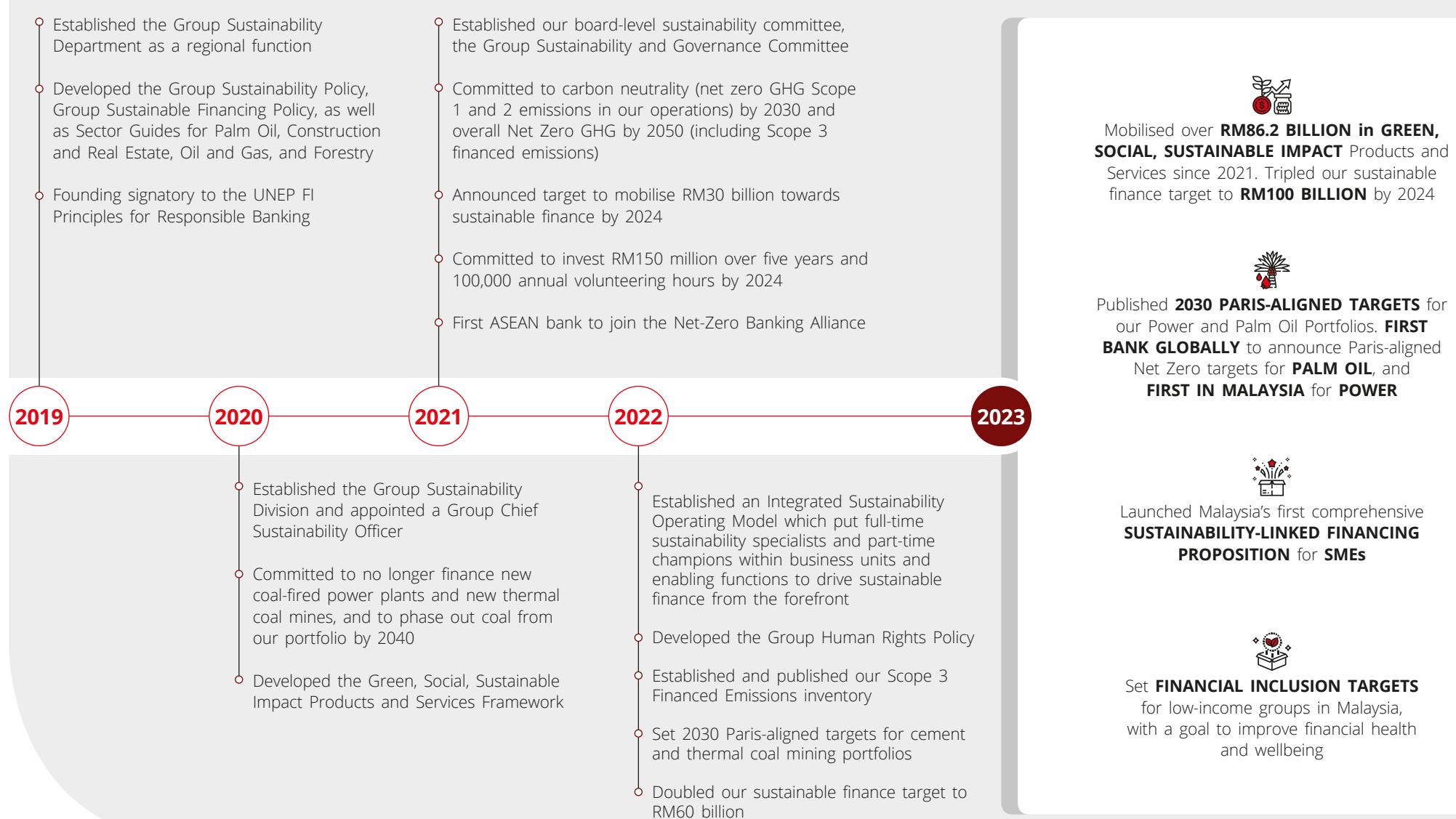
## OUR CONTRIBUTION

In 2023, the Group disbursed RM32.9 million through our various entities across the region, funding over 100 projects, with more than 50% allocated towards educational initiatives. Our financial contribution improved the lives of over 100,000 individuals by providing access to medical care, better education, facilitating upskilling, and supporting environmental conservation efforts.



# Sustainability Statement

## SUSTAINABILITY HIGHLIGHTS





**RANKED 12/150** among Financial Institutions, and **TOP FOR PALM OIL** for the strength and implementation of our commitments on our **DEFORESTATION AND HUMAN RIGHTS POLICIES** by Forest 500



**INVESTED RM32.9 MILLION** and **OVER 203,000 VOLUNTEER HOURS** in local communities



Achieved  
**CARBON NEUTRALITY IN SINGAPORE** for our Scope 1 and 2 GHG emissions



Included in the S&P Global **SUSTAINABILITY YEARBOOK 2023**, with an achievement of **88TH PERCENTILE** in the S&P Global Corporate Sustainability Assessment



CIMB Investment Bank was the **TOP LEAD ARRANGER FOR ESG BONDS** in Malaysia by amount issued



## AWARDS HIGHLIGHTS

### Alpha Southeast Asia Deal & Solution Awards 2023

- Best ESG Green Financing Deal of the Year in Malaysia
- Best Sovereign Green Sukuk of the Year in Southeast Asia

### Alpha SEA Best FI Awards 2023

- Best Bond House for Sustainable Finance in Malaysia

### Asian Banking & Finance Wholesale Banking Awards 2023

- Domestic Sustainability Initiative of the Year in Malaysia
- Domestic Sustainability Initiative of the Year in Indonesia

### The Asset Islamic Finance Awards 2023

- Best Green Sukuk in Indonesia
- Best Social Sukuk in Malaysia
- Best SRI Sukuk in Malaysia
- Best Sustainability Sukuk (Corporate) in Malaysia
- Best Sustainability Sukuk (SMEs) in Malaysia

### Asiamoney Asia Private Banking Awards 2023

- Best for ESG Investing in Malaysia

### Asian Banking & Finance Retail Banking Awards 2023

- Banking for Women Initiative of the Year in Indonesia

### National Annual Corporate Reward Awards (NACRA) 2023

- Gold in the Best Sustainability Reporting Award in Malaysia

### PwC Malaysia's Building Trust Awards 2023

- Special Mention in PwC Malaysia's ESG Reporting Benchmarking Analysis

- Best Sustainability Sukuk (Bank Capital) in Malaysia
- Best Sustainability Sukuk (Transport) in Malaysia

# Regional Notable Deals

## REGIONAL DEBT DEALS



### Republic of Indonesia through Perusahaan Penerbit SBSN Indonesia III

USD2.0 billion Trust Certificates due 2028 and 2033 (Green) under an existing USD35.0 billion Trust Certificate Issuance Programme

### Khazanah Capital Ltd

USD750.0 million 4.876 per cent. Notes due 2033 issuance under Khazanah Capital Ltd.'s inaugural USD10.0 billion Euro Medium Term Note Programme, guaranteed by Khazanah Nasional Berhad

### Khazanah Global Sukuk Berhad

USD750.0 million 4.687 per cent. Sukuk issuance under Khazanah Global Sukuk Berhad's inaugural USD5.0 billion Multicurrency Sukuk Issuance Programme



Motors

### Sime Darby Enterprise Sdn Bhd

Islamic medium term notes issuance of RM3.0 billion in nominal value pursuant to an Islamic commercial papers and Islamic medium term notes programme of up to RM10.0 billion in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) established by Sime Darby Enterprise Sdn. Bhd., irrevocably and unconditionally guaranteed by Sime Darby Berhad



### Sarawak Energy Berhad

Sukuk Musyarakah issuance of RM3.5 billion in nominal value pursuant to a Sukuk Musyarakah Programme of up to RM15.0 billion in nominal value



### TNB Power Generation Sdn Bhd

Sustainability Sukuk Wakalah issuance with nominal value of RM2.0 billion pursuant to a Sukuk Wakalah Programme of up to RM10.0 billion in nominal value



### Johor Corporation

State Guaranteed Sukuk Wakalah issuance of RM1.5 billion in nominal value pursuant to a State Guaranteed Sukuk Wakalah Programme of up to RM2.0 billion in nominal value



### YTL Power International Berhad

Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme with a combined limit of up to RM7.5 billion in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement)



### Bank Pembangunan Malaysia Berhad

Sustainability Sukuk Wakalah issuance of RM1.0 billion in nominal value pursuant to an Islamic medium term notes programme of up to RM5.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar



### Digi Telecommunications Sdn Bhd

Sukuk Murabahah issuance of RM1.0 billion in nominal value pursuant to a Sukuk Murabahah Programme of up to RM5.0 billion in nominal value



### RP Hydro Kelantan Sdn Bhd

RM975.0 million in nominal value ASEAN Green SRI Sukuk Wakalah



### Gamuda Berhad

Sukuk Murabahah issuance of RM900.0 million in nominal value pursuant to a Sukuk Murabahah Programme of up to RM5.0 billion in nominal value



### SMJ Sdn Bhd

Sukuk Wakalah issuance of RM900.0 million in nominal value pursuant to a Multi-currency Sukuk Wakalah Programme of RM10.0 billion (or its equivalent in other currencies) in nominal value



### **MTT Shipping Sdn. Bhd.**

Islamic medium term notes issuance RM420.0 million in nominal value under the Islamic medium term notes programme of up to RM1.5 billion in nominal value and Islamic commercial papers issuance of RM5.0 million in nominal value under the Islamic commercial papers programme of up to RM1.5 billion in nominal value, both programmes having a combined aggregate limit of up to RM1.5 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar



### **Bank Muamalat Malaysia Berhad**

Inaugural issuance of RM350.0 million in nominal value of Additional Tier-1 Capital Sukuk Wakalah under a Sukuk Wakalah Programme of RM5.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar for the issuance of Senior Sukuk Wakalah, Tier-2 Subordinated Sukuk Wakalah, and/or Additional Tier-1 Capital Sukuk Wakalah



### **UEM Olive Capital Berhad**

ASEAN Green Sukuk Wakalah issuance of RM100.0 million in nominal value pursuant to Islamic medium term notes programme of up to RM7.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar established by UEM Olive Capital Berhad, with UEM Group Berhad acting as obligor



### **PT Tower Bersama Infrastructure Tbk**

Senior Bonds IDR2,486.0 billion via fifth shelf registration programme tranche 6  
Senior Bonds IDR1,500.0 billion via sixth shelf registration programme tranche 1



### **PT Bank Mandiri (Persero) Tbk**

Senior Green Bonds IDR5,000.0 billion via first shelf registration programme tranche 1



member of ASTRA

### **PT Federal International Finance**

Bonds IDR3,000.0 billion via fifth shelf registration programme tranche 5  
Bonds IDR1,100.0 billion via sixth shelf registration programme tranche 2



### **PROTELINDO**

### **PT Profesional Telekomunikasi Indonesia**

Senior Bonds IDR2,906.5 billion via third shelf registration programme tranche 2  
Senior Bonds IDR1,093.5 billion via third shelf registration programme tranche 3



### **PT Sarana Multi Infrastruktur (Persero)**

Senior Bonds IDR4,000.0 billion via third shelf registration programme tranche 3



### **PT Astra Sedaya Finance**

Senior Bonds IDR2,500.0 billion via sixth shelf registration programme tranche 1



### **PT Sarana Multigriya Finansial (Persero)**

Senior Bonds IDR1,210.0 billion via seventh shelf registration programme tranche 1 and Musyarakah Sukuk IDR170.5 billion via first shelf registration programme tranche 1



### **PT Indomobil Finance Indonesia**

Senior Bonds IDR1,283.9 billion via fifth shelf registration programme tranche 2



### **PT CIMB Niaga Auto Finance**

Sukuk Wakalah Bi Al-Istitsmar IDR1,000.0 billion

## Regional Notable Deals

### REGIONAL DEBT DEALS (CONTINUED)


**PT Hino Finance Indonesia**

Senior Bonds IDR700.0 billion


**PT Adhi Commuter Properti Tbk**

Senior Bonds IDR499.9 billion


**PT Tunas Baru Lampung Tbk**

Senior Bonds IDR425.0 billion via second shelf registration programme tranche 1


**Sembcorp Financial Services Pte Ltd**

SGD350.0 million 4.60% Senior Unsecured Fixed Rate Green Notes due 2030


**Srisawad Corporation PCL**

THB9,168.2 million Senior Secured Debenture

THB6,364.5 million Senior Secured Debenture

THB6,000.0 million Senior Secured Debenture

THB4,113.0 million Senior Secured Debenture


**Muangthai Capital PCL**

THB7,341.9 million Senior Unsecured Debenture

THB6,090.0 million Senior Unsecured Debenture

THB4,500 million Senior Unsecured Debenture

THB3,035.4 million Senior Unsecured Debenture

THB1,827.3 million Senior Unsecured Debenture


**Toyota Leasing (Thailand) Co., Ltd**

THB6,865.0 million Senior Secured Debenture

THB6,300.0 million Senior Secured Debenture


**TPI Polene PCL**

THB7,935.2 million Senior Unsecured Debenture

THB5,000.0 million Senior Unsecured Debenture


**TPI Polene Power PCL**

THB6,000.0 million Senior Unsecured Debenture

THB3,000 million Senior Unsecured Debenture


**Origin Property PCL**

THB3,023.5 million Senior Unsecured Debenture

THB2,500.0 million Senior Unsecured Debenture

THB500.0 million Senior Unsecured Debenture


**SC Asset Corporation PCL**

THB2,200.0 million Senior Unsecured Debenture

THB2,000.0 million Senior Unsecured Debenture

THB1,500.0 million Senior Unsecured Debenture


**Srisawad Capital 1969 PCL**

THB1,973.4 million Senior Unsecured Debenture

THB1,677.2 million Senior Unsecured Debenture

**Sena Development PCL**

THB2,000.0 million Senior Unsecured Debenture

THB1,000.0 million Senior Unsecured Debenture

**CIMB Thai Bank PCL**

THB200.0 million Senior Unsecured Debenture

THB200.0 million Senior Unsecured Debenture

THB200.0 million Senior Unsecured Debenture

**Krungthai Car Rent and Lease PCL**

THB300.0 million Senior Unsecured Debenture

**REGIONAL EQUITY DEALS****Institutional Fund(s)**

RM2,931.1 million (USD620.3 million) secondary placement of 9 publicly-listed companies' shares, executed in multiple tranches between October to December



REAL ESTATE INVESTMENT TRUST

**Pavilion Real Estate Investment Trust**

Pavilion Real Estate Investment Trust's RM720.0 million (USD160.0 million) primary placement

**DXN Holdings Berhad**

DXN Holdings Berhad's RM652.9 million (USD144.2 million) IPO

**Khazanah Nasional Berhad**

Khazanah Nasional Berhad's RM530.3 million (USD112.0 million) secondary placement of Tenaga Nasional Berhad shares

**Khazanah Nasional Berhad**

Khazanah Nasional Berhad's RM375.0 million (USD81.6 million) secondary placement of Tenaga Nasional Berhad shares

**Pulau Kapas Ventures Sdn Bhd**

Pulau Kapas Ventures' RM357.1 million (USD75.5 million) secondary placement of Time dotCom Berhad's shares

**CapitaLand Malaysia Trust**

CapitaLand Malaysia Trust's RM227.8 million (USD51.4 million) primary placement

**Genetec Technology Berhad**

Genetec Technology Berhad's RM178.0 million (USD42.0 million) primary placement

**Axis Real Estate Investment Trust**

Axis Real Estate Investment Trust's RM175.0 million (USD39.6 million) primary placement

**Sentral REIT**

Sentral Real Estate Investment Trust's RM92.8 million (USD20.0 million) primary placement

**PT Bank Tabungan Negara (Persero) Tbk**

PT Bank Tabungan Negara (Persero) Tbk's IDR4,133.3 billion rights issue

## Regional Notable Deals

### REGIONAL M&A DEALS



#### Sime Darby Berhad

- (i) Proposed acquisition by Sime Darby Enterprise Sdn Bhd ("SDESB"), an indirect wholly-owned subsidiary of Sime Darby Berhad ("Sime Darby"), of 714,813,100 ordinary shares in UMW Holdings Berhad ("UMW") ("UMW Shares"), representing approximately 61.18% equity interest in UMW for a total cash consideration of RM3,574.1 million ("Proposed Acquisition");
- (ii) Proposed Mandatory Take-Over Offer to acquire all the remaining UMW Shares not already owned by SDESB and Sime Darby subsequent to the Proposed Acquisition ("Proposed MGO")



#### TIME dotCom Berhad

Strategic partnership for the AIMS data centre business via the partial divestment by TIME dotCom Berhad of shares in AIMS Data Centre Holding Sdn Bhd and AIMS Data Centre (Thailand) Limited to DB Arrow Pte. Limited, a portfolio company managed by DigitalBridge Group, Inc.

### PAVILION REAL ESTATE INVESTMENT TRUST

#### Pavilion Real Estate Investment Trust

RM2.2 billion acquisition of the Pavilion Bukit Jalil Mall and its related assets and rights from Regal Path Sdn Bhd by Pavilion Real Estate Investment Trust to be settled via borrowings and the 2 tranches of placement of units



#### Malaysia Building Society Berhad

Acquisition by MBSB of 100% equity stake in Malaysian Industrial Development Finance Berhad ("MIDF") from Permodalan Nasional Berhad for a consideration of RM1.01 billion



#### Sentral REIT

RM450.0 million acquisition of Menara CelcomDigi from Puncak Wangi Sdn Bhd, a wholly-owned subsidiary of Malaysian Resources Corporation Berhad



#### CapitaLand Malaysia Trust

Acquisition of Queensbay Mall located in Penang for a total cash consideration of RM990.5 million of which RM227.8 million was raised by way of private placement of new units in CLMT

# Notable Achievements

## IFR Asia Awards 2023

- Malaysia Bond House

## IFN Deals of the Year 2023

- IFN M&A Deal of the Year 2023
- IFN Regulatory Deal of the Year 2023
- IFN Indonesia Deal of the Year 2023

## IFN Best Banks Poll 2023

- Best Islamic Bank – Malaysia

## Alpha Southeast Asia Deal & Solution Awards 2023

- Most Innovative Deal of the Year
- Best Dual-Tranche Sovereign Deal of the Year
- Best Inaugural Bond Deal in Southeast Asia
- Best Local Currency Bond Deal of the Year in Thailand
- Best High Yield Bond Deal of the Year
- Best Bond Deal for Retail Investors in Southeast Asia
- Best Islamic Finance Deal of the Year
- Best Corporate Sukuk Murabahah
- Most Innovative Islamic Finance Deal of the Year
- Best FIG Sukuk Deal of the Year
- Best High Yield Bond Deal of the Year
- Best Local Currency Sukuk of the Year
- Best ESG Green Financing Deal of the Year in Malaysia
- Best Sovereign Green Sukuk of the Year
- Best Local Currency Bond Deal of the Year in Indonesia
- Best Local Currency Bond Deal of the Year in Singapore
- Best REIT Deal of the Year in Asia
- Best Small-Cap IPO Deal in Malaysia
- Best Mid-Cap REIT Deal of the Year in Malaysia
- Best Domestic M&A Deal of the Year in Malaysia
- Best Bond House in Southeast Asia 2023
- Best Ringgit Sukuk House in Malaysia 2023

## National Annual Corporate Report Awards (NACRA) 2023

- Platinum in the Excellence Awards
- Gold in the Best Sustainability Reporting Awards

## PwC Malaysia's Building Trust Awards 2023

- Special Mention

## The Banker's Islamic Bank of the Year 2023

- The Banker's Islamic Bank of the Year 2023

## Global Retail Banking Innovation Awards 2023

- Best Retail Bank – Malaysia
- Best Digital Bank – Malaysia

- Best Customer Centric Business Model
- Best Digital Transformation Program – Malaysia
- Best Mobile Banking Initiative
- Best Savings Account
- Outstanding Digital Innovation in SME Banking – ASEAN
- Outstanding Retail Sales Across Digital Channels
- Wealth Hub of the Year
- Best Credit Card for Affluent Clients (USD70,000 AUM and above)

## The Asset Benchmark Research Awards 2023

- Top Investment House

## The Banker Investment Banking Awards 2023

- Investment Bank of the Year for Islamic Finance

## Asia Risk Awards 2023

- Derivatives House of the Year Malaysia
- Derivatives House of the Year Thailand
- Derivatives House of the Year Indonesia

## Asiamoney Best Bank Awards 2023

- Best Domestic Bank in Malaysia
- Best Bank for Digital Solutions in Malaysia

## The Asset Triple A Private Capital Awards 2023

- Best Bank for Investment Solutions – Malaysia
- Best Bank for Investment Solutions, Rates – Malaysia
- Best Bank for Investment Solutions, Credit – Malaysia
- Best Bank for Investment Solutions, FX – Malaysia
- Best Bank for Investment Solutions, Commodities – Malaysia
- Best Bank for Investment Solutions – Thailand
- Best Bank for Investment Solutions, Multi-Asset – Thailand
- Best Bank for Investment Solutions, Equity – Thailand
- Best Bank for Investment Solutions, Rates – Thailand
- Best Bank for Investment Solutions, FX – Thailand

## Alpha SEA Best FI Awards 2023

- Best Bond House in Malaysia
- Best Equity House in Malaysia
- Best Bond House for Sustainable Finance

## Asian Banking & Finance Wholesale Banking Awards 2023

- Singapore International SME Partnership Initiative Bank of the Year
- Singapore International Cash Management Bank of the Year

- Malaysia Domestic Sustainability Initiative of the Year
- Indonesia Domestic Project Finance Bank of the Year
- Indonesia Domestic Sustainable Finance Initiative of the Year

## Asian Banking & Finance Corporate & Investment Banking Awards 2023

- Equity Deal of the Year – Malaysia
- Mergers and Acquisitions Deal of the Year – Malaysia
- Syndicated Loan of the Year – Singapore

## Asian Banking & Finance Retail Banking Awards 2023

- Banking for Women Initiative of the Year in Indonesia

## The Asset Islamic Finance Awards 2023

- Best Investment Bank – Asia-Pacific
- Sukuk Adviser of the Year – Asia-Pacific
- Best Green Sukuk – Indonesia
- Best Social Sukuk – Malaysia
- Best Corporate Sukuk – Indonesia
- Best Local Currency Sukuk – Indonesia
- Best SRI Sukuk – Malaysia
- Best Sustainability Sukuk – Corporate – Malaysia
- Best Sustainability Sukuk – SMEs – Malaysia
- Best Sustainability Sukuk – Bank capital – Malaysia
- Best Sustainability Sukuk – Transport – Malaysia
- Best Quasi-Sovereign Sukuk – Malaysia
- Best Corporate Sukuk – Real Estate – Malaysia
- Best Corporate Sukuk – Power – Malaysia
- Best Corporate Sukuk – Energy Service Provider – Malaysia
- Best Corporate Hybrid Sukuk – Malaysia
- Best Bank Sukuk – Malaysia
- Best Liability Management – Malaysia
- Best Securitisation Sukuk – Malaysia
- Best IPO – Malaysia
- Best Equity Placement – Malaysia
- Best Structured Product – Rates CiFR – Malaysia
- Best Investment Solutions – Malaysia

## The Asset Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers 2023

- Best Bank for Investment Solutions – Malaysia
- Best Bank for Investment Solutions, Rates – Malaysia
- Best Bank for Investment Solutions, Credit – Malaysia
- Best Bank for Investment Solutions, FX – Malaysia
- Best Bank for Investment Solutions, Commodities – Malaysia

- Best Bank for Investment Solutions – Indonesia
- Best Bank for Investment Solutions, Multi-Asset – Indonesia
- Best Bank for Investment Solutions, Equity – Indonesia
- Best Bank for Investment Solutions, Rates – Indonesia
- Best Bank for Investment Solutions, FX – Indonesia

## Euromoney Award for Excellence 2023

- Best Bank in Malaysia

## Alpha SEA Islamic Finance Awards 2023

- Best Islamic Finance SME Bank in Indonesia
- Best Islamic Finance Sukuk House in Malaysia

## Alpha SEA Treasury & FX Awards 2023

- Best FX Bank for Hedging Requirements (Corporates, Fls, Onshore Middle Market & SMEs) – CCS, IRS, Forward & Options

## FinanceAsia Awards 2023

- Most Progressive DEI in Malaysia
- Best DCM House in Malaysia

## Digital CX Awards 2023

- Outstanding Implementation of Digital CX Initiative by a Team

## Euromoney Islamic Finance Awards 2023

- Best Islamic Project Finance
- Best Islamic Local Currency ABS

## The Banker Deals of the Year 2023

- Deal of the Year – APAC – Islamic Finance

## Forbes' World's Best Banks 2023

- #1 Bank in the Philippines

## Asian Banker's Global Excellence in Retail Financial Services Awards 2023

- Best Retail Bank in Malaysia

## The Asset Digital Awards 2023

- Best Digital Upgrade

## Asiamoney Asia Private Banking Awards 2023

- Best Domestic Private Bank in Malaysia
- Best Digital Private Bank in Malaysia
- Best for ESG Investing in Malaysia
- Best for High Net Worth in Malaysia

# Corporate Event Highlights



31 January

## Chinese New Year Lion Dance Performance, Menara CIMB's Lobby

In keeping with CIMB's tradition in ushering the New Year together, #teamCIMB celebrated Chinese New Year with a vibrant acrobatic Chinese drums and lion dance performances to boost the spirit of festivity, positive vibes and prosperity.



12-13 March

## EPICC CX Star Awards, Mandarin Oriental KL

The EPICC CX Star Awards reward and recognise #teamCIMB colleagues who have displayed extraordinary behaviours and provided an amazing experience to both internal and external customers. 112 top finalists were selected from all over our regional offices from Malaysia, Indonesia, Singapore, Thailand, Cambodia, the Phillipines and Vietnam.



8 April

## Ramadhan Shopping, Mydin Subang Jaya

CIMB Foundation brought cheer to 200 underprivileged children from two welfare homes by taking them shopping to prepare for the Hari Raya Aidilfitri celebration. Over 60 #teamCIMB volunteers joined in to assist the children with their shopping.



16 May

## Hari Raya Open House, Mandarin Oriental KL

CIMB Group hosted our annual Hari Raya Open house for our valued clients to strengthen relationships with our customers, clients and stakeholders.



25 February

## EPICC Race, Klang Valley

Forty-five teams of enthusiastic CIMBians participated in the EPICC Race which included activities and tasks at 18 CIMB beneficiaries all around Klang Valley. It was a wonderful opportunity for the team to bond and foster EPICC ties whilst giving back to society.



2-5 March

## Bazar Siberturahim Fashion Fest, Sime Darby Property KLGCC International Gallery, KL

CIMB and CIMB Islamic launched the second edition of the Bazar Siberturahim Fashion Fest, a fashion and lifestyle event presented by CIMB Preferred. The four-day event connected style hunters, fashion & lifestyle enthusiasts and designers, as well as serving as a key initiative in delivering comprehensive wealth solutions to CIMB's emerging and affluent clients.



13 April

## CIMB Group's 66th Virtual Annual General Meeting

The Annual General Meeting of CIMB Group Holdings Berhad was held virtually at Menara CIMB in KL Sentral.



19 June

## Launch of CIMB Bank Express

CIMB Singapore launched CIMB Bank Express on the 1st anniversary of CIMB Plaza. The launch of CIMB Bank Express solidified its footprint in the heart of the Central Business District, complimenting the omni-channel experience, with emphasis on creating an engaging and immersive experience with the use of chatbots, anamorphic displays and interactive table-top screens to support self-service banking, products demonstration and accounts applications.



6 May

## Malaysia Autoshow 2023, MAEPS Serdang

CIMB introduced its suite of Electric Vehicle (EV) Financing Solution, the most comprehensive in the market to drive the adoption of EVs in Malaysia at the Malaysia Autoshow 2023.



6-16 July

**Malaysia Emerging Artist (MEA) Award by CIMB Foundation beneficiaries, Limkokwing University of Creative Technology, Cyberjaya**

CIMB Foundation honoured and celebrated local young artists by featuring 65 new creative artworks at the Thirteen Best Artists Showcase. The awards highlighted and featured the works of important Malaysian contemporary artists of the future. The exhibition also featured a line-up of exciting art talks, classes and curatorial tours to provide visitors with in-depth sharing of art pieces as well as retail booths managed by CIMB Foundation beneficiaries.



13-14 July

**Leadership Forum, Double Tree Hilton, Melaka**

The Forum was a gathering of CIMB's best and brightest from six ASEAN Countries, with two days of workshop and bonding as well as working on issues plaguing CIMB. Participants also had the opportunity to get into the winning mindset with a session with Olympian and Keirin World Champion Datuk Azizulhasni Awang.



18 August

**Run To Win, CIMB Thai Head Office**

The "Run to Win – Save Children's Heart" project is an employee health promotion campaign and fundraiser for children with heart disease at Banphao Hospital. CIMB Thai contributed 10 Baht for every 1 kilometer ran by participants. A total of 1,500 CIMBians nationwide participated in this project and they successfully achieved an accumulated distance of 88,500 kilometers by the end of the run, translating to a total of 525,571 baht for the cause.



24 August

**Kejar Mimpi Untuk Indonesia Concert (KMUI), The Ritz Carlton Pacific Place Hotel, Jakarta**

KMUI 2023 Concert "Cahaya dari Timur" presented a breath of Indonesian culture in appreciation to CIMB Niaga's prime customers, attended by over 2,000 clients and guests.



6-8 October

**CIMB Artober Art&Soul, MITEC KL**

CIMB Artober returned for the fourth year, showcasing two platforms – CIMB Artober Art&Soul, a regional art fair featuring renowned commercial galleries, while CIMB Artober Fashion Week showcases exclusive fashion shows featuring collections by leading local and regional designers. The fair was launched by KDYMM Seri Paduka Baginda Raja Permaisuri Agong, and included the 'Pahang Pavilion' feature that showcased heritage textiles such as tenun Pahang DiRaja from the private collection of Raja Permaisuri Agong.



23 August

**Best Customer Service Award by The Straits Times**

CIMB Singapore emerged as the top three winners in the Consumer Bank category in The Straits Times's Best Customer Service survey.



11-21 September

**The Cooler Earth 2023**

CIMB hosted its annual flagship event The Cooler Earth for the fifth year consecutively in Malaysia, Indonesia, Singapore, Thailand and Cambodia. Themed "Sustainability in Action: Opportunities for a Better Tomorrow", the event offered insights, solutions and business cases to accelerate transitions towards low-carbon sustainable business models.



11 November

**CSR Chiang Mai, Chonlaprathanphataek School, Chiang Mai**

CIMB Thai together with Money and Banking Magazine, Kingsmen C.M.T.I. Plc. and The Royal Project Development Center Teen-Tok School collaborated in a CSR project, which included developing a computer learning centre and a community library at Chonlaprathanphataek School in Chiang Mai. The project aimed to provide technology resources to students in remote schools.

# Media Highlights

**CIMB meets or exceeds all FY22 financial targets, on track to realise Forward23+ goals**



The Sun 14 April

**CIMB extends payment relief to flood victims**

The Star Online 8 March

CIMB tingkatkan sasaran kewangan lestari kepada RM100 bilion menjelang 2024



Dagang News 1 December

**CIMB sets 2030 sustainable targets for palm oil, power**

The Sun 24 November

**CIMB Private Banking named best domestic private bank by Asiamoney**

The Star 27 April

CIMB's 1Q net profit up 15.3% on higher income growth, strong cost controls

Edge CEO Morning Brief 1 June

CIMB sumbang hampir RM1.9 juta kepada lebih 33,000 individu memerlukan

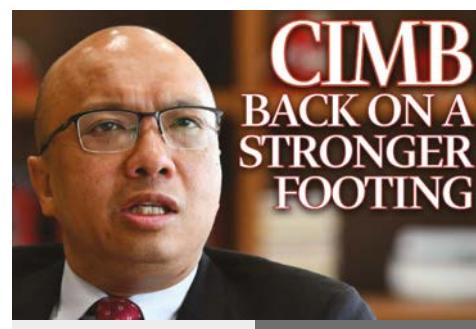


Dagang News 17 April

**第3季拨备低业务强  
联昌国际净利增三成**

CIMB's net profit increased by 30%

Nanyang Siang Pau 1 December



The Edge 2 October

**CIMB bawa pulang 9 anugerah Islamic Finance News 2023**

Dagang News 22 May

**Euromoney: CIMB the best bank in Malaysia**

Daily Express 16 August

**CIMB's 2Q net profit rises 38% on strong operating income growth, stringent cost controls, declares 17.5 sen dividend**



The Edge 30 August

CIMB Foundation sumbang mesin pengimejan mata bernilai RM1.3 juta kepada PPUM



Dagang News 19 June

**CIMB enhances GreenBizReady™ with new RM3 bln financing programme**



Borneo Post Sarawak 31 July



**Novan Amirudin appointed as CEO of CIMB Investment Bank**

The Edge 16 June

**CIMB Bank named Best Retail Bank in Malaysia**

The Edge 10 April



New Straits Times 6 October

**CIMB ASEAN Scholarship aims to empower the brightest youth in the region by providing pathway to tertiary education**



The Star 9 June

**CIMB launches comprehensive suite of financial solutions to drive EV adoption**



The Star 8 May

**CapitaLand Malaysia Trust converts RM693 mil loan from CIMB into a sustainability-linked loan for funding of Penang mall buy**

The Edge 12 December

**CIMB onboards first MNC to sustainability-linked Treasury programme**



The Star

14 February

**CIMB reaffirms commitment to provide financing solutions for SMEs**

The Star

27 June

**CIMB Launches New Business Credit Card, CIMB SME BusinessCard**



Ringgit Plus

1 November

**CIMB Bank opens new head office and branches**



Khmer Times

1 December

**Main-Market-bound Radium signs underwriting agreement with Malacca Securities, CIMB Investment Bank**



The Star

3 April

**CIMB Islamic, YDSM dan UniSZA jalin kerjasama perkasa graduan dalam bidang pertanian**



Dagang News

16 March

**CIMB Islamic labur lebih RM3 juta bagi manfaat 500 peserta program keusahawanan**



Dagang News

26 July

**Principal Introduces Two New funds To Expand Its Lineup Of Shariah-Compliant Solutions**

BusinessToday

3 August

**Reviving Babagon Water Catchment: Forever Sabah, CIMB Islamic's Sustainable Partnership**



Business Today

19 September

**CIMB's Bazar Siberturahim Fashion Fest returns for 2nd year**



The Malaysian Reserve

7 March

**Azizulhasni sprints to fourth gold medal in Hong Kong**

Astro Awani

29 May

**CIMB Opens First Branch With Integrated Sustainable Features At IOI City Mall**



RinggitPlus

7 August

**Deutsche Bank partners with CIMB Islamic for syariah-compliant custody**



The Sun

18 December

**Invest Malaysia New York 2023**



The Edge

9 October

**Touch 'n Go eWallet Wins Fintech of the Year 2023**



Borneo Post Sarawak

13 October

**Rahasia Menjadi Champion di Retail Banking**

► CIMB Niaga a champion in retail banking  
infobanknews

4 July

**CIMB Singapore well poised to capture new growth as regional economies recover**

The Edge Singapore

13 November



► CIMB Thai's first sustainability-linked loan for AWC

Thai Post

1 December

**Khi những nỗ lực được ghi nhận ở hai hạng mục danh giá nhất HR Asia Awards**

► Vietnam receives "Asia's Best Companies to Work for in Asia 2023" award from HR Asia Awards

Dau tu online

9 October

**一觸即通公司委任新CEO**



► Touch 'n Go appoints Praba Sangarajoo as CEO

China Press

15 March

**CIMB Bank PH posts unprecedented growth in H1 2023; poised for strong year-end closing**

Manila Bulletin

26 September

# Shareholders' Statistics

as at 29 February 2024

Issued and Paid-up Share Capital : RM29,094,547,322.88 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	5,794	7.46	196,220	0.00
100 - 1,000	28,912	37.21	13,171,814	0.12
1,001 - 10,000	32,329	41.61	117,956,939	1.11
10,001 - 100,000	8,744	11.25	229,901,488	2.16
100,001 - 533,255,084 <sup>(*)</sup>	1,913	2.46	5,983,361,705	56.10
533,255,085 and above <sup>(++)</sup>	3	0.01	4,320,513,534	40.51
Director holding	0	0.00	0	0.00
<b>Total</b>	<b>77,695</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 29 February 2024.

## ANALYSIS OF EQUITY STRUCTURE

(AS PER THE RECORD OF DEPOSITORS)

Category of Shareholders	No. of Holders			No. of Shares			% Malaysian		
	Malaysian			Malaysian			Bumiputra	Non-Bumiputra	Foreign
	Bumiputra	Non-Bumiputra	Foreign	Bumiputra	Non-Bumiputra	Foreign	Bumiputra	Non-Bumiputra	Foreign
1) Individual	7,931	50,690	882	22,027,681	317,731,139	15,732,114	0.21	2.98	0.15
2) Body Corporate									
A) Banks/Finance Companies	62	4	0	1,911,840,564	2,431,560	0	17.93	0.02	0.00
B) Investments Trusts/Foundation/Charities	7	21	0	214,372	1,338,502	0	0.00	0.01	0.00
C) Other Types of Companies	49	513	25	2,424,342	75,599,674	18,366,066	0.02	0.71	0.17
3) Government Agencies/Institutions	4	0	0	2,457,646,439	0	0	23.04	0.00	0.00
4) Nominees	10,173	5,545	1,787	214,931,709	2,308,981,732	3,315,811,701	2.02	21.65	31.09
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>18,226</b>	<b>56,775</b>	<b>2,694</b>	<b>4,609,085,107</b>	<b>2,706,106,712</b>	<b>3,349,909,881</b>	<b>43.22</b>	<b>25.37</b>	<b>31.41</b>
<b>Grand Total</b>	<b>77,695</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

Save as disclosed below, none of the Directors has any interest in CIMB's shares as at 29 February 2024:

Directors	As at 31 December 2022	Number of CIMB Shares			As at 29 February 2024
		Acquired/ Granted	(Disposed/ Vested)	As at 29 February 2024	
<b>Non-Executive</b>					
Dato' Lee Kok Kwan	1,381,208	—	—	1,381,208	
Didi Syafruddin Yahya	46,791	—	—	46,791	
<b>Executive</b>					
Dato' Abdul Rahman Ahmad	13,679	22,548	—	36,227	

## SUBSTANTIAL SHAREHOLDERS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDINGS)

Name of Substantial Shareholders	Direct	No. of Shares Held		
		%*1	Indirect	%*1
Khazanah Nasional Berhad	2,454,306,861	23.01	—	—
Employees Provident Fund	1,431,411,941*2	13.42*2	—	—
Kumpulan Wang Persaraan (Diperbadankan)	621,926,641	5.83	—	—

**Notes:**

\*1 Excludes 4,908 shares retained as treasury shares as at 29 February 2024.

\*2 Less than 0.01%.

\*3 Shareholdings of his spouse.

\*4 Shares held under Nominee Company.

**Notes:**

\*1 Excludes 4,908 shares retained as treasury shares as at 29 February 2024.

\*2 Includes shares held through nominees.

## Shareholders' Statistics

as at 29 February 2024

### **30 LARGEST SHAREHOLDERS**

(AS PER REGISTER OF MEMBERS AND RECORDS OF DEPOSITORS)

Name of Shareholders	No. of Shares Held	% of Issued Capital <sup>*1</sup>
1. Khazanah Nasional Berhad	2,454,306,861	23.01
2. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	1,268,670,272	11.90
3. Kumpulan Wang Persaraan (Diperbadankan)	621,926,641	5.83
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. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt an for AIA Bhd</i>	148,815,262	1.40
8. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for State Street Bank &amp; Trust Company (West CLT OD67)</i>	131,479,812	1.23
9. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	108,694,823	1.02
10. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	107,243,108	1.01
11. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	104,222,531	0.98
12. HSBC Nominees (Asing) Sdn Bhd <i>JPMSE Lux for Stichting Depositary APG Emerging Markets Equity Pool</i>	100,526,745	0.94
13. Citigroup Nominees (Asing) Sdn Bhd <i>CB Spore GW for Government of Singapore (GIC C)</i>	94,431,073	0.89
14. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	87,171,801	0.82
15. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for T. Rowe Price Emerging Markets Discovery Stock Trust</i>	79,683,395	0.75

Name of Shareholders	No. of Shares Held	% of Issued Capital <sup>*1</sup>
16. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 3</i>	77,141,233	0.72
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (NOMURA)</i>	75,001,130	0.70
18. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	70,034,945	0.66
19. Cartaban Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	64,250,288	0.60
20. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For T. Rowe Price International Funds, Inc. – T.Rowe Price Emerging Markets Discovery Stock Fund</i>	61,379,525	0.58
21. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	59,678,536	0.56
22. Permodalan Nasional Berhad	54,280,113	0.51
23. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for Citibank New York (Norges Bank 19)</i>	52,583,000	0.49
24. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	52,466,400	0.49
25. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for Citibank New York (Norges Bank 14)</i>	48,166,800	0.45
26. Cartaban Nominees (Asing) Sdn Bhd <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	47,787,603	0.45
27. HSBC Nominees (Asing) Sdn Bhd <i>J.P. Morgan Securities PLC</i>	47,546,310	0.45
28. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for the Prudential Assurance Company Limited</i>	43,187,011	0.41
29. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for Kuwait Investment Office (KIO)</i>	40,972,330	0.38
30. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	40,051,244	0.38
<b>Total</b>	<b>7,020,216,149</b>	<b>65.85</b>

**Note:**

<sup>\*1</sup> Excludes 4,908 shares retained as treasury shares as at 29 February 2024.

# 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) Group Business Continuity Management Framework b) Group Business Continuity Management Policy c) Group 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.

No. Title	Description
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.
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.

## Internal Policies, Procedures and Guidelines

No. Title	Description
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.
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 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 Framework b) Technology Risk Management Policy c) Technology Risk Management Procedure	These documents provide a consistent and unified approach for developing, managing and improving technology (including Cyber, Cloud and Emerging Technologies) 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 operational disruptions and 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.

## Internal Policies, Procedures and Guidelines

No. Title	Description
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.
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 to facilitate the Group in identifying, assessing, controlling and monitoring SNC risk inherent in its Islamic products and day-to-day activities.

No. Title	Description
37. Group Management Product Approval Process Policy	This document sets out the Group's approach for the management of the submission and approval of products and product-related process changes for new and existing products (including distribution of third party products). The objective of the Management Product Approval Process Policy is to provide clear directives, fundamental principles and a structural governance for submission and approval of products and product-related process changes for new and existing products (including distribution of third party products).
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 policy 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 and capital management strategies, 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	These documents are developed to put in place the minimum governance requirements for entities across the Group in terms of: <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>

## Internal Policies, Procedures and Guidelines

No. Title	Description
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.
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 how we manage 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. 148 sub-sectors within 10 main industries have been classified as high sustainability risk sectors, and a total seven Sector Guides are in place for Palm Oil, Forestry (including Rubber), Oil and Gas, Construction and Infrastructure, Coal, Mining and Quarrying and Manufacturing sectors. 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 to the righholders.

# 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	9	680,000,000	2015	Dec-23
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	24	292,021,526	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	7	121,159,372	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	16	114,077,262	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	20	33	82,606,817	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	13	68	67,789,484	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	20	31	57,930,044	2012	Jan-22
CIMB Niaga Kebon Sirih Jl. Kebon Sirih 33 Jakarta Pusat	CIMB Niaga Branch premises.	Leasehold expiring on 22 August 2031	8	39	37,089,698	2003	Jan-22
Puri Indah Financial Tower Lt. 21, 23, 25 & 26 Jl. Puri Linglar 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	9	35,406,465	2020	Jan-22
51, Jend Sudirman 50 Yogyakarta	CIMB Niaga Branch premises.	Hak Guna Bangunan expiring on 14 February 2040	17	34	34,094,800	1997	Jan-22

# Corporate Information

as at 29 February 2024

## BOARD OF DIRECTORS

**Datuk Mohd Nasir Ahmad**  
Chairperson/Independent Director

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

**Dato' Mohamed Ross Mohd Din**  
Independent Director

**Afzal Abdul Rahim**  
(Re-designated as Senior Independent Director on 8 October 2023)  
Senior Independent Director

**Didi Syafruddin Yahya**  
Independent Director

**Shulamite N K Khoo**  
Independent Director

**Ho Yuet Mee**  
Independent Director

**Dato' Lee Kok Kwan**  
Non-Independent Director

**Datin Azlina Mahmad**  
(Appointed as an Independent Director on 1 May 2023)  
Independent Director

**Robert Neil Coombe**  
(Retired as an Independent Director on 14 April 2023)  
Independent Director

**Teoh Su Yin**  
(Retired as a Senior Independent Director on 7 October 2023)  
Senior Independent Director

## GROUP COMPANY SECRETARY

**Datin Rossaya Mohd Nashir**  
LS 0007591/PC No. 202008000361

## AUDIT COMMITTEE

**Dato' Mohamed Ross Mohd Din**  
Chairperson/Independent Director

**Ho Yuet Mee**  
Member/Independent Director

**Datin Azlina Mahmad**  
(Appointed as a Member on 1 May 2023)  
Member/Independent Director

**Didi Syafruddin Yahya**  
(Resigned as a Member on 8 October 2023)  
Member/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

## GROUP NOMINATION AND REMUNERATION COMMITTEE

**Didi Syafruddin Yahya**  
(Re-designated as the Chairperson on 8 October 2023)  
Chairperson/Independent Director

**Dato' Mohamed Ross Mohd Din**  
Member/Independent Director

## Shulamite N K Khoo

Member/Independent Director

**Afzal Abdul Rahim**  
Member/Independent Director

**Datin Azlina Mahmad**  
(Appointed as a Member on 6 October 2023)  
Member/Independent Director

**Teoh Su Yin**  
(Retired as a Member on 7 October 2023)  
Chairperson/Senior Independent Director

## GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE

**Ho Yuet Mee**  
(Re-designated as Chairperson on 8 October 2023)  
Chairperson/Independent Director

**Datuk Mohd Nasir Ahmad**  
Member/Independent Director

**Didi Syafruddin Yahya**  
Member/Independent Director

**Dr. Nurmazilah Dato' Mahzan**  
(Appointed as a Member on 9 November 2023)  
Member/Independent Director

**Tan Ting Min**  
(Appointed as a Member on 9 November 2023)  
Member/Independent Director

**Robert Neil Coombe**  
(Retired as a Member on 14 April 2023)  
Member/Independent Director

**Teoh Su Yin**  
(Retired as a Member on 7 October 2023)  
Chairperson/Senior Independent Director

**Shulamite N K Khoo**  
(Retired as a Member on 8 February 2024)  
Member/Independent Director

## **BOARD SHARIAH COMMITTEE**

**Associate Professor Dr. Mohamed Fairooz Abdul Khor**  
Chairperson/Independent Member

**Associate Professor Dr. Aishath Muneiza**  
Independent Member

**Sheikh Dr. Ahmad Sufian Che Abdullah**  
Independent Member

**Dr. Mohammad Mahbubi Ali**  
(Appointed as a Member on 1 April 2023)  
Independent Member

**Jalalullail Othman**  
(Appointed as a Member on 6 May 2023)  
Independent Member

**Sheikh Professor Dr. Yousef Abdullah Al Shubaily**  
(Resigned as a Member on 31 March 2023)  
Independent Member

**Ahmed Baqar Rehman**  
(Resigned as a Member on 5 May 2023)  
Independent Member

## **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

## **AUDITORS**

**PricewaterhouseCoopers PLT**  
(LLP0014401-LCA & AF 1146)  
Chartered Accountants  
Level 10, Menara TH 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur, Malaysia  
  
Tel: 603-2173 1188  
Fax: 603-2173 1298

## **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.instagram.com/cimbmalaysia](http://www.instagram.com/cimbmalaysia)/  
[www.linkedin.com/company/cimbmalaysia](http://www.linkedin.com/company/cimbmalaysia)/  
[www.tiktok.com/@cimbmalaysia](http://www.tiktok.com/@cimbmalaysia)/  
[www.twitter.com/CIMBMalaysia](http://www.twitter.com/CIMBMalaysia)  
[www.twitter.com/CIMB\\_Assists](http://www.twitter.com/CIMB_Assists)

## **STOCK EXCHANGE LISTING**

Listed on Main Market of Bursa Malaysia Securities Berhad since 3 November 1987

**Stock Code:** 1023

## **GROUP EXECUTIVE COMMITTEE**

**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; and  
Chief Executive Officer, CIMB Bank, Singapore

**Lawrence Loh**  
**Ahmad Shazli Kamarulzaman**  
Co-Chief Executive Officers, Group Commercial & Transaction Banking

**Chu Kok Wei**  
Co-Chief Executive Officer, Group Wholesale Banking  
**Novan Amirudin**  
Chief Executive Officer/Executive Director, CIMB Investment Bank; and  
Co-Chief Executive Officer, Group Wholesale Banking

**Effendy Shahul Hamid**  
Chief Executive Officer, Group Consumer & Digital Banking

**Ahmad Shahriman Mohd Shariff**  
Chief Executive Officer/Executive Director, CIMB Islamic Bank;  
Chief Executive Officer, Group Islamic Banking; and  
Chief Executive Officer, CIMB Foundation

**Khairul Rifaie**  
Group Chief Financial Officer

**Gurdip Singh Sidhu**  
Group Chief Operating & People 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

# Group Corporate Directory 2023

## CIMB Group Holdings Berhad

Level 13, Menara CIMB  
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Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
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## CIMB Investment Bank Berhad

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## CIMB Islamic Bank Berhad

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Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
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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

No. 60, Preah Monivong Blvd.  
Phum 10, Sangkat Voat Phnum  
Khan Doun Penh  
Phnom Penh 120211  
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

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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

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Singapore 048622  
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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 : Nil  
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## CIMB Bank Berhad

### SHANGHAI BRANCH

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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

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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

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Bonifacio Stop Over Corporate Center  
2nd Avenue Corner 31st Street  
Bonifacio Global City, Taguig  
1634 Philippines  
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Fax : Nil  
Website : [www.cimbbank.com.ph](http://www.cimbbank.com.ph)

## CIMB Bank (L) Limited

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Financial Park Labuan  
Jalan Merdeka  
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Tel : 6087 597 500  
Fax : 6087 597 501/6087 597 502  
Website : [www.cimb.com](http://www.cimb.com)

## CIMB Bank Berhad

### LABUAN OFFSHORE BRANCH

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87000 W P Labuan, Malaysia  
Tel : 6087 597 500  
Fax : 6087 597 501/6087 597 502  
Website : [www.cimb.com](http://www.cimb.com)

**Touch 'n Go Sdn. Bhd.**

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**TnG Digital Sdn. Bhd.**

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 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  
 Website : [www.cimb.com](http://www.cimb.com)

**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)

**Principal Asset Management Berhad**

Level 32, Exchange 106  
 Lingkaran TRX  
 55188 Tun Razak Exchange  
 Kuala Lumpur, Malaysia  
 Tel : 603 8680 8000  
 Fax : 603 2717 0381  
 Website : [www.principal.com.my](http://www.principal.com.my)

**Principal Islamic Asset Management Sdn. Bhd.**

Level 32, Exchange 106  
 Lingkaran TRX  
 55188 Tun Razak Exchange  
 Kuala Lumpur, Malaysia  
 Tel : 603 8680 8000  
 Fax : 603 2717 0381  
 Website : [www.principalislamic.com](http://www.principalislamic.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)

**CIMB Securities Sdn. Bhd.  
(f.k.a. KAF Equities Sdn. Bhd.)**

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)

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 67th Annual General Meeting ("AGM") of CIMB Group Holdings Berhad ("CIMB" or "the Company") will be held virtually and broadcasted live from Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia ("Broadcast Venue") and by remote participation via Boardroom Share Registrars Sdn Bhd's website on Monday, 29 April 2024 at 10.00 a.m. to transact the following businesses, with or without modifications:

## **AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.

*Please refer to Explanatory Note 9*

2. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Constitution:

- 2.1 Dato' Lee Kok Kwan
- 2.2 Dato' Mohamed Ross Mohd Din
- 2.3 En Afzal Abdul Rahim

*Please refer to Explanatory Note 10*

3. To re-elect Datin Azlina Mahmad who retires pursuant to Article 88 of the Company's Constitution.

*Please refer to Explanatory Note 10*

4. To approve the payment of Non-Executive Directors' fees with effect from the 67th 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 - Member	170,000 170,000	510,000 N/A
Board Committee - Chairperson - Member	N/A N/A	100,000 N/A

*Please refer to Explanatory Note 11*

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 67th AGM until the next AGM of the Company.

*Please refer to Explanatory Note 11*

6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration.

*Please refer to Explanatory Note 12*

**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 13*

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 13 April 2023, 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;

**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 14*

**Ordinary Resolution 8**

**Ordinary Resolution 9**

## 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 RM1.022 billion based on the Audited Financial Statements for the financial year ended 31 December 2023 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 2025 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 15*

10. To transact any other business of which due notice shall have been duly given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

**Datin Rossaya Mohd Nashir**

Group Company Secretary  
SSM PC No. 202008000361  
LS 0007591

Kuala Lumpur  
28 March 2024

**Ordinary Resolution 10**

**EXPLANATORY NOTES****MODE OF MEETING**

1. As virtual AGM's have become the norm post COVID-19, and to increase shareholders attendance and engagement with no geographical or time restrictions/constraints, the 67th AGM of the Company will continue to be conducted entirely 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 <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Details for the 67th AGM in order to register, participate and vote remotely.
2. The venue of the 67th 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 67th 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**

3. 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.
4. 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.
5. 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.
6. 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 Sunday, 28 April 2024.
7. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 67th AGM will be put to vote on a poll.

**MEMBERS ENTITLED TO ATTEND**

8. For the purpose of determining a member who shall be entitled to attend the 67th 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 22 April 2024. Only a depositor whose name appears on the Record of Depositors as of 22 April 2024 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 2023**

9. 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**

10. 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 67th 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 2023.

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 2023.

# Notice of Annual General Meeting

## NON-EXECUTIVE DIRECTORS FEES AND BENEFITS PAYABLE

11. 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 67th AGM until the next AGM of the Company.

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

	Retainer Fee - per annum (RM)	Chairperson's Premium - per annum (RM)
Board		
- Chairperson	170,000	510,000
- Member	170,000	N/A
Board Committee		
- Chairperson	N/A	100,000
- Member	N/A	N/A

For Subsidiaries of the Company

Name	Position Held	Fee Type	Amount
Datuk Mohd Nasir Ahmad	<b>CIMB Bank Berhad</b>	Fixed Fee: Chairperson's premium - per annum Board Retainer Fee - per annum	RM150,000 RM150,000
	• Chairperson		
Dato' Lee Kok Kwan	<b>CIMB Bank Berhad</b>	Fixed Fee: Board Retainer Fee - per annum	RM150,000
	• Director		
Dato' Mohamed Ross Mohd Din	<b>CIMB Investment Bank Berhad</b>	Fixed Fee: Board Retainer Fee - per annum	RM140,000
	• Director		
	<b>CIMB Islamic Bank Berhad</b>	Fixed Fee: Chairperson's premium - per annum Board Retainer Fee - per annum	RM140,000 RM140,000
	• Chairperson		

Name	Position Held	Fee Type	Amount
En Didi Syaruddin Yahya	<b>PT Bank CIMB Niaga Tbk</b>	Fixed Fee: Retainer Fee - per annum	IDR2,196,250,000

- (ii) **Ordinary Resolution 6:** To approve the payment of allowances and benefits payable to NEDs of the Company up to an amount of RM3,895,000 from the 67th AGM until the next AGM of the Company.

The amount payable to NEDs 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

	Meeting Allowance - per meeting (RM)	Benefits-in-kind
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 NEDs, various factors, including the number of scheduled meetings for the Board, Board Committees and Boards of subsidiaries as well as the number of NEDs 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 67th AGM until the next AGM of the Company.

For the Subsidiaries

Name	Position Held	Fee Type	Amount
Datuk Mohd Nasir Ahmad	<b>CIMB Bank Berhad</b>	Variable Fee: Meeting allowance - per meeting	RM5,000
	• Chairperson		
	<b>CIMB Bank (Cambodia) PLC</b>	Variable Fee: Meeting allowance - per meeting	USD1,000
	• Chairperson		
	• Audit Committee Member		USD600

Name	Position Held	Fee Type	Amount
Dato' Lee Kok Kwan	<b>CIMB Bank Berhad</b>	<u>Variable Fee:</u> Meeting allowance – per meeting	RM5,000
	• Director • Board Risk and Compliance Committee Member		
Dato' Mohamed Ross Mohd Din	<b>CIMB Investment Bank Berhad</b>	<u>Variable Fee:</u> Meeting allowance – per meeting	RM5,000
	• Director		
En Didi Syafruddin Yahya	<b>CIMB Islamic Bank Berhad</b>	<u>Variable Fee:</u> Meeting allowance – per meeting	RM5,000
	• Chairperson		
PT Bank CIMB Niaga Tbk		<u>Variable Fee:</u> Meeting allowance – per meeting	
	• Board of Commissioner • Risk Oversight Committee • Nomination and Remuneration Committee	IDR37,500,000	

Subject to the shareholders' approval for Ordinary Resolutions 5 and 6, the payment for the fees and benefits for the period commencing from the 67th 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 NEDs 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 (2022: RM1,550,556) and RM Nil (2022: 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 2023 comprising fees and benefits of RM16.62 million and RM3.78 million, respectively. The remuneration of each Director is set out in the Notes of the Financial Statement 2023.

#### APPOINTMENT OF AUDITORS

12. The Audit Committee ("AC"), at its meeting held on 27 November 2023 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:

- (i) Level of knowledge, capabilities, experience and quality of previous work;
- (ii) Level of engagement with the AC;
- (iii) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (iv) Adequacy in audit coverage, effectiveness in planning and conduct of audit;
- (v) Ability to perform audit work within agreed timeframe;

- (vi) Non-audit services rendered by the external auditor did not impede independence; and
- (vii) The external auditor demonstrated unbiased stance when interpreting standards/policies adopted by the Company.

Being satisfied with Messrs. PricewaterhouseCoopers' ("PwC") performance in 2023, 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 2024. The Board, at its meeting held on 31 January 2024, approved the AC's recommendation for the re-appointment of PwC as external auditors of the Company for the Financial Year ending 31 December 2024. The Shareholders' Resolution is sought under **Ordinary Resolution 7**.

#### AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

13. **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 66th AGM held on 13 April 2023, which will lapse upon the conclusion of the forthcoming 67th AGM to be held on 29 April 2024.

#### AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN RESPECT OF THE DRS

14. 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

15. **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

- 16. 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 67th AGM.
- 17. All Directors who are Shareholders of the Company will abstain from voting on **Ordinary Resolutions 5 and 6** concerning Directors' remuneration at the 67th 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 67th Annual General Meeting of CIMB Group Holdings Berhad, which will be held virtually and broadcasted live from 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 Monday, 29 April 2024 at 10.00 a.m. to transact the following businesses, with or without modifications are as follows:

### **1. DATO' LEE KOK KWAN**

(Non-Independent Director)

**Nationality** | Malaysian

**Age** | 58

**Gender** | Male

**Date of Appointment** | 20 July 2015

**Length of Tenure** | 9 years

### **MEMBERSHIP OF BOARD COMMITTEES**

- Member, 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)**

- Director, IGB Berhad

#### **Public Companies**

- Director, CIMB Bank Berhad
- Director, CIMB Investment Bank Berhad
- Director, Cagamas Holdings Berhad
- Director, RAM Rating Services Berhad

### **RELEVANT EXPERIENCE**

Dato' Lee Kok Kwan served as the Deputy Chief Executive Officer (CEO) of CIMB prior to assuming his Board appointments. In this role, he oversaw a broad spectrum of functions including Treasury and Markets, encompassing Sales and Trading activities in interest rates, credit, foreign exchange, bonds, equity, commodities and derivatives for the Group. He played a pivotal role in developing these areas since joining CIMB in 1996, significantly expanding the businesses to become one of the largest global markets operations in ASEAN, along with corporate and transaction banking.

Before joining CIMB in 1996, Dato' Lee accumulated over seven years of market and treasury experience within the Canadian banking sector. He held the position of Treasury Portfolio Manager, where he managed interest rates and optionality risk and return for a prominent Canadian bank. Additionally, he was a member of its Senior Asset-Liability Management Committee.

Dato' Lee also serves as a member of the Board of Trustees of the Capital Markets Development Fund (CMDF) and assumed the role of Chairperson of the Bond and Sukuk Information Platform Sdn Bhd on 3 November 2017 and 22 November 2017 respectively. Furthermore, he holds directorships in several other private companies.

The Board hereby recommends the re-election of Dato' Lee Kok Kwan as Non-Independent Director of the Company for the Shareholders' approval.

## 2. DATO' MOHAMED ROSS MOHD DIN

(Independent Director)

**Nationality** | Malaysian

**Age** | 72

**Gender** | Male

**Date of Appointment** | 19 April 2016

**Length of Tenure** | 8 years

### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson, Audit Committee
- Member, 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/Director, CIMB Islamic Bank Berhad

### RELEVANT EXPERIENCE

Dato' Mohamed Ross started his career with HSBC Bank Malaysia Berhad (HSBC) in early 1972 where he held various roles in Corporate and Retail Banking as well as Branch Management. His contributions extend to serving as the Head of Treasury Malaysia and Head of Group Audit Malaysia between 1987 and 1996, gaining experience in Foreign Exchange and Treasury operations during international assignments in Hong Kong, London and New York. In his capacity as the Managing Director in 2003, he oversaw HSBC Amanah's Islamic onshore business in Malaysia until his retirement in December 2007.

Post-retirement, Dato' Mohamed Ross assumed the role of Executive Director and Senior Advisor of HSBC Amanah Takaful Malaysia Sdn Bhd until December 2008. Simultaneously, he served as an Independent Director of HSBC Amanah Malaysia Berhad until April 2016, chairing the Risk Committee and contributing as a member of the Audit and Nominations Committee.

Currently, Dato' Mohamed Ross sits on an Advisory Board for a Private Equity Fund as an Independent Member. Additionally, he serves a Trustee on the Board of Lembaga Zakat Selangor and as an Independent Director on the Board of an Asset Management company. In early 2021, he was appointed as a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

The Board hereby recommends the re-election of Dato' Mohamed Ross Mohd Din as Independent Director for the Shareholders' approval.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## **3. EN AFZAL ABDUL RAHIM**

(Independent Director)

**Nationality** | Malaysian

**Age** | 46

**Gender** | Male

**Date of Appointment** | 31 January 2019

**Length of Tenure** | 5 years

### **MEMBERSHIP OF BOARD COMMITTEES**

- Member, Group Nomination and Remuneration Committee

### **QUALIFICATION**

- Bachelor in Mechanical Engineering with Electronics, University of Sussex, 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, Time dotCom Berhad
- Director, Symphony Communication Public Company Limited

#### **Public Companies**

- Nil

### **RELEVANT EXPERIENCE**

En Afzal Abdul Rahim is a prominent technology entrepreneur currently serving as the Chief Executive Officer of TIME dotCom Berhad (TIME), a leading ASEAN telecommunications operator specialising in Fixed Line, Data Centers, and Global Submarine Cable Systems. His association with TIME commenced in 2008 following the establishment of The AIMS Asia Group and Global Transit International in 2006.

En Afzal is recognised for his contributions to the technology industry. He founded the non-profit Malaysian Internet Exchange in 2006 and held a position as a Board Member of Endeavor Malaysia, an organization dedicated to fostering high-impact entrepreneurs.

His professional journey began in the automotive sector, initially as a Chassis Development Engineer and later transitioning to client management within the engineering consultancy domain at Group Lotus PLC. Notably, En Afzal also holds a license as a Commercial Pilot.

The Board recommends the re-election of En Afzal Abdul Rahim as Independent Director of the Company for the Shareholders' approval.

## **4. DATIN AZLINA MAHMAD**

(Independent Director)

**Nationality** | Malaysian

**Age** | 57

**Gender** | Female

**Date of Appointment** | 1 May 2023

**Length of Tenure** | 1 year

### **MEMBERSHIP OF BOARD COMMITTEES**

- Member of the Group Audit Committee and Group Nomination and Remuneration Committee

**QUALIFICATION**

- Bachelor of Science in Economics, The Wharton School of Business, University of Pennsylvania, Philadelphia, United States of America
- Bachelor of Arts, The College of Arts and Sciences, University of Pennsylvania, Philadelphia, United States of America

**AREAS OF EXPERTISE**

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

**DIRECTORSHIP/RELEVANT APPOINTMENTS****Listed Entities (Other than CIMB)**

- Director, Bursa Malaysia Berhad

**Public Companies**

- Nil

**RELEVANT EXPERIENCE**

Datin Azlina possesses over 30 years of extensive banking experience. Her professional journey commenced in 1989 at J.P. Morgan Chase Bank Berhad (J.P. Morgan), where she started as an analyst and progressed to become one of the senior bankers responsible for managing key corporate and institutional clients in Malaysia. She retired from J.P. Morgan as an Executive Director of the Global Corporate Bank on 2 March 2021.

Following her retirement, Datin Azlina was appointed by the Minister of Finance as a Public Interest Director to the Board of Directors of Bursa Malaysia Berhad, effective 16 March 2021. In this capacity, she also serves as a Member on Bursa Malaysia Berhad's Risk Management Committee, Nomination and Remuneration Committee and Regulatory and Conflicts Committee.

Datin Azlina's vast experience in corporate and investment banking, her pivotal role in establishing the corporate banking franchise of J.P. Morgan in Malaysia, her proficiency in banking operations and her extensive client coverage experience make her a valuable addition to the Board, complementing its existing skill set and dynamics.

The Board hereby recommends the re-election of Datin Azlina Mahmad as Independent Director of the Company for the Shareholders' approval.

**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 2023.**

**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 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 13 April 2023, 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 RM1.022 billion based on the Audited Financial Statements of the Company for the financial year ended 31 December 2023.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

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 67th Annual General Meeting to be held on 29 April 2024, unless renewed by an ordinary resolution.

On 11 March 2024, the Company announced its intention to seek shareholders' approval at the forthcoming 67th 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 67th 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 29 February 2024 of RM29,094,547,322.88 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.

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:

	<b>Before the Proposed Shares Buy-Back</b>	<b>After the Proposed Shares Buy-Back</b>
Public shareholding spread	57.72* <sup>1</sup>	64.13* <sup>2</sup>

**Notes:**

\*<sup>1</sup> As at 29 February 2024

\*<sup>2</sup> 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 29 February 2024) 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.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## 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 29 February 2024 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 29 February 2024 to be reduced from RM29,094,547,322.88 comprising 10,665,101,700 CIMB Shares to RM26,185,092,590.59 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:

	As Per Audited Financial Statement as at 31 December		As at 2023 29 February 2024	After Share Purchase and Cancellation
	Issued and paid-up share capital (RM)	29,094,547,322.88		
	Issued and paid-up share capital (RM)	29,094,547,322.88	29,094,547,322.88	26,185,092,590.59*1

**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.

### 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 29 February 2024 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	2,454,306,861	23.01	–	–	2,454,306,861	25.57	–	–
Employees Provident Fund Board	1,431,411,941*3	13.42	–	–	1,431,411,941	14.91	–	–
Kumpulan Wang Persaraan (Diperbadankan)	621,926,641	5.83	–	–	621,926,641	6.48	–	–

**Notes:**

\*1 Adjusted for the number of treasury shares held as at 1 March 2024.

\*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	%	No. of 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 29 February 2024.

\*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 67th Annual General Meeting.

# Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## 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 2023 to 29 February 2024 are as follows:

2023	High (RM)	Low (RM)
March	5.32	4.99
April	5.17	4.90
May	5.00	4.67
June	5.09	4.66
July	5.38	5.00
August	5.56	5.29
September	5.62	5.43
October	5.71	5.40
November	5.81	5.64
December	5.96	5.75

**Notes:**

1. Based on the actual share price.

2024	High (RM)	Low (RM)
January	6.23	5.84
February	6.46	6.19

## 8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

During the financial year ended 31 December 2023, 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 67th 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 2022 and the FYE 31 December 2023;
- iii. The latest available unaudited consolidated condensed interim financial statements of our Company for the FYE 31 December 2023, which was announced on 29 February 2024; and
- iv. Other related documents which are referred to in this statement.

# Administrative Details for 67th Annual General Meeting (AGM) of CIMB Group Holdings Berhad

The Board of Directors of CIMB Group Holdings Berhad (Board) has agreed that the 67th Annual General Meeting (67th AGM) of CIMB Group Holdings Berhad (the Company or CIMB) shall be held virtually and entirely via Remote Participation and Electronic Voting (RPEV) facilities on the date, time and at the broadcast venue, as follows:

<b>Date</b>	Monday, 29 April 2024
<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>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 of the 67th AGM. 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 Monday, 29 April 2024.</li> <li>Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2023 commencing from 30 March 2024 and in any event no later than Monday, 22 April 2024 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>

## MODE OF MEETING

- As virtual AGMs have become the norm post COVID-19, and to increase shareholder's attendance and engagement with no geographical restrictions/constraints, the Company invites shareholders to participate in the upcoming 67th 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. Furthermore, throughout

the years, the resolutions in our AGM have been passed electronically, and the adoption of a virtual AGM is one step ahead for good corporate governance and best practice.

Please note that the Broadcast Venue is strictly for the purpose of compliance with Section 327 of the Companies Act 2016 and Article 57 of the Company's Constitution. No shareholders/proxies/corporate representatives should be physically present at or admitted to the Broadcast Venue on the day of the AGM.

## VOTING PROCEDURE

- 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 KPMG Management & Risk Consulting Sdn. Bhd. as Scrutineers to verify and validate the poll results.
- For the purposes of this AGM, e-voting will be carried out via the following voting devices:
  - Personal smart mobile phones  tablets  or Laptops 
- There are 2 methods for members and proxies who wish to use their personal voting device to vote. The methods are as follows:
  - Use QR Scanner Code given in the email to you; OR
  - Go to the website URL <https://meeting.boardroomlimited.my>
- 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.
- 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.
- You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the 67th 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.

# Administrative Details for 67th Annual General Meeting (AGM) of CIMB Group Holdings Berhad

## ONLINE REGISTRATION PROCEDURE

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 67TH 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 25 March 2024. The RPEV facilities will open for registration from Monday, 25 March 2024 until such time before the poll voting session ends at the 67th AGM on Monday, 29 April 2024.)*

#### 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 67th 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 25 March 2024. 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 **Sunday, 28 April 2024**.)*

#### 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.

#### Corporate Shareholders (via email)

- a. To submit the request, Corporate Shareholders need to deposit the original hardcopy to Boardroom and write in to Boardroom 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

**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 67th 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.

**Via email**

- a. To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to Boardroom and write in to Boardroom 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 22 April 2024 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.

**PARTICIPATION THROUGH LIVE WEBCAST, QUESTION AND VOTING AT THE 67TH 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 67th 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 67th 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.

# Administrative Details for 67th Annual General Meeting (AGM) of CIMB Group Holdings Berhad

## **ENTITLEMENT TO PARTICIPATE AND VOTE**

In respect of deposited securities, only members whose names appear in the Record of Depositors on **22 April 2024** (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 online 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 28 April 2024 (24 hours before the 67th 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 28 April 2024 (24 hours before the 67th 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 2023**

1. As part of our dedicated commitment to sustainable practices, the Annual Report 2023 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".
2. Since the 67th AGM will be conducted virtually, there will be **NO DISTRIBUTION** of the Annual Report 2023 during the meeting.

## **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 Noruzaimah Md Taib	:	+603-7890 4722
Fax No.	:	+603-7890 4670
E-mail	:	bsr.helpdesk@boardroomlimited.com
	:	mohamed.sophiee@boardroomlimited.com
	:	noruzaimah.taib@boardroomlimited.com

### **CIMB**

Datin Rossaya Mohd Nashir, Group Company Secretary  
 Azrina Mohd Azmi  
 Telephone : +603-2261 0085  
 Fax No. : +603-2261 0099  
 Email : cimbagm@cimb.com

# 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 67th Annual General Meeting (AGM) of the Company to be held virtually and broadcasted live from 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 Monday, 29 April 2024 at 10.00 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

## RESOLUTIONS

- To re-elect the following Directors who retire pursuant to Article 81 of the Company's Constitution:
  - Dato' Lee Kok Kwan
  - Dato' Mohamed Ross Mohd Din
  - En Afzal Abdul Rahim

	FOR*	AGAINST*
Resolution 1		
Resolution 2		
Resolution 3		



## RESOLUTIONS

- To re-elect Datin Azlina Mahmad who retires pursuant to Article 88 of the Company's Constitution.
- To approve the payment of Non-Executive Directors' fees with effect from the 67th AGM until the next AGM of the Company.
- 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 67th AGM until the next AGM of the Company.
- To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration.
- Proposed Renewal of the Authority for Directors to Allot and Issue Shares.
- 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.
- Proposed Renewal of the Authority to Purchase Own Shares.
- To transact any other business of which due notice shall have been duly given in accordance with the Companies Act, 2016.

FOR*	AGAINST*

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. (Sunday, 28 April 2024).
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 67th 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 22 April 2024. Only a depositor whose name appears on the Record of Depositors as of 22 April 2024 shall be entitled to attend the said meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

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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

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[www.cimb.com](http://www.cimb.com)



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