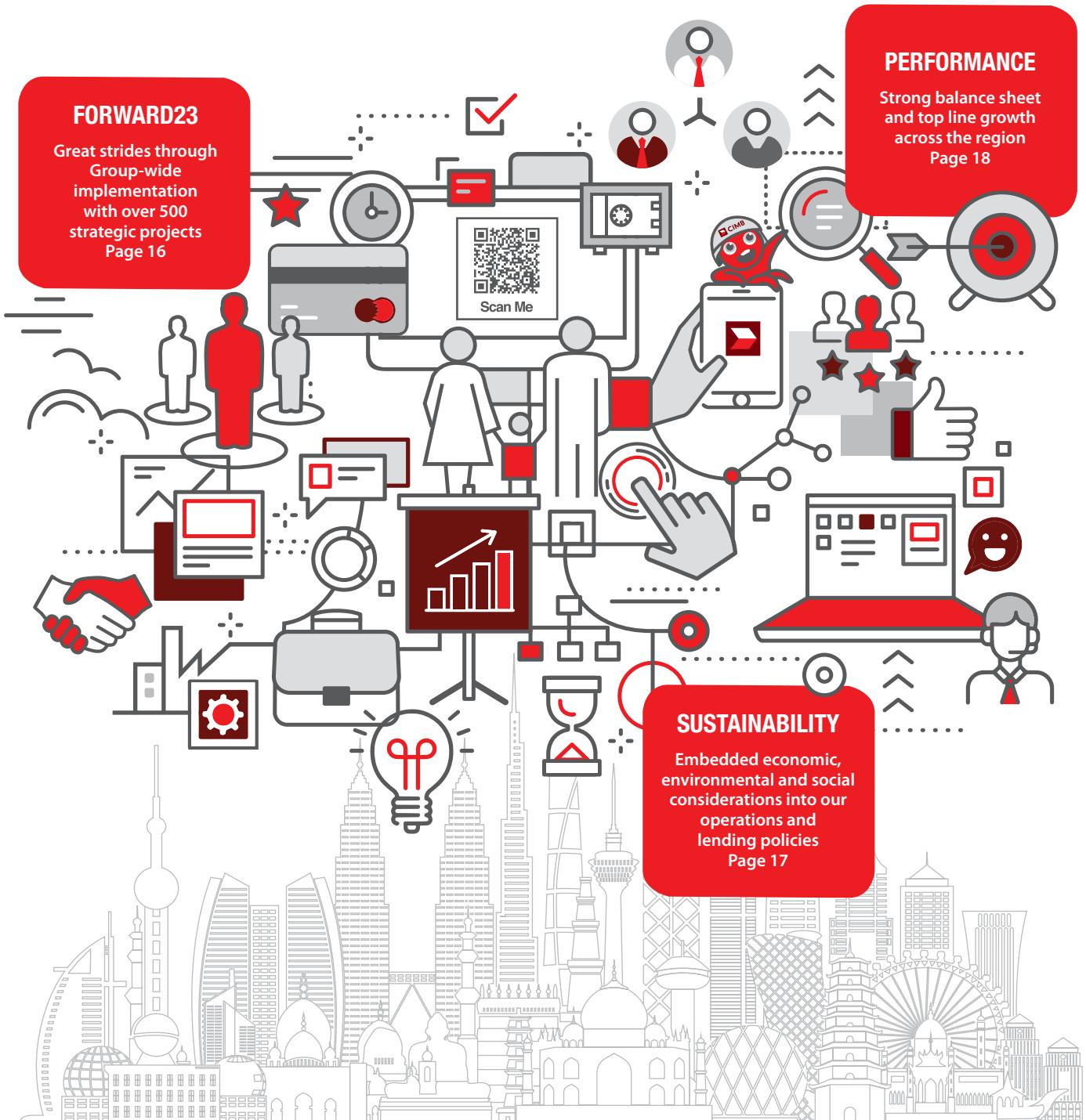


FUTURE FORWARD



CIMB GROUP HOLDINGS BERHAD
ANNUAL REPORT 2019



CUSTOMER CENTRICITY

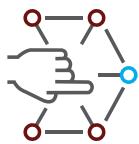
TECHNOLOGY & DATA

OUR PEOPLE

VENTURES & PARTNERSHIPS

SUSTAINABILITY

ADVANCING CUSTOMERS AND SOCIETY



Our covers showcase CIMB's focus on putting our customers at the heart of everything we do, future-proofing our business and shaping a sustainable future. Through adapting to a dynamic and complex ecosystem, we strive to create value and advance our customers and society.

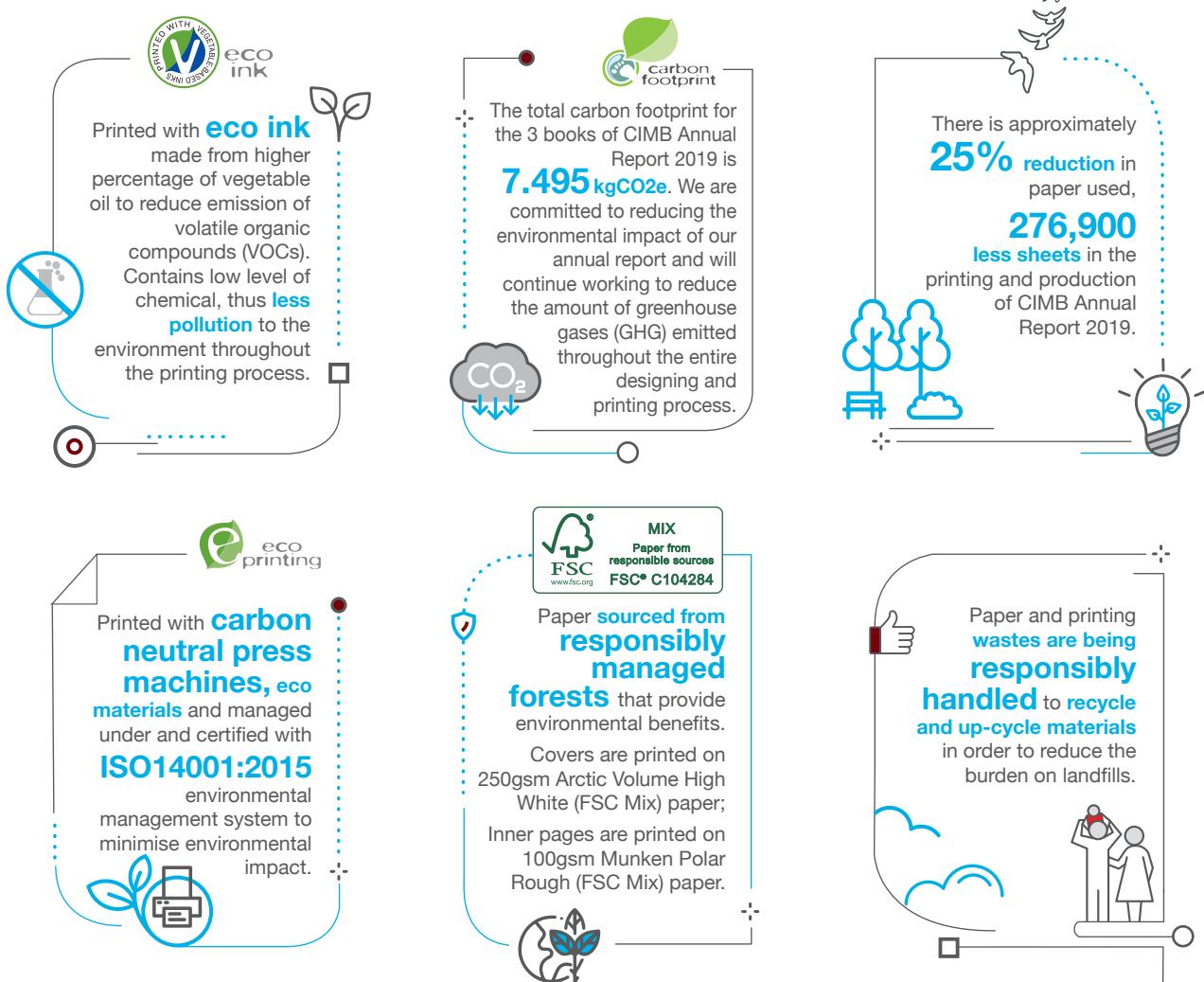
View our Annual Report, Accounts and other information about CIMB Group Holdings Berhad at

www.cimb.com

Annual Report 2019

Goes Green

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



about this report

“In fulfilling our purpose of advancing customers and society, we remain committed to championing growth, with responsibility towards our multiple stakeholders across ASEAN. At CIMB Group, we are cognisant of the need to continuously monitor and respond to the evolving needs and expectations of our employees, customers, suppliers and partners, investors, as well as the regulators and policy-makers. Therefore, our Annual Report is also maturing in terms of our narratives for both shareholders and stakeholders alike. We are going beyond operational efficiencies and financial performance, to speak of our ability and perseverance to create value that is meaningful for everyone. ‘FutureForward’ is our commitment to future-proof our business, our people and our collective ASEAN aspirations.”

REPORTING SCOPE AND BOUNDARIES

This Annual Report covers our financial and non-financial performance during the period 1 January 2019 to 31 December 2019.

Through this report, it is our sincere effort to keep our stakeholders abreast of key developments; programmes and initiatives; market challenges and business solutions; our achievements; mid- to long-term direction; and the overall health of operations in 2019 in various geographical markets where we operate.

The report also presents rich insights and forward-looking statements on financial position and performance in the year ahead.

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

Our financial statements are independently audited and provide in-depth and transparent disclosure of our financial performance.

Unless we indicate otherwise, all the data presented relates to the Group, which includes our banking operations and our subsidiaries.

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

MATERIALITY DETERMINATION

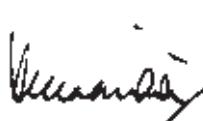
All our Annual Reports present a balanced and accessible assessment of our strategy, performance, governance and prospects.

The various issues and developments included in the 2019 edition were determined by a range of considerations, such as quantitative and qualitative criteria; issues likely to impact our ability to achieve strategic objectives and remain sustainable; matters covered in reports presented to our Board of Directors; the risks identified by our risk management team; and the interests of our key stakeholders. We also consider factors that affect the economic and social environment in various countries and regions where we conduct business.

STATEMENT OF THE BOARD OF DIRECTORS OF CIMB GROUP HOLDINGS BERHAD

The Board acknowledges its responsibility to ensure the integrity of the Annual Report. In the Board’s opinion, the report addresses all material issues and matters and fairly presents the Group’s performance for the year 2019.

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



Datuk Mohd Nasir Ahmad
Chairman



Tengku Zafrul
Tengku Abdul Aziz
Group Chief Executive Officer/
Executive Director



View our Annual Report, Accounts and other information about CIMB Group Holdings Berhad at www.cimb.com

> WHAT'S INSIDE THIS REPORT

2 About This Report



4 Message from the Chairman

OVERVIEW OF CIMB GROUP

9 Overview

10 Profile and Presence

11 Key Highlights of 2019

11 Business Highlights

11 Financial Highlights

12 Corporate Milestones and Our Rich Heritage

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC REVIEW



14 Group CEO's Overview

24 Economic and Banking Review & Outlook

26 Material Matters Impacting Our Strategy

27 Key Risks and Mitigation

28 The Group's Strategy

PERFORMANCE REVIEW



32 Group Financial Review by Group CFO

38 Five-Year Group Financial Summary

39 Five-Year Group Financial Highlights

40 Simplified Group Statements of Financial Position

41 Quarterly Financial Performance

42 Key Interest Bearing Assets and Liabilities

43 Value Added Statements

44 Capital Management

45 Credit Ratings

48 Balance Sheet Management

49 Investor Relations

55 Financial Calendar

BUSINESS REVIEW

56 Group Consumer Banking

58 Group Commercial Banking

60 Group Wholesale Banking

62 Group Transaction Banking

64 Group Ventures & Partnerships

66 Group Islamic Banking

STRUCTURE & LEADERSHIP

68 Board of Directors

70 Board of Directors Profile

74 Group Company Secretary's Profile

75 Corporate Structure

76 Board of Major Subsidiaries

78 Group Shariah Committee

79 Group Shariah Committee Profile

82 Group Management

84 Group Management Profile

89 Human Capital Development

99 Group Organisation Structure

CORPORATE GOVERNANCE

100 Chairman's Statement on Corporate Governance

101 Corporate Governance Overview Statement

117 Additional Disclosures

120 Statement on Risk Management and Internal Control

129 Risk Management

137 Audit Committee Report

142 Board Shariah Committee Report

SUSTAINABILITY STATEMENT

144 Sustainability Statement

HIGHLIGHTS AND ACHIEVEMENTS

163 Regional Notable Deal

167 Notable Achievements

168 Corporate Event Highlights

170 Media Highlights

STAKEHOLDER INFORMATION

172 Shareholders' Statistics

175 Internal Policies, Procedures and Guidelines

181 Top 10 Properties of CIMB Group

182 Corporate Information

184 Group Corporate Directory 2019



**DATUK MOHD
NASIR AHMAD**
Chairman

D E A R S T A K E H O L D E R S ,

2019 marked the completion of my one-full financial year as Chairman of CIMB Group. It was momentous for two reasons. First, the operating environment only grew more challenging, with evolving policy focus, regulations, socio-economic trends, and global trade relations. In a way, it gave us (and the industry) a new impetus and motivation to innovate and look at banking of the future. Second, it was the beginning of our five-year (mid-term) strategic roadmap Forward23. The task at hand was not just to devise a game-plan to remain relevant and profitable, but to demonstrate greater responsibility towards managing and growing out of the emerging risks in the coming years. It was an exciting start and I reckon that every member of CIMB Group left no stone unturned to ensure 2019 was a year of consolidation (of our strengths) and to define and deliver value for our multiple stakeholders.



> message from the chairman

"Despite the US-China trade tensions, steady domestic demand, private consumption and investments provided ASEAN some immunity against various uncertainties arising from global conflicts. The banking sector remained resilient, while preparing to transition to a digitally matured environment, where data analytics and advanced technologies continued to enable banks towards cutting-edge customer solutions. However, global impacts from climate change, with increasing expectations of institutional investors and other stakeholders, banks have started to examine various economic, environmental and social risks in their credit assessments. In the first year of its new mid-term strategy Forward23 (2019-2023), CIMB is on track in meeting the milestones that are set in Forward23 and has also demonstrated leadership by making absolute global commitments to sustainable development and sustainable banking."

message from the chairman

THE YEAR THAT ENDED

Overall, the year was eventful. Regulators continued in their last leg of implementation of Basel IV and MiFID II prudential reforms, in addition to propagating robust risk management practices and internal controls. The Trumpian uncertainty definitely affected and remains a sore point for the markets that are trade-reliant. We also saw the conflicts that came with growing protectionism on one hand and the risk of instability while open markets strived to strengthen cross-border partnerships to promote trade. The Fourth Industrial Revolution and Sustainability Leadership were the two recurring themes that necessitated the need to future-proof banks and the communities that depend on them, by optimising their potential and reinventing their business models.

In the ASEAN, actors continued to accelerate efforts towards financial integration in the region by balancing liberalisation initiatives with financial inclusiveness and stability. This also means the right balance of policy mix and digital infrastructure. While the intensifying ASEAN integration efforts in 2019 seemed to bring the vision of one-big regional market closer to reality, the probable competition from non-traditional banking institutions has also been an issue of debate.

In our home market, Bank Negara Malaysia (BNM) issued the exposure draft for the licensing framework for virtual banks. It has set a minimum capital fund unimpaired by losses of RM100 million, which would be gradually increased to RM300 million. The new-age digital banks are expected to increase access to convenient and affordable financial solutions. The dynamics will be different. There may be new challenges to digital. The priority, however, will be to drive value to customers and safeguard their interests.

Moving forward, we will witness a sea of change. Banking sector will evolve. The operating landscape will present huge opportunities, but not without new risks. Responsible banking practices may seem to be a tall order, but will become a norm. The future of banking will take a new form and shape, with fast changing demographics, high expectations of stakeholders, cautious investor sentiments, and extraneous factors such as climate emergency and socio-economic and political uncertainties.

CIMB is well-positioned in the region with its Forward23 strategic roadmap and will demonstrate resiliency and leadership for delivering positive performance year on year.

GOVERNANCE AT ITS BEST

The role of Boards becomes even more critical as the banking sector is undergoing a huge transformation.

All members on the Board must have the right-level of competencies to not only understand but also assess the various emerging risks in the conduct of business. The Board is steadfast in its commitment to observe the highest standards of governance in its effort to remain relevant against a backdrop of challenging business landscape.

During the year, we conducted several sessions for the Board of Directors on Sustainability – emphasising on physical and transition risks and how CIMB Group can improve its preparedness into the future. These awareness sessions helped the Board members acknowledge interlinkages between risks, various capital inputs (manufactured, intellectual, financial, social and relationship, human, and natural) and the organisational performance.

Following this, in 2019, we have included sustainability metrics as part of selected Senior Management's Performance Measurement System. This also means the Board members are now expected to steer sustainability direction, while generating shareholder' returns. This will require them to have an oversight on forward-looking risks and ensure appropriate governance toward value creation for multiple stakeholders to our business.



A lovely evening at Majlis Berbuka Puasa CIMB Group.

SUSTAINABILITY FOR GROWTH

During the year, we have made sterling progress on all fronts. We have not only made global commitments to scale-up finance for sustainable development, but have pledged to leverage on our influence and the impact of our networks to promote sustainable business practices. We have launched Sustainable Development Goals (SDG) Bonds, Sustainability-Linked Loans and SME Renewable Energy Financing – all in our efforts to create a better future, and a better planet.

We encourage our people to propose their ideas to contribute in CIMB's sustainability efforts. We believe sustainability starts from home and the simple steps we have taken are proven to provide

better awareness on this movement. From reducing waste to managing events in a more sustainable manner, we aspire to create a culture with a sense of responsibility towards our environment and society.

In fulfilling our purpose of advancing customers and society, we have embarked on our sustainability journey on a strong footing. As we move forward, we will only accelerate our efforts towards responsible banking practices. We remain committed to do everything in our capacity, together with our partners and CIMBians to create net positive impact on the environment and the communities where we operate.

PEOPLE AS CHAMPIONS

I take pride in the untiring efforts of our senior management and #teamCIMB in championing meaningful growth. And growth has many contexts in CIMB. Financial growth that will catalyse CIMB's journey into the future as a formidable universal bank in the region.

Intellectual growth that will shape new highly-capable leaders of tomorrow. Personal growth that will inspire us CIMBians to take pride in what we do, and all that we represent as a leading credible bank.

As we move forward, growth is imminent. Risks to growth are inevitable. Future-proof strategies are critical. Responsibility is a pre-condition to everything. And people are the champions, the catalysts to all growth. Therefore, at CIMB, it is our utmost priority to keep our people engaged and motivated at all times. I strongly believe that our people are our partners in growth. We encourage them to participate in our journey, co-opt and co-create ideas, programmes, and solutions, which will give us not just a competitive advantage but a differentiated positioning in the eyes of our stakeholders.

We uphold our CHIDA values dearly in our pursuit of creating a better CIMB. Customer Obsessed, High Performance, Integrity, Diversity & Inclusion and Agility are the ingredients that reflect our commitment towards enabling our customers to achieve their dreams, goals and aspirations.

It is no surprise that our group-wide efforts had bagged us many awards of excellence. A worthy mention would be that CIMB won the Most Outstanding Annual Report of the Year (Platinum) by National Annual Corporate Report Awards (NACRA) 2019, Sustainability Reporting Award (Gold) by NACRA 2019, and Best Retail Bank in Malaysia by the Asian Banker Excellence in Retail Financial Services Awards 2019. All of these could not have been achieved without hard work, dedication, and high spirits from #teamCIMB.



Leadership engagement session at INSEAD Singapore Campus.

message from the chairman

FUTURE FORWARD

As a big brand, we must be prepared to face all challenges in the future. We must grow and progress responsibly. I cannot emphasize enough how serious we are in upholding integrity which is the pillar of good governance. We do not tolerate corrupt practices. Guided by the MACC Act 2018, CIMB has put in place adequate procedures which include Anti-Bribery and Corruption Policy, No Gift Policy, Whistleblowing-Policy, and other related policies and procedures. Business success is very much dependent on good corporate governance. The Board is very mindful of the need to consistently ensure that overall best practices are in place.

As announced by BNM, CIMB has been identified as one of the Domestic Systematically Important Banks (D-SIBs). The D-SIBs Framework that will come into effect on 31 January 2021 plans to mitigate the “too-big-to-fail” challenges by having to maintain higher capital buffers to meet regulatory requirements. This signifies the need for a heightened effort to ensure CIMB continues to be a strong and significant component of the financial system of the country. This is a responsibility that CIMB will be proud to shoulder.



At the Group Annual Management Summit in November 2019.

FINAL REMARKS

Before concluding I would like to take this opportunity to express my gratitude to the Board Member who has stepped down, Mrs. Tongurai Limpiti, for her services to the Board of CIMB Group. To my colleagues on the Board and the subsidiary Boards, I am thankful for your invaluable guidance, outstanding services and far-sighted visions.

On behalf of the Board, I would also like to record my appreciation to our stakeholders, business partners, customers, suppliers, and regulators for the unshaken confidence and support over the years.

Special thanks go to #teamCIMB for their tireless commitment and hard work, and the CIMB Management led by the Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz for steering the Group towards becoming a high-performance organisation.

2020 starts a new decade. Let us keep our spirits high and continue developing a highly skilled, talented and united #teamCIMB.

Datuk Mohd Nasir Ahmad
Chairman



Hosted The Cooler Earth Sustainable Finance Summit in October 2019.



Members of the Board of CIMB Cambodia paid a courtesy visit to His Excellency Chea Chanto (fourth from the right), the Governor of the National Bank of Cambodia.

overview

OUR PURPOSE STATEMENT

ADVANCING CUSTOMERS AND SOCIETY

We place our customers at the heart of everything we do.

The 4th Industrial Revolution is upon us and as we strive to be the disruptor and not the disrupted, we will not limit ourselves to the boundaries of banking as we know it today.

We advocate sustainable practices, both for ourselves as an organisation and our customers as we progress forward.

OUR VALUES



CUSTOMER OBSESSED

We are here for our customers, to ensure they're happy and satisfied.



HIGH PERFORMANCE

We always strive to go above and beyond in everything we do.



INTEGRITY

We're always honest, responsible and accountable in everything we do. Be vigilant, be alert, be thorough.



DIVERSITY AND INCLUSION

We believe everyone has something to contribute, regardless of race, gender or opinions.



AGILITY

We must respond quickly to change and be problem solvers.

CIMB is a leading ASEAN universal bank, one of the largest investment banks in Asia and one of the largest Islamic banks in the world.

TOTAL ASSETS

RM573.2 billion

MARKET CAPITALISATION

RM51.1 billion

NET PROFIT

RM4.56 billion

CIMB SHARE INFORMATION

COMPANY NAME



CIMB GROUP HOLDINGS BERHAD

STOCK NAME



CIMB

STOCK CODE



1023
(Bursa Malaysia)

TICKER CODE

CIMB: MK
(Bloomberg)

CIMB.KL
(Reuters)

FINANCIAL YEAR END



31 DECEMBER

SHARE 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

profile and presence

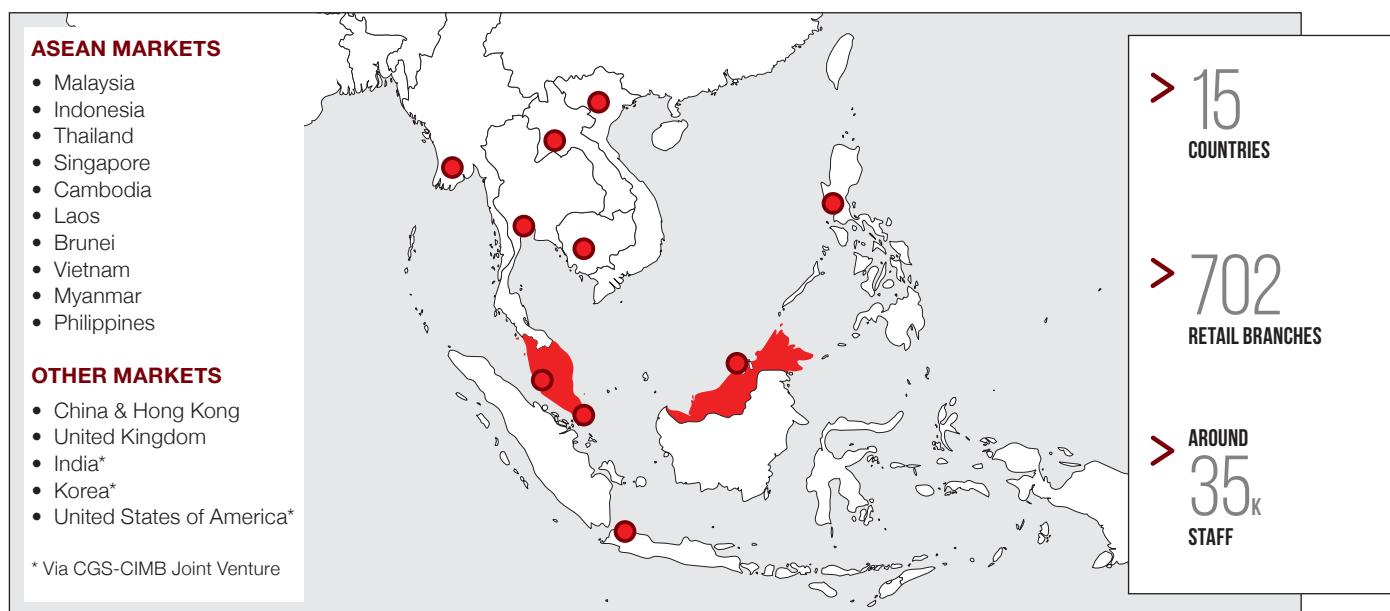
CIMB Group is a leading ASEAN universal bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic finance.

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 2019, had around 35,000 staff and over 15 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM51.1 billion as at 31 December 2019. Total assets at the end of 2019 were

RM573.2 billion, with total shareholders' funds of RM56.2 billion and total Islamic assets of RM133.5 billion. At the end of 2019, the substantial shareholders were Khazanah Nasional Berhad with 23.77%, Employees Provident Fund with 12.67%, Permodalan Nasional Berhad with 12.20% and Kumpulan Wang Persaraan (Diperbadankan) with 5.90%.



CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia with 234 branches across the country. It has subsidiaries in Thailand, Cambodia and Vietnam, as well as branches in Singapore, Philippines, London, Hong Kong, Shanghai and Laos and representative offices in Yangon and Mumbai.

CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia with 376 branches across the archipelago. It has been listed on the Indonesia Stock Exchange since 1989 and is the sixth largest bank in Indonesia by assets at the end of 2019.

CIMB INVESTMENT BANK

CIMB is the Group's investment banking franchise which operates in 15 countries across Asia Pacific. CGS-CIMB Securities, a joint-venture with China Galaxy International, is the stockbroking arm for the Group providing institutional and retail equity broking services and equities research.

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 seventh largest commercial bank in Thailand by assets, with 69 branches nationwide and one overseas branch in Vientiane, Laos.

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 universal banking platform.

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

CIMB Bank (Vietnam) Limited is the Group's banking franchise in Vietnam. Headquartered in Hanoi and with a branch in Ho Chi Minh City, it offers a wide range of banking products and services for individuals, businesses and corporates.

CIMB BANK PHILIPPINES

CIMB Bank Philippines was launched in 2018 and is recognised as a leading digital banking franchise in ASEAN. The all-digital mobile-first retail banking proposition scaled rapidly to 1.7 million customers in its first year of operations.

key highlights of 2019

BUSINESS HIGHLIGHTS



FORWARD23

2019 was the first year into our five-year Forward23 journey. Our focus during the year has been to establish a governance framework to ensure portfolio oversight and delivery of the set objectives. We have made great strides through Group-wide implementation of 21 programmes and over 500 projects.

Refer to Group CEO's Overview page 16.



TECHNOLOGY & DATA

In response to rapid digitalisation, the evolving technology landscape, as well as the growing expectations of a new generation of digital-savvy customers, the Group focussed on enhancing the core resiliency of our systems as well as to develop innovative new products and solutions to future proof ourselves.

Refer to Group CEO's Overview page 17.



SUSTAINABILITY

In keeping with our sustainability agenda, we embedded economic, environmental and social (EES) considerations into our operations and lending policies. In addition to rolling out our Group Sustainability and Sustainable Financing Policies, we also made global commitments and delivered sustainable product solutions locally.

Refer to Group CEO's Overview page 17.



PEOPLE DEVELOPMENT

In preparing our workforce for the Fourth Industrial Revolution, we invested in upskilling over 2,200 employees in the 3D related skills of data, digital, and design. We also developed a roadmap to accelerate towards achieving a 2023 target of at least 30% of 3D talent in #teamCIMB.

Refer to Group CEO's Overview page 17.



CUSTOMER CENTRICITY

To strengthen our customer centricity, we set-up our Transforming Customer Journeys (TCJ) department. The objective is to take a fresh approach to designing the end-to-end journey for our customers within an agile design and delivery ecosystem. We also made NPS our key headline target for Forward23.

Refer to Group CEO's Overview page 16.



VENTURES & PARTNERSHIPS

As a young business division setup in 2019, the aspiration is to develop the Group's new and disruptive businesses and value creation streams. During the year, we successfully established baseline narratives across our practices and started identifying disruptive levers to accelerate over the next 5 years.

Refer to Group Ventures & Partnerships page 64.

FINANCIAL HIGHLIGHTS



OPERATING INCOME

RM17.8 billion



GROSS LOANS

RM369 billion



TOTAL ASSETS

RM573.2 billion



NET PROFIT

RM4.56 billion



ROE

8.5%



DEPOSITS FROM CUSTOMERS^A

RM402 billion



TOTAL CAPITAL RATIO

16.8%



GROSS DIVIDEND PER SHARE

26 sen

^A Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities

corporate milestones and our rich heritage

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.

**2002**

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

**2003**

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

**2005**

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

2006

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

2008

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

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.

2010

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

2012

CIMB Group starts the acquisition of most of the Asia Pacific cash equities and associated investment banking businesses of the Royal Bank of Scotland, and expands or adds operations in Sydney, Melbourne, Hong Kong, London and New York. CIMB Group acquires SICCO Securities, a Thai stock-broking company.

2013

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

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 Member of the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (PRB), makes a public commitment to mobilise and influence its networks towards sustainable business and lifestyle practices. The Group launches a 5-year sustainability roadmap to realise CIMB's priority UN Sustainable Development Goals and held our inaugural The Cooler Earth Sustainability Summit 2019.



2018

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



group CEO's overview

**TENGKU DATO' SRI ZAFRUL
TENGKU ABDUL AZIZ**
Group Chief Executive Officer

DEAR SHAREHOLDERS,

In our previous annual report, I described 2018 as “a rollercoaster year”. In contrast, while 2019 displayed an easing of negative sentiments, uncertainty was still a prevailing theme. Notably, US and China remained antagonistic in their trade war with no clear resolution in sight, while interest rate cuts by the central banks of several ASEAN countries led to a compression of margins in the financial sectors of the affected countries.

As a financial institution with a presence in all 10 ASEAN countries, CIMB was not spared from these macroeconomic tensions. However, despite these headwinds, the Group was able to weather the uncertainties and meet our key 2019 targets, thanks to the focus and the collective effort of #teamCIMB to deliver nothing but excellence. This outcome would not have been possible without the relentless support of our key stakeholders – the Chairman and the board, our regulators, our customers, and you, our shareholders.

2019 was also the year we launched our Forward23 mid-term growth strategy centred on five strategic pivots, namely Customer Centricity, Sustainability, Ventures & Partnerships, Technology & Data, and our People. With the completion of the first year of Forward23, the Group will maintain our momentum and look forward to the successful delivery of all our mid-term growth targets, in spite of the uncertain outlook due to the ongoing COVID-19 outbreak, as well as other socio-political and macroeconomic challenges.



THE YEAR IN REVIEW

In many respects, 2019 saw a protraction of the geopolitical and economic uncertainties that weighed down the preceding year. The US-China trade war involving the two largest economies in the world and ASEAN's largest trade partners,

showed no signs of abating. In January 2020, these tensions were temporarily put on hold as the two countries signed a "Phase One" trade deal, but not before the standoff had already disrupted supply chains and capital markets worldwide. On the European front, multiple rounds of negotiations and a change in the UK Prime Minister culminated in the Brexit withdrawal agreement being signed on 24 January 2020, with talks due to begin over the future relationship between the UK and the EU. These ongoing uncertainties have stalled many major economic decisions, resulting in a global slowdown.

A little closer to home, interest rate cuts by the central banks of our three largest markets – Malaysia, Indonesia, and Thailand, with a joint GDP of over USD2 trillion – had a direct impact on CIMB's 2019 revenues. Combined with additional investment spend to future proof the organisation, the Group missed our cost-to-income ratio (CIR) target; 53.4% on a business-as-usual (BAU*) basis against a target of 52.6%.

Despite these challenges, we were able to meet all our other key 2019 targets. ROE came in at 9.3%, which was within target. We also ended the year better capitalised with a Common Equity Tier 1 (CET1) ratio of 12.9%, up from 12.5% in 2018. Meanwhile, gross loans grew 6.7% year-on-year (YoY), outperforming the industry in Malaysia, Singapore and Thailand. These results are indeed a testament to the Group's resiliency in the face of external pressures and proof positive that our Forward23 strategy is already bearing fruit.

* BAU basis: Excluding FY18 gain from the sale of CPAM and CPIAM of RM928 million, as well as excluding FY19 transformational costs (net of tax) of RM270 million, impairment and write off of intangible assets of RM277 million, and tax and MI of RM92 million.

group CEO's overview



With the Chairmen and Board of Directors of CIMB related companies at the 2019 Regional Directors' Sharing Session.

FORWARD23

CIMB has now started our second year of the five-year Forward23 journey. Our focus for the first year was to establish a governance framework to ensure portfolio oversight and delivery of Forward23. By the end of 2019, we defined 21 programmes throughout the Group, with over 500 projects launched across multiple geographies and divisions. We have made some great strides, which I will summarise in terms of the five strategic pivots that drive our Forward23 plan.

CUSTOMER CENTRICITY

In our efforts to become a more customer-centric organisation, we set up our Transforming Customer Journeys (TCJ) department in 2019. TCJ is tasked to take a fresh approach to designing the end-to-end journey for our customers within an agile design and delivery ecosystem. To date, the TCJ team has worked on several high priority customer journeys, including Commercial lending, Consumer deposits as well as auto finance in Malaysia and Indonesia. In addition, the Group continues to improve upon the robustness of tracking and monitoring customer experience metrics, via customer satisfaction score (CSAT) and net promoter score (NPS). Furthermore, we have made NPS a key headline target for Forward23, underscoring our aspiration to be a company that is truly obsessed about our customers.

Actual vs Targets	FY19	FY19 Target*	
ROE	9.3%	9.0-9.5%	✓
Dividend Payout Ratio	50.9%	40-60%	✓
Total Loan Growth	6.7%	6.0%	✓
Loan Loss Charge	0.44%	0.40-0.50%	✓
CET1 (CIMB Group)	12.9%	>12.0%	✓
Cost-to-income	53.4%	Flat (52.6%)	✗

Notes:

* Excludes transformational cost (net of tax) of RM270 million; Impairment and write off of intangible assets of RM277 million and Tax and MI of RM92 million

SUSTAINABILITY

Last year, we increased our focus on sustainability initiatives throughout the Group. Out of the 17 UN Sustainable Development Goals (SDGs), we prioritised seven against which we will map our programmes, performance measures, and net impact. To embed an economic, environmental, and social (EES) lens into our operations and lending policies, we rolled out our Group Sustainability Policy and Sustainable Finance Policy. Notably, we also hosted The Cooler Earth Summit, CIMB's inaugural sustainability conference which attracted 1,200 participants, as well as launched a US\$680-million SDG bond, the first in international capital markets by an ASEAN issuer. Additionally, we introduced a variety of attractively-priced green products such as auto finance for hybrid vehicles, mortgages for Green Building Index or GBI-certified homes, and Renewable Energy Financing for MSMEs (micro, small, and medium enterprises). Through these efforts and more, CIMB's rank on the Dow Jones Sustainability Index (DJSI) – which rates companies in terms of environmental, social, and governance (ESG) practices – rose from the 19th to the 51st percentile in 2019, well on our way of achieving our aspiration of 75th percentile by 2023.

VENTURES & PARTNERSHIPS

One of the immediate actions of Forward23 was the setting up of a new business division, namely Group Ventures & Partnerships. With regards to partnerships, we opened new revenue streams through products such as merchant financing within the Lazada and Shopee platforms in Malaysia, with plans to scale throughout the region. Meanwhile, the Touch n' Go (TnG) eWallet – an offering from our TnG Digital joint venture with Ant Financial – is now Malaysia's largest eWallet, with over 6.8 million registered users and 120,000 merchants onboarded by the end of 2019. Meanwhile, CIMB Philippines acquired over 1.7 million users in its first year of operation, making it one of the fastest growing banks in ASEAN. It is also recognised as the strongest standalone digital bank in the Philippines, clinching the Best Digital Bank awards from The Asian Banker and also Global Finance. Our Vietnam outfit, on the other hand, had completed its Phase 1 recalibration, pivoting towards becoming a pure digital bank.

TECHNOLOGY & DATA

To keep pace with today's rapidly digitalising business landscape, financial institutions must invest in technology. In 2019, the Group focussed on enhancing the core resiliency of our systems as well as to develop innovative new products and solutions to future proof ourselves. In particular, our Indonesian and Thailand offerings went from strength to strength this year, with CIMB Niaga's Go Mobile being awarded "Best Mobile App" for the second year running by The Asian Banker. In Malaysia, we rolled out our enhanced Clicks mobile banking application and also successfully concluded our 1Platform refresh. In addition, the Group Technology division completed a baselining exercise for Malaysia, taking stock of our technology environment to subsequently develop a comprehensive roadmap for remediation and modernisation. This initiative is currently ongoing in Thailand, Singapore, Indonesia, and Cambodia.



Participated in a panel session at CIMB's inaugural The Cooler Earth Summit which attracted 1,200 participants.

OUR PEOPLE

Thus far, over 2,200 employees across the Group had been trained in the 3D related skills of data, digital, and design. A roadmap was also developed to accelerate this journey, setting us firmly on the path of achieving a 2023 target of having at least 30% of 3D talent in #teamCIMB; this was revised upwards from 15% initially as we recognised the importance of having a workforce that is prepared for the Fourth Industrial Revolution. The Group also refreshed our corporate values to align with our Forward23 priorities, the values of which are being Customer obsessed, having a High performance attitude, displaying Integrity at all times, championing Diversity and inclusion, and adapting to changes with Agility, or CHIDA for short.



Serving Nacho snacks to #teamCIMB during Staff Appreciation Day, a day to celebrate the contribution and perseverance of colleagues in CIMB.

group CEO's overview

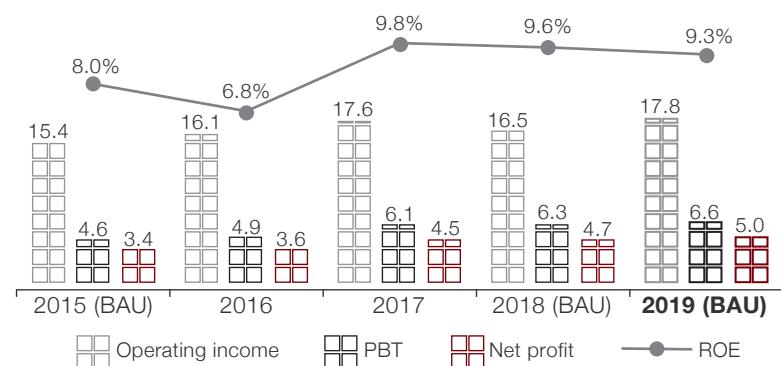
FINANCIAL PERFORMANCE

The Group performed well in 2019, reporting a BAU operating income of RM17.8 billion for the year, a respectable 8.2% YoY growth on the back of improved non-interest income (NOII) which was 12.9% higher YoY due to improved trading activity and 6.3% increase in net interest income (NII) mainly driven by 6.7% loan growth. Operating expenses increased 9.8% YoY mainly from investments across all businesses as well as incremental Forward23 expenses, resulting in a CIR ratio of 53.4%. Excluding these incremental investment costs, CIR would have been 50.3%. Asset quality remains sound with a full year loan loss charge coming in at 0.44%, within the FY19 target. Nevertheless, despite the unfavourable market conditions, the Group was able to report a PBT growth of 5.5% YoY. This enabled us to achieve an ROE of 9.3%, within the target for 2019. CET1 ratio improved to 12.9% (c.f. 12.5% in 2018), while net earnings per share (EPS) was 51.7 sen.

The Group's balance sheet strengthened as gross loans increased by 6.7% YoY, outgrowing the Malaysian, Thai and Singaporean markets. Meanwhile, deposits were 5.8% higher YoY with the Group's CASA ratio improving to 34.4%. Below is a snapshot of the yearly financial performance for the years ended 2015 to 2019, as well as loans performance by country:

Yearly Earnings Trend

(RM'billion)



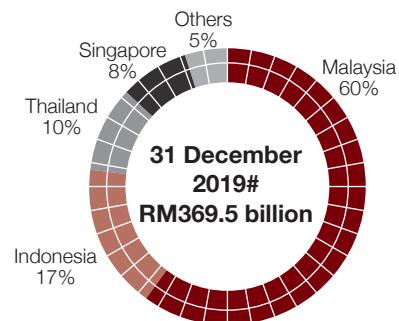
Notes:

2015: Excluding IB restructuring cost (RM202 million); Excluding MY MSS cost (RM316 million) and tax on MY MSS (RM79 million); Excluding ID MSS cost (RM166 million) and tax and MI on ID MSS (RM44 million)

2018: Excludes CPAM & CPIAM gain (RM928 million)

2019: Excludes transformational cost (net of tax) of RM270 million; Impairment and write off of intangible assets of RM277 million and Tax and MI of RM92 million

Loans by Country



Loan Growth by Country

Loan Growth by Country YoY~	
Malaysia	+6.0%
Thailand^	+6.1%
Indonesia^	+3.0%
Singapore^	+3.7%
Others*	+21.9%
Group~	+5.5%

Notes:

~ Excluding FX fluctuations

^ In local currency

Based on geographical location of counterparty

* Including London, Cambodia, Vietnam, Philippines, Hong Kong & Shanghai



Chairing the CIMB Niaga's Annual General Meeting in Jakarta, Indonesia.



Giving a presentation at Bank Negara Malaysia's MyFintech Week conference.

SEGMENTAL PERFORMANCE

Consumer banking PBT declined 26.3% YoY from a combination of factors. Firstly, although loans grew by 9%, net interest income (NII) was affected by NIM compression from the rate cut in Malaysia. 2019 also saw lower bancassurance fees, higher costs, as well as higher provisions due to MFRS9 adjustments and normalisation of Malaysia provisions. Our Consumer business continues to be the largest contributor to Group PBT, at 30%.

Commercial banking grew for the second year running, recording 87.1% YoY PBT growth. Malaysia continued to record double digit loan growth (+12.9%), but the segment remained challenging in Indonesia, Singapore, and Thailand. Commercial NOII was buoyed by the NPL sale in Niaga, while provisions fell as asset quality improved, on the back of MFRS9 writebacks and better underlying provisions for the year.

Our Wholesale banking business grew well in 2019 with NII driven by a healthy loan growth of 7.2% YoY and stronger NOII from Treasury & Markets and trading income. PBT increased by 5.1% YoY, dampened considerably by provisions in Indonesia. Wholesale deposit base also grew by 4.5% in 2019.

Group Transaction banking registered a healthy revenue growth of 5% YoY, driven mainly by Malaysia and Singapore. Across the region, 2019 saw double-digit growth of 17% YoY in the number of active e-banking clients, thanks to rapid advancements in the digital space.

In 2019, Group Ventures, Partnerships and Funding (GVPF) grew 22.0% mainly from the higher returns from the Group's fixed income portfolio. We invested considerably into TnG Digital, the Philippines, and Vietnam. Meanwhile, through our stake in Principal Asset Management, assets under management (AUM) in the public markets continued to grow healthily, registering a strong 12.5% increase YoY, to end the year with an AUM in excess of RM88 billion.

Our Islamic banking business continued to shine, with a YoY PBT growth of 25.6%, resulting in a PBT of RM1.6 billion. This was driven mainly by our Islamic-first initiative in Malaysia and Indonesia, with the largest contribution from the Wholesale segment (38.1% of Islamic PBT) which grew 38.9% YoY.

COUNTRY PERFORMANCE

Our Malaysian operations performed well on a BAU basis with PBT improving 8.0% in 2019, driven by strong loan growth of 6.0%, better trading income, as well as the gain from the sale of our Malaysian equities business. As a result, Malaysia's contribution to Group PBT increased to 69% (c.f. 67% in 2018).

Indonesia saw its PBT decline by 20.2% YoY, largely due to higher Corporate provisions. The sale of Niaga NPLs in 3Q19 dampened the decline somewhat.

group CEO's overview

Thailand continued to perform well especially in the Consumer segment with a PBT growth of 24.1%, underpinned by a healthy loan growth of 6.1% YoY, sale of NPLs, as well as MFRS9 writebacks. Overall, CIMB Thai's contribution to Group PBT improved marginally to 7%, up from 6% the year prior.

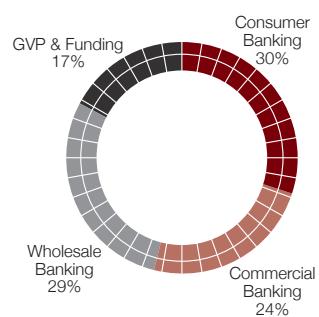
Singapore's PBT grew a commendable 18.8% YoY, driven by improved NIM and lower provisions, as well as better-than-industry loan growth of 3.7%. PBT contribution to the Group remained flat YoY at 7%.

A special mention to our Cambodia team who reported an impressive PBT growth of 60% YoY, marking their 10th year of continuous growth and winning Asiamoney's best international bank in Cambodia award for two consecutive years.

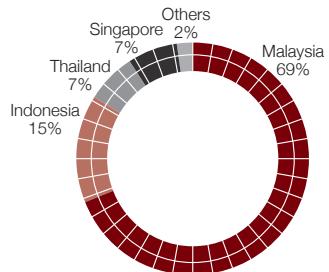
RISK AND COMPLIANCE

Effective risk management and risk culture are key priorities of the Group. We continue to strengthen our Enterprise-Wide Risk Management (EWRM) framework as well as maintain our three lines of defence model whereby business units are the first line of defence, followed by control functions such as Group Risk, Group Compliance and Group Finance, and finally Group Internal Audit Division as the third line of defence. A challenging operating environment continued in 2019 which required the Group to continuously assess and leverage our risk management frameworks. Multiple initiatives were put in place to further strengthen existing infrastructure and internal controls. For example, we initiated several projects powered by machine learning to enable predictive prioritisation of Anti Money Laundering (AML) alerts, to identify potential mule profiles used in money laundering, as well as a surveillance system to identify suspicious misconduct in treasury dealing activities.

PBT by Segment



PBT by Country



At the CIMB Thai Townhall with Omar Siddiq (Group Chief Operating Officer) and Adisorn Sermchaiwong (CEO of CIMB Thai).



Celebrating CIMB Singapore's 10th year anniversary with #teamCIMB.

CREATING VALUE THROUGH CORPORATE RESPONSIBILITY

Our success is directly linked to the prosperity of the communities and economies in which we operate. In giving back, we extended over RM38.4 million to various community-, education-, and sports-related causes through CIMB Foundation and wider Group-driven initiatives. Here are some highlights.

In 2019, CIMB Foundation launched CIMB SHINE in Malaysia, a platform for start-ups, entrepreneurs, and SMEs to equip them with the right knowledge in finance, 4IR, and e-commerce. In partnership with MDEC, and Cheng & Co Accounting Firm, the platform delivered seven seminars across Malaysia to benefit more than 1,000 SMEs.

Our Be\$MART financial literacy programme entered its third year with a mobile app launch, allowing users to plan their finances more effectively. The app is an extension to the 240 workshops conducted in the past three years which benefitted over 16,000 students in Malaysia. On a similar note, 2019 saw CIMB Niaga's Ayo Menabung dan Berbagi, Tour de Bank, and Leaders Camp programmes helping over 8,000 students from 60 schools and universities throughout Indonesia.

On the sporting front, the Group's flagship Junior Development Programmes in football, cycling, and squash grew from strength to strength. In particular, our squash programme has seen the rise of talents such as Ng Eain Yow and Sivasangari Subramaniam, globally ranked #31 and #42 respectively.



Hari Raya shopping with charity homes in Kuantan, a collaboration between CIMB Foundation and Mydin Malaysia, graced by the presence of His Majesty the King of Malaysia, Kebawah Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah.

ENHANCING SHAREHOLDER VALUE

Macro and domestic economic concerns brought about a 6.0% decline in the FBMKLCI Index during the year. Meanwhile, our share price as at end-2019 is RM5.15, a 5.1% decline from the adjusted share price of RM5.43 from the year before. The Group's foreign shareholding rose to 30.2% at end-2019 compared to 25.9% previously.

We declared a total of 26 sen per share of dividend for the year, while the dividend payout for FY19 of RM2.55 billion is equivalent to 50.9% of BAU net profit for the year (BAU net profit excludes transformational costs, impairments and write offs of intangible assets). The second interim net dividend payment of 12 sen per share will be fully paid in cash. The full-year Dividend Reinvestment Scheme (DRS) implies an average electable portion of 50%.

Throughout 2019, CIMB's strong performance won accolades from the finance community, including:

1. Best Digital Bank and Best Retail Bank in Malaysia by The Asian Banker
2. Best Digital Bank in the Philippines by The Asian Banker
3. Best Mobile Initiative, Application and Programme in Indonesia by The Asian Banker
4. Best Cash Management Bank and Best Equity House in Malaysia by Alpha SEA Best Financial Institution Awards 2019
5. Best Sukuk Bank and Best Islamic Trade Finance Provider by Global Finance World's Best Islamic Financial Institutions Awards 2019
6. Best International Bank – Cambodia by Asiamoney Best Bank Awards 2019



Bun Yin, CEO of CIMB Cambodia, winner of Cambodia's Best International Bank by Asiamoney two years in a row, serving a customer on Customer Day.

7. Best Bank for CSR – Malaysia by Asiamoney Best Bank Awards 2019
8. Best Customer Experience – Branch & Best Customer Experience – Contact Centre by The Digital Banker
9. Best Bond House in Southeast Asia by Alpha SEA 13th Deal & Solution Awards 2019

group CEO's overview

MOVING FORWARD

OUTLOOK

Although we are only two months into 2020, we have already experienced multiple macro shocks, the most serious being the COVID-19 outbreak that has dominated media headlines. With close to 80,000 cases reported in China since January, quarantine measures have impeded commerce and industry in “the world’s factory”, significantly disrupting global supply chains. Travel restrictions put in place to contain the spread of the virus has also resulted in a sharp decline in tourism, especially as Chinese passport-holders make up about 10% of global tourists.

The impact of COVID-19 on economic activity has been felt around the world, with an estimated 0.2% reduction in global GDP growth. ASEAN central banks have been quick to respond, with rate cuts in Malaysia, Indonesia and Thailand. We expect more countries to follow suit, in addition to supplemental budgets being announced to address slumping markets.

As a result, we have adjusted our 2020 GDP growth forecasts accordingly, i.e. 3.6% - 3.7% in Malaysia compared to our initial forecast of 4.2%. Singapore, with a greater share of foreign investment in GDP and higher dependence on trade, is expected to grow only 0.3% this year. Thailand, which greets over 10 million Chinese travellers annually, is forecast to grow by 1.7%. On the other hand, Indonesia is less reliant on tourist dollars and is expected to grow by 4.8% this year. These forecasts are based on the assumption that the virus has its biggest impact in the first half of this year, and that economies will rebound in the second half.

OUR FOCUS FOR 2020

Despite the uncertain outlook for 2020, the Group will stay the course to ensure that our Forward23 aspirations remain on track. This year, we intend to continue accelerating growth in Malaysia and Indonesia, our two largest markets that collectively contribute more than 80% of Group PBT.

Executing our Forward23 programmes across the 5 strategic pivots will remain key in 2020, including ensuring the realisation of the financial benefits from our TCJ roadmap, strengthening the tech resiliency and stability of our platforms, recalibrating our business towards a more digitally-led model, commencing a structured productivity programme, as well as keeping the momentum of our sustainability efforts. Additionally, the Group will continue to grow our balance sheet prudently and keep strong controls on costs and investments.

Our targets for FY20 are:

	FY20 Target
ROTCE*	10.8% – 11.3%
ROE	9.0% – 9.5%
Dividend Payout Ratio	40% – 60%
Total Loan Growth	6.0%
Loan Loss Charge	0.40% – 0.50%
CET1 (Group)	>12.0%
Cost-to-income Ratio	<53.4

***Note:** We have introduced a new target, Return on Tangible Common Equity (ROTCE), which is a more accurate measure to determine the efficient use of available capital to generate profit. This excludes intangible assets and goodwill, and is widely used by global banks. The ROTCE in 2019 was 11.3%



Celebrating CIMB Bank Philippines' 500,000th customer milestone in August 2019. By the end of the year, we acquired over 1.7 million customers, making us one of the fastest growing banks in ASEAN.



With #teamCIMB from the Customer Resolutions Unit in Kuala Lumpur, Malaysia.

ACKNOWLEDGMENTS

In 2019, we made several changes to our leadership and management team to become better equipped to deliver Forward23. We welcomed the appointment of Ahmad Shahriman Mohd Shariff as CEO of Group Islamic Banking. Internally, we appointed Adisorn Sermchaiwong as President and CEO of CIMB Thai, Victor Lee Meng Teck as CEO of Group Commercial Banking and CEO of CIMB Bank Singapore, Mohamed Rafe Mohamed Haneef as CEO of Group Transaction Banking and Mak Lye Mun as Adviser to the Group CEO.

I would like to thank Mak Lye Mun for having served as CEO of CIMB Bank Singapore, and Kittiphun Anutarasoti for his past contribution as President and CEO of CIMB Thai. My gratitude also goes out to Victor Lee Meng Teck and Mohamed Rafe Mohamed Haneef for their contributions in their previous roles as CEO of Group Transaction Banking and CEO of Group Islamic Banking respectively. I would like to also thank Renzo Christopher Viegas and Thomas Meow for their service as Advisers to the Group CEO.

In terms of changes at the Board level, we saw Didi Syafuddin Yahya joining the Board of CIMB Group as an Independent Director and Sukanta Kumar Dutt joining the Board of CIMB Bank Berhad. Allow me to express my sincerest gratitude to Tongurai Limpiti and Dato' Sri Amrin Awaluddin for having served on the boards of CIMB Group and CIMB Bank Berhad respectively.

The year 2019 also saw the dissolution of CIMB's International Advisory Panel (IAP), established in 2006 to assist the Board and senior management by providing an unbiased external perspective, principally in terms of steering the Group's geographical expansion. We benefitted tremendously from the wisdom and advice of the

IAP, especially with regards to establishing our regional footprint, and most of all from Tun Musa Hitam, who had chaired the panel for the past 15 years. Our deepest gratitude to all the luminaries who had served on the IAP.

On behalf of Group management, I would like to extend my thanks to all our Board of Directors for their guidance and unwavering support. Allow me to also thank our clients, shareholders, regulators, and the communities in which we operate, for placing their trust in CIMB and its leadership.

Last, but most definitely not least, I am immensely grateful for the support and commitment of #teamCIMB. I am always heartened to see the dedication of my fellow colleagues in banding together no matter the difficulty. Even though 2020 began on a tough note, I look forward to working with each and every one of you to soldier through all challenges and capitalise on opportunities and achieve our Forward23 aspirations together.

Tengku Zafrul Tengku Abdul Aziz
Group Chief Executive Officer

economic and banking review & outlook

2019: HISTORY REPEATS

Clarence Darrow, a prominent US attorney in the early 20th century, said, "History repeats itself, and that's one of the things that's wrong with history"; and that was one of the things troubling in 2019. Marking the end of the decade, 2019 saw world economies struggling with persistent, recurring issues:

From geopolitical power struggles between the US and China to socio-economic and political strife in Venezuela, Chile, France, Myanmar and India; from US Administration's uncertainty to the resilience of the emerging world; from financial accountability to social and environmental responsibilities – 2019 was indeed a challenging year.

Trade tensions and receding monetary policy options in key parts of the world were two forces that influenced economic trends and asset markets last year. What did not change from previous years was the continuing relatively sluggish global growth. Mild inflation led some central banks to manage the downside risks to growth by taking greater credit risks (Japan, Eurozone). Others, with more scope to use old-fashioned rate cuts did just that. With further easing now, likely due to COVID-19, the global weighted average policy rate should reach a seven-year low by end of first quarter 2020.

Across ASEAN monetary stimulus was a means to offset the short-run unfavourable impact from US-China trade tensions. Trade diversion – firms relocating out of China was another offset. Overall, GDP growth decelerated in ASEAN in 2019.

The US-China trade tensions were disruptive to ASEAN nations in 2019, especially those more open to trade and where foreign investments are critical for their growth. ASEAN, though, was also divided by the scope for and willingness to use fiscal policies in meeting the external shocks. For instance, Thailand and Singapore have been pursuing expansionary fiscal policies, reinforced by COVID-19. Malaysia, while announcing a 2020 supplemental budget, continues to constraint itself to not worsening its federal budget balance. We have seen Indonesia tightening its policies for structural reasons, mainly to improve its fiscal position.

We also saw different degrees of importance stressed by central banks over inflation, growth and exchange rates. The Bank of Thailand saw continued strengthening of the baht on the back of its large current account surplus, itself a sign of weak domestic investment and undertook a number of measures designed to promote capital outflow. Bank Indonesia, shifted its concerns away from the current account and the value of the rupiah to GDP growth, repeatedly lowering interest rates despite a fiscal stance that has been tight.

2020: CAUTIOUS OPTIMISM

The projected growth pickup in 2020 is precarious, presuming successful control of the COVID-19 epidemic by the first half of 2020, with a sharp subsequent rebound and no backtracking on trade policy differences. Our 2020 forecast is weaker than the GDP growth in 2019.

Besides the spectre of disease, the uncertainty stemming from the vague position of the US administration on trade and foreign policies will likely remain a drag on GDP growth. This will tend to dampen investment and through creating tail risks associated with either a re-ignition of trade conflicts, geopolitical miscalculations that lead to real conflicts.

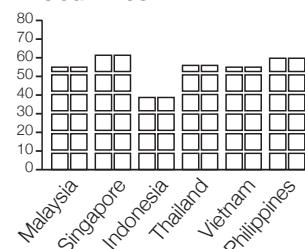
In Europe, in contrast, the UK's controversial withdrawal, the ideological divisions over fiscal policy and the limits to quantitative easing are likely to combine in pushing down growth to 1% even as the global trade decline stabilises.

In ASEAN, fiscal policy and trade openness should prove drivers of differential performance, with Thailand and Singapore pursuing expansionary policy and Malaysia and Indonesia being more cautious. Our forecast for growth in ASEAN overall shows a deceleration for 2020 relative to 2019, but that should mask an acceleration during the second half of the year.

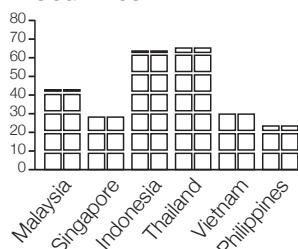
The 2020 outcomes will also depend on country's sensitivity to a pandemic and the economic consequences of such a pandemic. We have created two indices that rank Asian countries by both measures. The first depends on factors like the demographic composition of a country and the magnitude of visitor arrivals, but also critically on the quality of each country's healthcare system. On this measure, Indonesia and the Philippines are especially sensitive. On the second, economic sensitivity, Hong Kong, Singapore and Thailand are the most exposed because of the importance of tourism and services in their economies.

2020 would also see a reduction in the political risk premium given the distance from the elections in Indonesia and Thailand. Malaysia, however, will need to navigate the changes wrought by unexpected change in government at the end of February 2020. Singapore's expected election in 2020 (latest by April 2021) would likely result in a persistence of the status quo.

Pandemic Sensitivity Index for Asian Countries



Economic Sensitivity Index for Asian Countries



Source: CIMB calculations using data from Haver Analytics

ECONOMICS OF CLIMATE CHANGE

According to the Asia-Pacific Disaster Report 2019, natural disasters triggered by climate change and environmental degradation continued to grow in intensity, frequency and complexity. The annual economic losses for Asia and the Pacific are projected at \$675 billion, approximately 2.4 per cent of the region's GDP. The World Bank says that the climate impacts could push an additional 100 million people into poverty by 2030. Further, the United Nations points out that delay in tackling the financial risks to the global economy triggered by climate change could cost companies nearly \$1.2 trillion over the next 15 years (MSCI: Carbon-Delta).

Banks and institutional investors are experiencing vulnerability to climate change and some are being forced to start accounting for the associated risks, including the exposure of mortgage books to natural disasters, the impact of extreme weather conditions on sovereign risk, the exposure to carbon-intensive sectors, etc.

MARKET OUTLOOK 2020

Regulatory authorities, policy-makers and institutional investors are increasingly focussing on sustainable finance. Hence, in 2020, we will see more commercial banks committing to principles for responsible banking and positively contributing to sustainable development by managing and influencing the economic, environmental, social and governance impacts in their value chain.

The banking sector will also face increased competition from pure-play FinTechs, e-commerce companies, telecom service providers, and established financial services brands. The central banks of Malaysia and Singapore, for instance, has plans to issue digital banking licences in the near future. The years ahead will also see the digitalisation efforts of major banks accelerating; the potential is huge, with nearly 198 million unbanked citizens throughout ASEAN.

Against this backdrop, in the four major markets where we operate Malaysia, Indonesia, Singapore and Thailand, we are well-equipped and well-positioned to embrace the changes and compete with both the traditional and Fintechs to respond to the dynamic marketplace and the evolving sector.

MALAYSIA:

We see potential earnings risk from an OPR (overnight policy rate) cut and expected deterioration in asset quality. We expect the industry's gross impaired loan ratio to rise further from 1.5% at end-2019 to 1.7% at end-2020. Our economist is also anticipating two rounds of OPR cuts in 2020 – one of which has already taken place in January – which could be detrimental for banks' margins. Meanwhile, we are projecting a loan growth of 4-4.5% in 2020, above the 3.9% in 2019, with potential downside risks from external headwinds arising from the COVID-19 outbreak. The RM20 billion stimulus package announced on 27 February should have a net positive impact, but we believe business sentiment will remain cautious until external and domestic political headwinds dissipate.

Due to emerging climate policies, advanced technologies, and growing pressure from institutional investors and regulators, banks have started to reassess the value of their financial assets. Financial markets that recognise the potential of sustainable finance and investments are already working to tap huge opportunities of the present – from clean energy infrastructure to resilient, green buildings, and the new financial instruments to fund those investments. Banks globally have started rethinking their business models as the transition to a net-zero carbon emission economy becomes more and more imminent.

Central banks, policy-makers and regulators in Asia have either mandated or are in the process of issuing guidelines to help financial institutions and companies adhere to a set of climate risk disclosures and classification standards.

In summary, many more opportunities will emerge over the next 3-5 years, motivating Banks to meaningfully contribute to shaping a better future while championing sustainable business.

INDONESIA:

The favourable inflationary environment from 2019, coupled with GDP growth forecast of 5.1% for 2020, should improve overall demand and enable industry loan growth. We expect loan growth for the aggregate ID banks we cover to improve from 8.4% in 2019 to 9.1% in 2020. Furthermore, the expected stable net interest margins environment would allow PPOP growth to accelerate, assuming stable non-interest income and operating expenses growth. The overall improvement in the economy should rein in NPLs and in turn allow banks to lower credit costs to below 100 bps in 2020 from 122 bps in 2019. In totality, we expect banks' aggregate profits to improve toward low-mid-teens this year from 5.4% last year.

SINGAPORE:

We expect the effects of lower policy rates across the region on net interest margins to stabilise in 2H20 onwards as funding cost savings gradually catch-up to lower yields. To this end, we look towards fee income streams such as wealth management income to bolster earnings as credit growth is likely to stay moderate on a flattish GDP growth forecast of 0.8% in 2020 (c.f.+0.7% in 2019). The wildcard of the year lies in the extent of cashflow disruptions from COVID-19, adding to potential revenue headwinds if the situation prolongs. The Monetary Authority of Singapore is set to award five digital banking licenses in mid-2020. The path to profitability while servicing the underserved segment may be a challenging task for the newcomers, but we do expect stiff digital competition for the incumbents ahead.

THAILAND:

We believe a stronger recovery in business sentiment following the government's attempt to encourage FDI could boost 2020 loan growth further to 3.3%, from 2.7% in 2019. Domestic spending stimulus could also lead to a recovery in domestic demand and propel the retail segment, despite the already-high household debt to GDP. Banks' net interest margins are likely to continue to be pressured by the two 25 bps rate cuts in late 2019, and two possible 25 bps policy rate cuts in 1H20, bringing the policy rate to 0.75%, below its historical floor of 1.25%. Without any clear sign of improvement in the economy, we expect a GDP growth of 2.4% in 2020.

material matters

impacting our strategy

MATERIAL MATTERS	HOW DO WE REALISE OUR STRATEGY?	MORE INFORMATION
Why Are These Important?		
GEOPOLITICAL AND ECONOMIC DEVELOPMENTS We operate in an increasingly evolving environment. The pace of change is accelerating; hence we need to align our strategies to this.	<ul style="list-style-type: none"> Consistently monitor external developments and update our strategies accordingly. Formulate a growth strategy which recognises that every market is different, with varying starting points and market dynamics. 	 Page 24 Economic and Business Review & Outlook
TECHNOLOGY The 4th Industrial Revolution is here and this has necessitated the need to pivot the organisation digitally. Technology and data forms the core that will enable the organisation to compete and win in the future.	<ul style="list-style-type: none"> Build a “beyond banking” proposition for future value capture to the Group by being both a participant and/or owner of Ecosystems. Strengthen the resiliency of our systems. Increase productivity via technology modernisation and automation efforts. Strengthen data analytics and capabilities to be a data-first organisation. Apply comprehensive data governance, including data origination, access, use, security and privacy. 	 Page 14 Group CEO's Overview Page 70 Sustainability Report
REGULATION Regulation provides protection as well as stability for the financial ecosystem. Rules change and evolve, thus we need to be fully engaged with our regulators.	<ul style="list-style-type: none"> Enhance policies, procedures and risk practices in line with regulatory standards. Closely monitor industry and regulatory developments worldwide. 	 Page 27 Key Risks and Mitigation
CUSTOMER EXPECTATIONS Customer expectations are rising in line with the digital revolution where access and speed of information sharing is a key catalyst.	<ul style="list-style-type: none"> Embrace the “Treating Customers Fairly” principles. Transform customer journeys by leveraging on digital and introducing new ways of working. Incorporate Net Promoter Score (NPS) as a key target across the organisation. 	 Page 14 Group CEO's Overview Page 28 The Group's Strategy
WORKFORCE NEEDS The mix of talent we need as well as what tools they need in order to succeed in the 4th Industrial Revolution environment will be critical.	<ul style="list-style-type: none"> Build and source key digital talent. Set a target of 30% digital, data and design (3D) talent by 2023. Invest in upskilling and reskilling to future-proof our people, ensuring their skills remain relevant. Encourage a culture of responsibility and cooperation through “A Better CIMB” initiative to drive performance. 	 Page 15 Group CEO's Overview Page 89 Human Capital Development
ECONOMIC, ENVIRONMENTAL AND SOCIAL (EES) FACTORS Various stakeholders are increasingly expecting companies to incorporate EES into the core of their strategies. CIMB intends to be a leader in this space and hence is undertaking various efforts.	<ul style="list-style-type: none"> Mitigate environmental and social impact arising from our financing and operational activities through our sustainability due diligence processes. Provide banking solutions that facilitate sustainable development, thus enhancing positive EES impact for our clients and ourselves. 	 Page 144 Sustainability Statement

key risks and mitigation

TYPE OF RISK	MITIGATION ACTIONS
CREDIT RISK	<ul style="list-style-type: none"> The Group has a robust credit risk policy framework, embedded with prudent lending guidelines to minimise credit default and losses. Appropriate governance which are subcommittees of the Group Risk and Compliance Committee (GRCC) is in place to manage the credit risk of the Group. The Group strives to maintain a portfolio of credit risk which is adequately diversified by country, industry, market, sector, product, customer segment and duration. Business Units are responsible for the risks, with Group Risk Division providing independent oversight for overall risk control. Aside from periodic reviews, the Group has an Early Warning Indicator and Watchlist Process. It is a pro-active credit risk management tool that identifies deteriorating credits at early stages, thereby minimising any potential credit loss. An independent post-credit review process conducted regularly assesses the quality of loans approved. The Board Risk and Compliance Committee (BRCC) and GRCC periodically set the high level credit risk direction using the Risk Posture and Risk Appetite frameworks. Exposures are actively monitored, reviewed regularly and reported to GRCC and BRCC. Deteriorating portfolios are identified, analysed and discussed with the relevant business units for appropriate remedial actions, as required. Data and analytics are leveraged to assess portfolios, as well as to timely identify problem areas and decide on corrective actions.
MARKET RISK	<ul style="list-style-type: none"> The Group maintains a robust and effective market risk policy framework and actively measures, monitors and manages market risk within the approved Risk Appetite. The Group Market Risk Committee, a subcommittee of the GRCC, is supported by several working groups to provide better oversight on various areas of risk and governance. The Group also provides constructive challenge to the first line of defence in managing the market risk of the Group and adopts the best practices for market risk management in the region.
NON-FINANCIAL RISKS	<ul style="list-style-type: none"> The Group actively manages its non-financial risks, which comprises Operational, Reputation, Shariah, Technology, Fraud, Outsourcing and Business Continuity risks within the Board approved risk appetites. The Operational Risk Management function, which resides within CIMB Group's Non-Financial Risk Management (NFRM) Department, provides the methodology, tools and processes for the identification, assessment, reporting and management of operational risks by the respective risk owners across the Group. NFRM also independently oversees the operational risk controls monitoring that resides within the first line-of-defence functions. The Group Operational & Resiliency Risk Committee (GORRC), a sub-committee to the GRCC is also in place to provide direct oversight on operational risk & technology matters across the Group.
FUNDING & LIQUIDITY RISK	<ul style="list-style-type: none"> The Group maintains high quality liquid assets and well diversified sources of funds as a liquidity risk buffer under both business-as-usual (BAU) and stress conditions. The Group actively measures, monitors and manages its liquidity positions to comply with regulatory Basel III liquidity risk requirements and internal risk appetite. The Group also performs semi-annual consolidated stress tests (including liquidity stress tests) to identify vulnerable areas in its portfolio, gauge the financial impact and enable management to take pre-emptive actions. The Group Asset Liability Management Committee (Group ALCO), a subcommittee of GRCC discusses the liquidity risk and funding profile of the Group.
COUNTRY RISK	<ul style="list-style-type: none"> Country limits are set to capture and manage country risks arising from credit exposure to obligors. Country limits are approved by Group Credit Committee upon consideration of the relevant risks and business requirements.
SHARIAH NON-COMPLIANCE RISK	<ul style="list-style-type: none"> The Group has established the Board Shariah Committee (BSC) and four Shariah functions namely, Shariah & Governance, Shariah Risk Management, Shariah Review and Shariah Audit, as required under BNM Shariah Governance Framework. This governance is to monitor Shariah compliance in the Islamic banking business. Shariah-related policies and procedures have been developed among others, requiring approval from BSC for all Islamic banking business and operations. Risk management tools are in place to facilitate how Business Units (BU)/Business Enablers (BE) identify and manage inherent SNC risk.
SUSTAINABILITY RISK	<ul style="list-style-type: none"> The Group has instituted the Sustainability Risk Management Framework with the objective of identifying, assessing, governing, managing and monitoring its EES risks through appropriate policies, procedures and controls. The Group Sustainability Council oversees the sustainability risk profile of the Group's business activities and ensures the implementation of appropriate policies, procedures and controls.

the group's strategy

Launched in early 2019, **Forward23** is the Group's response to the ever-evolving operating landscape in the new digital economy. The strategy reflects the Group's strong commitment towards sustainable value creation for our stakeholders and this is reflected by our new purpose statement, '**Advancing Customers and Society**'.

As a leading ASEAN universal bank with presence and footprint in all ASEAN countries, we recognise that starting points and market dynamics vary, and as such, have designed differentiated market postures across the various markets that we operate in. Malaysia and Indonesia represent the two largest sources of value for the Group. Forward23 is about the focused pursuit of sustainable growth and performance for the Group at present, and into the future.

For the year in review, the following strategic pivots formed the core of our Forward23 execution:

- Customer Centricity
- Technology & Data
- Our People
- Ventures & Partnerships
- Sustainability

CUSTOMER CENTRICITY

Over the last few years, we have worked on strengthening our Customer Experience (CX) framework and culture in the effort to become a customer-centric organisation. The Group has taken a multi-pronged approach to this, focusing on the end-to-end transformation of customer journeys, putting in place CX metrics across all levels of operations and building a strong CX culture for our people.

In 2019, we received several recognitions for CX excellence, including the "Malaysia Excellence Award in Customer Experience – Banking Industry for Overall Experience" at Frost & Sullivan's 2019

Asia-Pacific Best Practices Awards. In Indonesia, we were awarded "The Best Bank in Customer Satisfaction Services" at the Tempo Financial Award 2019.

We anchor ourselves on our CX promises to make banking **Easy**, **Efficient** and always going the **Extra Mile** for our customers. We also provide our employees proper **Escalation** points of support for better customer resolution, as well as empowering them (**Empowerment**).



The Group Chief Strategy and Design Officer introducing the Group's strategy at the Forward23 kick off in February 2019.

UNDERSTANDING OUR CUSTOMERS

To fortify the mindset of continuous improvement from a customer-centric standpoint, we have rebuilt our CX measurement ecosystem by determining key metrics that are vital to customers at the operational, transactional and strategic levels. We have since seen improvements across our core channels, and derived valuable insights which has helped us strengthen our value proposition.

The ultimate outcome gauge of where we stand in customer engagement is the Net Promoter Score (NPS). This is now measured regionally and in 2019, we made particularly strong improvements in Indonesia.

INSTILLING CX VALUES

Becoming a customer-centric organisation begins with ensuring our people share the same values and are well-equipped to provide exceptional CX. To that end, a number of internal activation, engagement and training initiatives have been rolled out to create CX awareness and help build a workforce that is customer-centric.

Among the highlights of the year include our regional Customer Day celebration to appreciate our customers and nurture trust in the CIMB brand. We reached out and celebrated our customers through the Group's various channels.

In activating our customer-centricity agenda across the organisation, we introduced an internal guide to help our frontliners interact effectively with customers. We have also put in place structured training programmes to enhance the team's understanding and capabilities.

END-TO-END REDESIGN OF CUSTOMER JOURNEYS

A dedicated Transforming Customer Journey (TCJ) department was set up to drive a holistic redesign of our customer journeys. The department, comprising a diverse talent mix made up of experts in iterative design and agile practitioners, bring a new way of working within the Group, paving the way for new capabilities.

TCJ seeks to integrate innovative digital solutions such as fully online application processes, eKYC, and simplified real-time customer pre-screening, among others, allowing us to provide seamless, fast and hassle-free services to our customers. Leveraging on digital in our customer journeys will positively impact end-to-end productivity of our employees, as well as empower them to focus on delivering value.

In 2019, we kickstarted the revamp of select customer journeys in our largest markets, covering the Commercial Lending and Retail CASA journeys in Malaysia, as well as the Auto Financing, SME Lending and SME Funding journeys in Indonesia.

TECHNOLOGY & DATA



Shaping the future of the industry, technology in banking is rapidly evolving with the emergence of new business models, hybrid industry players and raised customer expectations. To support our pursuit to future-proof the Group and redefine our position in this disruptive environment, the Group is undergoing a multi-year technology and data transformation to drive greater resiliency, speed and differentiated digital solutions.

In 2019, we formulated a transformation roadmap to refresh our technology fundamentals, with focus on improving technology resiliency, IT security and efficiency. With the transformation in place, we also seek to build critical business capabilities within the Group to support new ways of working as we strive to move towards building a digital-centric banking platform and expand into ecosystem-linked business models.

The Group Data Office was set up to drive enterprise-wide data transformation across the following streams; develop overall data vision and strategy, support business functions on domain deployment and execution of business-aligned data strategy, and refine policies and framework on data governance.

OUR PEOPLE



Our greatest asset, our people, are central to delivering and supporting our Forward23 plans and aspirations. Thus, we make it a priority to equip our people with essential skills and competencies to remain competitive in this data-driven, tech-enabled environment. In tandem with our digitalisation efforts and future-proofing agenda, developing a workforce with the right skillset is crucial to help achieve our ambitions.

The Group has committed to ensure that by 2023, 30% of the Group's employees are digital, data and design-enabled. Pivoting towards this target, we have put in place a strategy to build and retain a 3D mix in our workforce, as well as strive to position CIMB Group as a 3D employer.

the group's strategy

FUTURE OF WORK CENTRE

In April 2019, we introduced the Future of Work Centre (FOWC) to strengthen employability of our employees by upskilling and reskilling, particularly in relation to digital, data and design (3D) skills. The FOWC offers training programmes for employees of all levels of competencies, and as of 2019, more than 2,200 employees have undergone training related to 3D skills.

The FWC also facilitates job mobility of employees who have undergone upskilling/reskilling to reap the full benefits of their training. Employees are presented the opportunity to explore new roles via internal and external internships on project-based or temporary placements, providing them a safe environment to practice their skills and gain confidence in their new roles.

TALENT ATTRACTION AND RETENTION

To support the broader cultural shift as we move towards becoming a more digital-centric organisation, we also look into elevating the employee experience at CIMB Group to strengthen our employer branding and become a compelling organisation for quality digital talent. To this end, we have introduced fast-track recruitment for 3D talent, as well as established principles of a refreshed performance framework to introduce personalised benefits.

VENTURES & PARTNERSHIPS

In the next few years, stronger efforts will be made to drive CIMB Group's future-proofing agenda, ensuring relevance, longevity and sustenance of the banking group in the long run. In 2019, we established our Group Ventures and Partnerships division to drive all strategic partnerships across business lines and explore strategic joint ventures.

DIGITAL BREAKTHROUGH IN THE PHILIPPINES

The Group's all-digital, mobile-first bank in the Philippines was officially launched early-2019 and has proved its ability to scale with the acquisition of 1.7 million customers in the first year. CIMB Bank Philippines operates a unique business model enabled by partnerships, which sees us providing services on digital platforms. We are the first bank in the Philippines to allow customers to complete end-to-end digital account opening.

DOMINATING THE E-WALLET SPACE IN MALAYSIA

Touch 'n Go Digital, our payments joint venture with Ant Financial continues to show positive momentum in 2019. With over 6.8 million registered users, 4.2 million annual active users and 116,000 merchants as at end of 2019, the Touch 'n Go e-wallet is Malaysia's largest e-wallet business.

SUSTAINABILITY



CIMB Group is committed to sustainable business practices. We aim to create impact by embedding sustainability elements in our governance and internal processes, expanding our sustainable products and services offering and raising awareness on economic, environmental and social (EES) issues to both our internal and external stakeholders.

In 2019, we have taken great strides in pursuing our sustainability agenda, with the aspiration to rank in the Top 3 among comparable ASEAN banking groups and in the 75th percentile globally in the Dow Jones Sustainability Index by 2023.



#teamCIMB learning about the various programmes under Forward23 and how they can contribute as project team members.

LEADING THE WAY FOR THE ASEAN BANKING COMMUNITY

In 2019, CIMB Group played an active role in championing the sustainability agenda, firstly, by becoming one of the 30 founding banks that assisted in the development of the Principles of Responsible Banking by UNEP-FI, which formally launched on 23 September 2019. We also launched a USD680 million Sustainable Development Goals Bond (SDG Bond), the first ever issued by a Malaysian and ASEAN issuer in the international capital market.

CATALYSING CHANGE

As a banking institution, we are able to play an impactful role in influencing our customers and clients in moving towards sustainable practices. As a proactive measure in assessing and mitigating the EES risks associated to our operations and business, we introduced our Group Sustainability Policy (GSP) and Group Sustainable Financing Policy (GSFP). The institution of these policies inculcates awareness of sustainable business practices, while helping to build a strong risk culture within the Group.

CIMB Group also established the Positive Impact Products and Services (PIPS) framework to guide the development of sustainable products and services. To that end, in 2019 we have committed RM3 billion for the disbursement of Sustainability Linked Loans (SLL) which incentivises companies to commit to sustainability-related performance targets and getting them on board the sustainability agenda.

MOVING FORWARD

2019 was about getting into the rhythm and pace to kick off the transformation, building a solid foundation for the years ahead of us. To ensure forward traction, the Transformation Council, a focus group of our senior management members, provides oversight and steer on our Forward23 portfolio.

We have picked up positive momentum at the start of our Forward23 journey, with positive progress made across our key pivot drivers. In 2020 and beyond, we will continue to remain focused in delivering our targets, with ongoing efforts to strengthen our core markets, Malaysia and Indonesia. The Group will also be intensifying efforts in improving technological resiliency, stability and security to support our drive to future proof the organisation.



#teamCIMB in the Klang Valley taking part in the #movingForward23together roadshow.

group financial review by group CFO

"2019 was a momentous year as the Group kicked-off its new 5-year Forward23 strategic plan and made significant strides in its first year. The Group's 2019 net profit of RM4.56 billion, translating to a net earnings per share (EPS) of 47.0 sen is commendable considering the challenging operating environment and macroeconomic headwinds. We succeeded to achieve most of our financial targets and most notably, we met our 2019 ROE target of 9.3% on a Business As Usual (BAU) basis. This is whilst making investments under our Forward23 plan to future-proof ourselves and to place the Group in a better competitive position. Our stronger capital position has allowed us to pay the second interim dividend fully in cash, thereby increasing the returns to shareholders."

THE YEAR IN REVIEW

The operating backdrop in 2019 was somewhat mixed with the material pick up in treasury market activities being dampened by the continued global trade tensions, which led to slower economic growth across the region and looser monetary policies by most central banks. Despite the softer economic environment across most of our markets, the Group remained focused in its strategy to grow in the targeted segments and markets, whilst concurrently investing for the future to strengthen the core and its people. This enabled us to meet our main financial target of an ROE of 9.3% on a BAU basis and strengthen our Common Equity Tier 1 (CET1) ratio to 12.9%.

For 2019, we recorded a 7.7% increase in BAU net profit to RM5.0 billion, equivalent to an EPS of 51.7 sen. BAU excludes the one-off items of the gain from the sale of interest in our asset management business in 2018 amounting to RM928 million and the net transformational costs of RM270 million and the RM185 million write-off of intangible assets in 2019. This is a better reflection of the Group's underlying operational performance and the subsequent numbers excludes these three one-off items.

The strong net profit growth was underpinned by robust operating income growth of 8.2% driven by market share gains in loans in our key operating markets and higher treasury related income. As we ended the year on a stronger capital position, we maintained a high dividend pay-out of 50.9% (on BAU net profit) or a payout to 55.9% based on reported numbers. Asset quality remained stable with a loan loss charge of 0.44% and the Group's Cost-to-Income (CIR) ratio stood at 53.4% as we invest for the future.



KHAIRUL RIFAIE
Group Chief Financial Officer

group financial review by group CFO

The performance was in line with the Group's Forward23 strategic focus on key growth markets and segments, whilst maintaining intensity on asset quality and risk management. The Group streamlined operations across the region and was in active investment mode to derive greater operational efficiency and to future proof ourselves. These factors drove the financial performance in 2019:

- The Group's 2019 revenues were 8.2% higher at RM17.80 billion compared to RM16.45 billion in 2018.
- Net interest income (NII) rose 6.3% YoY to RM12.66 billion from stronger loan growth across all core markets, up by 6.7% YoY, offset by the 4bps YoY contraction in Net Interest Margins (NIM) to 2.46%, largely due to the OPR cut in Malaysia.
- Non-interest income (NOII) grew by 12.9% to RM5.14 billion mainly attributed to the stronger trading and FX income during the year, coupled with a higher gain from the sale of the equities business in 2019.
- Operating expenses were 9.8% higher YoY at RM9.50 billion in 2019 as the Group stepped up strategic investments under Forward23 across all businesses. As a consequence of the investments undertaken, the Group's cost-to-income ratio (CIR) was slightly higher at 53.4% (52.6% in 2018).

- The Group's Loan Loss Provisions rose 14.5% YoY to RM1.64 billion from RM1.43 billion in 2018. Commercial Banking provisions improved significantly owing to improved underlying provisions as well as MFRS9 write backs. This is offset by higher Consumer provisions mainly from MFRS9 related adjustments and Wholesale Banking provisions due to an uptick in Indonesia. The Group's gross impaired loans ratio stood at 3.1% with the Loan Loss Charge ("LLC") at 44bps for the year. On the whole, the Group's asset quality remains under control.
- Total gross loans grew 6.7% YoY, underpinned by market share gains in Malaysia, Thailand and Singapore growing at 6.0%, 6.1% and 3.7%, respectively. Meanwhile, Indonesia grew at a respectable rate of 3.0%. Consumer Banking loans expanded 9.0% during the year while Wholesale loans were 7.2% higher.
- Group deposits were 5.8% higher YoY driven by Consumer and Wholesale Banking deposits which grew 8.9% and 4.5%, respectively, while Commercial Banking deposits improved slightly, rising 0.9% YoY. The Group's CASA ratio stood at 34.4% as at end-2019 compared to 32.7% in 2018. Liquidity remained strong with the Loan to Deposit Ratio at 92.0% whilst the Liquidity Coverage Ratio stood comfortably above 100% for all banking entities.
- Capital adequacy continued to strengthen as we ended 2019 with a CET1 ratio of 12.9% against 12.5% as at end-2018.

GROWTH DRIVERS

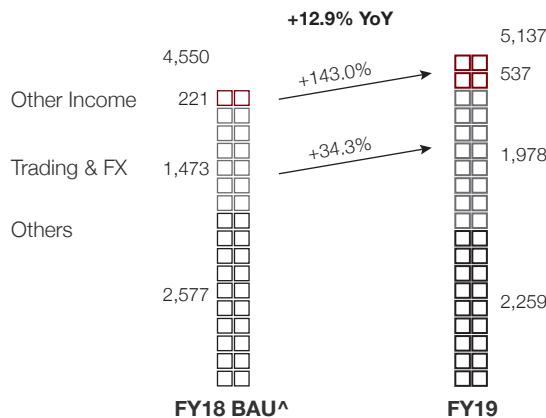
The Group's bottom-line performance in 2019 was underscored by a sustained loan growth momentum, improved NOII from higher trading and FX activities and strong balance sheet management which mitigated the pressure on NIM.

- Loan growth was prudent and the Group remained guided by the Forward23 strategy focusing on key markets and segments, whilst keeping a close watch on risk-adjusted returns. Overall Group Gross Loans expanded by 6.7% YoY led by Consumer and Wholesale Banking loans. Malaysia Consumer loans performed well as we saw market share gains in the mortgages (+8.9%) and auto loans (+3.3%) segments, while Indonesia had meaningful gains in mortgages (+12.5%) and credit cards (+12.7%). Commercial Banking loans recorded strong growth in the Malaysian SME segment but this was offset by lower growth in Indonesia and Singapore. Wholesale Banking loans was robust at 7.2% considering the softer regional economies.
- The interest rate cuts in the region, particularly the OPR cut in Malaysia contributed to the 4bps compression in the Group's NIMs. Nevertheless, the impact was tempered by strong balance sheet management and portfolio optimisation in Indonesia and Singapore, where NIMs rose by 19bps and 8bps respectively.

- The improved investor sentiment in 2019 led to a strong 12.9% YoY improvement in NOII underpinned by Trading and FX revenues, particularly in the third quarter of the year. Other income was also higher from a combination of gains from Non-Performing Loan (NPL) sales in CIMB Niaga and CIMB Thai and a higher gain from the sale of the Malaysian equities business in 2019.

Stronger NOII from Trading & FX and Other Income

Total NOII (RM'million)



[^] Excludes CPAM & CPIAM gain of RM928 million in FY18.

OVERVIEW OF BUSINESS-UNIT PERFORMANCE

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

- The Consumer Banking underlying operations performed well as the business continued to gain market share in targeted segments and markets. Consumer operating income grew by 2.3% YoY on the back of a strong 9.0% loan growth, partially mitigated by NIM contraction arising from the OPR cut in Malaysia as well as MFRS9-related adjustments to NII. Consumer NOII showed healthy momentum with a recovery in wealth management income during the year. The divisional provisions rose by 126.5% YoY owing to MFRS9-related model enhancements. With operating expenses 6.7% higher YoY from business expansion in Thailand and Indonesia, the Consumer PBT came in at RM1.96 billion for 2019, a decline of 26.3% YoY compared to RM2.66 billion in 2018.
- Commercial Banking had a strong year with its PBT increasing 87.1% YoY to RM1.61 billion in 2019 from RM0.86 billion in 2018. This was attributed to a combination of higher operating income of 6.8% and sharply reduced loan provisions. While divisional loan growth was flat YoY, Malaysia Commercial loans expanded by 12.3% YoY as the other operating countries undertook portfolio realignments for greater client focus. NOII was sharply higher owing to NPL sales in Indonesia and Thailand during the year. Whilst operating expenses were kept under control, the division also benefited from improved underlying loan provisions.
- Wholesale Banking posted an increase of 5.1% YoY in its PBT to RM1.93 billion in tandem with the improved market sentiment and activity. This was evident in the healthy improvement in NOII (+14.1% YoY) on the back of stronger Treasury & Markets income. The 7.2% Corporate loan growth supported the steady 6.6% YoY NII growth as it was partially offset by lower NIM. Divisional costs were within expectations while loan provisions rose by 47.9% due to some weakness in a few corporate accounts in Indonesia during the year.
- Group Ventures, Partnerships & Funding's (GVPF) PBT rose 22.0% to RM1.12 billion from higher returns from the Group's fixed income portfolio as well as a higher gain from the sale of the Malaysian equities business. The Group's 40% interest in the asset management business saw strong growth with Assets Under Management rising by 12.5% YoY. The TnG Digital JV continues to make progressive strides forward as it is now the No.1 e-wallet in Malaysia with 6.8 million registered users and 116,000 merchants as at end-2019. CIMB Philippines has grown to be the strongest standalone digital bank in the country with over 1.7 million customers acquired over its first year of operations. For 2019, GVPF operating expenses were higher due to the Forward23-related staff transformational expenses undertaken in Indonesia and Malaysia in 2019, as well as increased marketing expenses at TnG Digital.

(RM'million)	FY19 BAU*	FY18 BAU^	YoY
Consumer Banking	1,959	2,659	(26.3%)
Commercial Banking	1,609	860	87.1%
Wholesale Banking	1,928	1,834	5.1%
Corporate Banking	1,258	1,382	(9.0%)
Treasury & Markets	632	423	49.4%
Investment Banking	38	29	31.0%
Ventures, Partnerships & Funding	1,122	920	22.0%
PBT	6,618	6,273	5.5%

(RM'million)	FY19 BAU*	FY18 BAU^	YoY
Consumer Banking	7,411	7,242	2.3%
Commercial Banking	3,412	3,195	6.8%
Wholesale Banking	4,927	4,510	9.2%
Corporate Banking	2,920	2,800	4.3%
Treasury & Markets	1,546	1,256	23.1%
Investment Banking	461	454	1.5%
Ventures, Partnerships & Funding	2,046	1,507	35.8%
Total Income	17,796	16,454	8.2%

Notes:

* Excludes transformational cost of RM366 million and impairment and write off of intangible assets of RM277 million

^ Excludes CPAM & CPIAM gain of RM928 million

group financial review by group CFO

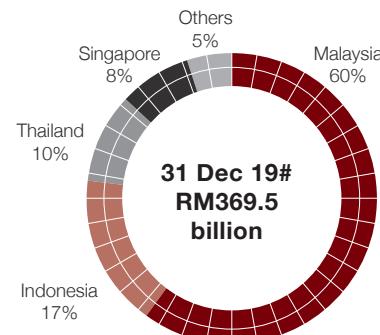
OVERVIEW OF COUNTRY PERFORMANCE

The Group continues to strengthen its ASEAN footprint with the acceleration of CIMB Philippines in 2019. Under the Forward23 plan, there will be a focus on scale and accelerate growth in the Group's main operating countries, Malaysia and Indonesia. For Thailand and Singapore, we are focused on repositioning our business and growing in these markets. Whilst for our newer footprints like Vietnam and the Philippines, we will continue to incubate and invest.

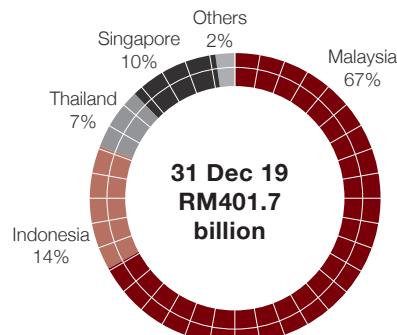
The following section provides an overview of the Group's performance by country:

- Malaysia's PBT expanded 8.0% YoY to RM4.75 billion from a combination of loan growth, a recovery in markets-related trading income and the gain from the sale of the equities business. Malaysia gross loans grew at 6.0% YoY, above the industry growth of 3.9%, largely due to market share gains in Consumer and positive results from the recalibration of the Commercial Banking business. From a PBT perspective, Commercial and Wholesale Banking exhibited the strongest performances driven by revenue growth and lower provisions, while Consumer PBT was adversely affected by topline weakness and MFRS9-related adjustments.
- Indonesia PBT eased 20.2% YoY to RM1.07 billion, mainly attributed to higher loan loss provisions arising from a few Corporate customers in 2019. CIMB Niaga's underlying performance was strong as gross loans grew 3.0% despite the recalibration of its mid-sized Commercial Banking business lines, as Consumer loans chalked solid market share gains. NIMs improved by 19bps to 5.31% over the 12-month period (5.12% in 2018) as lending rates normalised following the interest rate cuts in 2018. Operating expenses were strictly controlled as CIMB Niaga's CIR improved to 49.1% from 50.2% previously.
- Thailand reaped the benefits of its Fast Forward strategic plan with a solid 24.1% YoY improvement in its PBT. Stronger CIMB Thai revenues emanated from NII growth, driven by a 6.1% YoY loan growth coming mainly from Consumer (+12.3% YoY) and Corporate Banking (+3.9%), while NOLI strengthened from wealth management and gains from its NPL sale. Loan loss provisions were significantly lower YoY in line with the recalibrated loan portfolio.

Loans by country as at 31 December 2019



Deposits by country as at 31 December 2019



Loans Growth ⁺	YoY
Malaysia	6.0%
Indonesia ^	3.0%
Thailand ^	6.1%
Singapore ^	3.7%
Others**	21.9%
Group	6.7%

Deposits Growth	YoY
Malaysia	6.2%
Indonesia ^	2.5%
Thailand ^	7.5%
Singapore ^	(1.9%)
Others**	3.3%
Group	5.8%

Notes:

^ In local currency

Based on geographical location of counterparty, excluding bad bank

** Including Labuan, London, Cambodia, Vietnam, Hong Kong & Shanghai

- PBT from Singapore grew 18.8% YoY to RM505 million led by loan growth of 3.7%, improved NIM from 1.22% in 2018 to 1.30% in 2019 and lower provisions in all the business segments.

FINANCIAL POSITION

- The Group maintained a strong capital accumulation trajectory, ending 2019 with a CET1 ratio of 12.9%, a 40bps YoY increase from 12.5% a year before. This was achieved despite a higher 50.9% dividend payout with a lower electable DRS.
- Capital adequacy and efficiency remains a pertinent focal point both for regulatory and operational requirements. In line with the Forward23 target of a 13% CET1 in 2023, the Group will strategically manage its capital via: (i) continued prudent liability management, (ii) evaluation of options within the dividend reinvestment scheme, (iii) RAROC driven capital deployment, (iv) RWA-optimisation exercises and (v) situational and opportunistic divestments.
- The Liquidity Coverage Ratio and Net Stable Funding Ratios remains comfortably above target levels and regulatory requirement, with high quality liquid assets recording improvement in yields.

- Forward23 strategic plans will drive the Group's capital deployment and ensure optimal utilisation within the target markets and business segments. We have put in place various initiatives across our jurisdictions which are anticipated to generate stronger returns on capital in the foreseeable future.

RETURNS TO SHAREHOLDERS

The Board approved and declared total dividends amounting to RM2.55 billion or 26.00 sen per share to be distributed to shareholders for FY19. The first interim dividend of 14.00 sen per share was paid in November 2019, with a DRS take up rate of 66.5% while the remainder was paid out by cash. The proposed second interim single-tier dividend of 12.00 sen per share is to be paid wholly in cash in April 2019 without a DRS option. With this, the full year DRS implies an average electable portion of 54% for 2019. The dividends translated to a payout ratio of 50.9%, on the BAU net profit.

NON-FINANCIAL MEASURES OF PERFORMANCE

Non-financial measures remain relevant components in evaluating the success of our initiatives towards achieving our strategic goals. Some of these key measures include:

A) SUSTAINABILITY

Sustainability is now a core area for the Group to ensure that economic, environmental and social (EES) considerations are integrated into the Group's risk assessment and management strategies. During the year, the Group became a founding member of the United Nations' Environment Program Finance Initiative Principles for Responsible Banking (UNEP-FI). We also launched the Group Sustainability Policy and Group Sustainable Financing Policy in 2019 and will continue to expand its scope going forward. As part of CIMB's Forward23 plans, we aim to maintain focus on creating net positive impact to all stakeholders.

B) CUSTOMER CENTRICITY

With Customer Experience (CX) now entrenched as a core CIMB culture, the wider more-expansive Customer Centricity pillar was added as a Forward23 focus. This pillar focuses on enhancing the customer journey to remove any existing or potential roadblocks, simplifying processes from on-boarding to completion, and providing a differentiated customer proposition. The elevation of customer satisfaction is expected to translate to improved Net Promoter Scores (NPS), as it already has in Indonesia, and plays a pertinent role in risk mitigation, minimise negative perception and ultimately, meeting regulatory requirements.

C) COMPLIANCE

The Group continues to view Compliance as a key priority. We have strengthened the management bench and undertaken extensive education measures to heighten awareness across all lines of defence. Our far-reaching governance framework has resulted in holistic policies and procedures, backed by experienced and capable committees. The compliance culture will be continuously reiterated regionally via staff training and awareness campaigns.

D) PEOPLE AND CULTURE

A conducive work environment goes a long way in improving staff productivity. The Group Human Resource division drives continuous employee engagement initiatives to encourage participation via projects, workshops and events. With the Forward23 target of achieving 30% of employees to be 3D-enabled, various arrangements, programmes and exercises have been launched. This is to strengthen the staff digital knowledge and capabilities to ensure improved competency and productivity.

GOING FORWARD

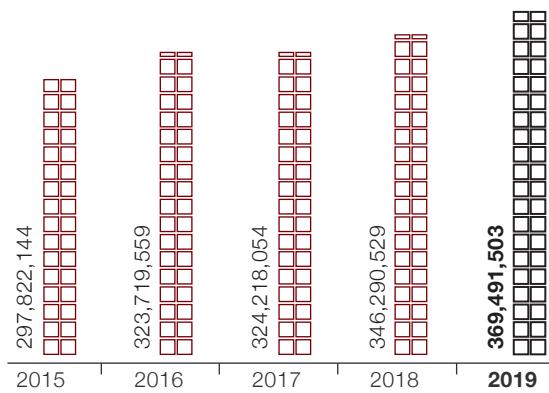
We completed the first year of our 5-year Forward23 strategic plan in good stead, with numerous projects in various states of progress and showing significant promise to spearhead the Group towards achieving its financial targets in 2023. Investments will continue this year to future-proof the organisation and establish growth drivers to ensure that the Group is stronger and better positioned to face competition and adapt to the changing operating landscape.

Nevertheless, we recognise the risk posed by the continued domestic, regional and global economic and macro challenges. The declining interest rate environment and threat posed by the Covid-19 outbreak postures management to exercise heightened caution in approaching growth and business opportunities. Risk management and asset quality monitoring will be of utmost priority and we will focus on growing loans prudently to improve our market position and profitability. Similarly, cost management remains a top priority to drive efficiency and maximise returns amidst a cautious environment.

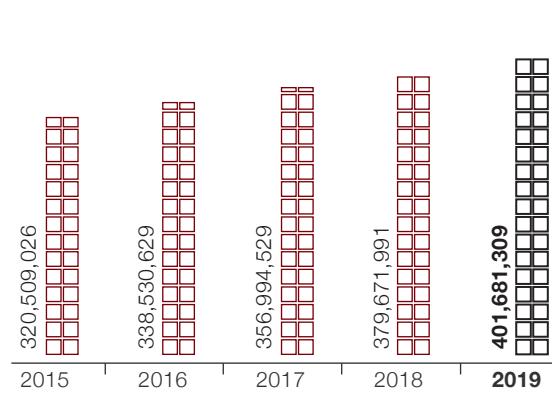
Going into the new decade, our financial targets for 2020 are an ROE of between 9.0-9.5%, Return of Tangible Common Equity (ROTCE) of 10.8-11.3%, CET1 ratio of more than 12.0%, CIR of below 53.4% and LLC of between 0.40-0.50%. The Group's loan growth is projected at 6% for 2020, with the continued objective of selective market share gains in Malaysia and Indonesia, supplemented by opportunistic growth in Thailand and Singapore.

five-year group financial summary

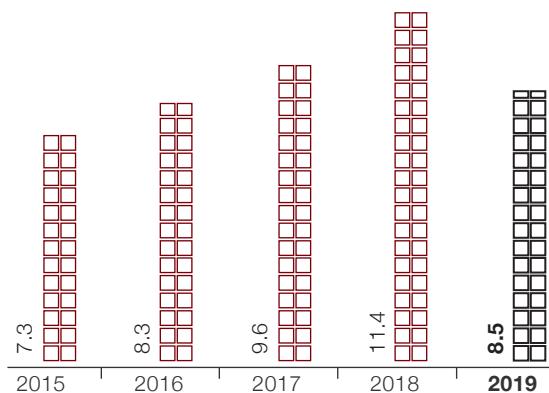
GROSS LOANS
(RM'000)



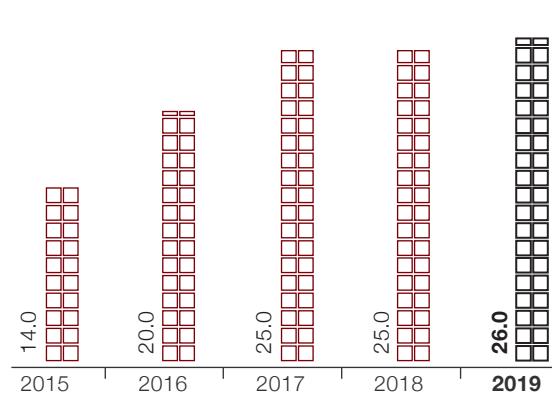
DEPOSITS FROM CUSTOMERS[^]
(RM'000)



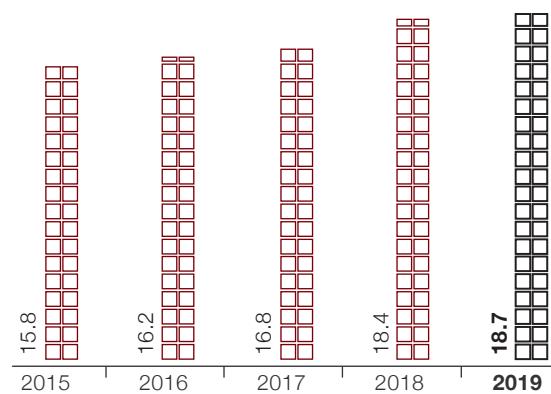
ROE
(%)



GROSS DIVIDEND PER SHARE
(Sen)



TOTAL CAPITAL RATIO (CIMB BANK)
(%)



[^] Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities

five-year group financial highlights

Financial Year Ended 31 December

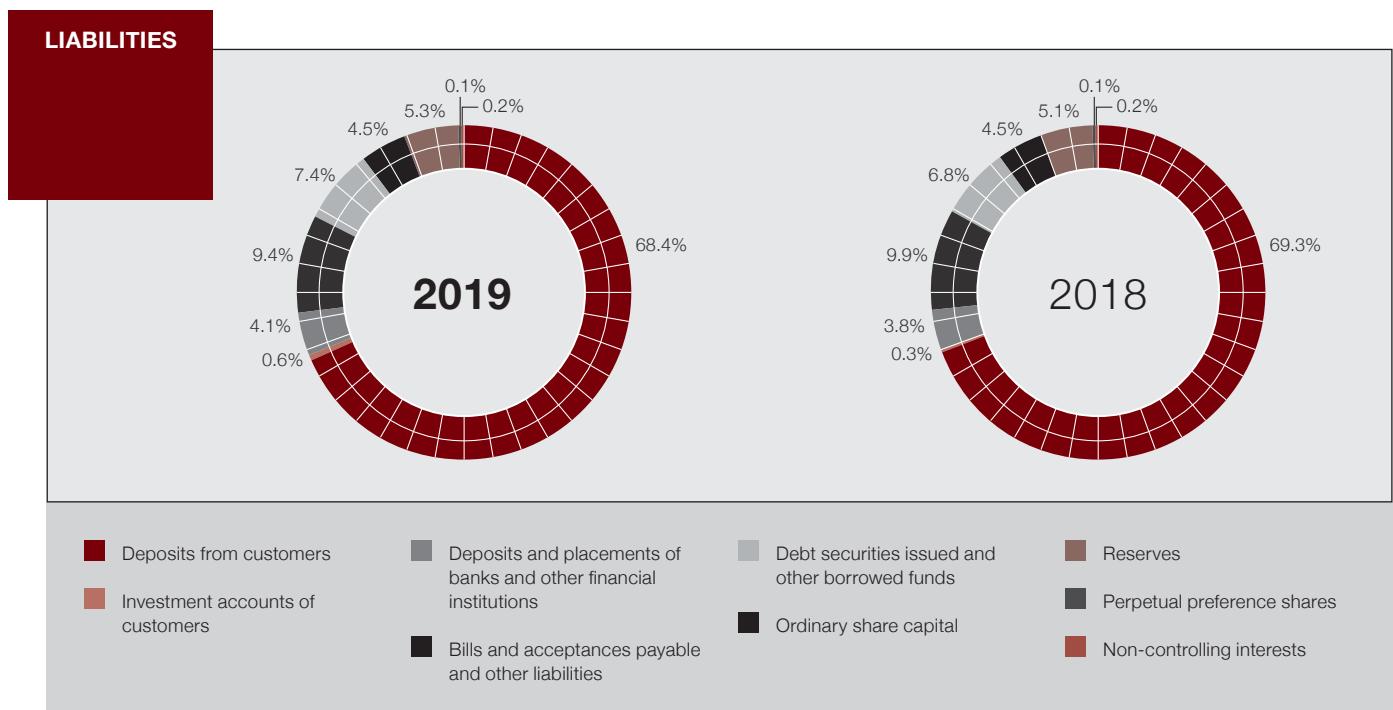
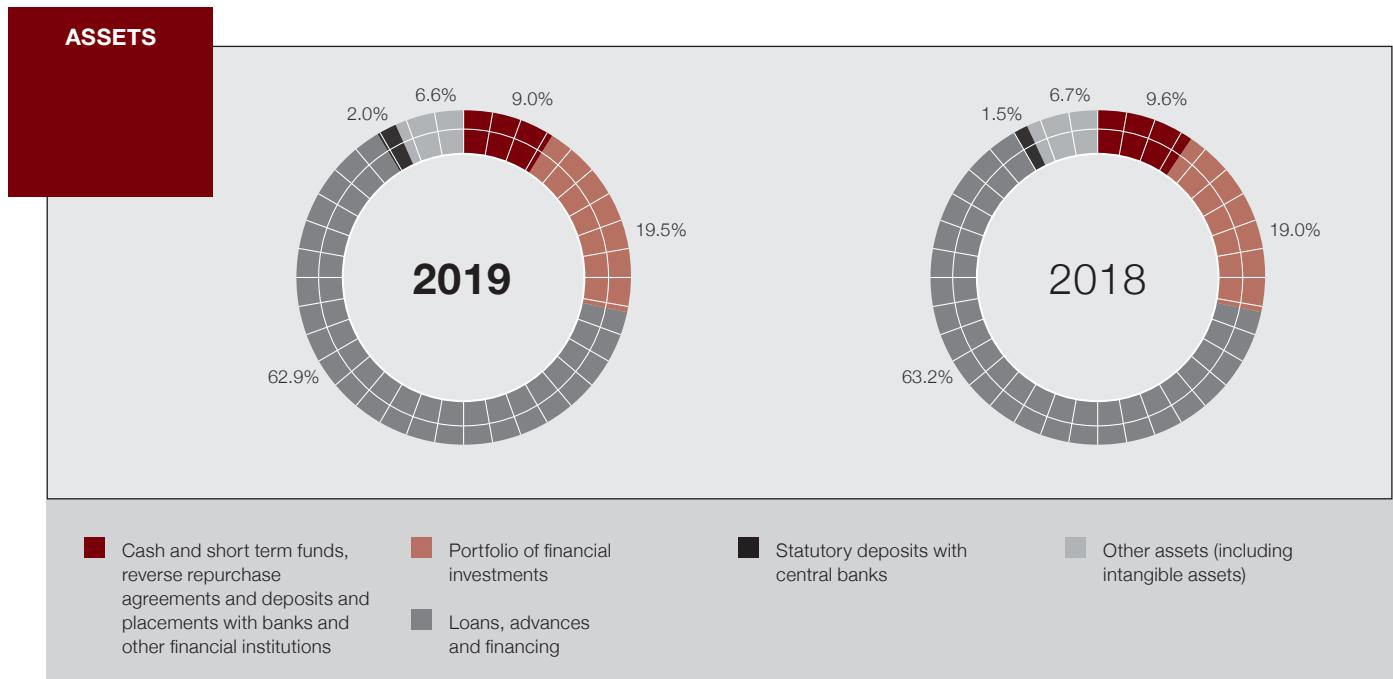
Key Highlights	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Consolidated Statement of Income					
Operating income	17,795,879	17,381,968	17,626,496	16,065,255	15,395,790
Overheads	9,872,905	8,655,821	9,133,575	8,651,690	9,248,978
Profit before expected credit losses	7,922,974	8,726,147	8,492,921	7,413,565	6,146,812
Expected credit losses on loans, advances and financing	1,638,785	1,432,661	2,230,907	2,408,883	2,168,624
Profit before taxation and zakat	5,974,840	7,200,667	6,109,985	4,884,144	3,913,993
Net profit for the financial year	4,559,656	5,583,510	4,475,175	3,564,190	2,849,509
Consolidated Statement of Financial Position					
Gross loans, advances and financing	369,491,503	346,290,529	324,218,054	323,719,559	297,822,144
Total assets	573,245,655	534,089,043	506,499,532	485,766,887	461,577,143
Deposits from customers^	401,681,309	379,671,991	356,994,529	338,530,629	320,509,026
Total liabilities	515,776,579	481,501,072	456,693,097	438,687,729	419,344,515
Shareholders' funds	56,237,171	51,374,295	48,245,479	45,308,175	41,050,778
Commitments and contingencies	1,146,023,486	1,129,138,654	875,879,316	888,167,213	883,583,439
Financial Ratios (%)					
Common equity tier 1 ratio (CIMB Group)	12.9	n/a	n/a	n/a	n/a
Tier 1 ratio (CIMB Group)	14.0	n/a	n/a	n/a	n/a
Total capital ratio (CIMB Group)	16.8	n/a	n/a	n/a	n/a
Common equity tier 1 ratio (CIMB Bank)	13.0	12.2	11.9	11.5	11.5
Tier 1 ratio (CIMB Bank)	14.4	13.7	13.3	13.1	12.7
Total capital ratio (CIMB Bank)	18.7	18.4	16.8	16.2	15.8
Return on average equity	8.5	11.4	9.6	8.3	7.3
Return on average total assets	0.82	1.07	0.90	0.75	0.65
Net interest margin	2.46	2.50	2.63	2.63	2.66
Cost to income ratio	55.5	49.8	51.8	53.9	60.1
Gross impaired loans to gross loans	3.1	2.9	3.4	3.3	3.0
Allowance coverage ratio	80.7	91.0	70.5	79.8	84.7
Loan loss charge	0.44	0.41	0.69	0.74	0.73
Loan deposit ratio	92.0	91.2	90.8	95.6	92.9
Net tangible assets per share (RM)	4.70	4.39	4.14	3.92	3.63
Book value per share (RM)	5.67	5.37	5.23	5.11	4.81
CASA ratio	34.4	32.7	35.0	35.7	34.1
Other Information					
Earnings per share (sen)					
– basic	47.0	59.7	49.6	41.0	33.6
Gross dividend per share (sen)	26.0	25.0	25.0	20.0	14.0
Dividend payout ratio (%)	56	42	51	49	42
Number of shares in issue* ('000)	9,922,966	9,564,455	9,225,547	8,868,384	8,527,272
Weighted average number of shares in issue ('000)	9,705,987	9,356,695	9,016,943	8,689,362	8,475,522
Non Financial Highlights					
Share price at year-end (RM)	5.15	5.71	6.54	4.51	4.54
Number of employees~	35,265	36,104	37,597	38,952	40,545

^ Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities

~ Excludes headcount borne by third parties

* Excludes 4,908 ordinary shares held as treasury shares

simplified group statements of financial position



quarterly financial performance

2019

RM'000	Q1	Q2	Q3	Q4
Operating revenue	4,166,146	4,468,851	4,638,445	4,522,437
Net interest income	2,461,543	2,376,781	2,567,740	2,677,854
Net non-interest income and income from Islamic banking operation	1,704,603	2,092,070	2,070,705	1,844,583
Overheads	(2,302,416)	(2,293,626)	(2,786,392)	(2,490,471)
Profit before taxation and zakat	1,603,126	1,955,829	1,336,883	1,079,002
Net profit attributable to owners of the Parent	1,192,042	1,508,625	1,010,348	848,641
Earnings per share (sen)	12.46	15.60	10.36	8.56
Dividend per share (sen)	–	14.00	–	12.00

2018

RM'000	Q1	Q2	Q3	Q4
Operating revenue	4,303,311	4,863,578	4,140,536	4,074,543
Net interest income	2,419,783	2,367,316	2,413,467	2,433,874
Net non-interest income and income from Islamic banking operation	1,883,528	2,496,262	1,727,069	1,640,669
Overheads	(2,141,121)	(2,087,316)	(2,158,346)	(2,269,038)
Profit before taxation and zakat	1,742,893	2,459,160	1,486,401	1,512,213
Net profit attributable to owners of the Parent	1,305,874	1,980,783	1,179,718	1,117,135
Earnings per share (sen)	14.15	21.29	12.56	11.67
Dividend per share (sen)	–	13.00	–	12.00

key interest bearing assets and liabilities

Financial Year Ended 31 December 2019

	As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	42,564	2.39	1,111
Financial investments at fair value through profit or loss	38,137	2.78	1,068
Debt instruments at fair value through other comprehensive income	33,318	3.63	1,227
Debt instruments at amortised cost	39,833	4.40	1,765
Loans, advances and financing	360,340	5.88	20,476
Interest bearing liabilities:			
Total deposits*	429,482	2.57	11,007
Bonds, Sukuk, debentures and other borrowings	28,691	3.57	925
Subordinated obligations	13,521	5.33	710

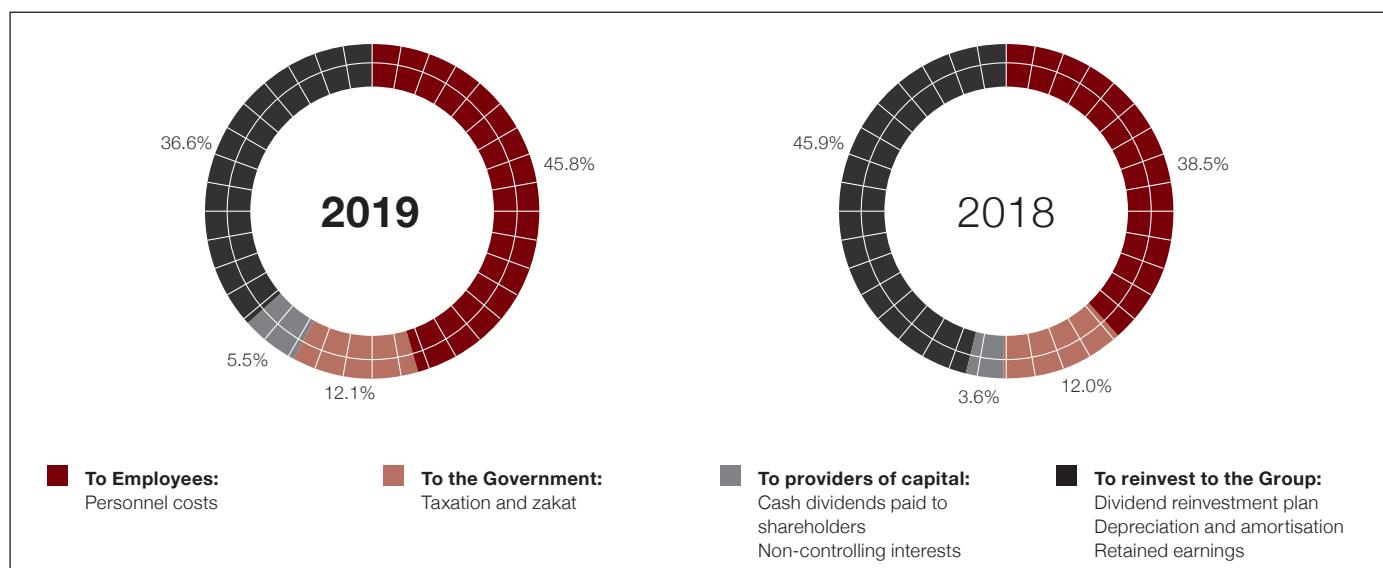
Financial Year Ended 31 December 2018

	As at 31 December RM'million	Effective interest rate %	Interest income/ expense RM'million
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	39,903	2.52	1,214
Financial investments at fair value through profit or loss	29,511	2.90	789
Debt instruments at fair value through other comprehensive income	32,276	4.28	1,327
Debt instruments at amortised cost	39,269	3.92	1,542
Loans, advances and financing	337,148	5.89	19,069
Interest bearing liabilities:			
Total deposits*	405,131	2.51	10,100
Bonds, Sukuk, debentures and other borrowings	23,022	4.04	908
Subordinated obligations	13,482	5.61	744

* 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 or loss and structured deposits.

value added statements

	2019 RM'000	2018 RM'000
VALUE ADDED		
Net interest income	10,083,918	9,634,440
Income from Islamic banking operations	3,040,663	2,610,161
Net non-interest income	4,671,298	5,137,367
Overheads excluding personnel costs, depreciation and amortisation	(3,263,700)	(3,065,699)
Expected credit losses on loans, advances and financing	(1,638,785)	(1,432,661)
Expected credit losses written back for commitments and contingencies	12,019	7,427
Other expected credit losses made	(352,018)	(134,500)
Share of results of joint ventures	31,401	30,678
Share of results of associates	(751)	3,576
Value added available for distribution	12,584,045	12,790,789
DISTRIBUTION OF VALUE ADDED		
To employees:		
Personnel costs	5,764,674	4,926,747
To the Government:		
Taxation and zakat	1,519,653	1,537,314
To providers of capital:		
Cash dividends paid to shareholders	797,515	376,094
Non-controlling interests	(104,469)	79,843
To reinvest to the Group:		
Dividend reinvestment plan	1,712,059	1,948,524
Depreciation and amortisation	844,531	663,375
Retained earnings	2,050,082	3,258,892
Value added available for distribution	12,584,045	12,790,789



capital management

OVERVIEW

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

- (1) To maintain a strong and efficient capital base for the Group and its entities to (a) meet regulatory capital requirements at all times; (b) realise returns for shareholders through sustainable return on equity and stable dividend payout; and (c) withstand stressed economic and market conditions.
- (2) To allocate capital efficiently across the business units and subsidiaries to (a) support the organic growth generation

(b) take advantage of strategic acquisitions and new businesses when opportunities arise; and (c) optimise the return on capital for the Group.

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

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

Capital Ratios	Common Equity Tier 1 Capital		Tier 1 Capital		Total Capital	
	As at 31 December 2019	Minimum Regulatory Ratio	As at 31 December 2019	Minimum Regulatory Ratio	As at 31 December 2019	Minimum Regulatory Ratio
CIMB Group	12.88%	7.00%	13.99%	8.50%	16.75%	10.50%
CIMB Bank	13.03%	7.00%	14.43%	8.50%	18.72%	10.50%
CIMB Islamic	13.35%	7.00%	13.78%	8.50%	16.98%	10.50%
CIMB Investment Bank Group	61.55%	7.00%	61.55%	8.50%	61.55%	10.50%
CIMB Niaga Group*	20.20%	10.00%	20.20%	11.50%	21.50%	13.50%
CIMB Thai Group	13.05%	7.00%	13.05%	8.50%	17.95%	11.00%

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

KEY INITIATIVES

Our goal is to continuously build capital towards the full implementation of Basel III requirements, whilst optimising its use fully. Tools that are employed to achieve this include but not limited to the following:

- (1) liability management via redemption of non Basel III compliant instruments; 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 2019 calendar year include:

- (1) The DRS was continued with a reinvestment rate of 66.5%, reflecting investor confidence in the Group and generating an additional RM0.9 billion of capital.
- (2) CIMB Group issued RM1.0 billion Basel III AT1 Capital Securities on 28 June 2019, and RM0.8 billion Basel III T2 Subordinated Debt on 25 November 2019.
- (3) The continuing RWA optimisation initiatives during the year, largely through active loan portfolio rebalancing, system and data enhancements and model recalibrations.

DIVIDEND POLICY

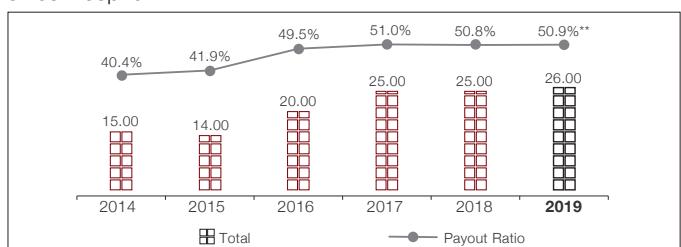
For the financial year ended 31 December 2019, the first interim single tier dividend of 14.00 sen per ordinary share, on 9,727,419,028 ordinary shares amounted to RM1,361,838,664 was approved by the Board of Directors on 31 July 2019. The dividend consisted of an

electable portion of 14.00 sen per ordinary share which shareholders could elect to reinvest in new ordinary shares in accordance with the DRS. Following the completion of the DRS, a total cash dividend of RM456,454,563 was paid on 4 November 2019.

A second interim single tier dividend of 12.00 sen per ordinary share, on 9,922,966,350 ordinary shares amounting to RM1,190,755,962 in respect of the financial year ended 2019 was approved by the Board of Directors on 30 January 2020. The second interim single tier dividend will be payable by April 2020 and is not applicable under the dividend reinvestment scheme.

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 rate of approximately 79.0% since inception.



* Payout ratio based on PAT excluding CPAM and CPIAM gain of RM928 million.

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



CIMB BANK BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	September 2019	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	Stable
Standard & Poor's Ratings Services (S&P)	December 2019	1. Long-term Foreign Currency Rating 2. Short-term Foreign Currency Rating 3. Long-term Local Currency Rating 4. Short-term Local Currency Rating	A- A-2 A- A-2	Stable
RAM Rating Services Berhad (RAM)	August 2019	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 prior to 1 January 2016 with non-viability events linked to CIMB Bank Berhad b. 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	AAA P1 AA ₁ AA ₂ A ₁ AAA	Stable
Malaysian Rating Corporation Berhad (MARC)	November 2019	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM5.0 billion Subordinated Debt and Junior Sukuk Programmes 4. RM10.0 billion Tier 2 Subordinated Debt Programme	AAA MARC-1 AA+/AA+ _{IS} AA+	Stable

CIMB GROUP HOLDINGS BERHAD

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	September 2019	1. Long-term Issuer Rating 2. Short-term Issuer Rating	Baa1 P-2	Stable
Malaysian Rating Corporation Berhad (MARC)	November 2019	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
RAM Rating Services Berhad (RAM)	August 2019	1. Corporate Credit Rating 2. Corporate Credit Rating 3. RM6.0 billion Conventional and Islamic Medium-term Notes Programme 4. RM3.0 billion Subordinated Notes Programme 5. RM6.0 billion Conventional Commercial Paper Programme 6. RM10.0 billion Additional Tier-1 Capital Securities Programme	AA ₁ P1 AA ₁ AA ₃ P1 A ₁	Stable

credit ratings

CIMB INVESTMENT BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
RAM Rating Services Berhad (RAM)	August 2019	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating	AAA P1	Stable
Moody's Investors Service (Moody's)	January 2019	1. Long-term Issuer Rating 2. Short-term Issuer Rating	A3 P-2	Stable

CIMB ISLAMIC BANK

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	September 2019	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 2019	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)	November 2019	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+ _{IS} AAA _{IS}	Stable

CIMB THAI

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	May 2019	1. Long-term Issuer Rating 2. Long-term Foreign Currency Bank Deposits Rating 3. Short-term Foreign Currency Bank Deposits Rating 4. Long-term Domestic Currency Bank Deposits Rating 5. Short-term Domestic Currency Bank Deposits Rating	Baa2 Baa2 P-2 Baa2 P-2	Stable
RAM Rating Services Berhad (RAM)	September 2019	1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM2.0 billion Tier 2 Subordinated Debt Programme	AA ₂ P1 AA ₃	Stable
Fitch Ratings	September 2019	1. Long-term National Rating 2. Short-term National Rating 3. Long-term Rating on Subordinated Lower Tier 2 4. Short-term Rating for Short-term Debt	AA-(tha) F1+(tha) AA-(tha) F1+(tha)	Stable

 **CIMB NIAGA**

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Fitch Ratings	April 2019	1. Long-term Issuer Default Rating 2. Short-term Issuer Default Rating 3. Long-term National Rating 4. Short-term National Rating 5. IDR1.6 trillion Subordinated Debt	BBB- F3 AA+(idn) F1+(idn) AA-(idn)	Stable
Moody's Investors Service (Moody's)	November 2019	1. Long-term Issuer Rating 2. Long-term Foreign Currency Bank Deposits Rating 3. Short-term Foreign Currency Bank Deposits Rating 4. Long-term Domestic Currency Bank Deposits Rating 5. Short-term Domestic Currency Bank Deposits Rating	Baa2 Baa2 P-2 Baa2 P-2	Stable

balance sheet management

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

The FTP framework promotes an efficient Group-wide allocation of funding costs and benefits to the business units by taking into account the interest rate and liquidity positions of the Bank. In ensuring sustainable balance sheet funding, a liquidity premium is charged to the user of funds based on the tenure of the transactions; and liquidity credit incentivises to 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.

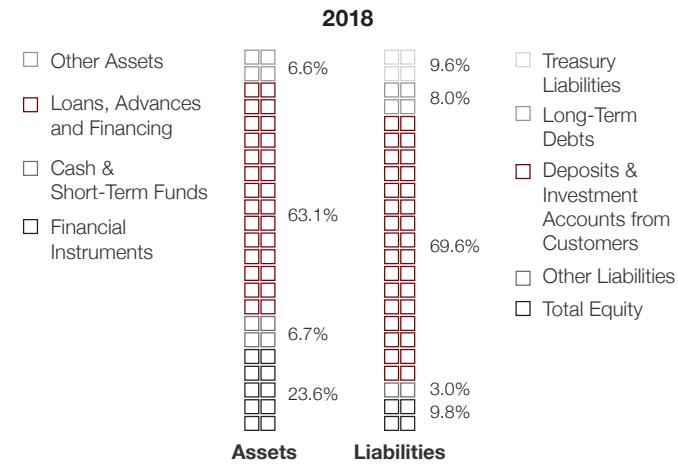
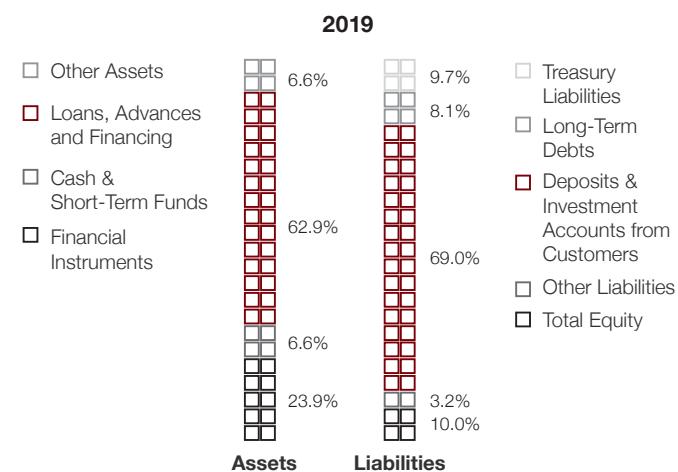
The Group maintains a robust liquidity profile to comply with internal measures that adhere to the best market practices as guided by the Basel Standards. The Group also observes Basel III Liquidity Framework, namely the Liquidity Coverage Ratio (LCR), with a primary focus on ensuring a sufficient buffer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

Balance Sheet Management team is responsible in implementing the Base Rate (BR) Framework in Malaysia. BR is computed in accordance with the methodology approved under Reference Rate Framework of Bank Negara Malaysia (BNM). The team monitors the effective base rate and notifies the trigger event to GALCO on the change of BR, facilitating management decision-making. The deployment of BR enables the Group to support efficient financial intermediation and monetary policy transmission while at the same time remaining competitive through transparent asset pricing.

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 steady and resilient growth of 5.8% in 2019, with a slight decrease in composition in the overall funding source but still reflects a healthy buffer in funding the loan book. Loans, advances and financing grew by 6.7% in 2019 leading to a sustainable increase of net interest income for the Group.

LCR

The Group maintained a healthy level of liquid assets which is reflected by a Liquidity Coverage Ratio of 185% as at 31 December 2019, which is well above the minimum requirement of 100% for 2019. The bank also observes its level of liquidity using indicators such as loans-to-funding (LTF) which includes debt issuances in addition to deposits while loan-to-fund-and-equity (LTTE) expands on with the inclusion of equity. The measure for LTF and LTTE for the Group as at 31 December 2019 is 81% and 72% respectively. Given the introduction of new liquidity measures such as LCR in the recent years and upcoming implementation of Net Stable Funding Ratio (NSFR), the Group has been focusing on the growth of high quality liquid assets as well as sticky deposits in ensuring a sustainable liquidity buffer not only to survive a significant stress scenario lasting 30 calendar days but also for longer time horizons.



investor relations

The Group's Investor Relations initiative for the year was centered on ensuring that the investment community had a thorough understanding of the Forward23 5-year strategic plan launched in early 2019. Having drawn a line under the previous Target 2018 (T18) program, it was imperative that stakeholders grasped how the Group would leverage on the foundations laid by T18 to accelerate growth in key focus areas to strengthen the digital and technological core to future-proof the Group. With Customer Centricity, Ventures & Partnerships and Sustainability coming to the fore as strategic pivots under Forward23, we took the opportunity to outline how and why these focus areas could prove to be a major differentiator for CIMB.

The operating environment was challenging as external regional and global developments took center stage. The backdrop of slower regional economic growth, continued global trade tensions, unexpected monetary policy moves by regional central banks and the corresponding deceleration in corporate activity and weakened consumer sentiment, impacted investor confidence and sentiment. The rapidly evolving landscape has become a norm and the Investor Relations team had to stay on our toes to keep pace with these developments.

The Group itself had a comparatively unexciting year in terms of corporate developments with the completion of the disposal of 50% interest in the Malaysian stockbroking business. Management spent significant effort in improving operational efficiencies via automation and partnerships as well as launching a staff transformation program in Malaysia and Indonesia. This entailed a material uplift in operating costs, which had to be clarified and relayed to investors. The announcement of the Group Sustainability Policy and Group Sustainable Financing Policy was defining as it sets a landmark on the way CIMB Group approached business going forward, in line with the increased resonance of environmental, social and governance (ESG) issues within the investment community. 2019 was also a year where CIMB Bank Philippines emerged as the fastest growing bank in ASEAN, accumulating 1.7 million customers within a year of operations.

The Group has not wavered from its belief in providing the highest levels of transparency and disclosures where possible, to further inculcate trust and confidence in management. The 5-year Forward23 strategic plan reverberated well with foreign long-only funds, bringing about an increase in the Group's foreign shareholding over the past 12 months. Nevertheless, issues that weighed on the Group's share price and financial sector in general, included the Overnight Policy Rate (OPR) cut by Bank Negara Malaysia, slower trade flows and capital market activity arising from the continued US-China trade war and subsequently the political and social unrest in Hong Kong and concerns of encroachment by digital banks and e-payment solution providers into the banking space. The negative external newsflow coupled with decelerating economic growth across the region, brought about an underperformance of the Group's share price against the market in 2019, although faring comparatively better against most other financial stocks in Malaysia.

We ensured that pertinent domestic and foreign stakeholders had regular, consistent and proactive engagements with the upper echelons of CIMB Group management. Significant effort is put in to coordinate direct one-on-one meetings, teleconferences, roadshows and investor conferences to facilitate these engagements, subject to management availability. The Group CEO Tengku Dato' Sri Zafrul Tengku Abdul Aziz and Group CFO Khairul Rifaie led the investor relation activities with support from the Investor Relations team and selected members of senior management where necessary. These include Shahnaz Jammal (CEO Group Wholesale Banking), Gurdip Singh Sidhu (Group Chief Strategy & Design Officer) and Tigor M. Siahaan (CEO of CIMB Niaga).

SIGNIFICANT EVENTS:

Date	Event	Bursa Announcement
31 January 2019	Completed divestment of 51% interest in CIMB Howden Insurance Brokers	Bursa Announcement
28 June 2019	Completed sale of 50% interest in the Malaysia stockbroking business	Bursa Announcement
13 September 2019	Appointment of Victor Lee Meng Teck as CEO of CIMB Bank Singapore and Ahmad Shahriman Bin Mohd Shariff as CEO of CIMB Islamic Bank Berhad	Bursa Announcement
21 October 2019	Appointment of Adisorn Sermchaiwong as President and CEO of CIMB Thai Bank PCL	SET Announcement

INVESTOR RELATIONS

ANALYST
BRIEFINGS

The Group conducted investor conference calls for all quarterly announcements of the Group's financial performance, which facilitated full participation from domestic as well as regional equity analysts and fund managers. As per previous years, the Group CEO presented the quarterly and annual financial performances and took questions for more detailed discussion and explanation. Other members of senior management were on hand to take on more business-specific and operational queries.

Press conferences are held twice yearly for the half-year and full-year results to provide the media with opportunities to hear the performance reports directly from senior management. It is the Investor Relations team's responsibility to ensure that the financial statements and press releases are lodged onto the Bursa

Malaysia website, email the documents along with the investor presentation to all relevant stakeholders and upload to the Group's website under the Investor Relations segment.

ANNOUNCEMENT OF FINANCIAL RESULTS:

Date	Event	Type of Meeting
29 May 2019	CIMB Group 1Q19 Results	Conference Call
29 August 2019	CIMB Group 2Q19 Results	Conference Call
22 November 2019	CIMB Group 3Q19 Results	Conference Call
28 February 2020	CIMB Group 4Q19 Results	Conference Call

AGM/EGM



The Board of Directors addressing shareholders at the 62nd AGM.

The Annual General Meeting (AGM) is arguably the Group's most important event each year where shareholders gather to meet, listen to and engage with senior management. CIMB Group's 62nd AGM on 22 April 2019 was equally engaging with the Group CEO presenting the 2018 financial performance and report card on the T18 achievements. He subsequently unveiled the Forward23 5-year strategic roadmap by explaining the rationale and objectives of the five key pivots to an appreciative audience. The follow-up shareholder engagement was stimulating with an interactive audience providing a wide range of questions, feedback and

opinions to both the Board of Directors and senior management. Official responses were provided to several shareholders and the Minority Shareholders Watchdog Group (MSWG). Management took note of queries that could not be immediately addressed and responded directly to the shareholders post-AGM. Topics raised at the 62nd AGM included operational prospects for CIMB Niaga and CIMB Thai, loan growth and NIM outlook, the Board's remuneration structure and asset quality.

INVESTOR MEETINGS

Investor meetings form the crux of the Investor Relations initiative as this allows senior management to engage investors on a personal basis. For 2019, the Group conducted 85 investor meetings, a notable decrease from the 102 in 2018 largely owing to the cancellations of conferences and non-deal roadshows (NDR) following the unrest in Hong Kong in the second half of the year. Given the macro developments and the reduction of business travel and events, the Group ensured that we maintained as strong an engagement as possible with stakeholders while continuing high levels of disclosure and transparency.

Nevertheless, the number of buy- and sell-side analysts and fund managers met were similar at 385 versus 399 last year as we improved the efficiency of meetings particularly on NDRs. Other than one-on-one and small group meetings, the Group continued to conduct twelve regular larger-group meetings per annum; eight pre-closed period meetings with the domestic buy- and sell-side, and four quarterly financial announcement investor briefings and conference calls. CIMB Niaga also saw a slight decline in the number of meetings and investors met in 2019 as a result of the macroeconomic developments.

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

	2018		2019	
	Meetings	FM/ Analysts	Meetings	FM/ Analysts
CIMB Group				
In-house meetings	37	233	38	199
Conferences	22	106	19	85
Non deal roadshows	29	43	18	86
Teleconferences	14	17	10	15
Total	102	399	85	385
CIMB Niaga				
In-house meetings	16	52	12	48
Total	16	52	12	48

CONFERENCES AND ROADSHOWS

It is pertinent for members of senior management to meet with institutional and strategic stakeholders to provide up-to-date developments on the Group and the operating environment. Apart from in-house meetings, these are also best conducted off-site at regional conferences and on NDRs. The Group CEO and/or CFO participated in various events over 2019 to brief investors on the Group's Forward23 strategic plan, update on financial performance and discuss all matters relating to the financial industry. 2019 brought us to Singapore, Hong Kong and London for both conferences and NDRs with several reverse roadshows in Kuala Lumpur. We participated in our first Sustainability Conference in Singapore where we had the opportunity to listen to and engage with ESG-focused buy-side investors.

With the lower number of events attended in 2019 due to unexpected events, we had just 37 meetings out of the office during the year compared to 51 in 2018. Nevertheless, the scarcity of meetings translated to greater interest as we met 171 fund managers and buy-side analysts in 2019 versus 149 the year before. We continue to utilise the share register analysis to identify and earmark stakeholders who need to be engaged.

CONFERENCES AND ROADSHOWS

Date	Event	Location	Organiser
3 January 2019	CIMB 11th Annual Malaysia Corporate Day	Kuala Lumpur	CIMB
12 March 2019	UBS Malaysia Corporate Day	Singapore	UBS
25 March 2019	Credit Suisse 22nd Asian Investment Conference	Hong Kong	Credit Suisse
8 – 9 April 2019	Non-Deal Roadshow	London	Macquarie
18 June 2019	Macquarie ASEAN Banks Tour	Kuala Lumpur	Macquarie
4 September 2019	Non-Deal Roadshow	Singapore	JP Morgan
18 September 2019	BNP Paribas Sustainable Future Forum 2019	Singapore	BNP Paribas
20 September 2019	UBS ASEAN Conference	Kuala Lumpur	UBS

Investor relations

RESEARCH COVERAGE

CIMB Group remains well covered by the investment community given its position as the fifth largest company by market capitalisation on Bursa Malaysia as at end-2019 and a core component of the FBMKLCI Index. The Group remains the second largest financial institution in Malaysia by assets and the fifth largest in ASEAN. As of end December 2019, the stock had active coverage by a total of 22 analyst and research houses, and continues to be well tracked by buy-side analysts and fund managers domestically, regionally and globally.

SHARE PRICE PERFORMANCE AND FOREIGN SHAREHOLDING

2019 was not the best of years for Malaysian equities performance as the continued trade tensions and tumultuous global developments exerted persistent downward pressure. Coupled with the less favourable rebalancing of the MSCI indices, the benchmark FBMKLCI declined by 2.8% for the year. As a result, the Group's share price performance was not spared as it eased by 5.0% over the 12-month period to end the year at RM5.15 compared to the adjusted opening price of RM5.42, translating to a 2.2% underperformance versus the FBMKLCI in 2019. Nonetheless, CIMB Group outperformed the wider Malaysian financial sector (KLFin Index) which declined by a greater 10.6% in 2019.

From a financial performance perspective, the Group met its targets for ROE, loan growth, CET1 ratio, dividend payout and loan loss charge. Apart from external market-related factors which impacted revenues, the Group embarked on an investment phase under its Forward23 5-year strategic plan, which brought about a sharper than normal increase in operating expenses and a subsequent miss of the Group's CIR target for the year. The interest rate cuts across the region also contributed to the negative impact on NIMs, particularly in Malaysia.

Despite the weaker market and operating environment, the Group witnessed an uptick in its foreign shareholding to 30.2% as at end-2019 compared to 25.9% at the end of 2018 – or an increase of 4.3% YoY. Whilst this increase was aided by the transfer of shares by Khazanah Nasional to its trustees in conjunction with its issuance of USD500 million in exchangeable bonds exchangeable into CIMB Group shares, the underlying foreign shareholding would still have risen by around 1.0% for the year.

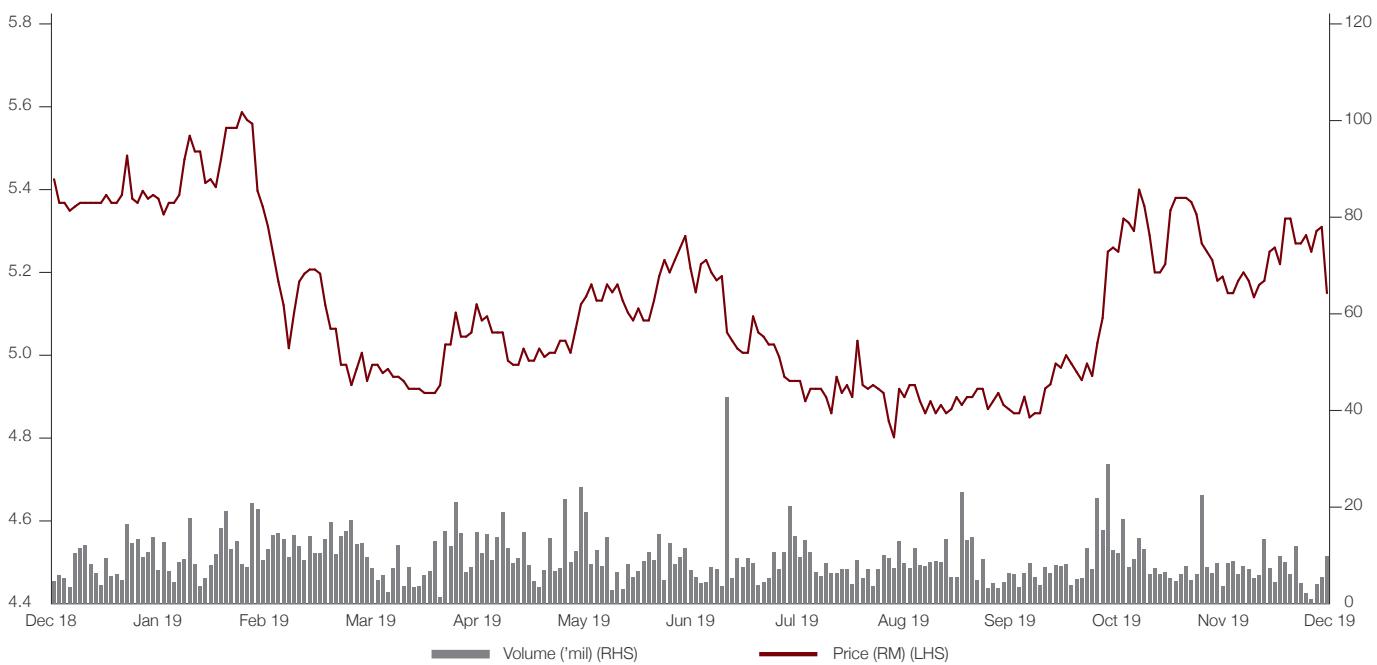
No Research House

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

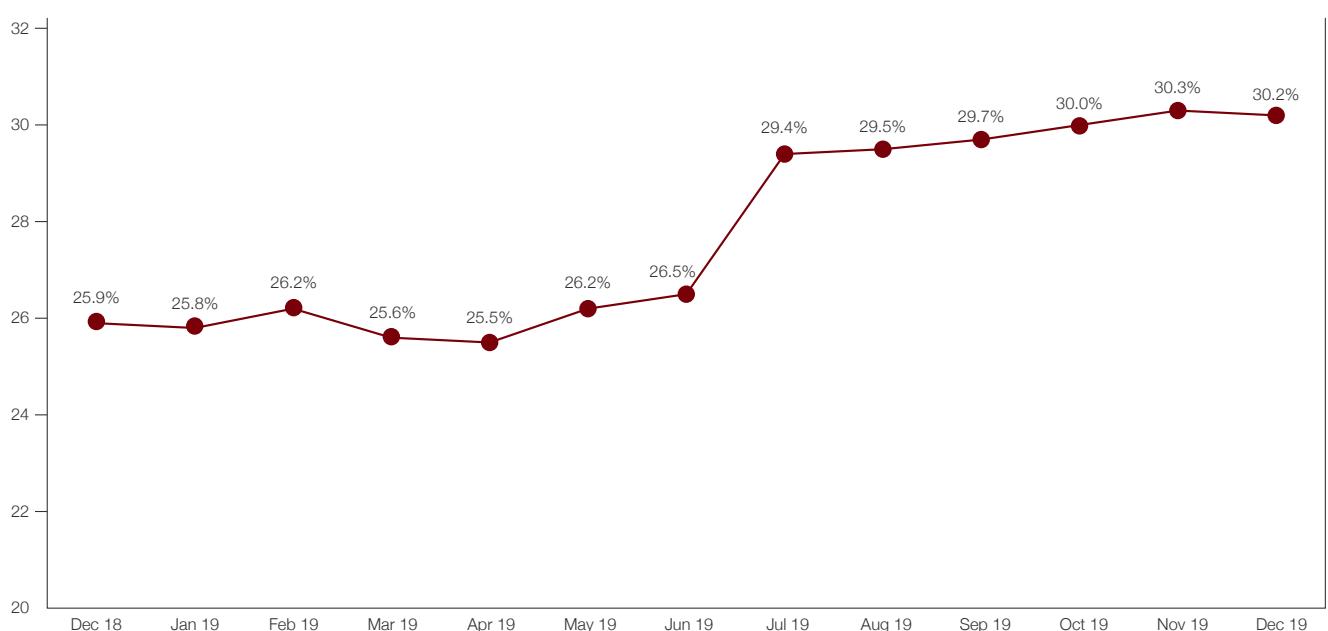
CREDIT RATING

Credit ratings play an integral part in how the Group is viewed by institutional investors, counterparty financial institutions, current and potential business partners as well as direct and indirect external stakeholders. The Group actively engages the following domestic, regional and global rating agencies – Moody's Investors Services, Standard and Poor's (S&P), RAM Ratings, Malaysian Rating Corporation (MARC) and Fitch Ratings – to provide credit ratings for the Group and its licensed banking subsidiaries. This is done on both a solicited and unsolicited basis to provide sufficient local- and foreign-currency rating coverage. The investor relations team manages the relationship with rating agencies via continuous engagements, particularly during rating review periods with senior members of management through the year. Detailed financial explanations, data points and strategic discussions equip the rating agencies with the latest information in their evaluation process. The two-way relationship also allows the Group to receive the latest views and developments on global financial markets, economies and developments.

CIMB Group Share Price and Volume

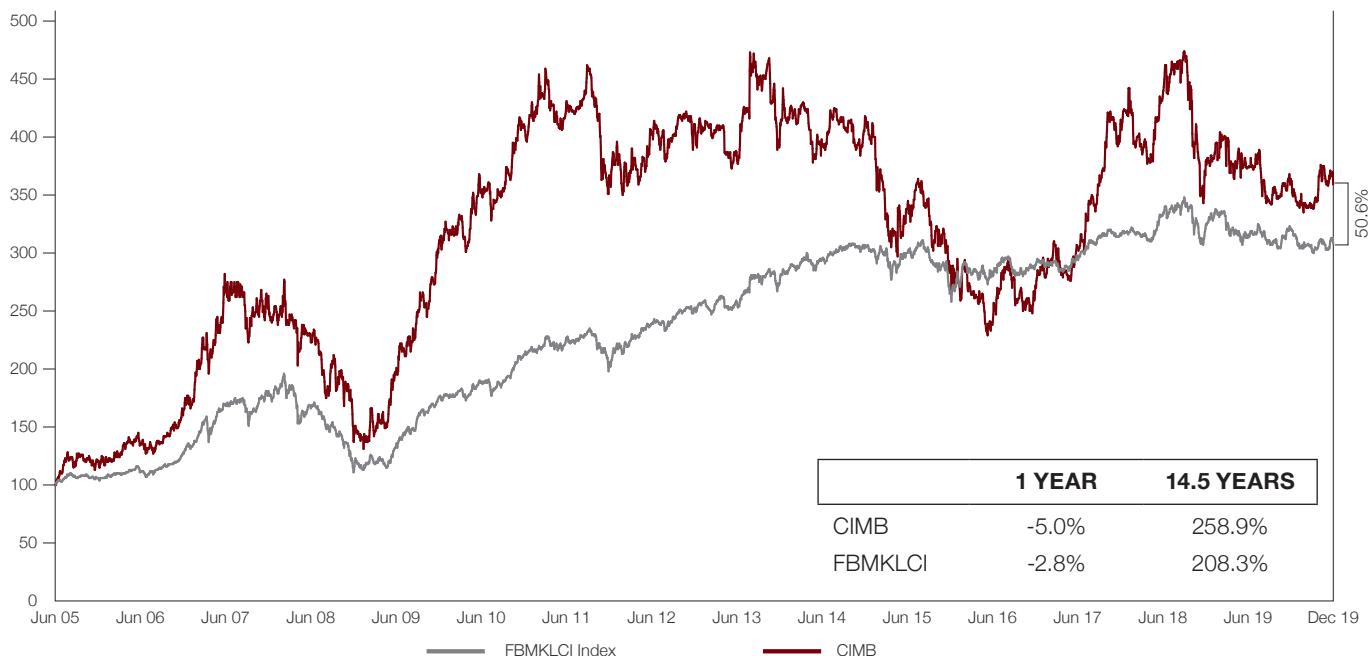


CIMB Group Foreign Shareholding

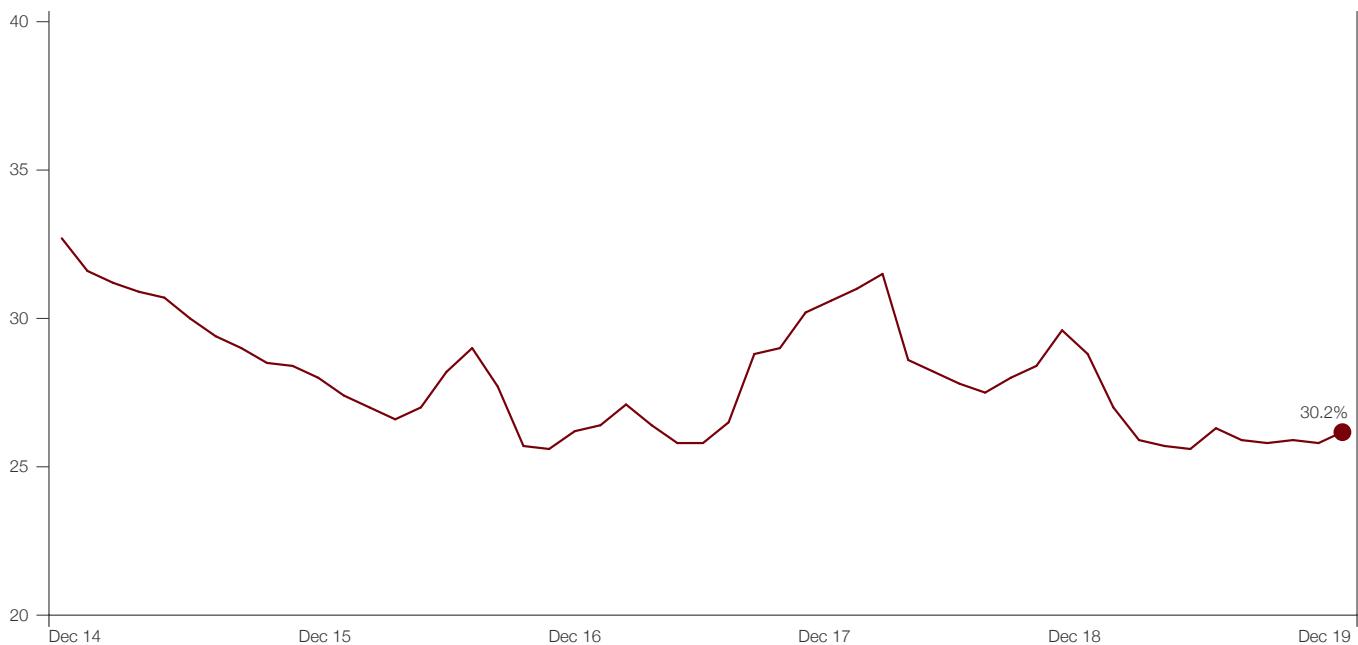


investor relations

Shareholders' Returns (6 June 2005* – 31 December 2019)



5-year Foreign Shareholding Trend (December 2014 – December 2019)



financial calendar

28 FEBRUARY 2019	14 MARCH 2019	21 MARCH 2019	21 MARCH 2019
Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2018	Notice of book closure for single tier second interim dividend of 12.00 sen per share for the financial year ended 31 December 2018	Notice of 62nd Annual General Meeting	Issuance of Annual Report for the financial year ended 31 December 2018
25 MARCH 2019	29 MARCH 2019	22 APRIL 2019	24 APRIL 2019
Date of entitlement for the single tier second interim dividend of 12.00 sen per share for the financial year ended 31 December 2018	Notice of election in relation to the dividend reinvestment scheme. The scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of CIMB	62nd Annual General Meeting	Payment of the single tier interim dividend of 12.00 sen per share for the financial year ended 31 December 2018
24 APRIL 2019	29 MAY 2019	29 AUGUST 2019	24 SEPTEMBER 2019
Additional listing of 162,964,518 new ordinary shares, via the Dividend Reinvestment Scheme	Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2019	Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2019	Notice of book closure for the single tier first interim dividend of 14.00 sen per share for the financial year ending 31 December 2019
4 OCTOBER 2019	11 OCTOBER 2019	6 NOVEMBER 2019	6 NOVEMBER 2019
Date of entitlement for the single tier interim dividend of 14.00 sen per share for the financial year ending 31 December 2019	Notice of election in relation to the dividend reinvestment scheme. The scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares in CIMB	Payment of the single tier interim dividend of 14.00 sen per share for the financial year ending 31 December 2019	Additional listing of 195,547,322 new ordinary shares via the dividend reinvestment scheme
22 NOVEMBER 2019	28 FEBRUARY 2020	2020 TENTATIVE DATES	
Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2019	Announcement of the unaudited consolidated financial results for the fourth quarter ended 31 December 2019	19 MAY 2020 1Q20 Financial Results	26 AUGUST 2020 2Q20 Financial Results
		24 NOVEMBER 2020 3Q20 Financial Results	FEBRUARY 2021 4Q20 Financial Results

group consumer banking



by Samir Gupta

“During the year, we continued to drive business growth and key focus areas towards Forward23 aspirations amidst various market challenges. We kept our momentum in balance sheet growth while accelerating efforts in digital banking, analytics, innovation and process re-engineering towards providing best-in-class customer experience. Our market leadership was reinforced as we received the Best Retail Bank award for the third consecutive year and the Best Digital Bank award for 2019 in Malaysia. Overall, we remained committed to driving banking excellence, delighting customers and contributing towards achieving the Group’s Forward23 objectives.”

WHO WE ARE & WHAT WE DO

We provide conventional and Islamic banking solutions to individual customers and small businesses. Our range of products include deposit accounts; loans; personal financing; credit cards; wealth management and investments; bancassurance; remittance and FX. These offerings can be accessed through multiple delivery channels, i.e. online banking, mobile banking, self-service banking via ATM terminals, phone banking, all of which allows financial transactions to be performed beyond normal banking hours. Products & services are also accessible over-the-counter in all our branches regionally.

Tapping the potential of digital, big data and advanced analytics, backed by a holistic product proposition and an integrated regional universal banking franchise model, we aim to deliver superior customer experience.

OUR GROWTH DRIVERS IN 2019

Overall, we registered positive performance across all our regional markets. The key growth drivers included mortgages, personal loans, auto loans and deposits. We grew our market share in Malaysia and Indonesia for mortgages and deposits.

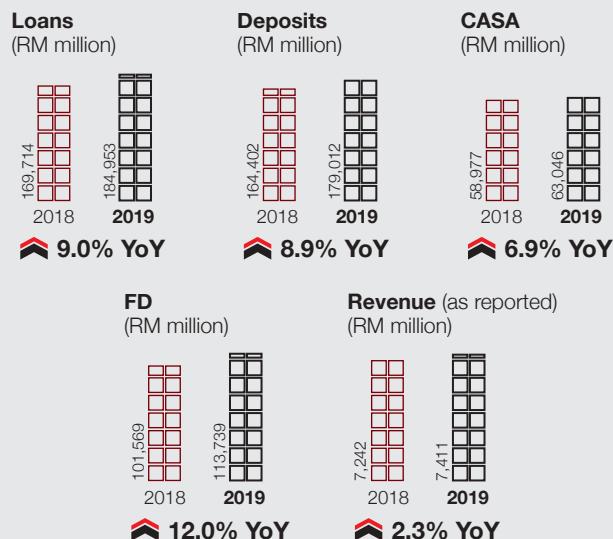
With the advent of Industrial Revolution 4.0 (IR 4.0), we continued to emphasise on “data-first” approach by augmenting and expanding our digital capabilities. We continued leveraging big data and advanced analytics for targeted acquisition; identifying new revenue initiatives and cost saving opportunities; reducing turn-around-time (TAT); improving customer experience (CX), and enhancing sales productivity through digital sales enablement. We contained costs through prudent cost management and various cost savings initiatives while continuing to invest for the future.

In 2019, innovations and product proposition refreshes were implemented to stay attuned to the changing consumer behaviour. We have improved and refreshed our flagship Internet Banking apps across the region to pack new features and added convenience. Several credit card propositions were refreshed to give added benefits to customers. We have also launched a regional deals platform for customers to avail regional deals and offers. At the core, we are differentiating ourselves through personalised banking. Supported by big data analytics, we are now able to provide personalised deals and offerings to our customers.

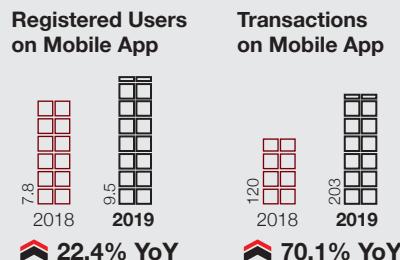
FINANCIAL PERFORMANCE

While competition remained intense, balance sheet growth was resilient, with loans growing steadily at +9.0% YoY, mainly driven by Malaysia and Thailand. Deposits grew +8.9%, driven by growth in both CASA at +6.9% YoY and FD at +12.0% YoY. In 2019, the Group Consumer Banking division registered a +2.3% YoY revenue growth on the back of higher balance sheet growth and wealth management income recovery. This is despite spread compression and rate cuts. Direct expenses were managed well, but was offset by higher support costs. Overall, PBT was lower YoY as a result of slower revenue growth, higher provisions compounded by one-off MFRS9-related adjustments and higher support costs.

Financials (ex-SME)



Digital Services Take Up (#'m)



* Digital Banking stats are regional (MIST)

AWARDS & RECOGNITION

AWARDS

- Best Retail Bank in Malaysia
- Best Digital Bank in Malaysia
- Retail Banker of the Year in Asia Pacific 2019 – Samir Gupta

AWARDING BODY

- The Asian Banker
- The Asian Banker
- The Asian Banker

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
STRENGTHEN POSITION AS THE LEADING DIGITAL BANK <ul style="list-style-type: none"> Launched Clicks One App: The only app in Malaysia offering personalised offers and “always on” home screen enabling for clicks fund transfer of up to RM250. Augmented OctoMobile in Indonesia, offering new innovative features such as account opening with online KYC, QR payments, cardless ATM transactions, etc. Launched new CIMB TH Digital App with digital account opening and wealth management capabilities. 	<ul style="list-style-type: none"> Registered app users up by +24.3% ; app transactions up by +54.5% Registered app users up by +18.9% ; app transactions up by +89.3% Recognised as the 1st Bank in Thailand to allow app-based primary bond subscription
DIGITAL SALES ENABLING <ul style="list-style-type: none"> Launched EzForm for credit cards and CashPlus loans in Malaysia – an improved process to empower staff referrals/submissions via mobile phones. Rolled-out digital acquisition platform in Malaysia and Singapore offering customers straight through application processes. 	<ul style="list-style-type: none"> Simplified process and more user-friendly; Faster TAT Significant uplift in sales volume e.g. MY CashPlus, SG FastSavers and credit cards. Potential to replicate for other countries.
ANALYTICS DRIVEN REVENUE & COST OPTIMISATION <ul style="list-style-type: none"> Deployed advanced analytics for lead generation, creation of customised offers and branch network realignment initiatives. Optimised branch footprint while realising cost reduction regionally. Introduced machine learning for optimisation in AML Alerts. Implemented Robotic Process Automation in Indonesia, contributing to cost optimisation. 	<ul style="list-style-type: none"> >RM100 million revenue and cost optimisation opportunities identified Productivity remained robust, with loans per staff up by +16.6% YoY and deposits per staff up by +13.2% YoY AML alerts reduced by -40% Recognised for Best Productivity, Efficiency & Automation for Contact Centre, Speech Analytics & Robotic Process Automation by The Asian Banker

CHALLENGES & RISK MITIGATION

CHALLENGES/RISK	MITIGATION STRATEGIES	RESULTS
Regulatory Compliance: Higher and stricter standards of compliance coupled with the introduction of new regulations and standards.	<ul style="list-style-type: none"> Embraced a zero-tolerance culture for non-compliance and stakeholder management. Adopted data-driven risk management policies and implemented risk-based pricing strategies. 	<ul style="list-style-type: none"> Reduced operational lapses. Enhanced risk profile and returns on risk adjusted capital.
Rapid Technology Change and Disruption: Pressure to re-skill and allocate more investments in technology in keeping with the pace of change.	<ul style="list-style-type: none"> Enhanced budgets to enable technology change, system resiliency, hiring, compliance and Fintech – all for business growth. Introduced value-added digital banking services & increased digital sales delivery. Encouraged data-driven sales and risk management. 	<ul style="list-style-type: none"> Improved system uptime & successful roll out of new digital banking services. Increased sales and achieved better sales fulfillment rates through data-driven acquisition.

A NEW BEGINNING – FORWARD 23 FOCUS AREAS

Customer Experience through Personalised Banking: <ul style="list-style-type: none"> Customer experience remains top priority and we endeavour to provide a personalised banking experience through tailored products, services and offers. This is achieved by digital banking expansion and affluent banking supported by big data/real-time engine, transforming customer journeys and customer value management initiatives. 	Digital Banking Leadership: <ul style="list-style-type: none"> Enrichment of flagship mobile banking applications with great UI/UX, value-added features, online account opening via eKYC and straight through application functions for products. Introduction of personalised and tailored deals powered by big data engine. 	Affluent Banking and Wealth Management Leadership: <ul style="list-style-type: none"> Recalibration of sales operating model with specialised sales roles focussing on Preferred Banking customers. Enhanced Preferred Banking value proposition, focussing on regional privileges, large suite of value-added wealth management products, seamless onboarding journeys, relationship-based pricing and digital wealth.
---	---	--

OUTLOOK & PROSPECTS

In the year ahead, we remain cautiously optimistic as the industry will continue to see margin compression, central bank rate cuts and global headwinds resulting from possible geopolitical conflicts and trade wars.

High customer expectations, coupled with continuous industry disruption and the advent of new digital banks in view of issuance of new digital banking licenses in near future will determine relevance and competitiveness. We will continue to innovate to stay ahead. Customer experience remains top priority and

we will differentiate ourselves through providing a personalised banking experience (by way of tailored products, services and offers, real time processing, innovative apps, electronic on-boarding etc.), supported by big data and analytics.

Our suite of internet and mobile banking solutions will evolve to be more simplified, user friendly, intelligent and personalised offering, complementing our digital acquisition strategy powered by instant decisioning and new technology such as optical character

recognition. With these in place, we endeavour to establish leadership in the area of digital banking, Preferred Banking and wealth management.

As the leading consumer bank in ASEAN, we expect to sustain growth and profitability through innovation, continuous process improvement, efficient cost management and service excellence as we move the franchise towards meeting its Forward23 goals and being the leading consumer bank in ASEAN.

group commercial banking



by Victor Lee Meng Teck

"2019 has been a good year for Group Commercial Banking. Commercial Banking turned in a good set of financial performance. We bolstered our value proposition for both SME banking and Business Banking segments. In Malaysia, we outperformed the market in the SME space. Our SME business grew double digits while the industry contracted by 1%. In 2019, we made a commitment to disburse RM15 billion in SME loans in Malaysia in two years. As of end 2019, we have successfully disbursed more than half of the committed amount. Anchored on principles of Sustainability and Customer Experience, we accelerated our commitment in the backbone of every country in the SME and Business Banking space, forging strong relationships with existing customers and growing new customers. The year also saw us building our digital eco-systems and partnerships. With our resolve in this phase of digitalisation, we expect to bear fruits in the coming years."

WHO WE ARE & WHAT WE DO

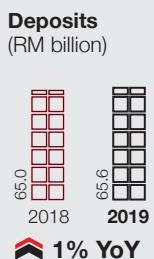
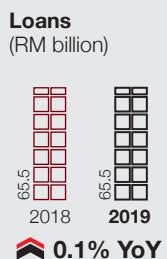
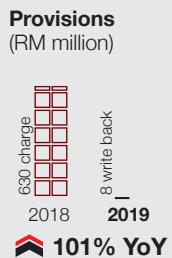
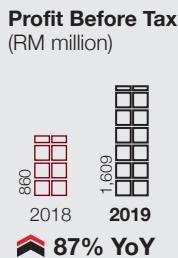
We are a regional business, providing comprehensive financial solutions, both conventional and Islamic, to non-retail segments, ranging from small and medium sized enterprises (SMEs), to mid-corporates.

We adopt an integrated marketing approach with regards to our financial product and services, which are tailored to meet the individual needs of our customers. Our end-to-end services include credit facilities, as well as cash management solutions; treasury and structured products. These are made available to our customers through multiple channels such as online banking, our dedicated relationship managers, SME and business centres; as well as CIMB's extensive branch network across the region.

FINANCIAL PERFORMANCE

The Group Commercial Banking saw an upswing in profit before tax, propelled by sustained growth in loans and significant improvement in asset quality. Malaysia, Indonesia and Cambodia were the key levers in delivering the bottom line.

The sale of non-performing assets in Indonesia, as well as improved loan loss charge and impairment ratio across the board further strengthened the financial outcomes for the year.



OUR GROWTH DRIVERS IN 2019

We have the benefit of a clearly defined Forward23 strategy for Group Commercial Banking to navigate us through 2019 and the coming years ahead with a focus on improving asset quality management, leveraging on Credit Guarantee Schemes to minimise risks, as well as setting up a Regional Operating Model, with a Centre of Excellence, sharing and implementing best practices across the Region.

In 2019, we adopted a segment-led customer focused strategy for growing our business. Examples of these were the launched Business Premise Plus, a solution that provides working capital funds in addition to asset financing, and programs for solar panel financing targeting the SME business segment. For the micro finance segment, we introduced e-commerce platform based lending with partners such as Lazada and Shopee, as well as through our partner online channel, iMSME. For the larger Mid-Corp and Medium Enterprise segments, we offered tailored working capital and trade financing solutions to complement the more complex needs of these segments. These efforts resulted in us outgrowing industry loan growth.

With the proliferation of the digital economy, at CIMB, we continued to build on our inclusive go to market approach by accelerating collaboration with synergistic fintech and digital players in the market. We explored partnership and growth opportunities in the digital ecosystem – from e-Commerce platform providers to peer to peer micro financing for SMEs, as well as Investment Banking solutions, leveraging on frontier technologies such as blockchain.

BizChannel, as well as BizLite, which is the lighter version of our online banking platform targeted at our business banking customers, has been a widely accepted platform by CIMB customers in the region. In 2019, we further expanded on our customer experience proposition and seamless banking with the introduction of a mobile app based version of BizChannel.

During the year, we also strengthened our business deposits customer value proposition by working closely with our branch network to drive greater customer experience in the on-boarding and servicing process. As a result, we delivered a positive increase in our business deposits growth.

Managing and maintaining a high quality commercial asset book is essential to a healthy growth of our segment of business. The year saw our improved loan loss charge, due to our continued high intensity due diligence and reviews, whilst at the same time disposing some non-performing loans.

2019 saw more right sizing of our Thailand business. We exited subscale segments where our risk rewards profile did not justify. This year saw Commercial Banking driving products through its branch network more. We are seeing early success.

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
CUSTOMER SOLUTIONS Enhanced working capital solutions in key markets, namely Malaysia and Indonesia. Introduced new offerings such as 160% margin of financing; solar panel and franchise financing; eCommerce merchant micro financing; Quick Cash; and Merchant Plus programme.	Higher than industry loans growth in key markets. In Malaysia, we are on track to disburse over RM15 billion in loans to SMEs by 2020.
DIGITAL ECO-SYSTEMS Ramped up our partnerships and collaboration with fin-techs and digital platform players to expand our customer value proposition in the digital eco-system space. This is in tandem with our focus on growing our digital SME proposition in the market.	We have entered into various collaborations in Malaysia, with partners such as Axiata, online investment platform Capbridge Pte. Ltd in Singapore, e-Commerce provider Shopmatic, as well as other established platform players such as Lazada and Shopee.
SUSTAINABLE FINANCING Encouraged all CIMB Palm Oil industry customers to be Malaysia Sustainable Palm Oil (MSPO) certified in keeping with our Group Sustainable Financing Policy	We have engaged all our customers, of which 95% of customers are either already MSPO certified or have a clear roadmap to complete their certification within a year.

CHALLENGES & RISK MITIGATION

CHALLENGES/RISKS	MITIGATION STRATEGIES	RESULTS
External headwinds and uncertainties from Brexit and US-China trade war impacted global economy, weakened global trade growth which has weighed on Malaysia's export sector. Weakened domestic business sentiments and soft commodity prices has also affected performance.	Focused on attractive industries that are aligned to Malaysia 2020 vision. Focused on being industry leaders in chosen industries.	Positive customer response and take-up of our lending programmes. We are on track to deliver on our promise to disburse RM15 billion in SME loans by 2020.

A NEW BEGINNING – FORWARD 23 FOCUS AREAS

Customer Centricity: • Enhanced our customer experience framework through digital enablement, with innovation as the catalyst for customer engagement and delight.	Technology & Data: • Devised a segmentation strategy, coupled with an optimal risk reward appetite and credit infrastructure to ensure we are able to deliver the right solutions and services to our customers with diverse interests, needs, and from different geographical areas.	Sustainability: • Worked with our customers (especially in Palm Oil) to raise awareness on sector-specific risks and standards, encouraging them to put concrete action and mitigation plans to improve sustainability practices.	Ventures & Partnerships: • Leveraged on internal CIMB assets and capabilities, such as our branch network, Investment Banking, Treasury, as well as Private Banking practice, and business partners to deliver greater value to our SME and business banking customers.
--	---	---	---

OUTLOOK & PROSPECTS

In 2020 and beyond, we will elevate our game in delivering our value proposition and delighting our customers. This renewed emphasis is guided by our philosophy in CHIDA – Customer obsession; High performance; Integrity; Diversification and inclusion; and Agility.

CHIDA will be apparent in everything that we do for our customers. This includes:

- Digitalisation and automation of our end-to-end credit processes, to improve turn-around time; simplify credit application process; and provide transparency for customers.

- Enhancing our SME digital proposition, with quicker financing access through digital solutions, as well as deeper partnerships and collaboration with platforms players to create an eco-system based proposition to our customers.
- Transforming our key touch points, which are primarily our online banking, as well as branch channels to ensure that we deliver on our promise to our customers at the moment of truth.

group wholesale banking



by Shahnaz Jammal

“Despite a challenging operating environment, we recorded healthy growth in wholesale banking loans at 7.2% YoY and higher Private Banking assets under management (AUM) by 19.3% YoY at RM65.5 billion. Our Treasury & Markets business achieved commendable double-digit growth in profit before tax. During the year, we were the sole principal advisor to a major Oil & Gas client executing Malaysia’s largest block trade of RM6 billion. This is in addition to our first ever Formosa Sustainable Development Goals (SDG) Bond of USD680 million issued by a Malaysian and ASEAN issuer in the international capital markets. We are proud to have successfully achieved a balance between delivering positive growth and financial performance, and demonstrating our responsibility to champion sustainable development.”

WHO WE ARE & WHAT WE DO

We are a leading Wholesale Banking franchise in ASEAN, catering to the banking needs of corporate and institutional clients. Our regional banking solutions include capital market fund raising; corporate advisory services; mergers and acquisitions (M&A); cash management; funding solutions ranging from traditional trade and capital expenditure financing to structured trade, value-chain, project, M&A and leverage financing; structured investment; risk management; fixed income; currency and commodities (FICC) and equity derivatives. Our products are distributed across various customer segments – from retail and high net-worth individuals to SMEs, Corporates and Financial Institutions.

We are also one of the top brokers in the region through CGS-CIMB, our joint-venture with China Galaxy Securities, where we have one of the most comprehensive research coverage of equities, fixed income and economics, as well as our award-winning i-Trade online trading platform that provides access to Asian and US markets. Our regional Private Banking service offers customised advisory, portfolio planning and wealth management solutions for high net-worth individuals.

In line with the Group's footprint, our key value proposition is our regional presence, platforms and solutions. Our cross-border regional operating model (ROM) equips us with the capabilities to offer insights on regional markets and bespoke products with sustainable returns. In doing so, we also deliver best-in-class and seamless customer experience across all markets.

OUR GROWTH DRIVERS IN 2019

The year 2019 started with uncertainty on the back of rising US-China trade tensions, dragging regional and global economic growth. Policy rate cuts by Central Banks in our key markets also impacted overall banking performance.

We have yet again demonstrated resilience in a challenging business environment. Our Treasury & Markets business registered commendable top and bottom line growth year-on-year. Our Corporate Banking, Private Banking and Financial Institution segments also delivered healthy YoY growth in revenue.

Alongside positive financial performance, we have taken tangible measures to improve our EES (Economic, Environmental, Social) orientation and performance in planning our financing activities. During the year, we started working on Sustainability Linked Loans (SLLs), financing instruments where corporate borrowers receive financing incentives upon achieving pre-agreed sustainability performance targets. SLLs were officially launched in January 2020. This is part of our commitment to help support our clients manage their EES risks and future-proof their businesses.

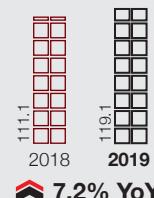
During the year, our focus has been to offer a seamless banking experience to our customers. We strengthened our digital capabilities via collaboration with technology partners in e-procurement to bring cost-effective e-supply chain financing solutions to the supplier community. The integrated procure-to-pay and supply chain financing allow suppliers to access lower cost of funds by leveraging on large corporate buyers' good credit rating.

In October 2019, we completed our first structured trade financing using a blockchain platform and IoT cargo sensor technology for imports into China. The platform provides secure real-time tracking of cargo in transit as well as in the warehouse using blockchain-based technology. This mitigates fraud risk, with alerts to both lenders and customers on any unauthorised movements of the financed cargo. The plan is to scale up the volume of this blockchain-based financing in the next two to three years.

FINANCIAL & NON-FINANCIAL PERFORMANCE

Wholesale Banking contributed positively to the Group's improved revenue and balance sheet during the year. Revenue increased by 9.2% YoY, mainly due to improving market sentiment as well as solid loan and deposit growth. Wholesale Banking loans grew by 7.2% YoY, whereas deposits were up by 4.5% YoY. The Financial Institutions Group (FIG) and Private Banking (PB) segments contributed to YoY revenue growth of 44% and 19% respectively. Our Treasury & Markets' revenue and profit before tax recorded impressive 23% and 49% growth rates YoY, respectively. Wholesale Banking's cost-to-income ratio also improved, mainly due to continued systematic cost saving efforts.

**Wholesale Banking
Loans
(RM billion)**



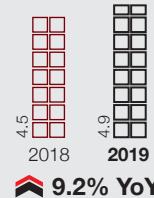
7.2% YoY

**Wholesale Banking
Deposits
(RM billion)**



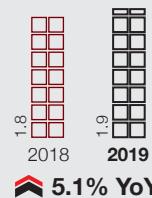
4.5% YoY

**Revenue
(RM billion)**



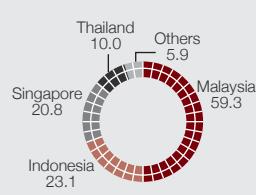
9.2% YoY

**Profit Before Tax
(RM billion)**

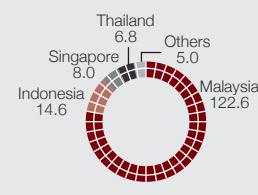


5.1% YoY

**Wholesale Banking
Loans
(RM billion)**



**Wholesale Banking
Deposits
(RM billion)**



AWARDS & RECOGNITION	AWARDS	AWARDING BODY
	Best Bond House in Southeast Asia Best Investment Bank (Malaysia) Corporate and Investment Bank of the Year (Indonesia)	Alpha Southeast Asia Best Deal & Solution Awards 2019 Euromoney Awards for Excellence Asia 2019 Asian Banking and Finance – Corporate & Investment Banking Awards 2019
	Best Investment Bank; Best Private Bank; Best Equity House; Best DCM House (All for Malaysia)	Finance Asia Country Awards 2019

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
COST MANAGEMENT Continued to drive cost-saving initiatives through process improvement; a cost-conscious culture and mindset; and leveraging our regional operating model.	Continuous improvement in cost-to-income ratio from 49% in 2018 to 47% in 2019. JAW was positive at 5%.
CUSTOMER SOLUTIONS Introduced seamless, secure, and cost-effective financial solutions to support customers' growth through innovation and technology.	Completed first structured trade financing transaction using Blockchain platform and announced collaboration with technology partners to provide e-supply chain financing solutions to the supplier community.
POSITIVE IMPACT FINANCING Accelerated efforts to design and launch sustainable financing products and solutions, positively contributing to our EES agenda and performance.	Launch of the first ever Formosa Sustainable Development Goals (SDG) Bond of USD680 million issued by a Malaysian and ASEAN issuer in the Reg-S international capital markets. Launch of SLLs worth RM3 billion to incentivise corporate borrowers to enhance their EES efforts.

CHALLENGES & RISK MITIGATION

CHALLENGES/RISKS	MITIGATION STRATEGIES	RESULTS
Escalating Trade Tensions: Slower industry and loan growth, lower Net Interest Income (NII) from rate cuts in Malaysia, Indonesia and Thailand.	Leveraged on our Regional Operating Model (ROM) and focused on growing loans and deposits.	Group corporate loans reported positive growth at 2.0% YoY, mainly contributed from Malaysia, Indonesia and Thailand.
Higher Customer Expectations & Rising Costs: Expectations of customers for digitalisation and increased investments in technology affecting operating costs.	Disciplined costs across business units and geographies through systematic investments – all towards offering personalised customer solutions.	Wholesale Banking achieved 9% YoY Revenue growth with healthy Cost-to-Income Ratio and positive JAW of 5%.
Disruptive Industry: Entry of non-traditional players, especially in the retail segment of Treasury products.	Collaborated with high-potential technology companies to strengthen our value proposition (e.g. e-Supply Chain Financing Solutions).	Completion of first trade financing with blockchain technology for imports from New Zealand to China.

A NEW BEGINNING – FORWARD 23 FOCUS AREAS

Customer Centricity: • Initiatives to adopt a holistic regional and integrated Customer Relationship Management (CRM) for all Treasury products to offer customised solutions to our customers swiftly and comprehensively.	Technology & Data: • Accelerating revamp of technology platforms to improve customer experience. • Digitalising customer on-boarding and process automation.	Sustainability: • Introduced Sustainable Financing for targeted corporate customers. • Collaborating with development organisations on Green Financing.	Our People: • Conduct targeting training to enhance staff's understanding of sustainable financing within the CIMB framework. • Participation in CIMB's 3D Foundation and Intermediate programmes.
---	---	--	---

OUTLOOK & PROSPECTS

As we have entered the second year of our 5-year strategy, our focus is on accelerating execution of our key strategies. Our priority will be to continuously seek opportunities to drive sustainable growth and create value for our stakeholders. In doing so, we will remain vigilant about downside risks of the current economic environment.

Our main efforts will be channelled towards proactive management of costs, systematic investments and continually improving the credit quality of our portfolios.

In 2020, amongst other business aspects, our focus will be on:

- Growing our market share across Malaysia, Indonesia, Singapore and Thailand (MIST), mainly to offer competitive products and pricing to our customers;
- Reinforcing our position as the preferred banker of our targeted corporate customers;
- Extending our support and substantiating the Digital Transformation efforts of the Government;

- Leveraging our ROM to strengthen our position as the "Go To" bank for ASEAN businesses;
- Furthering our China Strategy to support China-ASEAN trade flows and FDIs; and
- Building our sustainable financing portfolio to maximise the bank's positive impact to EES and focusing on maintaining good asset quality.

group transaction banking



by Rafe Haneef

"The Group Transaction Banking recorded a healthy 6% growth in revenue as well as a double-digit client-base growth in 2019. Our efforts to diversify our income structure from NII to NOII towards building a sustainable business gained momentum during the year, despite interest cuts across the region. Our key differentiator has been our ability to create value through our products and services, by way of easing clients' pain points in managing their business and financial operations. We will continue to fulfil the changing needs of our clients as the industry transitions into a digital economy."

WHO WE ARE & WHAT WE DO

We offer a wide range of products and services covering cash management, trade finance, supply chain financing solutions, online banking and securities services to cater to both our corporate and institutional clients across the region. We provide comprehensive end-to-end cash management solutions designed to help our clients manage their payments and collections effectively and maximise their liquidity potential. These services are also offered through our 24/7 online banking platform to facilitate our clients' business needs at their convenience.

Our trade finance products cover a comprehensive range – from traditional trade products to structured trade and supply chain financing solutions - designed to cater to our clients' diverse business needs in domestic and international trade.

We also provide end-to-end securities services solutions via fund accounting services, custody services, corporate trustee and agency services. Our key value proposition is our unique ability to fully facilitate transactions, supply chains and trade flows across ASEAN and beyond. We are the gateway to ASEAN, empowered by our strong networks, comprehensive digital platforms, best-in-class shariah expertise as well as strategic alliances across the ecosystems that represent the economic potential of this diverse region.

OUR GROWTH DRIVERS IN 2019

Transaction Banking recorded a positive revenue growth across Malaysia, Indonesia, Singapore, Thailand and Cambodia (MISTC) despite the challenging market environment.

Our revenue in 2019 was well diversified, contributed by growth in all our products and services, which we continue to design to address specific needs of our customers. Particularly, we have innovative solutions to solve the costly manual reconciliation processes, tedious transaction matching, inaccuracies, and delayed reconciliation. Our solutions can help clients in driving efficiency through improved reconciliation processes, saving valuable time and resources.

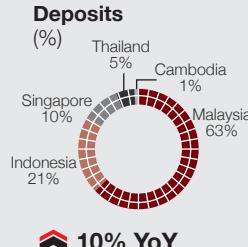
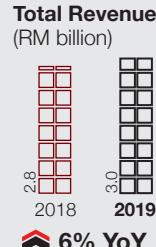
Deposits growth of 10%, propelled by the two largest contributors, namely Malaysia and Singapore, were the primary drivers for an increase in Net Interest Income (NII) of 5%. Meanwhile, the Non-Interest Income (NOII) grew at 10%, mainly contributed by cash management and trade finance business.

With rapid advancements in the digital space, our e-banking users continued to expand, with promising future growth in the segment. As at end 2019, we registered a double-digit growth of 17% YoY in the number of active e-banking clients across the region.

Our trade finance business also recorded a commendable growth in 2019, mainly attributed to various strategic interventions. These include our strategy on ecosystem thinking and solutions as well as structured trade finance deals, which recorded an encouraging growth of 13% YoY.

FINANCIAL PERFORMANCE

In 2019, the Group Transaction Banking continued to register a growth of 5% in revenue YoY across the region, with each of our core businesses reporting healthy growth, mainly contributed by Malaysia and Singapore. Our businesses in both Cambodia and Singapore continued to be the two best performing countries in the region, with a double-digit revenue growth YoY.



AWARDS & RECOGNITION

AWARDS

- Best Cash Management Bank in Malaysia
- Best Service Provider – Fintech Partner Malaysia
- TnG Wallet – Best Payments and Collections Solution Malaysia

AWARDING BODY

- Alpha SEA Best Financial Institution Awards
- Malaysia e-Payments Excellence Awards (MEEA)
- Triple A Asset Asian Awards

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
CURRENT ACCOUNT/SAVINGS ACCOUNT (CASA) FOCUS Deployed targeted strategies and multiple campaigns in bigger markets such as Indonesia and Malaysia, mainly to grow our deposit base. In smaller markets such as Thailand and Singapore, we introduced competitive tiered-rates CASA, with fee privileges.	Casa balances increased by 10% YoY.
ECOSYSTEM PUSH Introduced full-suite of bundled financing solutions, targeting entire sectoral ecosystems to reach out to suppliers, distributors, dealers and buyers amongst others.	Mandated deals with trade limit of RM630 million in the eco-system. Account Receivables Discounting deal.
SEGMENT FOCUS Targeted new segments and strategised to deepen the wallet share for the government and state-owned sectors Improving SME penetration with better synergy between Branches, Business Units and Transaction Banking.	Growth from targeted segments and SME sectors at 28% and 3% respectively.

CHALLENGES & RISK MITIGATION

CHALLENGES/RISKS	MITIGATION STRATEGIES	RESULTS
Fraud Transactions: Increasing online frauds/cybercrime due to low awareness in the marketplace.	Strengthened our standard operating procedures (SOPs) on digital transactions and raise awareness by collaborating with regulators and industry players to tackle the problem as an industry. Implemented more comprehensive screenings for all the documents.	Launch of online fraud monitoring in Malaysia in 4Q2019, and in Singapore in 1Q2020.
Market Volatility: Fluctuating and reduced interest rates and the overall weak market sentiments.	Diversified the sources of our revenue by tapping new areas with growth potential.	Increase in NOII by 10% YoY.

A NEW BEGINNING – FORWARD 23 FOCUS AREAS

Customer Centricity: <ul style="list-style-type: none"> • Responded to customer expectations on financing through end-to-end product solutioning. • Rolled-out downstream and upstream financial solutions for players (in targeted sectors) • Increased income in the first targeted sector by 300% as at 31 December 2019. 	Sustainability: <ul style="list-style-type: none"> • Mobile Banking, designed for simple and easy transactions for SMEs. • In Malaysia alone, we have registered a total of 2,709 SME Mobile Banking users as at 31 December 2019, after 2 months of going live. 	Technology & Data: <ul style="list-style-type: none"> • Initiating platform revamp exercise to enable an open platform to support business scalability and more importantly support external and partnership integrations. This will propel us to enable digital transactions compared to the traditional paper-based transactions. Investing into data infrastructure to enable advisory services to clients and business insights to monetise our data.
--	---	---

OUTLOOK & PROSPECTS

We expect the volatility of the market to continue in 2020, with more interest cuts in the region. However, our outlook remains positive and we see our business gaining momentum in the region. To further gain competitiveness and market share, we will focus on targeted areas of growth. For instance, we will focus on growing our trade business by developing ecosystem solutions as well as supply chain solutions with our partners and customers. We also plan to drive cross-border transactions by leveraging on our regional operating model.

We will continue to invest to transform the Transaction Banking business as the businesses are automating and digitalising their financial processes. This will help to improve performance, provide greater digital banking capabilities, as well as improve customer experience. In addition, we are driving swift changes in the way we run our business as the usage of data and analytics expands in improving our products, processes and business insights.

group ventures & partnerships



by Effendy Shahul Hamid

"Initiated with the mandate of developing the Group's new and disruptive businesses and value creation streams, GVP was successful in establishing baseline narratives across its practices and achieved all key targets for the year. We kick-started a platform-focused Partnerships infrastructure, our TNG-Ant Financial joint venture grew significantly, and the Group's first all-digital banking franchise in the Philippines scaled rapidly in its first year of operation. Overall, we recorded healthy momentum going into 2020 and have begun identifying key disruptive levers to accelerate over the next 5 years."

WHO WE ARE & WHAT WE DO

Group Ventures & Partnerships (GVP) was established in January 2019 as one of the Group's multiple pillars towards future-proofing the franchise. Our work revolves around the core focus of how we tackle external disruptions facing our businesses today, including areas of proliferating financial services within ecosystems, new digital banking business models, as well as financial technology.

We operate a Partnerships infrastructure that focuses on creating new revenue streams through financial product co-creation and distribution models with digital platform companies, with the goal of ensuring CIMB remains at the forefront of customer buying behaviours as well as value creation in terms of platform economics.

We also operate a Ventures practice that sees the firm selectively venture into platform-type businesses through equity co-ownerships, to ensure we are able to participate in value creation opportunities in the future. In addition to core ventures such as Touch 'n Go (TNG) and Touch 'n Go Digital (TNGD), we also continue to own a 40% stake in Principal Asset Management (PAM) and Principal Islamic Asset Management (PIAM) along with a select equity portfolio of investments. Through active portfolio optimisation and capital management, our Investments practice ensures that the Group's balance sheet is deployed effectively across its equity investments.

Also within the ambit of GVP is the Group's digital banking-led operations in the Philippines and Vietnam. Both start-up businesses, CIMB Bank Philippines (CIMB PH) is now recognised as a leading digital banking franchise in ASEAN and CIMB Bank Vietnam (CIMB VN) is undergoing transformation to pivot towards a digital-first model.

OUR GROWTH DRIVERS IN 2019

On the Partnerships front, we have successfully deployed a merchant micro-financing MVP (minimum viable product) with three platforms – Lazada, Shopee and TNG e-Wallet, and will continue iterating through 2020 and beyond. Over the course of the year, we achieved our targets in establishing an operating model, developing technological baselines and establishing market-driven use cases.

The TNG e-Wallet saw tremendous growth in its user base and closed 2019 as Malaysia's top e-wallet, with 6.8 million registered users and 116,000 merchant partners. TNGD's trajectory has been driven primarily by a strong acquisition engine, compelling propositions and robust tech proliferation with Ant Financial.

We also successfully completed a shareholding consolidation exercise at TNG, with CIMB now owning 100% of the business.

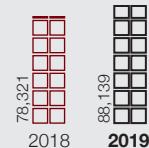
FINANCIAL PERFORMANCE

Our asset management business performed commendably in 2019, having achieved 12.5% YoY growth in AUM, which closed at RM88.1 billion.

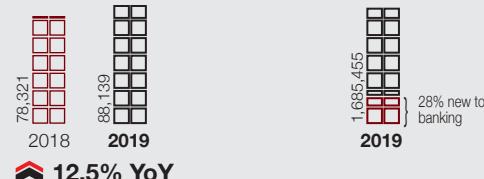
CIMB PH acquired at scale and ended 2019 with 1.7 million customers, exceeding expectations in its first year of operation.

TNGD recorded exponential growth in user base, tripling its total registered users YoY to 6.8 million and more than doubling its Annual Active User (AAU) rate to 4.2 million.

PAM AUM
(RM million)

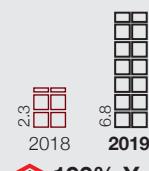


CIMB PH Total
Customers Acquired

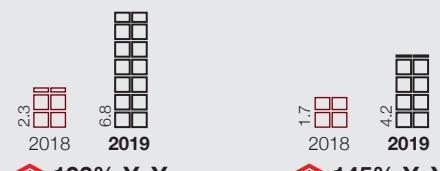


▲ 12.5% YoY

TNGD
Total Registered Users
(million)



Annual Active Users
(million)



▲ 193% YoY

TNGD

TNG has to date fitted 900,000 RFIDs nationwide and is now in a position to evolve beyond toll and transport payments. On the public markets front, despite a challenging year we recorded a PBT of RM46 million on our 40% share of PAM's performance. On the private markets portion, we closed off a profitable year on the back of continued optimisations and gains on our equity investments.

CIMB PH grew to 1.7 million customers in its first year of operation, driven by a platform-centric operating model and a pure digital infrastructure. Set up with the ability to co-create and deploy financial products on digital ecosystems, we have successfully proliferated a scalable acquisition regime and activated key technology levers instrumental in the pursuit of a sustainable digital banking model. CIMB VN in turn completed the first phase of recalibration with plans afoot to enhance its digital focus in 2020.

AWARDS & RECOGNITION

AWARDS

- Best Digital Bank (CIMB PH)
- Best Consumer Digital Bank (CIMB PH)
- Fastest Growing Digital Bank (CIMB PH)
- Best Asset Management House in ASEAN (PAM)

AWARDING BODY

- The Asian Banker Philippine Awards 2019
- Asia-Pacific Global Finance Awards 2019
- International Finance Banking Awards 2019
- Asia Asset Management 2019

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
Established Partnerships infrastructure & operating model	<ul style="list-style-type: none"> Team structure established and operationalised early-2019 Key partnership engagements pursued, resulting in deployment of merchant micro-financing MVP on three platforms – Lazada, Shopee and TNG e-Wallet
Successfully leveraged TNG-Ant Financial JV and scaled e-wallet business	<ul style="list-style-type: none"> Gained significant momentum and scaled rapidly in 2019 Acquired 6.8 million registered users, 116,000 merchant partners Achieved AAU rate of 4.2 million
Initiated a fully digital, mobile-first franchise in the Philippines	<ul style="list-style-type: none"> Established key partnership elements critical to digital operating model and distribution Acquired 1.7 million customers in first year of operation

CHALLENGES & RISK MITIGATION

CHALLENGES/RISKS	MITIGATION STRATEGIES	RESULTS
New and untested Partnerships regime	Established multi-disciplined teams and deployed an agile working structure with focus on developing viable use cases with potential partners	Successfully engaged multiple platform partners and rolled out MVP on three platforms
Limitations in technology to proliferate required propositions	Deployed an iterative development process with focus on establishing product foundations, with room for further revisions and improvements down the road	First iteration of merchant micro-financing product deployed, pipeline of partner-centric products and tech requirements established with developmental milestones through 2020
Uncertainty with entry into new market in the Philippines	Initiated franchise with baseline partnership operating model and a focused product suite	Launched CIMB PH anchored on partnership with GCash and began acquiring at scale with a best-in-class savings proposition

A NEW BEGINNING – FORWARD 23 FOCUS AREAS

Disruption Mitigation & Future-proofing <ul style="list-style-type: none"> Changes in consumer behaviours and the enablement of technology have given rise to disruptive players across various industries. GVP has been designed to address this aspect by pursuing opportunities and orchestrating value creation outside the Group. Platform-collaborative efforts on the Partnerships front, growing of strategic ventures such as TNGD and acceleration of our digital banking businesses will ensure that the Group remains in the forefront of disruptive practices, capabilities and technologies. 	New Revenue Streams <ul style="list-style-type: none"> Through cohesive product distribution and customer aggregation capabilities, platform companies and non-banks are gaining access to customers across the globe, and have also begun originating financial services. As a banking franchise, it is critical to consider new modes of origination and acquisition beyond our established banking channels. GVP's mandate will be to pursue and capture these opportunities as we evolve our ability to serve customers in the next 5 years. 	Alternate & Digital Banking Models <ul style="list-style-type: none"> Regulatory changes and increasing calls for financial innovation and inclusion are taking place in markets across Asia and beyond, and are in turn reshaping the financial industry. The emergence of fintech players and digital banks are introducing new business models that challenge conventions in terms of how banks can operate. Our digital franchises in the Philippines and Vietnam have begun materialising, and will form catalysts for the Group in view of imminent digital banking policies.
--	--	---

OUTLOOK & PROSPECTS

GVP has had a positive start in 2019, having established the right momentum across various practices and achieved key targets heading into 2020. In the year ahead, we aim to double down on areas of building capabilities, driving new propositions, and sharpening our focus on creating value whilst continuing to invest in our businesses through their initiation stages.

We will continue to accelerate our Partnerships efforts, focusing on delivering improved tech and product pipelines in addition to market-driven commercial strategies as we look towards opening up new revenue streams with more platform partners.

TNGD's growth continues to look promising, as we begin to realise synergies of our joint venture with Ant Financial in the retail e-payments space. We will continue to invest in the growth of this business in addition to pivoting its revenue strategies. At TNG Group, plans are also underway to pivot the company towards being a transportation ecosystem anchored on RFID use cases.

CIMB PH has proven its ability to scale well on its current business model. 2020 will see the momentum continue, as well as enhancements to our tech stack and proliferation of digital lending propositions. We aim to see the beginning of data monetisation as we deepen our relationships with platform partners and sharpen our execution. CIMB VN has established the required foundations to grow a digital franchise, and we will begin to see the partnerships pipeline take off as we aim to start acquiring customers at scale in 2020.

On the digital banking front in Malaysia, progress in the central bank's policy and the anticipated issuance of licenses in 2020 are interesting developments to observe. We expect to see the introduction of new players and capabilities in the market. CIMB has begun diligence efforts in this space and will develop a view in due time.

group islamic banking



by Ahmad Shahriman
Mohd Shariff

"Our initiative to develop the global Halal sector was cited in the 2019 State of the Global Islamic Economy Report as a contributor towards Malaysia ranking number one on the Global Islamic Economy Indicator (GIEI) index. These efforts in 2019 move us towards establishing Islamic and Halal trade financing leadership in some of the world's largest capital markets. In developing our Halal ecosystem, we have aligned with institutions sharing the same vision, including a leading international bank and various Halal-related bodies within the region. Our goal is to enable local SMEs to strengthen their Halal infrastructure and credentials towards building their global competitiveness."

WHO WE ARE & 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 of Islamic finance.

OUR GROWTH DRIVERS IN 2019

Overall, regional Islamic financing, including asset under Restricted Agency Investment Account, registered financing growth of 10.8% YoY, closing the year at RM100 billion gross financing. The growth momentum for financing and deposits continued to be supported by the Islamic First strategy, with Islamic financing share of book growing close to 40%, mainly contributed by the consumer and SME segments.

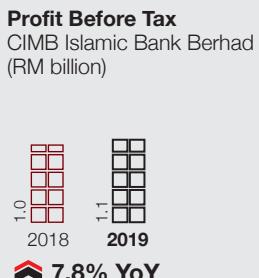
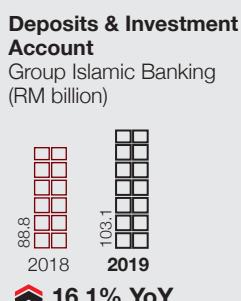
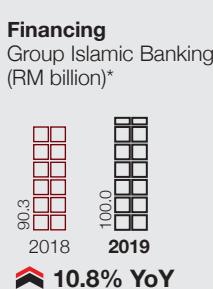
The CIMB Halal Corridor strategy and the trade financing challenges faced by SMEs, led us to develop our first-to-market solution, HalalBizReady. This will equip the critical mass of high-potential and export-ready SMEs with necessary financing to build a robust Halal infrastructure. In addition to providing working capital, with the help of our local and international partnerships, we will facilitate access to global Halal networks as well as internationally recognised standards and certifications.

In response to the growing consumer demand, and backed by our strong partners, Takaful Ikhlas and Berjaya Sompo, we expanded our General Takaful protection solutions. During the year, we introduced two new products – Islamic Motor and Fire Takaful – into our banca-takaful portfolio. In recognition of the increasing effects of Climate Change, takaful contribution (under Fire Takaful) now offers customers an option to cover their property against losses from natural disasters such as floods in addition to fire or lightning.

In 2019, trading and FX gain reported double-digit growth. Islamic Structured Products also saw tremendous growth owing to the relaunch of two products, namely Callable Islamic Range Accruals and Commodity Range Bound transactions, further strengthening our Islamic wealth management proposition.

Regionally, CIMB Niaga Syariah in Indonesia reported accelerated growth and was ranked amongst the top 5 largest Islamic banks in Indonesia in terms of asset size, as at FY2019 published figures. Its deposits and financing books have registered significant growth YoY, at 41.9% and 28.8% respectively. While in Singapore, we secured a financing deal for a local trading company amounting to RM136 million – our largest Islamic financing in Singapore for the year.

FINANCIAL & NON-FINANCIAL PERFORMANCE



* Includes Restricted Agency Investment Account (RAIA)

AWARDS & RECOGNITION	AWARDS	AWARDING BODY
	Best Islamic Finance Sukuk House	Alpha SEA Regional Islamic Finance Award
	Islamic Finance House of the Year	FinanceAsia House Awards 2019
	Best Islamic Bank (Malaysia)	Islamic Finance News (IFN) Best Banks Poll 2019

HIGHLIGHTS 2019

KEY INITIATIVES	RESULTS
CIMB ISLAMIC & THE HALAL ECOSYSTEM Supported by partnership with the Department of Islamic Development in Malaysia or JAKIM, initiated efforts to champion new financing and growth opportunities for SMEs in the Halal space.	Earmarked RM100 million financing for SMEs to achieve Halal status Development of HalalBizReady for SMEs with access to the expertise of CIMB's halal-based strategic partnerships
HALAL TRADE FINANCING AND ISLAMIC BANKING LEADERSHIP Launched promotional initiatives and sponsorships for MIHAS and SimplySiti, which is a popular Halal brand led by Malaysia's most popular influencer – Siti Nurhaliza.	50% increase in brand awareness and our commitment to Halal industry development
ISLAMIC FIRST CONSUMER BANKING PRODUCT STRATEGY Launched "Kempen Umrah Bersama CIMB Islamic", focussing on growing Islamic CASA base and build strong association with Umrah in the long term.	Opened 24,019 new accounts, with RM63 million in incremental balances as at June 2019

A NEW BEGINNING – FORWARD23 FOCUS AREAS

Customer Centricity: <ul style="list-style-type: none"> Activated a commercialisation plan and new-to-bank strategies, mainly focused on meeting the needs and expectations of customers in the Halal ecosystem as well as those seeking sustainable financing. Towards Forward23, we will aim to expand our reach to address markets that are underserved and underbanked. 	Ventures & Partnerships: <ul style="list-style-type: none"> Established partnership with a key international bank and secured membership to their Trade Club Alliance to provide local SMEs access to global Halal networks. We will continue to identify key synergies and opportunities in the Islamic economy sectors to bring value-added services to our customers. 	Sustainability: <ul style="list-style-type: none"> Partnered with the International Islamic Centre for Education in Islamic Finance (INCEIF) to undertake research on the Renewable Energy (RE) and Energy Efficiency (EE) sectors, including regional benchmarking and gap analysis for products and policies. Going forward, we are committed towards developing sustainable business financing solutions by ramping up new SME business within the green economy sectors, starting with RE and EE.
--	---	--

OUTLOOK & PROSPECTS

According to the State of the Global Islamic Economy Report 2019/20, global Islamic Finance assets are expected to reach USD3.47 trillion by 2024. This translates to a 5.5% CAGR over the span of 6 years from 2018. Group Islamic Banking is committed to tap this potential by finding opportunities to create value and offer differentiated solutions to our customers.

We will continue to build on our Commercialisation Plan and strengthen our position in the Halal marketplace by offering collective commitment of our local and international partners to catalyse trade financing and capacity building and achieve new growth for SMEs in Halal.

Aligned with the Group's focus on Sustainability and managing the impact of our business on the environment and society, we will remain committed to developing products and solutions within

the 'green' space. We will also focus on creating an enabling environment for SMEs, who are the backbone of the economy, by facilitating access to knowledge and sustainability practices.

In 2020 and beyond, we will continue to explore strategic partnerships, which will bring added-value and improve customer experience within our identified high-priority customer segments across markets that are unique to Islamic.

board of directors



BOARD COMPOSITION

- 1 Senior Independent Director
- 5 Independent Directors
- 2 Non-Independent Directors

AGE GROUP



Seated from left to right

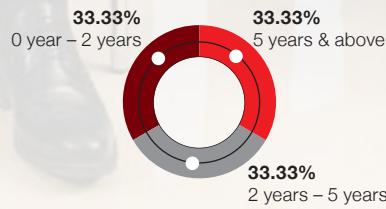
- TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
- DATUK MOHD NASIR AHMAD
- TEOH SU YIN

Standing from left to right

- AFZAL ABDUL RAHIM
- DATO' LEE KOK KWAN
- ROBERT NEIL COOMBE
- DATO' MOHAMED ROSS MOHD DIN
- DIDI SYAFRUDDIN YAHYA
- AHMAD ZULQARNAIN CHE ON



**LENGTH OF
TENURE**



GENDER



- 8 Male
1 Female

NATIONALITY



- 7 Malaysians
2 Non-Malaysians

board of directors profile

**DATUK MOHD NASIR AHMAD**

Chairperson/Independent Director

 Nationality | Malaysian

 Age | 65

 Gender | Male

 Date of Appointment |
20 July 2015

 Length of Tenure | 4 Years

AC BR
CC GN
RC
QUALIFICATION

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

AREAS OF EXPERTISE

- Accounting and Audit, Operations, Human Resource, Strategy Development and Implementation

DIRECTORSHIP/RELEVANT APPOINTMENTS**Listed Entities**

- Nil

Public Companies

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

RELEVANT EXPERIENCE

Datuk Mohd Nasir Ahmad was appointed as Chairperson/Independent Director of CIMB Group Holdings Berhad on 20 October 2018. He was the President of MIA from August 2011 to July 2013. In September 2013 he was elected as a Council Member of the ACCA UK and re-elected in September 2016 and November 2019.

He brings with him vast experience in the areas of leadership, management, 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 the Financial Controller before being appointed as Chief Executive Officer (CEO) in June 1994.

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

Datuk Mohd Nasir also holds directorships in private companies namely Prokhas Sdn Bhd and CIMB EOP Management Sdn Bhd and is a Trustee of Yayasan Canselor UNITEN.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Chairperson 16/16	Member 16/17	Member 7/7	Member 15/16

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 2019

**TENGKU DATO' SRI ZAFRUL****TENGKU ABDUL AZIZ**Group Chief Executive Officer/
Executive Director
 Nationality | Malaysian

 Age | 46

 Gender | Male

 Date of Appointment |
27 February 2015

 Length of Tenure | 5 Years
QUALIFICATION

- Fellow, Asian Institute of Chartered Bankers
- Master of Arts in Finance and Management, University of Exeter, United Kingdom
- Investment Management Certificate, Institute of Investment Management and Research, United Kingdom
- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom

AREAS OF EXPERTISE

- Accounting and Audit, Banking and Finance, Legal, Risk Management, Capital Market, Consumer Marketing, Human Resource, Corporate Leadership, Strategy Development and Implementation, Innovation and Transformation, Learning and Development

DIRECTORSHIP/RELEVANT APPOINTMENTS**Listed Entities**

- President Commissioner of PT Bank CIMB Niaga Tbk

Public Companies

- Chief Executive Officer/Executive Director of CIMB Bank Berhad

RELEVANT EXPERIENCE

With over 23 years of experience in the financial services sector, specialising in Investment Banking and change management, Zafrul's last position was with Maybank Investment Bank Berhad and Maybank Kim Eng Holdings as Chief Executive Officer. He also held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities. He also experienced being an entrepreneur by setting up Tune Money Sdn Bhd, Asia's first "no-frills" online financial service provider.

Zafrul is currently a member of the APEC Business Advisory Council (ABAC), representing Malaysia in promoting intra-trade and collaboration within Asia Pacific. Further, as an advocate of Malaysia's socioeconomic development, he currently sits on the Board of the National Sports Council of Malaysia, in addition to being a Trustee of the Perdana Leadership Foundation. He is also an Honorary Commander of the Navy Volunteer Reserve under the Royal Malaysian Navy.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
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 2019



TEOH SU YIN

Senior Independent Director



Nationality | Malaysian



Age | 48



Gender | Female



Date of Appointment |

8 October 2014



Length of Tenure | 5 Years

GN
RC AC BR
CC

QUALIFICATION

- Bachelor of Arts (Hons) Business Studies, Sheffield Hallam University, United Kingdom
- Business and Technology Education (BTEC) Higher National Diploma (HND) Business Studies, Sheffield Hallam University, United Kingdom
- Diploma, Chartered Institute of Marketing, United Kingdom
- Licensed Investment Adviser by Securities Commission of Malaysia

AREAS OF EXPERTISE

- Banking and Finance

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

- Nil

Public Companies

- Nil

RELEVANT EXPERIENCE

Teoh Su Yin was re-designated as Senior Independent Director of CIMB Group Holdings Berhad on 20 October 2018. She has almost 20 years' experience in equity research and investments.

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

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

She currently serves on the Board of Albizia ASEAN Opportunities Fund in Singapore, the Board of World Wildlife Fund-Malaysia, as a member of the Alice Smith School Finance Sub-Committee and holds directorships in various other private companies.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 16/16	Member 13/17	Member 7/7	Chairperson 14/16

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 2019



ROBERT NEIL COOMBE

Independent Director,
Sustainability Sponsor



Nationality | Australian



Age | 56



Gender | Male



Date of Appointment |

16 April 2014

BR
CC GN
RC

Length of Tenure | 5 Years

QUALIFICATION

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

AREAS OF EXPERTISE

- Accounting and Audit, Banking and Finance, Operations, Consumer Marketing, Human Resource

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

- Executive Chairperson of Generation Development Group, Australia

Public Companies

- Nil

RELEVANT EXPERIENCE

Robert Neil Coombe is currently the Executive Chairperson of the ASX listed Generation Development Group, a financial services business focused on generational financial solutions. He is also Chairperson of Craveable Brands, the largest Australian owned Quick Service Restaurant business. He was the CEO of Craveable Brands between 2013 and April 2017.

Before joining Craveable Brands, Robert was responsible for all of Westpac's Retail, Business and Agri banking operations throughout Australia. Prior to this role, Robert spent six years as the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses in Australia.

In total, he has over 35 years' corporate experience in both Australia and Asia.

In addition to the above, Robert is a Director of Tibra Capital, Surfing Australia and the Australian Indigenous Education Foundation. He is also a member of the Advisory Board of 5V Capital Investors.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 15/16	-	Chairperson 6/7	Member 13/14

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 2019

board of directors profile



DATO' MOHAMED ROSS MOHD DIN

Independent Director

Nationality | Malaysian

Age | 67

Gender | Male

Date of Appointment | 19 April 2016

Length of Tenure | 3 Years

AC **BR CC** **GN RC**



DATO' LEE KOK KWAN

Non-Independent Director

Nationality | Malaysian

Age | 54

Gender | Male

Date of Appointment | 20 July 2015

Length of Tenure | 4 Years

BR CC

QUALIFICATION

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

AREAS OF EXPERTISE

- Banking and Finance, Operations, International Experience

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

- Nil

Public Companies

- Chairperson/Independent Director of CIMB Islamic Bank Berhad

RELEVANT EXPERIENCE

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

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

Dato' Mohamed Ross currently sits on an Advisory Board overseeing a Private Equity Fund (Ekuinas OFM Programme) as an Independent Member. Additionally he also sits as a Trustee on the Board of Lembaga Zakat Selangor and also serves as an Independent Director on the Board of an Asset Management company.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 16/16	Chairperson 17/17	Member 7/7	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 2019

QUALIFICATION

- Masters in Business Administration, Simon Fraser University, Canada
- Bachelor of Business Administration (First Class), Simon Fraser University, Canada

AREAS OF EXPERTISE

- Banking and Finance

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

- Nil

Public Companies

- Non-Independent Director of CIMB Bank Berhad
- Non-Executive Director of Cagamas Holdings Berhad

RELEVANT EXPERIENCE

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

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

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

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 15/16	-	Member 7/7	-

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 2019



AHMAD ZULKARNAIN CHE ON

Non-Independent Director

Nationality | Malaysian

Age | 47

Gender | Male

Date of Appointment |
3 November 2017

Length of Tenure | 2 Years

BR
CC

GN
RC



AFZAL ABDUL RAHIM

Independent Director

Nationality | Malaysian

Age | 42

Gender | Male

Date of Appointment |
31 January 2019

Length of Tenure | 1 Year

QUALIFICATION

- Bachelor of Arts in Economics from Harvard and Radcliffe College, Harvard University, USA

AREAS OF EXPERTISE

- Banking and Finance, Capital Market, Corporate Leadership, Strategy Development and Implementation

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

- Nil

Public Companies

- Non-Independent Director of Malaysia Airlines Berhad
- Non-Independent Director of Malaysia Aviation Group Berhad

RELEVANT EXPERIENCE

Ahmad Zulkarnain Che On is Deputy Managing Director of Khazanah Nasional Berhad. He joined Khazanah in May 2014 as an Executive Director, Investments and subsequently appointed as Head, Strategic Management Unit of Khazanah.

Prior to Khazanah, he was appointed as the first Managing Director/ Chief Executive Officer of Danajamin Nasional Berhad in 2009. He has over 22 years' experience in both banking and corporates, including tenures with UBS Warburg, Pengurusan Danaharta Berhad, CIMB Group and Symphony Group.

QUALIFICATION

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

AREAS OF EXPERTISE

- Legal, Operations, Information Technology, Human Resource, Strategy Development and Implementation, Innovation and Transformation

DIRECTORSHIP/RELEVANT APPOINTMENTS

Listed Entities

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

Public Companies

- Nil

RELEVANT EXPERIENCE

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

Afzal founded the non-profit Malaysian Internet Exchange (MyIX) in 2006 and also serves as a Board Member of Endeavor Malaysia, an organisation that is devoted to nurturing high-impact entrepreneurs. He is also a Member of the Civil Aviation Authority Malaysia.

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

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 15/16	-	Member 6/7	Member 15/16

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 2019

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 15/16	-	-	Member 7/9

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 2019

board of directors profile

GN
RC**DIDI SYAFRUDDIN YAHYA**

Independent Director

**Nationality** | Indonesian**Age** | 52**Gender** | Male**Date of Appointment** |

7 May 2019

**Length of Tenure** | Less than 1 Year**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

- Capital Market, International Experience

DIRECTORSHIP/RELEVANT APPOINTMENTS**Listed Entities**

- Nil

Public Companies

- Independent Director of CIMB Investment Bank Berhad
- Commissioner of PT Bank CIMB Niaga Tbk

RELEVANT EXPERIENCE

Didi Syafruddin previously worked for J.P. Morgan for more than 20 years based in Indonesia and subsequently Malaysia where he was the Managing Director and Head of Investment Banking. At J.P. Morgan, Didi Syafruddin advised clients on mergers and acquisitions, equity and debt capital markets transactions and had been involved in a number of landmark deals in both Indonesia and Malaysia. He is currently a Member of Investment Panel of Urusharta Jamaah Sdn Bhd.

BOARD AND BOARD COMMITTEE ATTENDANCE

BOD	AC	BRCC	GNRC
Member 12/12	-	-	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 2019

**group company
secretary's profile****DATIN ROSSAYA MOHD NASHIR**

Group Company Secretary

**Nationality** | Malaysian**Age** | 51**Gender** | Female**Date of Appointment** | 2002**Length of Tenure** | 18 Years**QUALIFICATION**

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

AREAS OF EXPERTISE

- Company Law, Corporate Secretarial Practice, Corporate Governance and Conflicts Management

DIRECTORSHIP/RELEVANT APPOINTMENTS**Listed Entities**

- Nil

Public Companies

- Nil

RELEVANT EXPERIENCE

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

In her role, she is responsible for providing counsel and advice on Board duties and responsibilities, to ensure that CIMB complies with relevant laws and regulatory requirements. She also plays a liaison role between the Board and its key stakeholders both in Malaysia and in the Group's regional operations, ensuring that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations.

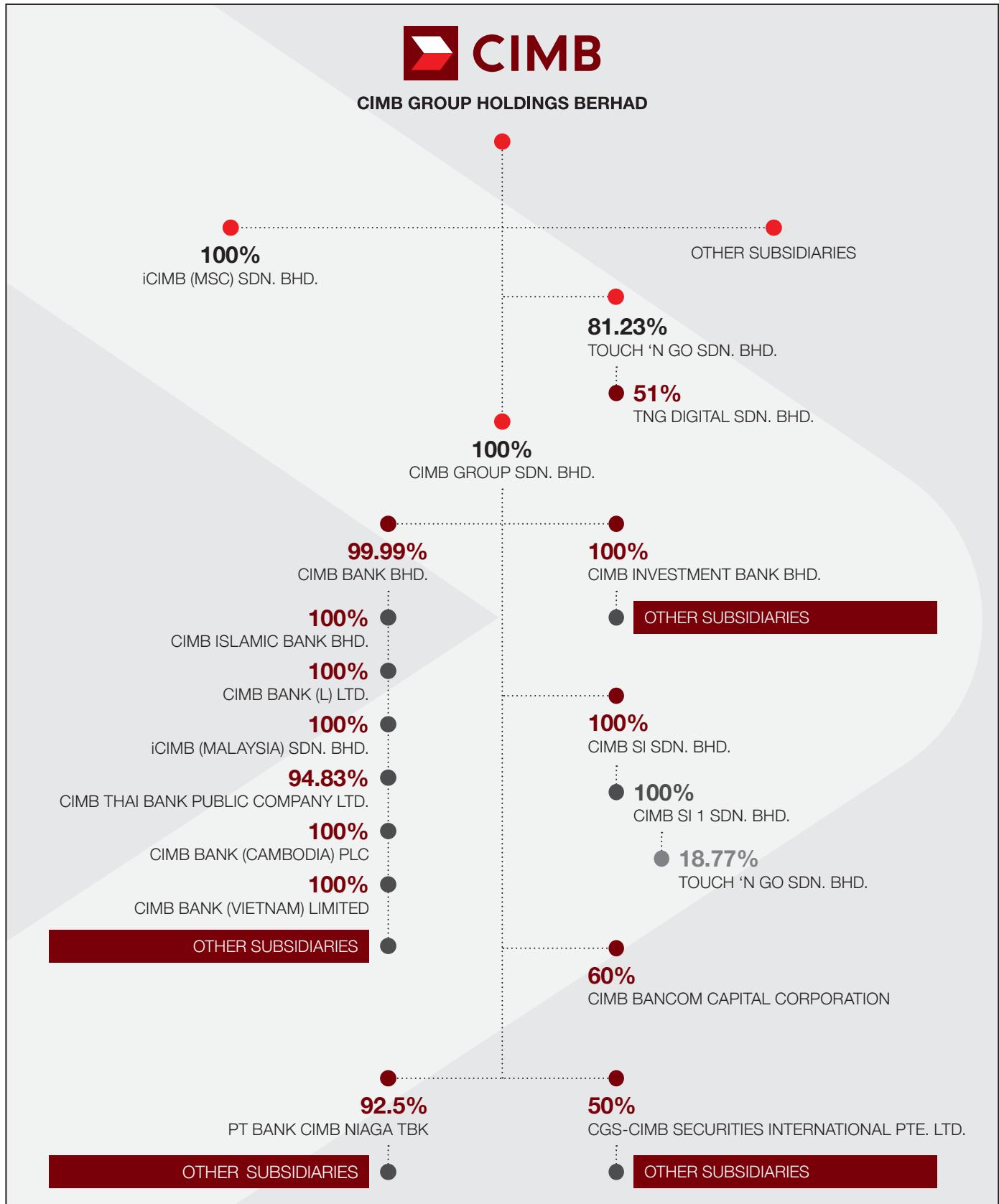
She has extensive industry knowledge, with over 25 years of experience in corporate secretarial practice. Previously, she was with Permodalan Nasional Berhad where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with the Time Engineering Group.

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

Declaration

- He 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 she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2018

corporate structure



board of major subsidiaries

CIMB BANK BERHAD CIMB BANK

CHAIRPERSON	MEMBERS		
Dato' Zainal Abidin Putih Non-Independent Director 	Tengku Dato' Sri Zafrul Tengku Abdul Aziz Chief Executive Officer/ Executive Director	Venkatachalam Krishnakumar Independent Director	Sukanta Kumar Dutt Independent Director (Appointed on 30 October 2019)
	Datuk Mohd Nasir Ahmad Independent Director	Dato' Lee Kok Kwan Non-Independent Director	Nadzirah Abd Rashid Independent Director (Appointed on 30 October 2019)
	Rosnah Dato' Kamarulzaman Independent Director	Serena Tan Mei Shwen Non-Independent Director	Dato' Sri Amrin Awaluddin Independent Director (Resigned on 1 May 2019)
	Datin Grace Yeoh Cheng Geok Independent Director	Chu Hong Keong Independent Director (Appointed on 1 May 2019)	SECRETARY Datin Rossaya Mohd Nashir

CIMB INVESTMENT BANK BERHAD CIMB

CHAIRPERSON	MEMBERS		
Dato' Robert Cheim Dau Meng Non-Independent Director 	Jefferi Mahmud Hashim Chief Executive Officer/ Executive Director	Nadzirah Abd Rashid Independent Director	Didi Syafruddin Yahya Independent Director
		Manu Bhaskaran Independent Director	SECRETARY Datin Rossaya Mohd Nashir

CIMB ISLAMIC BANK BERHAD CIMB ISLAMIC

CHAIRPERSON	MEMBERS		
Dato' Mohamed Ross Mhd Din Independent Director 	Ahmad Shahriman Mohd Shariff Chief Executive Officer/ Executive Director (Appointed on 1 October 2019)	Ahmed Baqar Rehman Independent Director	Rafe Haneef Chief Executive Officer/ Executive Director (Resigned on 1 October 2019)
	Rosnah Dato' Kamarul Zaman Independent Director	Ho Yuet Mee Independent Director	SECRETARY Datin Rossaya Mohd Nashir

PT BANK CIMB NIAGA TBK CIMB NIAGA

CIMB	MEMBERS		
PRESIDENT COMMISSIONER	Glenn Muhammad Surya Yusuf Vice President Commissioner (Resigned on 1 September 2019)	Zulkifli M. Ali Independent Commissioner	Didi Syafruddin Yahya Non-Independent Commissioner (Appointed 15 April 2019)
Tengku Dato' Sri Zafrul Tengku Abdul Aziz President Commissioner 	Pri Notowidigdo Independent Commissioner	David Richard Thomas Non-Independent Commissioner	Sri Widowati Independent Commissioner (Appointed 15 April 2019)
	Jeffrey Kairupan Senior Independent Commissioner		CORPORATE SECRETARY Fransiska Oei

CIMB THAI BANK PUBLIC COMPANY LIMITED



ซีไอเอ็มบี ไทย

CHAIRPERSON

Dato' Robert Cheim Dau Meng
Non-Independent Director



MEMBERS

Adisorn Sermchaiwong
President and Chief Executive Officer/Executive Director
(Appointed on 4 December 2019)

Watanan Petersik
Independent Director

Serena Tan Mei Shwen
Non-Independent Director

Chanmanu Sumawong
Independent Director

Dr. Rom Hiranpruk
Independent Director

Omar Siddiq Amin Noer Rashid
Non-Independent Director

Shahnaz Farouque Jammal Ahmad
Non-Independent Director

Niti Jungnitnirundr
Independent Director
(Appointed on 18 April 2019)

Natasak Rodjanapiches
Independent Director
(Appointed on 18 April 2019)

Oranuch Apisaksirikul
Independent Director
(Appointed 26 June 2019)

SECRETARY

Patima Jumpasut

CIMB BANK (CAMBODIA) PLC **CIMB BANK ក្រសារ សីហមុនី ភីអិលីម៊ី**

CHAIRPERSON

Datuk Mohd Nasir Ahmad
Independent Director
(Appointed on 16 December 2019)



MEMBERS

Bun Yin
Chief Executive Officer/
Executive Director

Dr. Mey Kalyan
Independent Director

Aisyah Lam Abdullah
Independent Director

Omar Siddiq Amin Noer Rashid
Non-Independent Director
(Appointed on 16 December 2019)

Ahmad Shazli Kamarulzaman
Non-Independent Director
(Appointed on 16 December 2019)

Dato' Shahrul Nazri Abdul Rahim
Non-Independent Director
(Resigned on 1 July 2019)

Renzo Christopher Viegas
Non-Independent Director
(Resigned on 31 July 2019)

Yong Jiunn Run

Non-Independent Director
(Resigned on 16 December 2019)

Dato' Wira Zainal Abidin Mahamad Zain

Independent Director
(Retired on 16 December 2019)

JOINT SECRETARIES

Ly Sophea

Datin Rossaya Mohd Nashir

CIMB BANK (VIETNAM) LIMITED

CHAIRPERSON

Dato' Wira Zainal Abidin Mahamad Zain
Chairperson/
Independent Director



MEMBERS

Thomson Fam Siew Kat
Chief Executive Officer/
Executive Director

Le Le Thuy
Independent Director

Aisyah Lam Abdullah
Independent Director

Effendy Shahul Hamid
Non-Independent Director
(Appointed on 6 December 2019)

Renzo Christopher Viegas
Non-Independent Director
(Resigned 31 July 2019)

JOINT SECRETARIES

Tran Hai Long

Datin Rossaya Mohd Nashir

group shariah committee



From left to right

- ASSOCIATE PROFESSOR DR AISHATH MUNEEZA
- DR YOUSEF ABDULLAH AL SHUBAILY
- AHMED BAQAR REHMAN
- DR SHAFAAI MUSA
- DR NEDHAM YAQOOBI
- DR AHMAD SUFIAN CHE ABDULLAH

group shariah committee profile



DR SHAFAAI MUSA



DR NEDHAM YAQOOBI

Nationality | Malaysian

Age | 53

Gender | Male

Date of Appointment | 9 January 2006

Length of Tenure | 13 Years

Nationality | Bahraini

Age | 61

Gender | Male

Date of Appointment | 14 June 2006

Length of Tenure | 13 Years

QUALIFICATION

- PhD, Glasgow Caledonian University, UK
- Master's degree in Comparative Laws, IIUM
- Degree in Shariah, Al-Azhar University, Egypt

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Chairman of the Shariah Committee at Sun Life Malaysia Takaful Berhad

RELEVANT EXPERIENCE

- Former Associate Professor at the Ahmad Ibrahim Kulliyah of Laws at the International Islamic University Malaysia (IIUM)
- Former Chief Executive Officer of the Johor Institute of Integrity, Leadership and Training
- Former Executive Director of IIUM's Centre for Continuing Education
- Former Chief Executive Officer of the International Islamic College cum Chief Executive Officer, International Islamic University Malaysia Higher Education Sdn Bhd

QUALIFICATION

- PhD in Islamic Law, University of Wales, UK
- M.Sc. in Finance, McGill University, Montreal, Canada
- Bachelor of Arts degree in Economics and Comparative Religion from McGill University, Montreal, Canada

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Member of Shariah Board of AAOIFI
- Member of Shariah Board of IIFM (Islamic International Finance Market)
- Over 40 Shariah Advisory Boards including Standard Chartered, BNP Paribas, Abu Dhabi Islamic Bank, S&P, Dow Jones, and Lloyds Bank

RELEVANT EXPERIENCE

- Author of Several Articles and Publications on Islamic Finance and other Sciences, in both English and Arabic
- Educated in classical Shariah in his native Bahrain and in Mecca under the guidance of eminent scholars such as Sheikh Abdulla Al-Farisi, Sheikh Yusuf Al-Siddiqi, Sheikh Muhammed Saleh al-Abbas, Sheikh Muhammed Yasin Al-Fadani of Mecca, Sheikh Habib-Ur-Rahman A. Zaini of India, Sheikh Abdulla bin Al-Siddiq Al-Ghumar of Morocco

group shariah committee profile



AHMED BAQAR REHMAN



**DR YOUSEF ABDULLAH
AL SHUBAILY**

Nationality | Pakistan

Age | 61

Gender | Male

Date of Appointment | 1 June 2019

Length of Tenure | 2 Years

Nationality | Saudi Arabian

Age | 49

Gender | Male

Date of Appointment | 28 October 2008

Length of Tenure | 11 Years

QUALIFICATION

- Bachelor of Arts-Economics – University of Michigan, USA

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Member, Independent Board of Director, CIMB Islamic Bank Berhad
- Chairman, Board Risk Committee, CIMB Group
- Member, Independent Board of Director, Al Baraka Bank (Pakistan) Limited
- Chairman, Board Risk Committee, Al Baraka Bank (Pakistan) Limited
- Managing Partner, Israa Capital

RELEVANT EXPERIENCE

- Mr. Ahmed Rehman has over 30 years of experience with multinational banks in senior management roles, such as Chief Executive as well as direct responsibility for wholesale bank and risk. He was also involved in the Corporate Banking integration of Standard Chartered Bank Pakistan with Grindlays Bank Pakistan
- His experience covers different geographies in Asia, Middle East and Africa, with American Express Bank, Standard Chartered Bank and Al Rajhi Bank
- Former CEO of Al Rajhi Bank Malaysia

QUALIFICATION

- PhD in Islamic Jurisprudence from Imam Muhammad ibn Saud Islamic University
- Master's degree from the Department of Comparative Jurisprudence at Imam Muhammad ibn Saud Islamic University
- Bachelor's degree from Faculty of Shariah and Fundamentals of Islam, Department of Comparative Jurisprudence at Imam Muhammad ibn Saud Islamic University

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Member of Shariah Board of AAOIFI
- Member of Shariah Board of IIFM (Islamic International Finance Market)
- Member of Shariah Board of Albilad Bank in Saudi Arabia

RELEVANT EXPERIENCE

- Currently lectures in the Department of Comparative Jurisprudence, High Institute of Judiciary at Saudi Arabia's Imam Muhammad ibn Saud Islamic University in Riyadh
- Serves as a Cooperating Professor for the American Open University
- Performs advisory functions within numerous religious and charitable organisations both within and outside Saudi Arabia
- Written many books, academic papers and articles on Islamic jurisprudence and commercial law
- Participated in numerous seminars and conventions in related areas
- Expert of Islamic Fiqh Academy



**ASSOCIATE PROFESSOR
DR AISHATH MUNEEZA**

Nationality | Maldivian

Age | 35

Gender | Female

Date of Appointment | 13 April 2018

Length of Tenure | 2 Years



DR AHMAD SUFIAN CHE ABDULLAH

Nationality | Malaysian

Age | 41

Gender | Male

Date of Appointment | 1 November 2019

Length of Tenure | 1 Year

QUALIFICATION

- PhD in Law – International Islamic University Malaysia
- LLM (Banking) – International Islamic University Malaysia
- Bachelor of Laws (Hons) – International Islamic University Malaysia

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Chairman, Shariah Advisory Council of Capital Market Development Authority, Maldives

RELEVANT EXPERIENCE

- 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)

QUALIFICATION

- PhD in Islamic Economy and Banking – University of Yarmouk, Jordan
- Master's Degree in Shariah (Islamic Finance) – University of Malaya, Malaysia
- Bachelor Degree in Shariah and Management – University of Malaya, Malaysia

DIRECTORSHIP/RELEVANT APPOINTMENTS

- Member, Shariah Advisory Board, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Fatwa Committee, Jabatan Mufti Negeri Perlis
- Member, Islamic Legal Consultative Committee, Federal Territories
- Member, Waqaf Committee, Majlis Agama Islam dan Adat Istiadat Negeri Kelantan (MAIK)
- Member, Shariah Advisor Committee, Sabnuha Jewellery PLT

RELEVANT EXPERIENCE

- Currently a Senior Lecturer at the Department of Shariah and Management, Academy of Islamic Studies of University Malaya.
- Previously Shariah Committee, Kenanga Investment Bank Berhad
- Previously Muamalat Expert Panel of Jabatan Kemajuan Islam Malaysia (JAKIM)
- He has produced numerous publications such as book and research papers in Islamic legal theories (usul fiqh), Islamic commercial laws, Islamic banking and finance, Takaful and Shariah Fintech
- He is the founder and administrator of “muamalat.my”, a social media platform that strives to become a medium of education in enhancing public awareness with regards to Islamic Finance and Takaful since 2013

group management



Seated front row from left to right

- TIGOR M. SIAHAAN
- DATO' HAMIDAH NAZIADIN
- TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ

Back row from left to right

- RAFE HANEEF
- DAVID RICHARD THOMAS
- GURDIP SINGH SIDHU
- EFFENDY SHAHUL HAMID
- SAMIR GUPTA
- OMAR SIDDIQ AMIN NOER RASHID
- ADISORN SERMCHAIWONG
- VICTOR LEE MENG TECK
- KWAN KEEN YEW
- SHAHNAZ JAMMAL
- AHMAD SHAHRIMAN MOHD SHARIFF



group management profile

TIGOR M. SIAHAAN

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



Indonesian



48



Male

QUALIFICATION

- Double major in Finance and Accounting, University of Virginia, Charlottesville, USA

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Chairman of Indonesia Malaysia Bilateral Committee of Indonesian Chamber of Commerce and Industry (KADIN)
- Vice Chairman of Perbanas (Indonesian Banks Association)
- Member of the Board of Trustees of Jakarta International School (JIS)
- Mentor in Endeavor Indonesia
- Executive Committee of Young Presidents Organization (YPO) Indonesia
- The Employers' Association of Indonesia (APINDO), Chairperson of Banking, Financial Services & Taxation
- Vice Chairman of Indonesia Banker Institute

RELEVANT EXPERIENCE

- Chief Country Officer of Citi Indonesia from 2011-2015. First Indonesian to be appointed to the post
- Held several key positions in Citi Indonesia including Country Head for Institutional Clients Group, Head of Corporate & Investment Banking and Country Risk Manager
- Served as Vice President in Institutional Remedial Management Group in Citi Head Office in New York from 2000 to 2003

VICTOR LEE MENG TECK

Country Head, Singapore
Chief Executive Officer, CIMB Bank Singapore
Chief Executive Officer,
Group Commercial Banking



Singaporean



49



Male

QUALIFICATION

- Bachelor of Applied Science (Materials Engineering), Nanyang Technological University, Singapore
- Alumni of ASIAN Financial Leaders Programme (AFLP), mandated by Monetary Authority of Singapore

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Nil

RELEVANT EXPERIENCE

- Responsible for the Group's Commercial Banking business, comprising Business Banking and SME Banking businesses, across Malaysia, Indonesia, Singapore, Thailand, Cambodia
- Responsible for the Group's Singapore business, covering Consumer, Commercial, Corporate banking segments, including its Investment Banking, Private Banking and Treasury units
- Over 20 years of experience in Microfinance, Retail banking, Commercial Banking, Corporate Banking, Channels/ Distribution Management, Credit management, ALM, with markets coverage in ASEAN, North Asia, Africa and Middle East
- At Fullerton Financial Holdings, he was responsible for managing its investments in banks and financial services firms, driving strategy and implementations, leading several digital initiatives across Asia and delivering strong operational risk governance and performance excellence. He held various board directorships within the Fullerton Group
- In the Banking circuit, he was Managing Director at United Overseas Bank (UOB) and led the SME banking segment across ASEAN. At Standard Chartered, he was a member of the Global SME Banking management committee, and worked and lived in Singapore, Taiwan and China, managing these business. He also led several mergers and rationalisations for the bank. Earlier in Citibank, he was the Director for CitiBusiness
- Awarded "Top 50 Most Promising Young Leaders" award in 2008 by The Asian Banker for bankers aged below 40 in Asia Pacific and Middle East region

ADISORN SERMCHAIWONG

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



Thai



53



Male

QUALIFICATION

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Chairman, CT COLL Co., Ltd.

RELEVANT EXPERIENCE

- 25 years of banking and finance career in the areas of asset/investment management, wealth management, channels and retail banking
- He joined CIMB Thai in 2012 as Senior Executive Vice President, Head, Consumer Banking and was subsequently appointed President and CEO in Oct. 2019. During his tenure as Head of Consumer Banking, he has successfully transformed a loss making franchise to become the largest revenue contributor to CIMB Thai. He has also set up the pioneering Agile team within Group tasked to build a digital challenger bank at CIMB Thai
- In 2010, he joined UOB Bank PCL as Executive Director, Country Head of Channels
- In 2008, he joined Siam Commercial Bank PCL as Executive Vice President, Saving & Investment Products
- He spent about 5 years as President at SCB Asset Management Co., Ltd.

AHMAD SHAHRIMAN MOHD SHARIFF

Chief Executive Officer, Group Islamic Banking
Chief Executive Officer/Executive Director,
CIMB Islamic Bank Berhad



Malaysian



43



Male

QUALIFICATION

- Bachelor of Arts in Accounting and Finance, Lancaster University, United Kingdom
- Malaysian Financial Markets Certificate, Persatuan Pasaran Kewangan Malaysia dan Institut Bank-Bank Malaysia, Malaysia
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals, Malaysia

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Vice President and Council Member, Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
- Member, Standing Committee on Islamic Financial Reporting, Malaysian Accounting Standards Board (MASB)

RELEVANT EXPERIENCE

- Over two decades of experience in the corporate sector, of which 16 years were in Islamic Banking and Finance-related roles and has been a key contributor in the development of the Islamic banking and finance industry, with primary focus on capital markets and treasury solutions
- Headed Wholesale Banking at HSBC Amanah Malaysia Berhad as Director, and prior to that he served as Head of Islamic Banking at Citibank Berhad. In these roles, he was tasked with building the Islamic Wholesale Banking and Treasury businesses globally, in which he gained strong leadership, technical, legal and risk management expertise from his stint in these cross-border institutions
- 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 key 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 Islamic credit support mechanism
- Prior to joining the banking industry via Citibank's Management Associate programme, he was in the oil & gas industry for four years while serving his scholarship bond with a Malaysian conglomerate

SHAHNAZ JAMMAL

Chief Executive Officer,
Group Wholesale Banking



Malaysian



45



Male

QUALIFICATION

- Bachelor (Double First Class) and Master of Arts in Economics, University of Cambridge, United Kingdom
- MPhil in Economics, University of Oxford, United Kingdom

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Director, CIMB Thai Bank Public Company Limited
- Director, CGS-CIMB Securities International Pte Ltd

RELEVANT EXPERIENCE

- Group Wholesale Banking (GWB) division consists of Group Investment Banking, Senior Bankers' Group, Group Private Banking, Group Corporate Banking, Financial Institution Group, Group Treasury & Markets, Group Analytics & Strategy and International Branches
- Was recently the Group Chief Financial Officer of CIMB Group
- Prior to this, was in various capacities within CIMB Group, including Deputy Group Chief Financial Officer and Head of Capital & Balance Sheet Management, as well as in Group Risk Management, Corporate Client Solutions and PT Bank CIMB Niaga Tbk
- Has over 20 years of banking experience, covering M&A Advisory, Risk Advisory, Trading and Risk Management
- Has worked with Goldman Sachs in London, Bankers Trust and Dresdner Kleinwort Wasserstein in London, as well as ABN AMRO Bank in Kuala Lumpur

SAMIR GUPTA

Chief Executive Officer,
Group Consumer Banking



Singaporean



57



Male

QUALIFICATION

- Bachelor of Technology in Mechanical Engineering, Indian Institute of Technology, India
- Master of Management Studies, University of Bombay, India

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Nil

RELEVANT EXPERIENCE

- Over 30 years' experience in the banking industry including retail, wealth management, consumer finance, cards, risk, operations and audit
- Senior Manager with track record of building consumer banking franchises in Asia, Africa and Middle East
- Started his working career with Citibank, India and moved to Singapore in 1990
- Managed various roles in Citibank and Barclays and PT Bank CIMB Niaga Tbk based out of Singapore, Thailand, Dubai, Turkey and Indonesia
- Joined CIMB Group as Consumer Banking Director of PT Bank CIMB Niaga Tbk in 2010

group management profile

RAFE HANEEF

Chief Executive Officer,
Group Transaction Banking

**QUALIFICATION**

- Master of Laws (LL.M), Harvard Law School
- Bachelor of Laws (LL.B), International Islamic University Malaysia
- Qualified for the New York State Bar in 1997
- Admitted to the Malaysian Bar in 1995

**DIRECTORSHIP/
RELEVANT APPOINTMENTS**

- Nil

RELEVANT EXPERIENCE

- Oversees transaction banking business which consist of four main product pillars namely Trade Finance, Cash Management, Securities Services and Financial Institution serving the Group's Non Retail customers across CIMB franchise in ASEAN. Transaction Banking drives annuity business and relationship stickiness; thus pivotal to the growth of CIMB Group
- Previously, CEO of CIMB Islamic Bank Berhad in charge of the Group's Islamic banking and finance franchise. CIMB Islamic operates as a parallel franchise to the Group's conventional operations and covers Islamic wholesale banking, Islamic consumer banking, Islamic commercial banking and Islamic asset management and investments
- Instrumental in the inclusion of CIMB Islamic in the Value-based Intermediation (VBI) Community of Practitioners, working to develop VBI together with the central bank to contextualise and drive sustainability with Islamic finance institutions in Malaysia
- Instrumental in CIMB Group being a member of RFI as well as a founding member to the UNEP FI Principles for Responsible Banking
- 20 years of experience covering a range of businesses and functional roles gained from three global banks, an international asset management company and a legal firm, at various financial centres including London, Dubai and Kuala Lumpur
- CEO, Malaysia, and Managing Director of Global Markets, ASP, HSBC Amanah in 2010
- Regional Head for Islamic banking, Asia Pacific, Citigroup Asia in 2006
- Global Head of Islamic Finance business at ABN AMRO Dubai in 2004 covering both consumer and corporate businesses
- Joined HSBC Investment Bank plc, London in 1999 and thereafter HSBC Financial Services Middle East, Dubai where he set up the global sukuk business in 2001.

EFFENDY SHAHUL HAMID

Chief Executive Officer,
Group Ventures & Partnerships

**QUALIFICATION**

- Honours in Electronic Engineering with Optoelectronics, University College London, United Kingdom
- Digital Business Leadership Programme, Columbia Business School, Columbia University
- Alumni of the CIMB INSEAD Leadership Programme

**DIRECTORSHIP/
RELEVANT APPOINTMENTS**

- Director, Touch 'n Go Sdn Bhd
- Director, TNG Digital Sdn Bhd
- Director, Financial Park (Labuan) Sdn Bhd
- Director, Principal Asset Management Berhad, PT Principal Asset Management, Principal Asset Management Co Limited and Principal Islamic Asset Management Sdn Bhd

RELEVANT EXPERIENCE

- Responsible for the development of the Group's new and disruptive revenue and value creation streams through a focus on creating and cultivating platform partnerships at scale, venturing through selective strategic investments in platform based businesses, steering CIMB's approach and practices in terms of financial technology trends, and managing the Group's operations in Vietnam and the Philippines. Responsible for leading efforts and pursuing strategies in the virtual banking space for the Group
- Also responsible for the Group's asset management and investments business across both public and private markets, including the Group's regional asset management business, its private equity fund management business and the Group's equity investments portfolio in companies such as Principal Asset Management and Touch 'n Go
- Most recently, was CEO of Group Commercial Banking, managing the Group's regional banking businesses for the small and medium enterprise and mid-sized corporate segment, with a key lean on creating differentiated propositions and executing long term growth strategies
- Prior to that, 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, served as a Director in the Group's Investment Banking Division, primarily focusing on corporate advisory and origination
- Prior to joining the Group, career stints in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.
- Regional business experience having worked and lived in Malaysia, Hong Kong and Singapore.

GURDIP SINGH SIDHU

Group Chief Strategy & Design Officer

**QUALIFICATION**

- Honours in Accounting and Finance, the London School of Economics and Political Science, University of London, United Kingdom
- Chartered Financial Analyst (CFA)
- Alumni of the CIMB-INSEAD Leadership Programme

**DIRECTORSHIP/
RELEVANT APPOINTMENTS**

- Director, Proton Commerce Berhad
- Director, CIMB (Private) Limited, Sri Lanka

RELEVANT EXPERIENCE

- Oversees the following functions; Corporate Strategy & Planning, Group Corporate Finance, Strategic Programme Management, Group Sustainability, Group Customer Experience, Transforming Customer Journeys, and Group Brand Management & Sponsorships
- Works alongside the Group CEO and Senior Management in setting the strategic direction of the Group, supporting the execution of transformational and growth initiatives and a member of the T18 Oversight Committee and Forward23 Transformation Council. Gurdip also is a member of the Group Executive Committee (GEXCO) as well as the Group Management Committee (GMC)
- Instrumental in CIMB Group being a founding member to the UNEP FI Principles for Responsible Banking as well as responsible for the Strategic oversight on Sustainability and Sustainable Finance
- Prior to the expanded role that covers areas of Customer, Sustainability and Brand, Gurdip was the Chief Strategy Officer where his focus was to drive the organic and in- organic strategy and the execution of key initiatives. This included the entry into new markets, key M&A and partnerships as well as the execution of the T18 Program
- Prior to joining CIMB, Gurdip spent a decade in an international management consulting firm advising banks, telecommunications companies and Governments across ASEAN, India, South Korea and Spain

KHAIRULANWAR RIFAIE

Group Chief Financial Officer



Malaysian



39



Male

QUALIFICATION

- First Class Honours degree in Accounting and Finance from University of Warwick
- MSc in Finance from Imperial College
- Member of the Institute of Chartered Accountants in England and Wales (ICAEW)

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Director of SIBB Berhad
- Director of Perdana Nominees Sdn Bhd
- Director of S.B Properties Sdn Bhd
- Director of S.B. Venture Capital Corporation Sdn Bhd
- Director of Premier Fidelity Sdn Bhd
- Director of SBB Berhad
- Director of Commerce Returns Berhad
- Director of CIMB Berhad
- Director of CIMB Southeast Asia Research Sdn Bhd (CARI)
- Director of CIMB Real Estate Sdn Bhd
- Director of CIMB Group Sdn Bhd
- Director of CIMB Bank (L) Limited
- Director of Southeast Asia Special Asset Vehicle Ltd (SEASAV)
- Director of CIMB Holdings Sdn Bhd

RELEVANT EXPERIENCE

- Prior to his current role, Khairul held the position of CFO, Malaysia and Regional Head, Financial Control with responsibility for tax, regulatory reporting, financial accounting, management reporting, business finance advisory, product control and financial planning
- Khairul started his career with KPMG, London focusing on servicing Investment Banking clients
- 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 and Head of Investor Relations

OMAR SIDDIQ AMIN NOER RASHID

Group Chief Operating Officer



Malaysian



46



Male

QUALIFICATION

- BSc (Hons) Economics, London School of Economics
- Fellow, Institute of Chartered Accountants in England and Wales
- CFA Charterholder

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Director of CIMB Thai Bank Public Company Limited
- Director of CIMB Bank (Cambodia) PLC

RELEVANT EXPERIENCE

- Appointed as the Acting President/CEO, CIMB Thai Bank Public Company Limited
- Previously was Head of Group Wholesale Banking at RHB Group with oversight over the RHB Group's Wholesale business (comprising investment banking, treasury, corporate banking and asset management) and its International business segment excluding Singapore (comprising Cambodia, Laos, Thailand and Brunei)
- Former Executive Director and Group Chief Financial Officer at Malaysia Airlines Berhad with responsibility primarily for financial management spanning transaction accounting, management reporting, budgeting, treasury, financial forecasting and procurement as well as overseeing aircraft fleet planning and management
- Former Executive Director in the Investments Division at Khazanah Nasional Berhad and member of the senior management team with a focus on the aviation and airports sectors
- Former Managing Director in the Investment Banking Division at CIMB Investment Bank Berhad
- Former Executive Director in the Corporate Finance Practice of PricewaterhouseCoopers (PwC)

DATO' HAMIDAH NAZIADIN

Group Chief People Officer
Chief Executive Officer, CIMB Foundation



Malaysian



56



Female

QUALIFICATION

- Bachelor of Laws, University of Wolverhampton, United Kingdom

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Director, Maxis Berhad

RELEVANT EXPERIENCE

- Provides overall strategic leadership for HR of CIMB across ASEAN
- Transformed HR from an administrative function into a key business enabler, contributing to the Group's rapid growth into a leading ASEAN financial institution
- Strategised the resource integration, ensuring a successful consolidation in various mergers and acquisitions over the years, within Malaysia, and across ASEAN and APAC regions
- Implemented strategic HR programmes, which have earned peer and industry recognition through numerous awards and elevated CIMB's differentiation in the market
- Strengthened workplace culture through numerous employee engagement initiatives with emphasis on the three critical behaviours of 'A Better CIMB' and compliance to code of ethics and conduct
- Initiated the development of workplace wellness policies and programmes to build and sustain a productive and inspiring environment
- Leads people strategies to attract, develop and retain talent, cultivate an agile workforce to prepare for the future of work, and improve the end-to-end employee experience via technology innovation
- Spearheads CSR in community development, sports and education initiatives with diversity and inclusion as the guiding principles

group management profile

DAVID RICHARD THOMAS

Group Chief Risk Officer



QUALIFICATION

- Bachelor's Degree, Whitman College, Washington USA

DIRECTORSHIP/ RELEVANT APPOINTMENTS

- Commissioner, PT Bank CIMB Niaga Tbk

RELEVANT EXPERIENCE

- Oversees the risk management function of CIMB Group, including Market, Non-Financial Risk, Shariah, Asset Liability Management, Credit Risk Infrastructure and Risk Analytics
- Responsible for ensuring the consistent implementation of the Group's risk management policies and frameworks, including operationalising the Risk Appetite Statement. The Risk Division of CIMB Group identifies, assesses, measures, controls and reports the material risks that may impact the Group's business operations, profitability, capital and reputation
- Previously worked for Bank of America in Los Angeles, California as a sector Banker, covering the Fortune 500 Aerospace & Defense sector
- Served as the Chief Risk Officer for Asia Pacific for the Royal Bank of Scotland (RBS). Prior to RBS, he served as the Chief Credit Officer for Asia Pacific for Bank of America
- Held various senior level positions based in Singapore, Hong Kong, Thailand and Taiwan throughout his 26-year tenure in Asia

KWAN KEEN YEW

Group Chief Legal & Compliance Officer



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
- 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

AMRAN MOHAMAD

Group Chief Internal Auditor



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

- Nil

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 20 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

human capital development

People form one of the pivots of the Forward23 strategy. We recognise that people and their talent are the machinery behind all growth. The dynamism of business today requires our people to be equipped with special skills that will prepare them to manage the present and emerging risks of business. This means building the skills of tomorrow and offering horizontal and vertical career and education paths. Also, talent mobility (both physical and virtual) increases access to skills and new opportunities for growth, which in turn improves employee morale and helps retain talent that are deemed critical for the organisation.

At CIMB, our approach is to boost the skills of both our current and future workforce. The idea is to future-proof our people as well as our business. We believe that effective and efficient mechanisms to manage talent acquisition, growth and retention can ensure business continuity, productivity, performance and competitiveness.

PROMOTED #TEAMCIMB AND CIMB VALUES

We see culture-building in CIMB as an ongoing journey and this journey started in 2015 with the introduction of the A Better CIMB (ABC) anchored on 3 Critical Behaviours:



Go the extra mile
to delight the
customers

Respect each other,
engage openly and
work together

Recognise each
other's efforts and
always back
each other up

To deepen our employees' understanding of the 3 Critical Behaviours and embed them into the fabric of our employees' daily lives at work, we conducted a 3 Critical Behaviours bite-sized campaign, which included the following steps:

- Breaking down the three behaviours to six
- Agreeing on and defining the meaning behind each behaviour
- Explaining them to employees consistently via multiple online and offline channels including via the network of ABC Change Agents made up of 135 Business Sponsors (BSPs) and 1,750 Informal Leaders (ILs) from across the region
- Conducting 61 engagement activities in Malaysia to better acquaint employees and recognise those who demonstrated the behaviours
- Showcasing role models nominated by their peers for demonstrating the behaviours

Cross-functional campaigns were also conducted for some of the behaviours which was the case with Customer Experience to further strengthen understanding.

In 2019, we initiated the next phase of culture-building with a refresh of our values. We see our shared values as a positive force that shapes the culture of #TeamCIMB, informing the way we work with our various stakeholders to achieve a shared purpose. It creates a sense of belonging and affiliation, instils pride and helps in decision-making.

human capital development

OUR VALUES



CUSTOMER OBSESSED

We are here for our customers, to ensure they're happy and satisfied.



HIGH PERFORMANCE

We always strive to go above and beyond in everything we do.



INTEGRITY

We're always honest, responsible and accountable in everything we do. Be vigilant, be alert, be thorough.



DIVERSITY AND INCLUSION

We believe everyone has something to contribute, regardless of race, gender or opinions.



AGILITY

We must respond quickly to change and be problem solvers.

The refresh was timely and in tandem with the shift in societal values from 'competition-driven businesses' to 'purpose-driven networked organisations and people'. We saw a need for increased and meaningful connections as well as more appetite for building partnerships and co-creation.

Against this backdrop, we conceived **C.H.I.D.A** for a Group-wide roll-out in 2020.

Our purpose of 'Advancing Customers and Society' rests on our corporate values, which define our culture and motivate action towards building #TeamCIMB, A Better CIMB. We continue to highlight success stories, especially those with the most active ABC networks.

Consumer Credit Operations (CCO)

We noted **zero failed audits** for this department that has more than 3,000 people across the region. CCO worked to make the 3 Critical Behaviours a way of life, with regular formal and informal engagements as well as a recognition programme to reward those who demonstrated the critical behaviours.

Group Operations

Following a restructuring exercise, Group Operations turned into a standalone function to consolidate all operational activities across the Group. One major change was the centralisation of the reconciliation team which had 50 employees. In 2019, they were tasked to drive the centralisation of the reconciliation process across Group Operations and reduce manual activities. The work was complex and the challenges included team members who were used to different leadership styles.

The management prioritised 'bridging trust' issues, helping team members adjust to new working styles. The leaders engaged openly with their team members, encouraged a culture of transparency, engaged continuously, and set aside time for fun team activities and coaching. Employees were also given opportunities to upskill/reskill via job rotations and training.

By end 2019, the team saw a 47% reduction in outstanding reconciliation items, implemented SOPs and have now embarked on building an automated reconciliation process.

ACCELERATED EFFORTS TO CREATE AND STRENGTHEN OUR DIGITAL SKILLS

The banking sector is undergoing continuous transformation. Digitalisation of the workforce is becoming more of a cross-sector industry norm. At CIMB, we are focusing our efforts on diversifying our talent sourcing channels. We believe that efficient and effective implementation of CIMB's strategic and sustainability roadmaps will depend on the quality of our talent and how they are increasingly adept in meeting the future needs of the organisation. Our two-pronged approach is as follows:

- **Launching specific programmes that are designed to build digital skill set, with an objective of orientating and recruiting high-potential technology talent from universities as well as industry players. These initiatives are also our opportunities to position CIMB as the preferred tech talent employer.**

Initiative	2019 Progress
The Digital Apprenticeship Programme 	<ul style="list-style-type: none"> A highly-structured internship programme that combines classroom learning with job rotations and learning outcomes jointly pre-defined between partner institutions and CIMB. Apprentices are offered positions in CIMB's graduate programme upon successful completion. In the spirit of social inclusion by providing pathways into careers in the digital economy, the institutions identified for the pilot programme were mainly polytechnics and public universities whose students are largely from families that are in the B40 and lower M40 categories. Conducted outreach and engagement activities with two polytechnics and two universities and enlisted 18 talents for the pilot programme.

Initiative	2019 Progress
The Complete Banker (TCB) Digital 	<ul style="list-style-type: none"> Targeted at grooming tech and digital talent, this newly-established graduate programme ensures that CIMB has the necessary talent with the right skills to thrive in the new digital economy in the long-term. In the immediate to medium-term, the programme contributes to the objectives of one of our Forward23 strategic pivots – People. The programme combines classroom training and job rotations, aimed at equipping graduates with industry-specific knowledge and experience in developing solutions for banking and financial services, with mentoring from senior digital talent within the firm. Recruitment started for the pioneer group, in preparation to launch to the wider public and universities in the following year. The target is to have a total of 40 participants for 2020.

- **Enhance the digital quotient of all CIMBians across various levels and functions. In the mid-term, we aim to build an agile, innovative and tech-savvy workforce, which will meaningfully contribute to digital transformation of the Group.**

Initiative	2019 Progress
The CIMB 3D (Digital, Data, and Design) Academy 	<ul style="list-style-type: none"> Established to enhance the digital quotient of CIMB staff in all job roles ranging from basic awareness on certification level to enable the Group's digital transformation. A total of 11,389 employees participated in 3D Academy programmes from Malaysia, Indonesia, Singapore, Thailand and Cambodia across a variety of platforms (mobile, virtual, e-learning, in-house and external 3D training). Delivered 78,219 training hours during the year, against the target of achieving 2.0 million hours by 2021. Launched 3D training via mobile platform in Malaysia and Singapore to liberalise learning and making it accessible to all levels of employees anytime, anywhere.

human capital development



Our 3D Academy competency framework is anchored on six pillars, namely digital world awareness; agile and entrepreneurial thinking; future communication skills; risk and governance; human-centred design; and data science and analytics. To raise our employees' awareness, in 2019, we launched Gametize – a 3D education series in gamified content on a mobile platform.



In 2019, we introduced the **Digital Enablement Benefit**. The benefit is targeted at junior-grades mainly to ensure that all employees have access to technology and digital learning platforms such as Gametize to gain new 3D skills, cloud-based career planning and internal personal branding tools such as Y.O.D.A. Under the policy, eligible permanent employees can claim up to RM50 per month for their data plan. This policy is in line with our values of diversity and inclusion, ensuring that we take all employees forward with us.

The inaugural edition of the **CIMB 3D Conquest** came to a close on 18 January 2019 with the grand finalé held in Le Méridien, Putrajaya. Organised in partnership with leading brands such as SAS, AWS, Cloudera, Oracle, Fusionex and Malaysia Airlines, the event aimed at positioning CIMB as an employer of diverse talent, attracting young talent, especially in the digital space.

Open to all undergraduates, the two-day finals hackathon shortlisted 33 finalist teams from Malaysia, Indonesia, Singapore, Vietnam, and Thailand.

In the spirit of inclusivity and developing digital skills among youth, the hackathon was divided into three tracks: Data Science, Coding and Fintech, allowing students from a variety of backgrounds to form multi-skilled and pluri-disciplinary teams to devise solutions based on real world case studies. Competitors were also coached and mentored by domain experts from various digital divisions within CIMB and partner organisations. The teams competing for a cash prize of USD48,000 for each track and the opportunity to visit Silicon Valley.

The finalists were assessed for their problem-solving skills, analytical prowess, creativity, and also their ability to collaborate and communicate their vision. A total of 42 students were eventually recruited from the winners for TCB Digital, internships and other digital business units, contributing to the objectives of one of our Forward23 strategic pivots – Technology & Data.



- Skills to help CIMB 'digitise' our business, products and services.
- Digital-first mindset.
- Skills of current and emerging technologies to drive a seamless digital user experiences.



- Skills to manage, analyse and translate the data we have into meaningful insights that CIMB can capitalise on.



- Skills to design products and services centred around people (customers and employees) and the ability to change our business model from what it is today.



Our Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, announced the winners, with cash prizes and an immersion trip to Silicon Valley.

STRATEGISED AND DELIVERED TRAINING AND DEVELOPMENT

We consider continuous learning and development as critical to not just be productive at the workplace but to also future-proof our employees. **We take an inclusive approach to designing and delivering training and immersion programmes, including employees from various functions and levels.** To ensure the pragmatic value of the content delivered is at optimum, we conduct regular training needs assessments for all employees. Based on the topics required, **we deploy multiple learning methodologies and platforms. These include digital/online courses, class-room sessions, computer-based workshops etc.**

Progress in 2019

3.0 million TRAINING HOURS



RM141 million

TRAINING INVESTMENT ACROSS THE REGION



DEVELOPED TALENT PIPELINE FOR GROWTH

➤ Talent Development

At entry-level, we offer structured programmes to cater to various profiles and aspirations, providing young talent with options to pursue under The Complete Banker™ (TCB) umbrella. The TCB programmes create a pipeline of talent for management roles.

TCB (Diversity Within Banking)

TCB is a 24-month management programme open to graduates of all disciplines. It provides young graduates with exposure and experience in all areas of banking. With a recent curriculum upgrade, the programme now incorporates digital appreciation modules and options to experience cultural and language immersion in China, and regional rotations or secondment to fintechs. A total of 48 graduates were recruited during the year from across ASEAN. 30% of them were from Science, Technology, Engineering and Mathematics (STEM) and other non-finance and banking-related backgrounds.

TCB Fusion (Diversity Beyond Banking)

TCB Fusion is a 24 to 48-month programme that provides graduates with an opportunity to experience working in two different companies. We partnered with leading organisations in various sectors during the year: PwC (Accounting), Accenture (Consulting), Zico Law (Law), Teach for Malaysia (Non-profit) and DXC Technology (Technology). Upon successful completion of the programme, the associates have the option to decide their preferred employer.

TCB Digital

TCB Digital is the most recent addition to the TCB suite, targeted at digital and technology talent. Recruitment started at the end of 2019 for the programme, scheduled to launch in early 2020.

In addition to the conventional training and development efforts, we also forged partnerships with institutions of excellence to deliver world-class programmes for our high-potential employees, especially the ones in mission-critical roles.

CIMB-INSEAD

The **CIMB-INSEAD partnership** is our flagship leadership programme, which delivers bespoke leadership coaching to senior and top management. During the year, the programme anchored around ‘Leading in the Fourth Industrial Revolution (IR4.0)’, and preparing talent to navigate digital disruption. A total of 31 members of the management were required to complete an action learning project on digital technology and innovation with exposure to venture capital style pitching. The project allowed participants to immerse in the digital space through site visits and dialogues with industry practitioners from the start-up ecosystem in Paris. The participants had an opportunity to further apply their learning with a Venture Capital (VC) challenge at the end of their training.

Accelerated Universal Bankers Programme

Another flagship initiative is our **Accelerated Universal Bankers Programme**, a customised leadership programme developed in partnership with Nanyang Technological University. Targeted at middle management, the programme’s objectives are to encourage cross-functional camaraderie and collaboration among middle managers, to prepare them for the IR4.0 and for senior management roles through action learning projects, enabling cross-pollination of ideas and allowing them to become well-rounded bankers. More than 33 members of our middle management successfully completed this programme in 2019.

human capital development

PREPARED EMPLOYEES FOR CAREER TRANSITIONS AND LIFE BEYOND WORK (GRI: 404-2)

> Equipping Employees with Skills of the Future

After its launch in 2018, the Future of Work Centre (FOWC) continued in its mission to provide a comprehensive approach to future-proofing and getting our workforce ready for the digital economy. **FOWC offers a wide menu of options to meet the different career aspirations and varying personal circumstances of our employees.** Some of the career development interventions are as follows:

Upskilling and Reskilling

Employees are upskilled or reskilled to perform the roles that are currently in demand, with an aim of increasing individual employability within and beyond CIMB. The idea is also to help employees grow their income and livelihood. As at 31 December 2019, we have reskilled and upskilled 2,205 employees regionally.

Internal Talent Mobility

The concept of internal mobility at CIMB is premised on growth and learning opportunities. Employees have the option to be considered for internal vacancies, with permanent transfers into the new roles, internal internships to put into practice newly-acquired skills, and stretch assignments over and above their current roles. In 2019, we also facilitated internal mobility and organised our first internal career fair for Forward23 and received 450 applications for 188 approved positions.

FlexMyCareer (FMC)

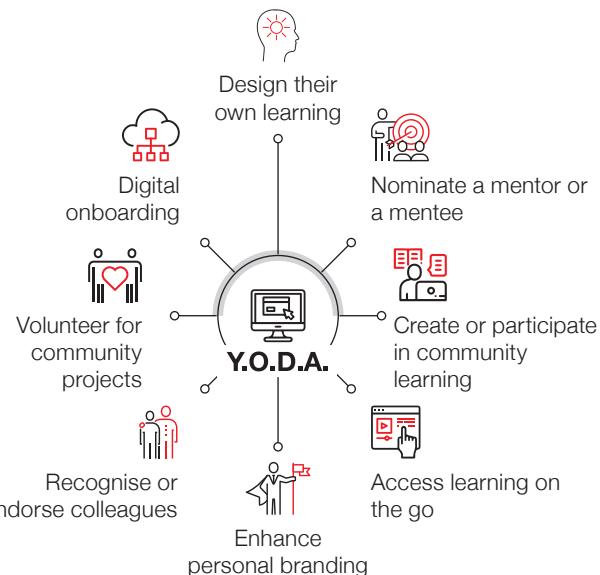
In 2019, we introduced FlexMyCareer, an extension of the many options already available to employees under FOWC. The main aim is to equip employees with more choices and more control over their career direction and growth. The additional choices include opportunities beyond banking, entrepreneurial ventures, passion projects or early retirement.

Under this scheme, employees are also offered a financial assistance package, add-on medical benefit coverage and a preferential rate for outstanding staff loans with CIMB, mainly to assist them to pursue their personal and professional goals.

A Beyond Banking Opportunities Day was also organised with external partners consisting of workshops and talks for those keen to explore opportunities beyond banking.



In 2019, we launched Y.O.D.A. - an acronym for Your Own Digital Assistant. It is a mobile-enabled cloud-based Human Resource Information System (HRIS) that empowers employees and allows them to take charge of their own careers through a number of features:



The platform is easy to use, intuitive and accessible on mobile devices, in line with cultivating a workforce with an agile and digital-first mindset. In the end it is about giving employees a personalised and wholesome employee experience.

We organised pre-retirement workshops to help employees transition from working life to retirement. The full-day event titled "Forward Your Financial and Lifestyle Planning" brings together trainers and speakers from financial management consultancies, healthcare and lifestyle management providers to help our employees prepare for a stress-free and productive retirement. In Malaysia, two sessions were organised with a total of 105 participants.

IMPROVED DIVERSITY AT THE WORKPLACE

> Diversity of Skills

The banking sector is evolving. **Rapid advancement in technologies and digitalisation are changing the traditional business models of banks and the financial sector as a whole.** Non-traditional and non-banking institutions are in line to secure banking licenses. Fintechs and digital solutions such as blockchain are redefining the customer experience and banking itself. **To meet the growing challenges that come with these transformational and revolutionary sectoral developments, we continued to focus on developing the skill set of our employees across all levels.**

About 50% of our Associates under our graduate associate programme, The Complete Banker (TCB) and the CIMB ASEAN Scholarship Programme are from non-business disciplines such as engineering, mathematics, bio-medical sciences and psychology. In addition to recruiting from non-traditional pools, all of our Associates, regardless of their academic backgrounds, are given the opportunity to have job rotations beyond CIMB and the banking industry. These include opportunities in fintechs, start-ups and online payment institutions, which help build internal capabilities across various business functions. This initiative reinforces our commitment to equip our talent with critical skills required to compete in the digital economy.

In 2019, we continued to monitor and assess the credentials of our Board members at a Group level as well as the Senior Management to map their competencies in critical areas such as Technology and Digitalisation; Compliance and Enterprise Risk Management; Banking and Finance; Accounting and Audit; Sustainability and Leadership. For instance, with Sustainability as one of our five strategic pivots under Forward23, 33% of our Board members are actively involved with non-profit environmental and or social organisations.

> Diversity of Abilities

Inclusivity features strongly on our agenda and in line with this approach, we employ 11 Persons With Disabilities (PWDs) in Malaysia. CIMB Niaga also hired 12 new PWDs , adding on to the existing 23 PWD workforce, who were placed as Social Media Telemarketing Funding Officers and Personal Banking Officers.

In CIMB Thailand, we collaborated with the Thai Red Cross and offered special funds to the tune of THB3.0 million (RM396,000) to support a total of 27 PWDs. Meanwhile, we also hired three PWDs to work in Operations, Investor Relations and HR departments. The collaboration has been active since 2016 and even extends to hiring blind therapists to promote and raise awareness on PWDs among CIMBians. **The efforts and positive impact from this initiative have been awarded and recognised by the Social Innovation Foundation and Ministry of Social Development and Human Security for three consecutive years.**

> Gender Diversity

In 2019, 56.4% of the total workforce in CIMB comprised of women. 47.5% of middle to top management positions comprised of women.

The Board of CIMB Group Holdings Berhad currently comprises nine Directors, of whom one is a female, or 11% representation. The Board remains committed to achieve at least 30% female representation on the Board by 2020, whilst ensuring that diversity in skill set, experience, age and gender are met. The GNRC is currently considering new candidates to be nominated to the Board and is mindful of this requirement.

The 30% female representation on the Boards target is also observed on the Boards of CIMB's main subsidiaries. The subsidiaries that have achieved more than 30% female representation on the Board are CIMB Bank Berhad (40%), and CIMB Islamic Bank Berhad (33%). The CIMB Investment Bank Berhad Board is mindful of this requirement and is currently reviewing its composition with the view to nominate more female candidates for the Board.

At entry level, we continue to ensure a robust pipeline of female talent. 43% of the most recent intake of TCB, were female. The programme is an important source of high potential talent for our future management.



Empowering Women Series

This was launched in August 2018 to enable CIMB women to gain inspiration from accomplished women leaders from diverse sectors. In 2019, the programme, themed, **“Removing the Glass Ceiling in the Corporate World”**, featured three distinguished speakers: Prof Emerita Datuk Dr Mazlan Othman, an Astrophysicist; Khai Lin Sng, Co-Founder of Fundnel, a technology-based private investment platform; and Teoh Su Yin, Senior Independent Director of CIMB Group. More than 120 CIMB women and men participated in this learning experience.

We also continued to celebrate the winning spirit of CIMB Women on International Women's Day, with a full-day of activities including a special panel featuring women from diverse backgrounds to speak on the topic of “Having It All – A Successful Career and a Fulfilling Life”. The panel members who inspired many with their stories included Chong Chye Neo, a Board Member of several public listed companies and former Managing Director of IBM Malaysia; Marion Caunter, a local celebrity; and Hiba Abdul Rahman, a cancer survivor and breast cancer advocate.

human capital development

ENCOURAGED ASPIRING YOUTH TO FULFIL THEIR LEADERSHIP POTENTIAL

> CEO@Faculty

CIMB continuously engages with local institutions of higher learning, academicians and industry, through our own programmes as well as through public sector initiatives such as CEO@Faculty, which started in 2015, as part of the Group's contribution to the larger national agenda.

The objective of these efforts is to bridge the gap between industry and academia by facilitating knowledge exchange, experience sharing, curriculum design advisory as well as to provide much-needed support to young talent. It comes in the form of workshops and mentoring, to raise career awareness among Malaysian undergraduates, especially to those in public institutions of higher learning.

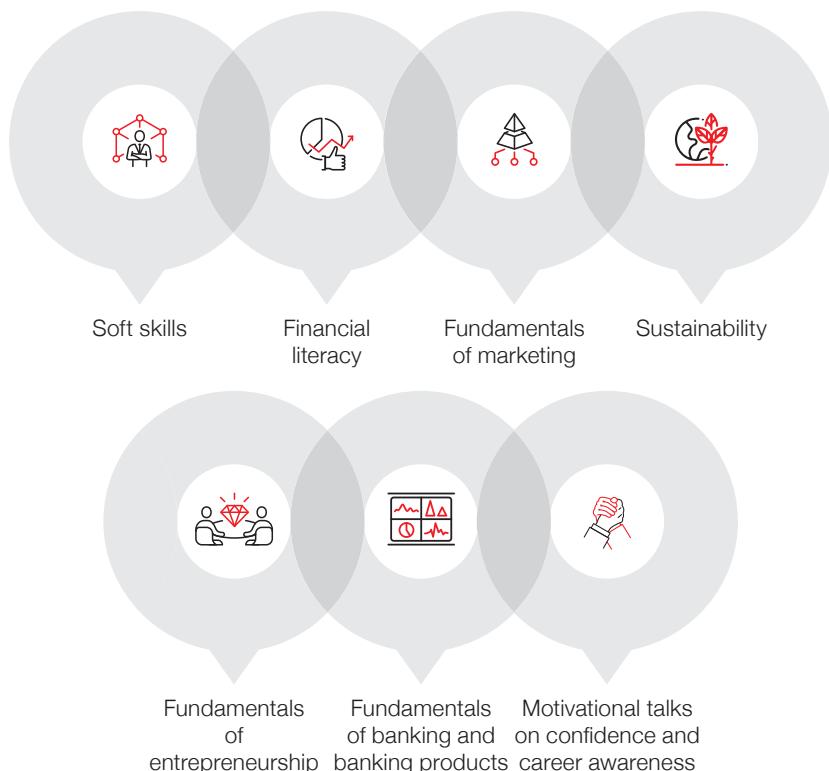
In 2019, as part of the **CEO@Faculty programme**, Dato' Hamidah Najiadin, Group Chief People Officer adopted UiTM and UKM to conduct outreach programmes. A total of seven guest lectures to students and sharing sessions with faculty members were conducted in 2019 on topics ranging from IR4.0 to diversity and inclusion, representing approximately 30 hours of lectures and sharing sessions invested (excluding other activities).

As a result of the continued efforts over the years, Dato' Hamidah was one of five industry leaders identified for recognition by the Ministry of Education in 2019.

> PROTÉGÉ

We also continued to support the **Professional Training & Education for Growing Entrepreneurs programme, PROTÉGÉ** (formerly known as SL1M), to provide routes to employability and careers. 250 Malaysian graduates were recruited for placement across various banking functions as part of an employability-enhancing graduate training scheme.

In addition to providing work experience, we organised nine training sessions covering the following areas:



> ASEAN Scholarship

Another flagship initiative is the **CIMB ASEAN Scholarship**. In 2019, we introduced a maximum annual household income threshold of RM15,000 for Malaysian applicants. The main objective of this new requirement is to provide opportunity to youth from low and modest income families who would otherwise miss out on quality education and exposure. The net is cast wide to identify talent from different backgrounds, fields of study and location of study (in their own countries and abroad) so that with this, they might bring their life experiences and perspectives to the table.

32%

of our scholars are pursuing STEM courses in fields such as Engineering, Computer Science, Actuarial Science and Mathematics

24%

of the scholars are studying in their respective home countries

In 2019, we offered close to RM5.0 million in scholarships to 13 talents from six ASEAN countries, with internships, mentorship and guaranteed employment. The total allocation of RM38.9 million for 2016-2023 has benefited 63 students to date. We take pride in our vision to nurture and develop a regional talent pipeline for the Bank and in 2019, we realised this vision with the return of nine graduates from the first cohort of the ASEAN Scholarship programme.



> CIMB Young ASEAN Leaders 2019

The **CIMB Young ASEAN Leaders (CYAL)** is an annual programme with an overarching objective to grow and nurture the best of our young ASEAN leaders, and enable them to exchange ideas, broaden their perspectives, as well as gain cross-cultural experiences, while exploring a theme that is relevant to all ASEAN countries.

In 2019, 50 delegates from all 10 ASEAN nations convened in Kuala Lumpur to deliberate and exchange ideas on the theme "Sustainable Indigenous Resources for Renewable Energy". The Group explored how ASEAN countries can utilise renewable local natural resources to provide energy to sustain life and economic needs.

Since 2012, CYAL has produced an alumni community of 350 bright individuals across ASEAN. During the CIMB Young ASEAN Leaders 2019, CIMB Foundation launched the CYAL Alumni to engage the alumni community and ensure continuing impact.

The CYAL Alumni aims to:

- Further enhance cross-cultural learning and partnership between ASEAN countries;
- Provide further opportunities for the CYAL Alumni to inspire and enact change in their home country;
- Provide further growth and career opportunities for the CYAL Alumni to develop their leadership capabilities and achieve their potential; and
- Act as ambassadors for CIMB's regional CSR initiatives.

human capital development

INTRODUCED A MORE HOLISTIC PERFORMANCE APPRAISAL SYSTEM

The Group's performance is tracked via a balanced scorecard with measures on profitability, cost, capital, shareholders' return, medium to long-term strategic initiatives, as well as risk, audit and compliance. These success measures are cascaded through the organisation through KPI scorecards of individuals.

Likewise, individual KPIs are based on a balanced scorecard, covering:

- financial targets
- customer experience measures
- long-term initiatives (where progress of milestones or ROI may be monitored)
- risk management and process controls
- audit and compliance findings
- people-related measures.

Year-end assessments of individual performance are based on KPI achievements as well as the individual's proficiency in required competencies.

In 2019, KPIs were aligned towards our Forward23 strategy, with long-term focus areas on customers, technology, sustainability, partnerships and people. Emphasis continued on risk-adjusted performance measures such as risk-adjusted return on capital as well as reinforcing our culture of accountability and compliance. 100% of senior management's scorecards in 2019 were developed centrally to ensure alignment to organisational priorities.

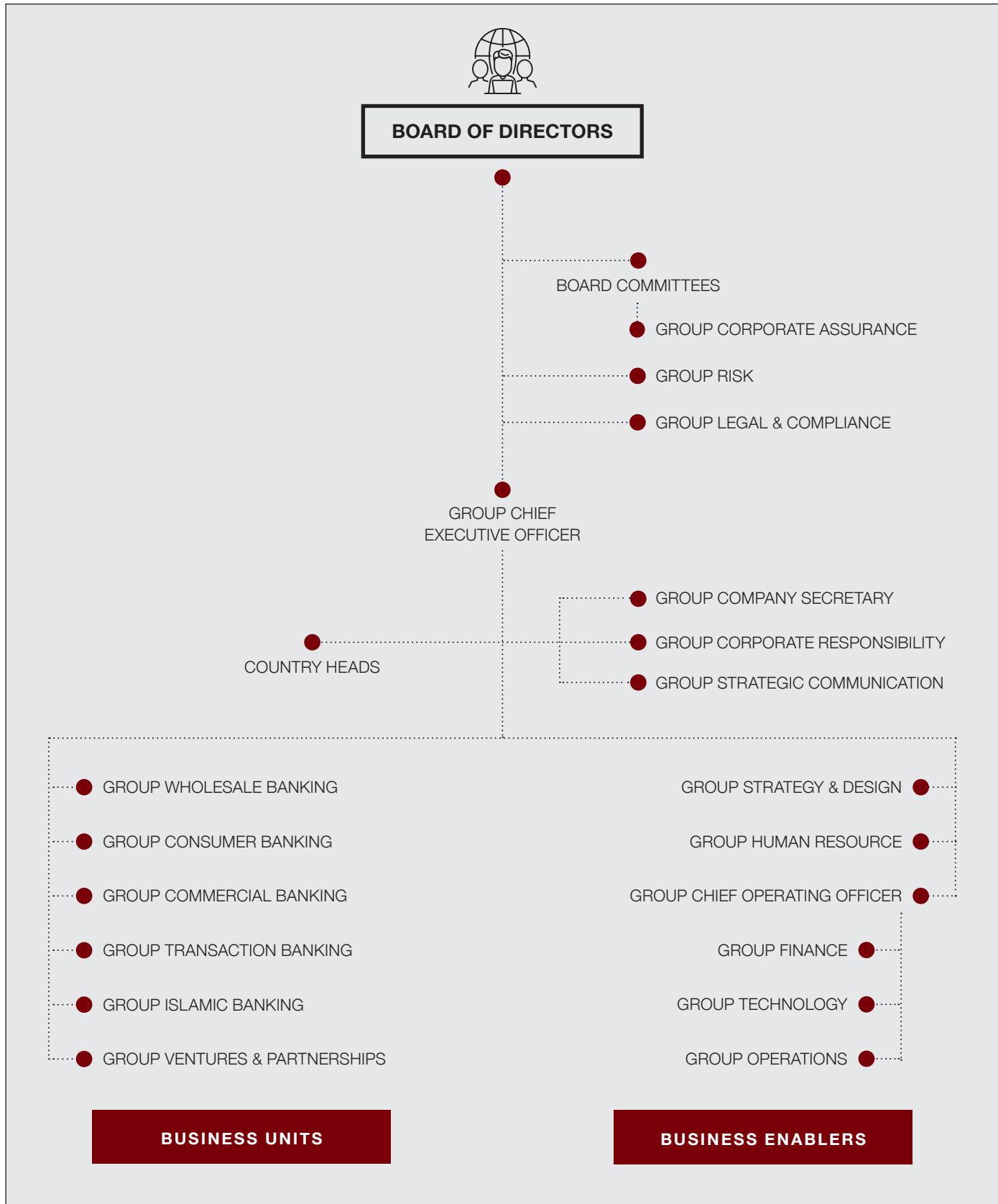
During the year, we piloted newer approaches to performance management to include more regular conversations with employees, with strong focus on employee growth and career development.

We also piloted a new compensation model that enhances linkage of pay to performance, and provides a clearer line of sight to drive performance.



For more information on our progressive policies and programmes on employee welfare and well-being, refer to **CIMB Group Sustainability Report 2019**.

group organisation structure



chairman's statement on corporate governance

DEAR SHAREHOLDERS,

We are seeing a world that is transforming fast. The rules of the game we call business are changing even faster. Corporate Governance may have been about health and hygiene, but is potentially taken for granted, with environmental and social performance requiring attention and prioritisation.

"It is my privilege to present the CIMB 2019 Corporate Governance Overview Statement, which speaks of our continuing efforts to strengthen stakeholder' trust and manage our risk exposure through robust governance frameworks and practices. While we remain vigilant of the emerging risks to business requiring strong governance, we recognise the need for efficient monitoring and control mechanisms to meet our near-term goals and business priorities. In representing the universal regional ASEAN banking group, on behalf of the Board, I would like to reinforce my faith in the capabilities of the Group to safeguard the interests of our shareholders and stakeholders through governance at its best."

In early 2019, we witnessed a US Company, Pacific Gas and Electric Company (PG&E) filing for bankruptcy protection, while Sustainalytics, an independent global provider of Environmental, Social and Governance (ESG) and corporate governance research and ratings to investors, named this global leader an outperformer and ranked it in the 82nd percentile on governance. The PG&E is the first corporate casualty of climate change, mainly contributed by failure in governance and management. This could be true for any aspiring businesses as they grapple with the emerging ESG issues and risks into the future.

At CIMB, sustainability is one of the five key focus areas of our Forward23. In implementation, governance alongside economic, environmental and social aspects of our business are pivotal to meet the objectives and targets defined for the five-year term. In other words, we believe that governance can have the highest impact on the efficiency, effectiveness and value creation ability of our deployed strategies and approaches. Therefore, we go beyond management structures, policies and processes, and make governance an integral part of the organisational culture. We place equal emphasis on adherence to the principles of good governance, especially when taking mission-critical decisions on a day-to-day basis, never losing sight of the emerging challenges of the future.

In short, our efforts at CIMB are to continuously evaluate our existing systems towards shaping a robust governance framework – one that achieves a balance between near-term and mid-term business performance needs and long-term risks. This requires us to expand the criteria on which our governance practices are measured for their practical value for business and their ability to future-proof us and our people.

The Board of CIMB is painstakingly diligent in its role, ensuring the members deliberate on governance approaches and issues adequately, including risks and matters material for both business and stakeholders. From incorporating governance and Economic, Environmental and Social (EES) risks into the Enterprise Risk Management Framework to how they impact key decisions on business and growth, the Board takes full accountability for positive performance on various means and metrics to good governance. The Board recognises that such high-degree commitment is non-negotiable and most critical to deliver shareholder and stakeholder value.

Future Forward, good corporate governance will always be one of our main priorities as a leading bank in Malaysia. We will continue to be vigilant and ready to take it to the next level in order to protect the interests of all stakeholders.

Datuk Mohd Nasir Ahmad
Chairman

corporate governance

overview statement

(Pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

CIMB is strongly committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. It has a well-defined and well-structured corporate governance framework in place to support the Board's aim of achieving long-term and sustainable value, as well as fostering a culture that values ethical behaviour, integrity and respect to protect shareholders' and other stakeholders' interests at all times.

For CIMB, it is also important to maintain leading governance practices given the highly regulated industry in which the Group operates and this is essential for the long-term sustainability of the Group's businesses. In this respect, the Board Committees assist the Board to fulfil its governance role effectively.

During the year ended 31 December 2019, CIMB's corporate governance practices were consistent and complied with the following guidelines and best practices:

- 1) Bank Negara Malaysia (BNM)'s Corporate Governance Policy 2016 (BNM CG Policy)
- 2) Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia)
- 3) Malaysian Code of Corporate Governance 2017 (MCCG) published by the Securities Commission
- 4) Corporate Governance Guide 3rd Edition 2017 (CG Guide) published by Bursa Malaysia
- 5) Minority Shareholder Watch Group (MSWG)'s Malaysia-ASEAN Corporate Governance Scorecard
- 6) Developments in market practice and regulations

The Board and its Committees regularly review the governance framework and associated practices to ensure that they keep abreast with relevant corporate governance and regulatory requirements.

In 2019, CIMB received, amongst others, the following awards for its group-wide efforts in upholding the highest standards of corporate governance and ethical conduct:

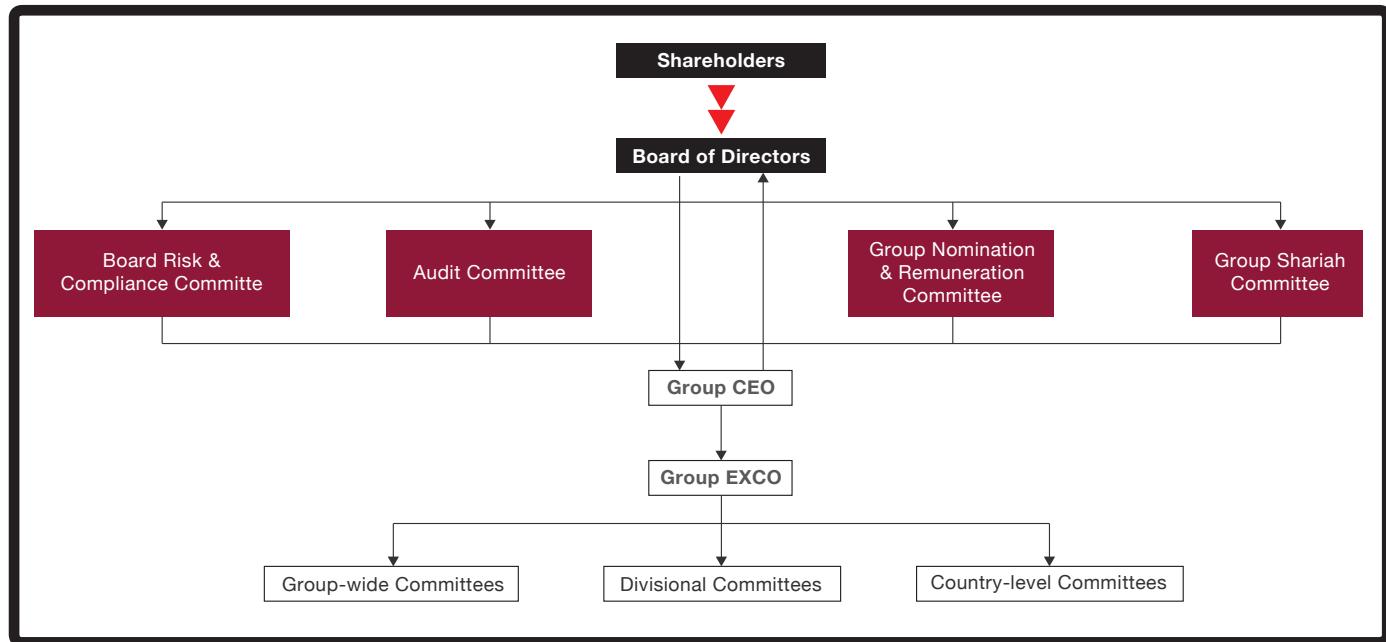
- 1) Industry Excellence Award – Finance (1st place) awarded by MSWG – ASEAN Corporate Governance Awards 2018
- 2) Excellence Award for CG Disclosure (1st place) awarded by MSWG - ASEAN Corporate Governance Awards 2018
- 3) Excellence Award for Overall CG & Performance (4th place) awarded by MSWG – ASEAN Corporate Governance Awards 2018
- 4) Most Outstanding Annual Report of the Year (Platinum) awarded by National Annual Corporate Report Awards (NACRA) 2019
- 5) Industry Excellence Award (Finance) awarded by NACRA 2019
- 6) Sustainability Reporting Award (Gold) awarded by NACRA 2019

- 7) Best E-Payment Bank awarded by Malaysia e-Payments Excellence Awards (MEEA) 2019
- 8) Best IBFT Bank awarded by Malaysia e-Payments Excellence Awards (MEEA) 2019
- 9) Best Islamic Finance Sukuk House awarded by Alpha SEA Regional Islamic Finance Awards 2019
- 10) Best Sukuk Bank awarded by Global Finance World's Best Islamic Financial Institutions Awards 2019
- 11) Best FX Bank for Corporate Islamic Treasury – awarded by Alpha SEA Regional Islamic Finance Awards 2019
- 12) Best Cash Management Bank in Malaysia awarded by Alpha SEA Best Financial Institution Awards 2019
- 13) Best Equity House in Malaysia awarded by Alpha SEA Best Financial Institution Awards 2019
- 14) Best Institutional Broker in Malaysia awarded by Alpha SEA Best Financial Institution Awards 2019
- 15) Best Digital Bank in Malaysia awarded by the Asian Banker Excellence in Retail Financial Services Awards 2019
- 16) Best Retail Bank in Malaysia awarded by the Asian Banker Excellence in Retail Financial Services Awards 2019

Whilst Shareholders and the Board jointly provide oversight on the control and management of CIMB, the ultimate decision-making authority rests with the Shareholders at the Annual General Meeting (AGM) where, amongst others, the re-election and remuneration of the Directors and appointment of External Auditors are approved. The Board, on the other hand, is accountable to the Shareholders for the performance of CIMB. In this regard, the Board directs and monitors the business and affairs of CIMB on behalf of the Shareholders. The Board also oversees and appraises CIMB's overall strategic objectives, direction and performance, with some oversight delegated to the Board Committees.

The Group Chief Executive Officer/Executive Director (Group CEO), who also sits on the Board as the sole Executive Director, is responsible for the development and implementation of CIMB's strategy and its overall day-to-day running. Consistent with CIMB's primary objective to enhance long-term shareholder value, this includes providing direction on all aspects of operational matters such as financial, risk management and compliance. The Board delegates to the Group CEO, together with the Senior Management of CIMB, the authority for managing CIMB's business to achieve its corporate targets and plans.

corporate governance overview statement



ENTITY GOVERNANCE

CIMB recognises that while the ultimate parent entity in the Group has the overall decision-making authority and is responsible for exercising adequate oversight over the group entities, the ultimate parent entity must nevertheless give due regard to these entities to exercise their own judgment.

The CIMB Group operates through a diverse set of entities and ownership structures which may pose governance risks for the Group and for the individuals who are responsible for the management of these entities. In 2017, a governance framework was developed to address such risks and ensure that the operations of the entities remain robust. The framework serves to raise the bar for CIMB's governance standards and focuses on accountability of the Group's senior management. The framework also provides channels of communication to align the relationship between these entities, as well as with CIMB.

To operationalise the framework, the Group Entity Governance Policy (Policy) was approved by the Board of CIMB in late 2017. Central to the Policy is the appointment of a "Responsible Officer" who is accountable for the entities assigned to him/her. The main role of a Responsible Officer is to escalate any issues to its Board and the Board of its parent entity, amongst others, that may impact the entity's operations as well as the Group's in a timely manner. Designated key control functions are identified to support the Responsible Officer in his/her role.

Since its introduction in 2017, the Policy has reached its final phase with its full implementation from June 2019. The Policy will continue to be reviewed to reflect best practices as well as to align with regulations.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board's primary role is to determine CIMB's strategic objectives and policies to deliver sustainable value to its Shareholders. In ensuring the protection and enhancement of shareholder value, it takes into account the interests of stakeholders including employees, customers, suppliers, business partners, regulators, local communities, non-governmental organisations and the general public. The Board is ultimately accountable to Shareholders for the performance of CIMB, and is responsible for CIMB's overall governance.

The Board acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making. The Board is helmed by Datuk Mohd Nasir Ahmad, an Independent Director, who plays a key role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities. As the Chairperson, he also leads the Board in the oversight of the Management and in inculcating the right culture, values and behaviours, both at the top and throughout the entire organisation. Notwithstanding that Datuk Mohd Nasir is an Independent Chairperson, the Board nevertheless retained the role of Senior Independent Director (SID) on the Board, whose role is to serve as a sounding board to the Chairperson, a representative of the Non-Executive Directors and also act as an additional point of contact for all stakeholders who wish to convey any concerns in relation to CIMB Group. The Board has designated Teoh Su Yin as the SID.

The Board delegates responsibility for the overall business and day-to-day management of CIMB to the Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz. The Group CEO is responsible for leading Management and for making and implementing operational decisions, and is assisted by the Group Executive Committee.

To further promote CIMB's sustainability agenda, the Board has designated Robert Coombe as CIMB's Sustainability Sponsor. His role includes advising and recommending to the Board on business strategies from the aspect of sustainability and acts as an advocate within the organisation and externally.

The Board has appointed the Group Company Secretary who, under the direction of the Chairperson, is accountable for all matters with regard to the proper functioning of the Board as well as to facilitate effective information flows within the Board and Board Committees and between Senior Management and Non-Executive Directors. The Group Company Secretary is also tasked to facilitate the induction of new Directors and the ongoing professional development of all Directors. Datin Rossaya Mohd Nashir is currently the Group Company Secretary and has been with the Group since 2002.

The roles of the Chairperson, SID, Group CEO, Sustainability Sponsor and Group Company Secretary are specified clearly in the Board Charter.

CIMB's Board Charter sets out the Board's strategic intent, authority and terms of reference and serves as a primary source of reference and induction literature. In addition, the Board Charter outlines the requirements, roles and responsibilities of the Board, Board Committees and individual Directors. To ensure that it remains relevant, the Board Charter is reviewed every three years or as change arises to ensure CIMB remains at the forefront of best practices in governance. The Board Charter is available at CIMB website at www.cimb.com.

In terms of Board and Board Committee meetings, the Board Charter provides that Directors should receive meeting materials five days prior to the Board meeting to allow sufficient time for Directors to review and analyse relevant information. The deliberations and decisions arrived at during Board meetings are clearly minuted in a timely manner and action items for Management will be communicated to the relevant parties within 24 hours after the Board meetings. The draft minutes are then tabled at the following meeting for confirmation and thereafter signed by the Chairperson.

The Board meets on a regular basis, with a minimum of six scheduled meetings in a financial year or at least once every two months or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance to enable the Directors to plan ahead. In addition to the scheduled meetings, Special Meetings may be convened as and when required. All Directors attended more than 75% of all Board meetings held in FYE 2019, and physically attended more than 60% of the scheduled Board meetings. Members of Senior Management have also been invited to attend selected Board meetings to support the Board with further information on the matters being deliberated. In addition to the scheduled meetings, the Non-Executive Directors have a framework and forum to meet separately to discuss specific matters without any executives present.

Number of meetings convened by the Board and each Board Committee

	Number of meetings in 2019
Board	16
Audit Committee	17
Board Risk and Compliance Committee	7
Group Nomination and Remuneration Committee	16
Group Shariah Committee	8

Roles and responsibilities of the Board and Board Committees

	Main Areas of Oversight	Number of meetings in 2019
Board	<p>The Board is responsible for the following:</p> <ul style="list-style-type: none"> • Comprises nine Members of whom six Members are Independent Directors • Strategic/business plans of CIMB and the monitoring of Management's success in implementing the strategies and plans; and CIMB's annual budget • Conduct of CIMB's business • Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures • Succession planning • CIMB's Communications Policy • CIMB's governance and internal control frameworks 	<p>17 meetings held to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> • Matters relating to the Company, the three Malaysian banking institutions and regional subsidiaries • CIMB's Budget • CEO's Quarterly Report • Quarterly Capital Management Update • Quarterly Shareholder Statistics Update • Quarterly Report on Directors' Training, Directorships and Summary of Dealings outside Closed Period

corporate governance overview statement

	Main Areas of Oversight	Number of meetings in 2019
Board (continued)	<ul style="list-style-type: none"> • Group CEO's and Directors' appointments and their emoluments and benefits • Effectiveness and performance of the Board Committees of CIMB annually • Considering and approving the Financial Statements and interim dividend and recommend the final dividend to Shareholders prior to public announcements and publications as well as all circulars and press releases • Monitoring the performance of CIMB • Approving the changes on Corporate Organisation Structure of CIMB • Ensuring that there are adequate controls and systems in place to measure the implementation of the Group's policies • Reviewing the adequacy and integrity of CIMB's internal control systems and management information systems • Overseeing the decisions and actions of Management in achieving the Group's goal to be a sustainable organisation, taking into account key issues related to EES aspects and impacts to the Group's business activities. 	<ul style="list-style-type: none"> • Report from AC and GNRC • CIMB Group Risk Posture • Financial Statements • Interim Dividends • Formalisation/Updates to Group Policies • Re-appointment of External Auditors for the FYE 31 December 2019 • MFRS/IFRS 9 • Business Units Updates and Projects • Basel II/Pillar 3 Disclosures • Performance Assessment and Proposed Compensation for Executive Director • Compliance's Quarterly Report • Anti-Money Laundering/CFT Report • Revision to the Terms of Reference of Board and Board Committees • Revision to the Board Charter • Board's Annual Evaluation on the Effectiveness of the Management of Compliance Risk • CIMB Niaga 2019 Recovery Plan Update • KPI Scorecard for Group CEO • Governance on Remuneration of Senior Management and Material Risk Takers • Annual Evaluation Exercise for Board and Key Responsible Persons • Gap Analysis on Amendments to the Bursa Securities Main Market Listing Requirements • Forward23 – Strategy • Annual Insurance Programme Renewal • Touch & Go related matters • Sustainability Framework, Policy and Progress
Audit Committee (AC)	<p>The AC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> • Comprises three Members, all of whom are Independent Directors • Financial Reporting • Internal controls • Internal audit function • External audit reports • Related Party Transactions 	<p>17 meetings held to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> • Matters relating to CIMB, the three Malaysian banking institutions and regional subsidiaries • Matters relating to other non-banking subsidiaries of the Group • Annual Performance Review for Group Corporate Assurance Division (GCAD) and Group Chief Internal Auditor • GCAD's KPIs for 2019 • Group Chief Internal Auditor and Direct Reports KPIs for 2019 • Two meetings with External Auditors without the presence of Senior Management • Documents pertaining to Annual Report 2018 • Related Party Transactions • Review of Financial Results • Update on AC's Terms of Reference • MFRS/IFRS 9 updates • Reappointment of External Auditors • GCAD's Annual Audit Plan • GCAD's 2019 Mid-year Review Plan • GCAD's revised Audit Plan

	Main Areas of Oversight	Number of meetings in 2019
AC (continued)		<ul style="list-style-type: none"> • Audit and Non-Audit Services provided by External Auditors • Review of Performance Management System • Update on GCAD's Policy • Updates on the Existing Guidelines for the Appointment and Re-appointment of CIMB Group External Auditors • Whistleblowing Investigation Process Flow • Forward23 – Review on Cost and Productivity • Data Analytics • GCAD's Key Strategic Projects
Board Risk and Compliance Committee (BRCC)	<p>The BRCC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> • Comprises seven Members of whom five (including the BRCC Chairperson) are Independent Directors • All Members are Non-Executive Directors 	<p>Seven meetings to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> • Risk Management Policies • Risk Appetite for 2019 • Risk Profile and Strategy • Risk Management Objectives • Economics Position and updates • Compliance to Risk Posture • Demerit framework on Performance Ratings • Revisions to the Terms of Reference of the BRCC • Revised Market Risk Limit Framework of Group Wholesale Banking for 2019 • Updates on Guidelines and Policy Documents Related to Outsourcing • Group Compliance Reports • Compliance Work Plan for 2019 • KPI Scorecard for Group Chief Risk Officer and Group Chief Compliance Officer • Annual Performance Review for Group Chief Risk Officer and Group Chief Compliance Officer
Group Nomination and Remuneration Committee (GNRC)	<p>The GNRC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> • Comprises six Members of whom five Members (including the GNRC Chairperson), are Independent Directors • All Members are Non-Executive Directors 	<p>16 meetings held to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> • Board and Board Committees' Composition • Annual Evaluation exercise comprising: <ul style="list-style-type: none"> – Board Effectiveness Assessment – Fit and Proper Assessment of Directors, Chief Executive Officers/Executive Directors (CEOs/EDs), Group Shariah Committee Members & Company Secretary • Succession planning for Boards, Board Committees, CEOs/EDs and Senior Management • Reviewing remuneration packages based on the Group's existing remuneration guidelines and framework for: <ul style="list-style-type: none"> – Directors – Members of the Board Committees – CEOs/EDs – Senior Officers (SOs) – Material Risk Takers (MRTs) • Governance matters in relation to the Board and Directors • Directors' Development Plans

corporate governance overview statement

Description of training and education provided to the Board during FYE 2019:

List of training attended	Mode of training	Duration in day(s)
Accounting and Audit		
Association of Chartered Certified Accountants (ACCA): ACCA Council Training	Seminar	1
CIMB: Regional Audit Planning Summit	Conference	2
Capital Markets		
CIMB: Board Training Session, Morphic Asset Management	Seminar	1
Securities Industry Development Corporation: Business Foresight Forum 2019: New Business Direction 2035, Catalysts for Change	Forum	1
Malaysian Economic Association: Conference Malaysian Economic Convention	Conference	1
Financial Industry		
CIMB Preferred: Financial Advisory Series 2019	Conference	1
World Bank Group and Cagamas: Conference on Constructing and Financing Affordable Housing Across Asia	Conference	2
Governance		
Securities Commission: Corporate Governance Monitor 2019	Conference	1
Emeritus Professor Jean-Phillippe Deschamps: A Boardroom Colloquium on Innovation Governance	Seminar	1
Asian Corporate Governance Association: Corporate Governance Watch – How Does Malaysia Rank	Conference	1
Securities Commission: Briefing on Corporate Liability Provision and Anti-Corruption	Workshop	1
Malaysian Institute of Corporate Governance: Forum on Corporate Governance in the Capital Market	Forum	1
Complying with Section 17A of MACC Act 2009	Forum	1
Malaysian Anti-Corruption Commission (MACC): Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign"	Seminar	1
Information Technology		
Bank Negara Malaysia (BNM)/Financial Institutions Directors' Education (FIDE): Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy	Dialogue	1
CIMB: Technology Risk Workshop	Workshop	1
BNM/FIDE: Digital Assets – Global Trends, Legal Requirements and Opportunities for Financial Institutions	Conference	1
Knowledge Group: Malaysia Technology Week 2019	Conference	1
BNM: MyFintech Week and Financial Industry Conference 2019	Conference	3
CIMB: Technology 101 Briefing	Seminar	1
BNM/FIDE: Artificial Intelligence and Its Role in FI	Conference	1
Leadership & Strategy		
CIMB: 3rd Directors Regional Sharing Session 2019	Dialogue	2
CIMB Young ASEAN Leaders 2019	Seminar	1
Prof Anil K. Gupta: 2nd Distinguished Board Leadership Series: Rethinking Strategy	Conference	1
Bursa Malaysia: Invest Malaysia Kuala Lumpur 2019	Conference	2
Dr Andy Xie: Reading the Signs – The Next Financial Crisis and Potential Impact on Asia Invest Malaysia 2019	Conference	1
World Economic Forum Annual Meeting 2019	Forum	4

List of training attended	Mode of training	Duration in day(s)
Leadership & Strategy (continued)		
PNB Corporate Summit	Conference	1
Kuala Lumpur Business Club: Budget 2020 Leading into the 12th Malaysia Plan	Dialogue	1
Sovereign Investor Institute (SII): SII Global Government Funds Roundtable 2019	Dialogue	3
Khazanah Megatrends Forum 2019	Forum	2
CIMB Group: Annual Management Summit 2019	Conference	2
CIMB: Annual Malaysia Corporate Day	Conference	1
CIMB: Board European Innovation Safari	Others	6
Bursa Malaysia: Demystifying The Diversity Conundrum – The Road to Business Excellence	Conference	1
ICLIF Leadership and Governance Centre: Mandatory Accreditation Programme	Workshop	2
Perdana Leadership Foundation: CEO Forum 2019	Forum	1
Risk Management		
BNM/FIDE: Annual Dialogue with the CEO of Perbadanan Insurans Deposit Malaysia (PIDM)	Dialogue	1
BNM/FIDE: ISRA Programme – Value Based Intermediation: Directors Role	Workshop	1
Macquarie: Asean Conference 2019 – Malaysia Macro And Policy Day	Conference	1
CIMB: Risk Management Course	Seminar	2
Others – Banking & Finance Related		
CIMB: Media Training	Seminar	1
Milken Institute: Asia Summit 2019	Conference	2
Sustainability		
BNM: Regional Conference on Climate Change	Conference	1
CIMB Group: The Cooler Earth Sustainability Summit	Conference	2
Institute of Corporate Directors Malaysia: Climate Government Initiative	Conference	1
UNEP FI: Social & Environmental Risk and Opportunities for Financial Services Players	Dialogue	1
Shook Lin & Bok: Legal Risks Arising from Environmental Issues	Dialogue	1

Time spent on training during FYE 2019:

Directors	Time Spent in day(s)	Directors	Time Spent in day(s)
Datuk Mohd Nasir Ahmad	32	Tongurai Limpiti <i>(appointed on 7 May 2019; resigned on 30 December 2019)</i>	2
Teoh Su Yin	8	Glenn Muhammad Surya Yusuf <i>(resigned on 23 January 2019)</i>	–
Robert Neil Coombe	3	Watanan Petersik <i>(resigned on 24 January 2019)</i>	–
Dato' Mohamed Ross Mohd Din	18	Tengku Dato Sri' Zafrul Tengku Abdul Aziz	28
Dato' Lee Kok Kwan	16		
Ahmad Zulqarnain Che Onn	18		
Afzal bin Abdul Rahim <i>(appointed on 31 January 2019)</i>	12		
Didi Syafruddin Yahya <i>(appointed on 7 May 2019)</i>	24		

corporate governance overview statement

The Board has also 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 behavior that are expected of all employees of CIMB in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management. In addition, the Board has also adopted a Code of Conduct for Directors that sets out the fundamental guiding principles and standards for Directors to carry out their duties. This Code applies to all the Directors of CIMB Group and is primarily based on the five fundamental principles of competence, integrity, fairness, confidentiality and objectivity as recommended by the Code of Ethics for the Financial Services Industry published by Financial Services Professional Board (FSPB).

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 CIMB's customers.

BOARD COMPOSITION

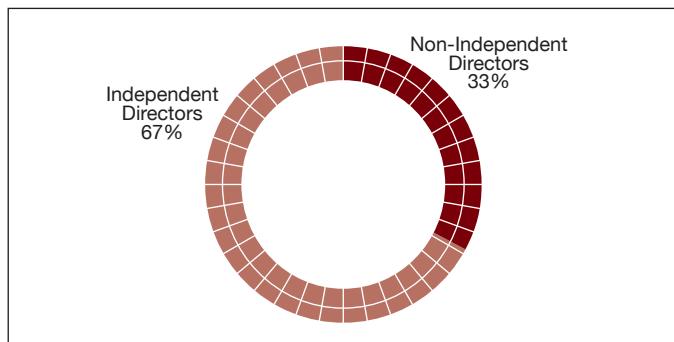
The Board continuously strives to ensure that Directors have a collective mix of skills, experience, expertise and diversity to add value to Board processes and decisions.

The Board currently comprises nine Directors, eight male and one female, of whom six are Independent, two are Non-Independent and the Group CEO, who is the Executive Director. Of the two Non-Independent Directors, one had previously served in various executive positions in CIMB. The other Non-Independent Director represents Khazanah Nasional Berhad, who is the largest major shareholder of CIMB.

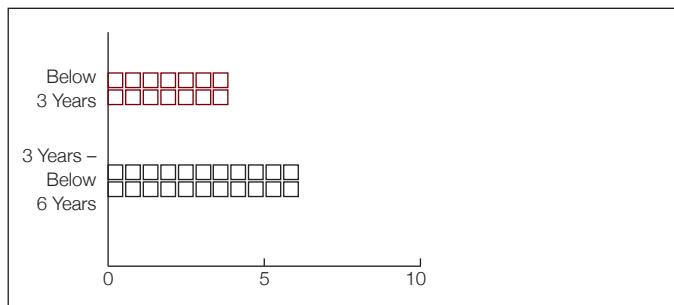
On 7 May 2019, CIMB welcomed two new Independent Directors to the Board, Didi Syafruddin Yahya and Tongurai Limpiti. Tongurai later resigned from the Board on 30 December 2019. The Board bade farewell to Glenn Muhammad Surya Yusuf and Watanan Petersik who retired on 23 January and 24 January 2019, respectively. Both Glenn and Watanan had served on the Board as Independent Directors since January 2010.

During FYE 2019, no Independent Director had served on the Board for more than nine years from the date of his/her first appointment. This is in adherence to CIMB's Board Charter which limits an Independent Director's tenure of service to a maximum of nine years.

Board Composition of Directors



Board Member's Tenure



The oversight on the overall composition of the Board and Board Committees resides with the GNRC. The GNRC comprises six Members of whom five Members (including Teoh Su Yin, the Chairperson) are Independent Directors. The GNRC is guided by the following quantitative and qualitative criteria when assessing the suitability of Directors for nomination:

- appropriate size and the balance between Independent Directors, Non-Independent Directors and Executive Directors,
- skills, background and experience,
- diversity in terms of gender, nationality, ethnicity and geography, and
- commitment to sustainability.

In addition, the 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.

Based on these criteria, suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise. The GNRC has access to a wide pool of candidates which includes recommendations by existing Board Members or Management and through external sources such as the Directors' Register by FIDE FORUM and BNM; professional associations and also from independent search firms.

In 2019, a self-evaluation exercise was conducted to determine the skills and experiences currently present on the Board. The results of the exercise were extracted into a Board Skills Matrix, from which the GNRC established a Board DNA to identify the desired profile of new Board Members to optimise the Board's composition.

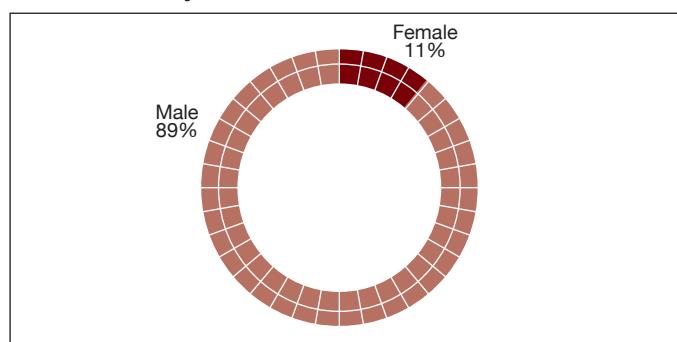
The GNRC is also tasked to assess the effectiveness of the Board, Board Committees, individual Directors and the Group Company Secretary. The areas assessed under each category amongst others were as follows:

- Board and Board Committees
 - Role played by the Chairperson
 - Contributions by the Directors
 - Board processes and information flow
 - Boardroom dynamics
- 360° Peer Assessment
 - Understanding of the Group's strategy and vision
 - Knowledge, skills and experience
 - Participation and contribution in deliberations
 - Willingness to challenge prevailing opinion

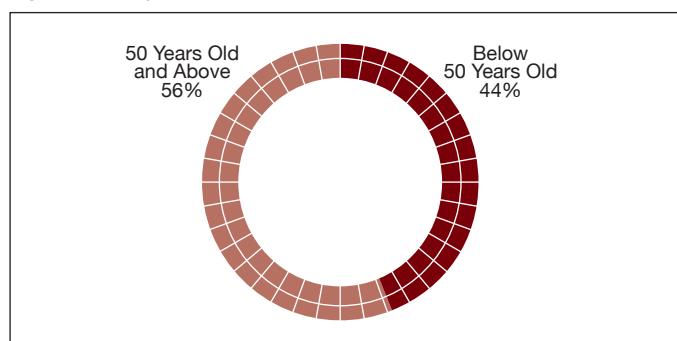
From the 2019 exercise for FYE 2018 Board Effectiveness Assessment, the Board approved an action plan to address areas identified to improve the performance of the Board and Management.

Pursuant to the Annual Evaluation Manual, an external consultant will be engaged to conduct an independent assessment exercise on the Board, Board Committees, individual Directors and the Group Company Secretary for FYE 2019 in 1Q 2020. External consultants are engaged for this exercise once every 3 years, with the last independent exercise conducted in 2016. This is in line with the requirement in BNM's CG Policy.

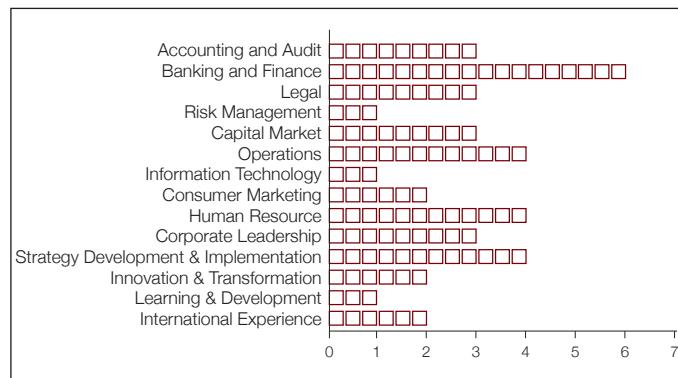
Gender Diversity



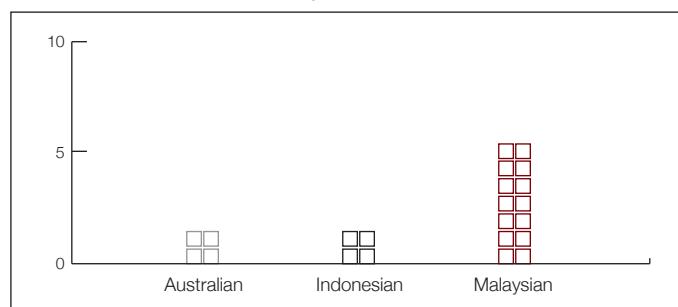
Age Diversity



Board Members' Industry/Background Experience



Board Members' Nationality



REMUNERATION

The Board delegates to the GNRC the responsibility to set the overarching principles, parameters and governance framework relating to the Group's remuneration matters. These have been documented in the CIMB Group Directors' Remuneration Framework and CIMB Group Remuneration Policy.

CIMB Group Directors' Remuneration Framework:

The CIMB Group Directors' Remuneration Framework (Framework) sets out the methodology and formula on how Retainer Fees, Chairperson's Premium and Meeting Fees of the Board are derived, as follows:

- Comparison against CIMB's industry peers;
- BNM FIDE Forum Directors' Remuneration Report 2015 formula; and
- Back testing the data against closest peers.

The implementation of the Framework has been approved by the Shareholders at the 60th Annual General Meeting which was held in 2017 and is reviewed every 3 years by the Board through the GNRC. The Framework is designed to recognise the contribution of the Directors in relation to its fiduciary and statutory duties, risks and time commitment. The framework also serves to attract and retain Directors who have the desired experience and skills from various sectors.

corporate governance overview statement

CIMB has established the Framework as follows:

CIMB Group Holdings Berhad		Retainer Fees (per annum)	Chairperson's Premium (per annum)	Meeting Fees (per meeting)
Board	Chairperson*	170,000	510,000	5,000
	Member	170,000	N/A	5,000
Audit Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000
Board Risk and Compliance Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000
Group Nomination and Remuneration Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000

* Benefits-in-kind for the Chairperson of the Board include, amongst others, a driver, corporate club membership subscription and leave passage.

The remuneration payable to the Directors by CIMB Group in 2019, are as follows:

CIMB

Directors	Fees (RM'000)	Salary and/ or Other Remuneration (RM'000)		Total (RM'000)	Benefits-in-kind (RM'000)
		Non-Executive Directors	Executive Directors		
Datuk Mohd Nasir Ahmad	170	790	16	960	35
Teoh Su Yin	170	355	—	525	—
Robert Neil Coombe	170	272	—	442	—
Dato' Mohamed Ross Mohd Din	170	385	—	555	—
Dato' Lee Kok Kwan	170	120	—	290	—
Ahmad Zulqarnain Che On	170	165	—	335	—
Afzal bin Abdul Rahim <i>(appointed on 31 January 2019)</i>	—	—	—	—	—
Didi Syafruddin Yahya <i>(appointed on 7 May 2019)</i>	111	95	206	—	—
Tongurai Limpiti <i>(appointed on 7 May 2019; resigned on 30 December 2019)</i>	111	60	171	—	—
Glenn Muhammad Surya Yusuf <i>(resigned on 23 January 2019)</i>	11	16	27	—	—
Watanan Petersik <i>(resigned on 24 January 2019)</i>	11	10	21	—	—
Executive Directors					
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	—	—	—	—	—

CIMB Group

Directors	Fees (RM'000)	Salary and/ or Other Remuneration (RM'000)	Total (RM'000)	Benefits-in-kind (RM'000)
Non-Executive Directors				
Datuk Mohd Nasir Ahmad	325	1,145	1,470	35
Teoh Su Yin	170	355	525	–
Robert Neil Coombe	170	272	442	–
Dato' Mohamed Ross Mohd Din	310	708	1,018	31
Dato' Lee Kok Kwan	333	245	578	–
Ahmad Zulqarnain Che On	170	165	335	–
Afzal bin Abdul Rahim <i>(appointed on 31 January 2019)</i>	–	–	–	–
Didi Syafruddin Yahya <i>(appointed on 7 May 2019)</i>	326	215	541	–
Tongurai Limpiti <i>(appointed on 7 May 2019; resigned on 30 December 2019)</i>	111	60	171	–
Glenn Muhammad Surya Yusuf <i>(resigned on 23 January 2019)</i>	566	16	582	–
Watanan Petersik <i>(resigned on 24 January 2019)</i>	162	10	172	–
Executive Directors				
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	–	8,532	8,532	8

The Directors and Officers of CIMB 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 amounted to RM1,018,690.

CIMB Group Remuneration Policy

The CIMB Group Remuneration Policy, which has been reviewed by the GNRC and approved by the Board, applies to all subsidiaries and overseas offices within CIMB and acts as a guiding principle in relation to the design and management of CIMB's remuneration programmes. Three key principles of CIMB's Remuneration Policy are as follows:

Principle	Purpose	Approach
Strong governance	To ensure strong and independent oversight of the remuneration system	<ul style="list-style-type: none"> Oversight and review by GNRC Guided by input from control functions, AC and BRCC
Appropriate assessment of performance	To support a performance-based culture which promotes prudent risk-taking and long-term sustainability	<ul style="list-style-type: none"> 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 Use of risk-adjusted performance measures i.e. risk-adjusted return on capital (RAROC) and economic profit Deferral and claw back arrangements in variable remuneration schemes
Market competitiveness	To offer rewards that allow CIMB to attract, motivate and retain the right talent	<ul style="list-style-type: none"> Benchmarking against similar organisations in the geographies and industries in which CIMB operate

corporate governance overview statement

Components of Remuneration

Employee remuneration is composed of two main components – fixed and variable:

Component	Composition	Purpose and Approach
Fixed	Consists of base salary and fixed allowances	<ul style="list-style-type: none"> Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels.
Variable	Payable annually through cash bonus and shares (through participation in the Equity Ownership Plan, described below)	<ul style="list-style-type: none"> Purpose of motivating, rewarding and retaining high performing employees who generate shareholder value and contribute to the success of the Group. Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results. Portions of cash bonus may be subject to deferral. Based on a selection criterion, shares may be awarded to employees through participation in the Group's Equity Ownership Plan, where the value of award ranges from 20% to 60% of variable remuneration.

The Equity Ownership Plan serves as the Group's share-based long-term incentive plan, 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 the plan are released progressively to the participants over three years.

Any deferred variable remuneration (cash bonus and/or EOP shares) that has not been paid to or vested to the employee is subject to forfeiture or adjustment in the event of:

- Resignation or cessation of employment with the Group
- Misconduct
- Material restatement of financial results

Measurement of Performance

The Group's performance is determined in accordance with a balanced scorecard which includes key measures on profitability, cost, capital, shareholders' return, medium to long-term strategic initiatives, as well as risk, audit and compliance positions. CIMB currently tracks two risk adjusted performance measures, RAROC and economic profit, which are adopted in phases across the Group.

The Group's key measures are cascaded to the business units and enabler functions accordingly and subsequently to the KPI scorecards of individuals. The RAROC measure has also been cascaded to the KPI scorecards of key individuals in the organisation across the Group.

For each employee, performance is tracked through KPIs in a balanced scorecard. In addition to financial targets, KPIs in the balanced scorecard usually include measures on customer experience, long-term initiatives (where progress of milestones or ROI may be monitored), risk management and process controls, audit and compliance findings, as well as people related measures. At the end of the year, performance of each individual is then assessed through the Group's performance management framework which is based on 70% of the balanced scorecard and 30% of the individual's proficiency in required competencies.

Determination of Variable Remuneration

Based on CIMB's performance, the GNRC will determine the overall variable remuneration pool taking into consideration key performance measures 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 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 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 the adequacy of bonus pool allocated to the business unit/function to which the individual belongs. Variable remuneration of the individual may also be adjusted based on accountability of audit and compliance findings, or disciplinary action.

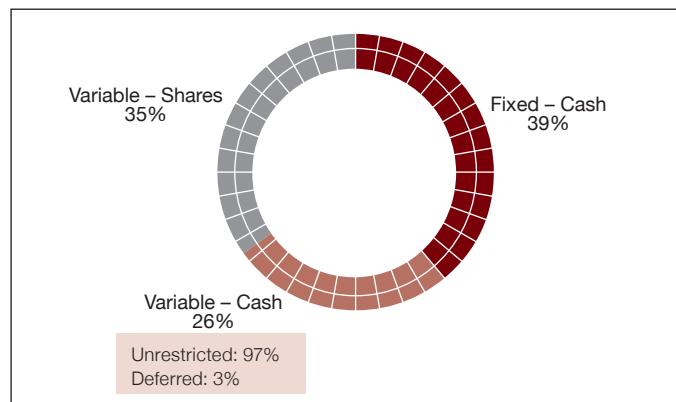
The control functions of Audit, Compliance and Risk operate independently from the business units in CIMB, and have appropriate authority to carry out their individual functions without intervention from the business units. To prevent conflict of interest, remuneration of employees in these control functions are not dictated by business units that they support. Remuneration of the Group Chief Risk Officer, Group Chief Legal & Compliance Officer and the Group Chief Internal Auditor are approved by the BRCC and the AC.

SENIOR OFFICERS AND MATERIAL RISK TAKERS

Summary of 2019 Remuneration Outcome

Breakdown of remuneration awarded to Senior Officers and Material Risk Takers for 2019:

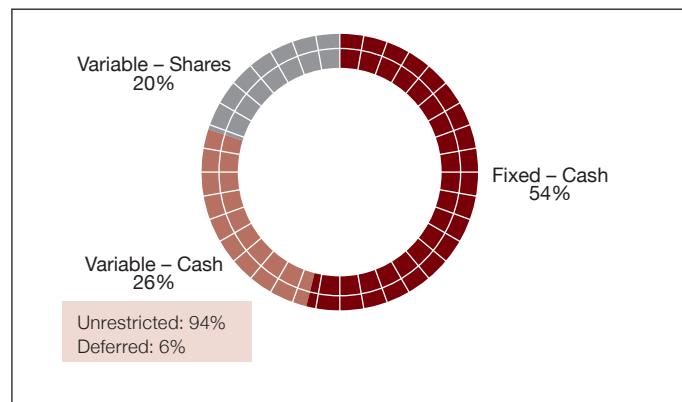
Senior Officers



Senior Officers (SOs) of the Group are defined as the Group CEO, Group CFO and members of the Group Executive Committee (GEXCO).

Total remuneration awarded to 18 SOs for the financial year 2019 was RM96.5 million.

Material Risk Takers



Material Risk Takers (MRTs) are defined as 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 44 MRTs for the financial year 2019 was RM109.9 million.

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	3	2
Number of severance payments	–	–
Total amount of above payments made during the financial year 2019	9,315	408

corporate governance overview statement

Table 2: Breakdown of deferred remuneration

Category	SOs (RM'000)	MRTs (RM'000)
Total amount of outstanding deferred remuneration		
• Cash	1,577	2,985
• Shares	76,036	55,072
Total amount of deferred remuneration paid out during the financial year		
• Cash	8,879	7,755
• Shares	22,194	20,716
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, claw backs 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)	Total (RM'000)
Tengku Dato' Sri Zafrul	Fixed remuneration	3,093	–	3,093
Tengku Abdul Aziz	Variable remuneration			
• Non-deferred		2,527	–	2,527
• Deferred		–	2,912	2,912
Total remuneration award for financial year 2019		5,620	2,912	8,532

PRINCIPLE B:**EFFECTIVE AUDIT AND RISK MANAGEMENT****AUDIT COMMITTEE**

The AC is chaired by Dato' Mohamed Ross Mohd Din and the members are Teoh Su Yin and Datuk Mohd Nasir Ahmad, all of whom are Independent Directors. Members of the AC have the relevant accounting or related financial management experience or expertise. The Chairperson of the AC has over 40 years of relevant experience, and is not the Chairperson of the Board. This is to promote robust and open deliberations by the Board on matters referred by the AC.

CIMB has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with BNM's Policy on External Auditors. The process requires the AC to assess the External Auditors' compliance with qualification criteria set out by BNM, which includes evaluating the independence, objectivity and performance of the External Auditors.

As part of its remit, the AC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained. As per the Board Charter, the AC will not appoint former key audit partner as its member unless the former key partner has observed a cooling-off period of at least two years before being appointed as a member of the AC.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant of its overall responsibility and oversight of CIMB's system of internal controls and is constantly keeping abreast with developments in areas of risk and governance. To this end, the Board continues to be involved in determining CIMB's level of risk appetite and identifying, assessing and monitoring key risks to safeguard Shareholders' investments and CIMB's assets, in a manner which enables CIMB to meet its strategic objectives. For this purpose, the Board has established governance and processes for reviewing the effectiveness, adequacy and integrity of CIMB's system of internal controls and risk management. Whilst it is not possible to completely eliminate risks of failure in achieving CIMB's objectives, the system of internal controls is designed to mitigate these risks by identifying, managing and controlling risks, including operational risk.

CIMB employs an Enterprise-Wide Risk Management (EWRM) framework as a standardised approach to manage the risks and opportunities effectively. The EWRM framework provides the Board and Senior Management with a tool to anticipate and manage both existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, external environment and/or regulatory environment.

The BRCC is responsible for formulating and reviewing the risk management policies and risk appetite of CIMB. The BRCC also provides oversight and advice to the Board and Management in respect of the management of compliance risk. The BRCC comprises seven members, of whom five members (including the Chairperson) are Independent Directors. The BRCC is chaired by Robert Neil Coombe. Similarly, the AC reviews the effectiveness of internal controls, risk management processes and governance within the Group.

GCAD reports independently to CIMB's AC and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, controls and governance processes implemented by Management. The internal audit function is reviewed periodically 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 to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe. The deadlines committed by Management on corrective actions are closely monitored and undue delays have to be justified to the AC for approval.

In addition, periodic external assessment of GCAD's internal audit activity is conducted by qualified external independent reviewer to assess its conformance with The Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing and the pertinent regulations.

GCAD adopts the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

CIMB is committed to having open, clear and timely communications with its stakeholders, both internally and externally. In an effort to raise the level of corporate credibility and governance as well as investor confidence, CIMB has designed a structured approach in its Group Strategic Communications Policy. This Policy clearly sets out the principles and various channels of communication, policies and procedures relating to dissemination of information to the Shareholders, media and other stakeholders.

It is CIMB's policy to ensure information disseminated is factual, accurate, clear and in a timely manner. Material information should be accessible by all stakeholders through broad public dissemination, as the Policy strictly prohibits individual or selective dissemination. Contact and communication with stakeholders are conducted through the designated spokespersons approved by the Board or the Group CEO.

CIMB embraces both mainstream and social media as important communication channels with stakeholders as these channels allow immediate and easy access to information as well as provide a platform to gain feedback from the stakeholders. Apart from the mainstream media channels, CIMB also uses various social media channels such as Facebook, Instagram, Twitter, LinkedIn and YouTube to engage stakeholders and monitors these social media conversations to improve CIMB's products and services.

corporate governance overview statement

CONDUCT OF GENERAL MEETINGS

The Board ensures that Shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM. The AGM Notice includes details of the resolutions proposed, along with any relevant information and reports. CIMB held its 62nd AGM on 22 April 2019 with the Notice and Agenda of the AGM delivered to the Shareholders on 22 March 2019, 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.

The 62nd AGM was attended by all Directors, Management and 3,139 Shareholders. 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 62nd AGM were recorded in the minutes of the meeting and made available within two weeks after the meeting on CIMB's website at www.cimb.com.

CIMB has leveraged technology to facilitate greater shareholders' participation and enhance the proceedings of General Meetings. Resolutions during the 62nd AGM were arrived at via e-polling to enable all Shareholders to cast their votes. A Poll Administrator was appointed to conduct the e-polling process.

SUMMARY

The Board considers that CIMB has complied and applied the Principles of the MCCG in 2019, except for the following:

- Practice 4.5 (The Board must have at least 30% women Directors)
- Practice 7.2 (The remuneration of Top-5 Key Senior Management)
- Practice 12.3 (To facilitate voting in absentia)

The Board has identified those Practices where there is a departure and these departures will be addressed as follows:

- An explanation for the departure;
- Disclosure of alternative practice adopted and how the alternative practice achieves the Intended Outcome;
- Actions which CIMB has taken or intends to take; and
- The timeframe required to achieve application of the prescribed Practice.

PRACTICE 4.5

The GNRC oversees the overall composition of the Boards and Board Committees in terms of the appropriate size, skills, gender diversity and the balance between Independent Directors, Non-Independent Directors and Executive Directors through annual reviews.

The Board currently comprises nine Directors, of whom one is a female, or 11% female representation. The Board remains committed to achieve at least 30% female representation on the Board, whilst ensuring that diversity in skill set, experience, age and gender is met. The GNRC is currently considering new candidates to be nominated to the Board and is mindful of this requirement.

30% of female participation on the Boards is also observed on the Boards of CIMB's main subsidiaries. The subsidiaries that have achieved more than 30% of female participation on the Board are CIMB Bank Berhad (40%), and CIMB Islamic Bank Berhad (33%). The CIMB Investment Bank Board is mindful of this requirement and is currently reviewing its composition with the view to nominate more female candidates for the Board.

PRACTICE 7.2

The Board has decided not to disclose, on a named basis, the top five 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 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, CIMB currently discloses the remuneration of the top four 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
4. CEO, CIMB Islamic Bank Berhad

* Positions 1 and 2 are held by the same individual

PRACTICE 12.3

CIMB has yet to facilitate voting in absentia and remote participation by Shareholders at General Meetings. In 2018, CIMB continues to leverage technology and adopt e-polling as the preferred medium for Shareholders to cast their votes. CIMB will continue to explore and consider the recommendations in the MCCG on the use of technology for remote Shareholders' participation and voting in absentia by FYE 2020.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 21 February 2020.

For further information on the application of the practices encapsulated in the Principles of MCCG during the financial year, please refer to the Corporate Governance Report which can be found in www.cimb.com under <https://www.cimb.com/en/investor-relations/reports-and-presentations/annual-reports.html#read/>

additional disclosures

(As at 31 December 2019 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 2019, the Group has collectively issued the following instruments:

(A) USD88 MILLION BONDS

On 19 March 2019, CIMB Bank issued USD88 million 5-year floating rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.85% per annum payable quarterly, will mature on 19 March 2024.

(B) HKD700 MILLION BONDS

On 4 April 2019, CIMB Bank, acting through its Hong Kong branch, issued HKD700 million 1-year fixed rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.98% per annum payable annually, will mature on 4 April 2020 (subject to adjustment in accordance with the modified following business day convention).

(C) USD30 MILLION BONDS

On 15 April 2019, CIMB Bank, acting through its Labuan Offshore Branch, issued USD30 million 5-year floating rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.80% per annum payable quarterly, will mature on 15 April 2024 (subject to adjustment in accordance with the modified following business day convention).

(D) HKD200 MILLION BONDS

On 12 July 2019, CIMB Bank issued HKD200 million of a 5-year fixed rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 2.35% per annum payable annually in arrears, will mature on 12 July 2024.

(E) USD20 MILLION BONDS

On 8 August 2019, CIMB Bank issued USD20 million 5-year floating rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.73% per annum payable quarterly, will mature on 8 August 2024.

(F) USD680 MILLION BONDS

On 9 October 2019, CIMB Bank issued USD680 million 5-year floating rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.78% per annum payable quarterly, will mature on the interest payment date falling in or nearest to 9 October 2024.

(G) USD40 MILLION BONDS

On 15 November 2019, CIMB Bank issued USD40 million 3-year floating rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of USD 3-months LIBOR + 0.58% per annum payable quarterly, will mature on the interest payment date falling in or nearest to 15 November 2022.

(H) IDR2,000,000 MILLION SUKUK

On 21 August 2019, CIMB Niaga issued IDR2,000,000 million Sukuk. The Sukuk is divided into 3 series. Nominal value of 1-year Series A Sukuk, 3-year Series B Sukuk, and 5-year Series C Sukuk amounted to IDR635,000 million, IDR936,000 million, and IDR429,000 million respectively, with fixed interest rate of 7.10%, 7.90% and 8.25% per annum respectively.

(I) IDR1,823,000 MILLION BONDS

On 19 December 2019, CIMB Niaga issued IDR1,823,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounted to IDR276,000 million, IDR1,066,000 million, and IDR481,000 million respectively, with fixed interest rate of 6.50%, 7.55% and 7.80% per annum respectively.

(J) IDR83,000 MILLION NOTES

On 19 December 2019, CIMB Niaga issued IDR83,000 million bonds with fixed interest rate of 8.05% per annum and maturity date of 19 December 2024.

(K) SUBORDINATED DEBTS 2019/2029 USD15 MILLION

On 15 May 2019, CIMB Bank PLC issued USD15 million subordinated loan which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 4.5% per annum with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval. The subordinated loan was subscribed by CIMB Bank.

additional disclosures

(L) SUBORDINATED LOANS 2019/2024 RM1.0 BILLION

On 28 June 2019, the Company issued RM1.0 billion Basel III-compliant Additional Tier 1 Capital Securities under the RM10 billion Basel III AT1 Programme, at 4.88% per annum with an Issuer's call option to redeem at the end of year 5 and on each coupon payment date thereafter, subject to approval from BNM.

(M) SUBORDINATED NOTES 2019/2029 RM550 MILLION

On 8 July 2019, CIMB Thai issued RM550 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.15% per annum payable every six months. The subordinated notes will mature on 6 July 2029. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand ("BOT").

(N) SUBORDINATED SUKUK 2019/2029 RM800 MILLION

On 25 September 2019, CIMB Islamic issued RM800 million 10 years non-callable 5 years Tier-2 Junior Sukuk at 3.75% per annum, which was fully subscribed by CIMB Bank.

(O) SUBORDINATED LOANS 2019/2029 USD15 MILLION

On 25 September 2019, CIMB Bank PLC issued a USD15 million subordinated loans which qualified as Tier 2 capital for CIMB Bank PLC for the purpose of computation of minimum Solvency Requirements by the National Bank of Cambodia ("NBC"). The subordinated loan was issued as a single tranche at a fixed rate of 4.0% per annum, with a maturity of 10 years from the issue date with a call option starting at the end of year 5 and on each relevant coupon payment date thereafter. The redemption of the subordinated loan will be subject to NBC's approval. The subordinated loan was subscribed by CIMB Bank.

(P) SUBORDINATED DEBTS 2019/2029 RM800 MILLION

On 25 November 2019, the Company issued RM800 million 10 years non-callable 5 years Tier 2 Subordinated debts bearing a fixed rate coupon of 3.85% per annum, payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to the RM800 million Tier 2 subordinated notes issued by CIMB Bank on the same day, based on similar terms.

(Q) COMMERCIAL PAPERS RM550 MILLION

On 10 May 2019, the Company issued RM550 million 3-month CPs under its Conventional Commercial Papers Programme. The CPs bear a discount rate of 3.76%. The Company redeemed the RM550 million Conventional CPs on 9 August 2019.

(R) MEDIUM TERM NOTES ("MTN") RM250 MILLION AND ISLAMIC MEDIUM TERM NOTES ("iMTN") RM750 MILLION

On 12 June 2019, the Company issued RM250 million 1-year MTN which will mature on 12 June 2020 and RM750 million 3-year iMTN which will mature on 10 June 2022. The MTN and iMTN carry interest rate of 3.80% and 3.95% per annum respectively, payable semi-annually in arrears.

2. SHARES 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

CIMB Bank Berhad and CIMB Islamic Bank Berhad were imposed with regulatory fines with regard to secrecy breaches and these were publicly disclosed in BNM's website. See the link below:

http://www.bnm.gov.my/index.php?ch=en_enforcement_action&pg=en_ea_regulatees&ac=1&bb=masterfile&lang=en

The breaches were considered material where the wrong Quarterly Savings Account e-Statements were sent to 11,071 unintended recipients and e-Notices to 131 unintended recipients respectively. This has led to the disclosure of customer's information to third parties. The details of the regulatory fines were as follows:

No.	Date of Action Taken	Institution	Provision Contravened	Nature of Offence	Action Taken	Remarks	Publication Notice/Press Release
1.	22/02/2019 17/05/2019	CIMB Bank Berhad	<ul style="list-style-type: none"> • S. 133(1) of Financial Services Act 2013 (FSA) • S. 48(1)(a) of FSA read together with the Management of Customer Information and Permitted Disclosures Policy Document 	<ul style="list-style-type: none"> • Disclosure of customer information to third party • Failure to comply with standards issued by the Bank 	<ul style="list-style-type: none"> • Compound – RM6,400,000 • Administrative Monetary Penalty – RM3,400,000 	<ul style="list-style-type: none"> • The institutions had taken remedial steps to ensure the safety of customer information. 	http://www.bnm.gov.my/index.php?rp=ea%20cimb
2.	22/02/2019 17/05/2019	CIMB Islamic Bank Berhad	<ul style="list-style-type: none"> • S. 145(1) read together with S. 261 of the Islamic Financial Services Act (IFSA) • S.58(1)(a) of IFSA read together with the Management of Customer Information and Permitted Disclosures Policy Document 	<ul style="list-style-type: none"> • Disclosure of customer information to third party • Failure to comply with standards issued by the Bank 	<ul style="list-style-type: none"> • Compound – RM3,200,000 • Administrative Monetary Penalty – RM1,700,000 	<ul style="list-style-type: none"> • The institutions had taken remedial steps to ensure the safety of customer information. 	http://www.bnm.gov.my/index.php?rp=ea%20cimb

6. NON-AUDIT FEES

Non-audit fees payable to the External Auditors, Messrs. PricewaterhouseCoopers PLT and its affiliates amounted to RM2,526,000 for the Group and RM57,000 for the Company.

7. VARIATION IN RESULTS

There were no material variations in results for the financial year ended 31 December 2019 from the unaudited results released on 28 February 2020.

8. PROFIT GUARANTEE

The Group did not receive any profit guarantee during the financial year ended 31 December 2019.

9. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to the accounting policy on Property, Plant and Equipment in Notes K, L and N of the Summary of Significant Group Accounting Policies in the Financial Statements which are set out in the Financial Statements section of the Annual Report.

10. MATERIAL CONTRACTS

There were no material contracts entered into by CIMB Group and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in Notes 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 on its overall responsibility and oversight of CIMB Group's system of internal control and risk management, and is constantly keeping abreast with developments in areas of risk and governance. To this end, the Board is assisted by the Board Risk & Compliance Committee and the Audit Committee, which have been delegated with primary oversight responsibilities on the Group's risk management and internal control systems. The Board remains responsible for the governance of risk and internal control, and for all the actions of the Board Committees with regard 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 ensured the establishment of key processes for reviewing the effectiveness, adequacy and integrity of the Group's system of internal control and risk management.

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 the occurrence of any material misstatement, loss or fraud.

In addition, regular testing on the adequacy, effectiveness, efficiency and integrity of the internal control systems and processes is conducted to ensure its viability and robustness.

MANAGEMENT RESPONSIBILITY

Management is accountable to the Board and is overall responsible for the effective implementation of the Board's policies and procedures on risks and controls. Its responsibilities in respect of risk management and internal control include:

- Identifying, and evaluating the risks faced by the Group, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures 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 compliance 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 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), formerly known as Group Internal Audit Division (GIAD), reports independently to the CIMB Group Audit Committee and the Banking Group Audit Committee and is independent of the activities and operations of the business and other support units. The principal responsibility of GCAD is to provide independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. In evaluating internal controls, GCAD adopts the 5 components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognised organisation providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.

GCAD's scope of coverage encompasses all business and support units, including subsidiaries that do not have their own audit units. The selection of the units to be audited from the audit universe is based on an annual audit plan that is approved by CIMB Group Audit Committee and the Banking Group Audit Committee. The annual audit plan is developed based on assessment of risks, exposures and strategies of CIMB Group. Areas that are assessed to be high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include areas that must be audited annually due to regulatory requirements, and other established criteria such as recent incidence of fraud, previous adverse audit rating or recent action by regulators. GCAD also undertakes investigations into suspected fraudulent activities, staff misconduct, whistleblowing cases, potential secrecy breach, and other incidences, as and when required, and recommends appropriate improvements to prevent recurrence and actions against persons responsible.

GCAD has unrestricted access to information required in the course of its work. GCAD's scope of work is established in accordance with The Institute of International Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.

The Audit Report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations, management responses, and timeline to implement GCAD's recommendations. CIMB Group Audit Committee or Banking Group Audit Committee (as appropriate) reviews any exceptions or non-compliance raised and ascertains that appropriate and prompt remedial actions are taken by the management.

GCAD conducts training routinely for relevant staff on governance and internal control matters from other divisions, including attachment of certain staff with GCAD for both classroom and on-the-job training.

The foreign banking subsidiaries have their own Audit Committees and their own internal audit divisions. While Touch 'n Go also has its own Audit Committee, the internal audit function for this subsidiary is carried out by GCAD. CIMB Group Audit Committee meets with the relevant subsidiary's Audit Committee once a year to discuss governance and audit matters. The internal audit divisions of the foreign banking subsidiaries submit a report to CIMB Group Audit Committee once every quarter. These internal audit divisions follow the same audit planning and standards, and same audit rating methodology as GCAD with such modifications as necessary to suit local environment and regulations.

As a means to objectively evaluate its service quality and to ensure it continues to improve its service delivery, GCAD has obtained ISO 9001:2015 Certification for its quality management system. In addition, external assessment of GCAD's internal audit activity is conducted by qualified external independent reviewer at least once every five years to assess its conformance with The Institute of Internal Auditors (IIA) International Standards for Professional Practice of Internal Auditing and the pertinent regulations. The report for the last assessment was issued in 2018 by a top 3 accounting firm in Malaysia and the next assessment will be undertaken by 2023.

• AUDIT COMMITTEE (AC)

CIMB Group AC comprises three independent Non-Executive Directors. It is a Board-delegated committee charged with oversight of financial reporting, disclosure, regulatory compliance, risk management, governance practices and monitoring of internal control processes in CIMB Group. CIMB Group AC leverages on the work of the Banking Group AC and the respective Audit Committee of the foreign banking subsidiaries, and CIMB Group's electronic collection system subsidiary, Touch 'n Go.

The Banking Group AC comprised of four independent Non-Executive Directors and one Non-Independent Non-Executive Director. The responsibility of the Banking Group AC is limited to CIMB Bank, CIMB Islamic Bank and CIMB Investment Bank and their subsidiaries. Senior Management, internal auditors and external auditors report to CIMB Group AC and the Banking Group AC (as appropriate) on the effectiveness and efficiency of internal controls.

All significant and material findings by the internal auditors, external auditors and regulators are reported to CIMB Group AC and the Banking Group AC (as appropriate) for review and deliberation. CIMB Group AC and the Banking Group AC (as appropriate) review and ascertain that mitigation plans are implemented by senior management to safeguard the interests of CIMB Group and upkeep proper governance. Management of business and support units that are rated adversely by internal audit are counselled by the respective AC.

CIMB Group AC also reviews all related party transactions, and audit and non-audit related fees proposed by the external auditors of CIMB Group.

Presentations of business plans, current developments, operations, risks of the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by CIMB Group AC or the Banking Group AC.

CIMB Group AC and the Banking Group AC members are invited to attend CIMB Group's Annual Management Summit where key business and support divisions review their operations for the year, present and discuss strategies and plans for the coming year.

• RISK MANAGEMENT AND CONTROL FRAMEWORK

The Board recognises that sound risk management and internal control are integral parts of CIMB Group's business, operations and decision-making, 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 (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 its management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

statement on risk management and internal control

To further enhance the cultivation of the risk management culture, CIMB Group employs the Three Lines of Defence model in implementing the EWRM framework, providing risk management accountability across the CIMB Group. The business units, as the first lines of defence, are primarily responsible for the identification and management of risks within their day-to-day operations. 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. Group Corporate Assurance Division, 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 Board Risk & Compliance Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the EWRM framework.

• BOARD RISK AND COMPLIANCE COMMITTEE

At the apex of the governance structure are the respective Boards, which decide on the entity's risk appetite corresponding to its business strategies. In accordance with CIMB Group's risk management structure, the Board Risk & Compliance Committee (BRCC) reports directly to the respective Boards and assumes responsibility on behalf of the Boards for the supervision of risk management and control activities, as well as non-compliances 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 EWRM framework and provides strategic guidance and reviews the decisions of CIMB Group Risk and Compliance Committee.

In order to facilitate the effective implementation of the EWRM framework, the BRCC has established various specialised/sub-risk risk committees within CIMB Group with distinct lines of responsibilities and functions, which are clearly defined in terms of reference.

• GROUP RISK AND COMPLIANCE COMMITTEE

- The Group Risk and Compliance Committee (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 recommending the results of the Stress Test exercise for the BRCC's approval.
- The GRCC is also responsible for recommending CIMB Group's Risk Appetite Statement to the BRCC taking into consideration the budget, annual business plans and expected macroeconomic conditions. In implementing the Risk Appetite Statement across CIMB Group, GRCC, supported by CIMB 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 risk committees, namely Group Credit Committee; Group Market Risk Committee; Group Operational Risk and Resiliency Committee; Group Asset Liability Management Committee; and Group Asset Quality Committee, with each committee providing oversight and responsibility for specific risk areas, namely credit risk, market risk, non-financial risk, reputation risk, liquidity risk and capital risk.
- Similar risk committee's are established in each of CIMB Group's overseas subsidiaries in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, CIMB Group also strives to ensure a consistent and standardised approach in its risk governance process. As such, the relevant Group and Regional committees have consultative and advisory responsibilities on regional matters across CIMB Group as regulators allow. This structure increases the regional communication, sharing of technical knowledge and support towards managing and responding to risk management issues, thus allowing the Board to have a comprehensive view of the activities across CIMB 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 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 advise the Board, 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 policies and procedures. 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/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 Board, are provided with compliance reports on a regular basis 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 policies and procedures, 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**

CIMB Group is committed to enforce an effective internal control system for Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT) in compliance with all related laws, regulations, guidelines and industry leading practices including in the jurisdictions that it operates.

CIMB Group continues to strengthen its enterprise wide AML/CFT program through a risk based approach to ensure that the key measures emplaced to prevent and mitigate money laundering and terrorist financing commensurate with the business and compliance risks that have been identified and assessed. The AML/CFT program also provides guidance to all CIMB employees, requiring them to conduct business in accordance with applicable AML/CFT laws, rules and regulations.

CIMB Group as a responsible member of the international financial community complies with all sanctions laws and regulations administered and enforced by the Malaysia Government and other regulators in the jurisdictions in which it operates and has dealings, including the sanctions practices adopted by its Agent/Correspondent Banks. CIMB Group has established its own Sanction program to comply with its obligations including screening of customers and transaction against the list issued to prevent dealings with sanctioned parties, conducting due diligence of a customer at on-boarding, transaction and on periodic basis, blocking and rejecting transactions for those that hit the list and forbidding and limiting business activities restricted under its Sanction program.

The Group undertakes ongoing compliance review on its products, conduct and services provided to customers and continues to enhance its AML program to address areas requiring enhancement and/or implement risk mitigating factors.

- **SHARIAH RISK MANAGEMENT**

Under the 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 is defined as CIMB Group's possible failure to comply with Shariah requirements as determined by the relevant Shariah Committees and as prescribed in CIMB Group's internal policies and procedures.

The Shariah Risk Management Procedure has been developed to supplement Shariah Risk Management Policy in providing better understanding of SNC risk and to provide guidance and consistent approach to facilitate Business Units (BUs)/ Business Enablers (BEs) in managing SNC risk inherent in Islamic banking business.

statement on risk management and internal control

In order to facilitate BUs/BEs in identifying inherent SNC risk in their areas adequately, the standard SNC risk description and Key Risk Indicator (KRI) related to SNC risk have been developed. BUs/BEs are required to capture relevant SNC risk in their Risk and Control Self-Assessment (RCSA) for mitigation and monitoring purposes.

In addition, to expedite the escalation of SNC event to the Management and streamline the reporting procedures between SNC risk event and operational risk event, the Group Impact Classification Matrix relating to SNC risk rating has been revised. Among others, the potential SNC event as determined by Shariah Review will be rated as ‘High’ and must be escalated to Group Risk and Compliance Committee (GRCC) within 24 hours.

• SHARIAH REVIEW

The Shariah review function is carried out by Shariah Review & Assurance Centre of Excellence (“SRA CoE”) of Islamic Banking Compliance in line with the Bank Negara Malaysia (“BNM”)’s Shariah Governance Framework for Islamic Financial Institutions (“SGF”) 2011 and the Shariah Governance Policy Document (“SGPD”) 2019. SRA CoE’s main role is to conduct regular end to end assessment on the compliance of the operations, business, affairs and activities of CIMB Group with Shariah and Islamic regulatory requirements.

SRA CoE, as a second-line of defence function, reports independently into the Board Shariah Committee (“BSC”) of CIMB Islamic Bank Berhad (“CIMB Islamic”), and reports functionally into the Chief Compliance Officer of CIMB Islamic, forming part of the CIMB Group Compliance Division as envisaged by the SGPD. The SRA CoE is staffed by qualified Shariah officers who are also qualified to undertake compliance function responsibilities and possess sound understanding of the relevant Shariah requirements.

The SRA CoE has established the CIMB Group Shariah Review Policy and Procedures (“Shariah Review Policy & Procedures”), which sets out the policies for Shariah review function on the Islamic financial services, operations and activities of CIMB Group, encompassing regular examination and evaluation of CIMB Group’s level of compliance to the Shariah requirements, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences. In addition, the Shariah Review Procedures sets out the procedures for Shariah review execution, responsibilities of stakeholders and internal reporting process relating to Shariah non-compliance events, in line with BNM’s requirements.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, SRA CoE conducts post review of CIMB Group’s activities and operations in accordance with the annual Shariah review work plan approved by the BSC and the respective Boards of Directors of CIMB Group (“the Board”). In addition, SRA CoE conducts investigation on issues escalated by the stakeholders including from Shariah Audit and the business units to determine potential Shariah non-compliance and performs ad-hoc review as required from time to time by the regulators, BSC or the Board.

Trainings on the Shariah Review Policy & Procedures, Shariah non-compliance reporting requirements, and all other relevant BNM’s policy documents are continuously conducted to educate and raise awareness of CIMB Group’s staff on the importance of complying with Shariah requirements.

• SHARIAH AUDIT

Shariah audits of the Islamic banking business are under the purview of Group Corporate Assurance Division (“GCAD”), which reports independently to both the CIMB Group Audit Committee and Banking Group Audit Committee, as well as to the Board Shariah Committee 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 Bank Negara Malaysia’s Shariah Governance Framework.

GCAD, in collaboration with Group Human Resource, made an arrangement with a reputable Islamic banking association to provide relevant Islamic banking certification to its auditors. The programme encompasses 3 stages, namely Associate Qualification in Islamic Finance (“AQIF”), Intermediate Qualification in Islamic Finance (“IQIF”) and Certified Qualification in Islamic (“CQIF”). There are 20 auditors who have completed CQIF, 3 completed IQIF and another 2 completed AQIF.

• BOARD SHARIAH COMMITTEE

The Board Shariah Committee (“BSC”) is responsible for overseeing overall Shariah matters of CIMB Group in accordance with the relevant regulatory frameworks in the jurisdictions where CIMB Group operates in. BSC, amongst others, ensures that the Shariah rulings relating to Islamic banking and capital market products and services comply with the fundamental Shariah precepts and resolutions by the relevant Shariah authorities.

BSC is assisted by the Shariah Advisory and Governance department that functions as an internal adviser on Shariah matters to all Islamic business within CIMB Group. It serves as the intermediary between such units and the Shariah Committee. The Shariah Advisory & Governance department also serves as the Secretariat to the Shariah Committee as well as providing Shariah related training across CIMB Group.

Policies and/or procedures from the respective Shariah organs within the Group serves as a solid platform for all the processes under the Shariah Governance Framework (SGF) as required by Bank Negara Malaysia. The implementation of the SGF is effected through the following functions:

- a) Shariah Research;
- b) Shariah Review;
- c) Shariah Risk Management;
- d) Shariah Audit.

The Shariah Advisory and Governance department facilitates the implementation of Shariah Research and coordinates the overall Shariah governance, whilst Shariah Review, Shariah Risk Management and Shariah Audit functions are performed by CIMB Group Legal & Compliance, Group Risk and Group Corporate Assurance respectively.

• SHARIAH RESEARCH

The Shariah Research function is undertaken by the Shariah Advisory & Governance department which comprises qualified Shariah officers who conduct the pre-product approval process, advisory, research, vetting of issues for submission to the Shariah Committee. This unit is divided into two functions:

• Research

Responsible for performing in-depth research and studies on Shariah issues, preparing Shariah papers for all product proposal to be submitted to the Shariah Committee for approval as well as reviewing documentation to ensure consistency with Shariah requirements.

• Advisory

Responsible for providing day-to-day Shariah advice and consultation to the business and support units based on the decision of the Shariah Committee.

Additionally, Advisory and Research unit is supported by the Shariah Secretariat Unit which serves as the Secretariat to the BSC and the governance functions as well as the Shariah Learning & Development Unit that supports the training function. The details of these support functions are described as follows:

• Secretariat

Act as Shariah secretariat to BSC that 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 relevant stakeholders; and undertaking administrative and secretarial functions to support the BSC. In addition to that, the function is also responsible in engaging with relevant parties who wish to seek further deliberation of issues from the BSC.

The responsibility also includes coordinating submission of proposals to CIMB Group Nomination and Remuneration Committee, the respective Bank Boards and Bank Negara Malaysia on the appointment and reappointment of the Shariah Committee members.

• Governance

Responsible as coordinator for all Shariah organs namely Shariah Advisory & Governance Department, Shariah Review CoE of Group Legal & Compliance, Shariah Risk Management CoE of Group Risk and Shariah Audit of Group Corporate Assurance in the management and overall oversight on the governance of Islamic business of CIMB Group including without limitation the implementation of the Shariah Governance and the review of structures, mechanism, techniques and process for the purpose of end-to-end products development and other processes related to Islamic business of CIMB Group.

In carrying out the above roles and responsibilities, the Shariah Advisory & Governance Department is guided by Shariah Advisory and Board Shariah Committee Secretariat Policy and Procedures. All communication between CIMB Group and the BSC will be facilitated by this unit.

statement on risk management and internal control

• Training

Responsible in developing and managing the Shariah Learning and Development function. In addition to that, the function would assist the Group Learning and Development as well as regional teams to assess and review the existing training plans and to make recommendations as needed, to design the training requirement and to develop the training solutions.

• GROUP EXECUTIVE COMMITTEE

The Group Executive Committee (“GEXCO”) assists the Group CEO in providing management oversight over the CIMB Group business on key operational matters. It reviews and makes decisions on key financial and strategic matters including capital and principal investments for CIMB Group Holdings Berhad and its subsidiaries (“CIMB Group Entities”).

The GEXCO’s role in relation to the Strategic Risk Management Framework (SMRF) includes:

- To review, approve and/or recommend all major and key strategic matters;
- To be notified by the Business Unit on the extent of strategic risk and the projected impact on expected earnings and capital; and
- To provide guidance and/ or endorse risk mitigation plans to address strategic risk identified.

The GEXCO takes on the monitoring and performance evaluation function. The GEXCO members are responsible to ensure that the Group is well run and delivers the outcomes which have been 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 tabled. In the event of a crisis, the GEXCO will be activated as the Group Crisis Management Committee.

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 AND PROCEDURES

Policies set out principles, standards and/or rules that determine the expectation and boundaries for taking and managing risks which are formulated to govern standard day-to-day operations and to manage the expected risks of CIMB Group. As such, CIMB Group’s policies are developed from the baseline of current regulatory requirements and industry best practices to govern the business and operations of CIMB Group. The policies of the business and support units are documented, endorsed by the GRCC or its sub-committee(s) and approved by the relevant Boards or Board

Risk and Compliance Committee for implementation across CIMB Group, where applicable. Operational procedures, on the other hand, are approved by CIMB Group Policy & Procedure Oversight Committee (GPOC) for implementation. The approved policies and procedures are timely disseminated to stakeholders. Reviews and updates are performed regularly on approved policies and procedures with the intent to ensure continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, and new products and services.

• PERFORMANCE REVIEW

On an entity-specific basis, 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, to instruct that prompt actions are taken to resolve issues in a timely manner.

With respect to reporting at a division-specific level, each core division presents its respective performance report at the monthly GEXCO meeting, where the report covers, amongst others, monthly financial performance, new business proposals and listing of defaulted accounts. Each division is assessed against the approved budgets and corporate objectives; and justification is provided for significant variances. Further, the GEXCO will discuss pertinent issues, strategy and corrective or improvement measures to be implemented, if required.

• INFORMATION TECHNOLOGY RISKS

Information technology is a critical component of the Forward23 strategy. In 2019, CIMB Group continued to enhance its Information technology space, including undertaking a large programme of staff training, customer education and technology improvements, which aims to strengthen our technology risk management & resiliency capabilities. The cyber security capabilities at CIMB has also been strengthened via the formation of a dedicated Cyber Security Defense Centre and Threat Monitoring & Intelligence unit.

Our Information technology and resiliency programs is based on regulatory guidelines and internationally recognised technology, process and management standards. These standards include ISO 27001, which is an information security management system standard defined by ISO and internationally accepted best practice to demonstrate regulatory, compliance and effective risk management on information security.

In line with the banking business growth and IT Infrastructure expansion, our technology design was regularly reviewed in 2019 and improved to support business growth in emerging areas, whilst effectively mitigating both internal and external risks.

• CODE OF ETHICS

Further to the introduction in January 2017, the Bank has launched a series of internal awareness campaigns on the Code. In addition to setting a clear tone from the top leadership, GHR has focused on actively engaging employees through branch visits and conventions to further embed integrity and infused a stronger focus on compliance culture within the Bank.

• HUMAN RESOURCES POLICIES AND PROCEDURES

The Human Resources Policies and Procedures (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 policies and procedures remain relevant, and appropriate controls are in place to manage operational risks.

Group Human Resource updates employees of changes to policies and procedures via email messages/memoranda. These policies and procedures are also easily accessible by all employees via CIMB Group's intranet portal, for employees to refer to at their convenience.

• PEOPLE DEVELOPMENT

Efforts to identify talent beyond the succession pool through the new talent classification framework have substantially strengthen the talent pool for CIMB Group through the unearthing of unpolished gems across the regions. In addition, succession realisation has started to bear fruit across the Group since the inception of the new Talent and Succession Framework in 2017 where critical roles have been filled internally and efforts to accelerate the readiness of our talent has glaringly intensified through our fit for purpose development suite.

Internal internship has also been introduced to expose talent to functions and businesses beyond their comfort zone; mainly through involvement in the Forward23 initiatives. In addition, the continuous collaboration between Global Employee Mobility and Regional Talent Management has also been instrumental in driving international assignments as a key development intervention to prepare our people for their future roles. Successful secondments of our talent in the Fast Forward initiative in Thailand as well as deployment of our middle and senior talent across the Group through international assignments are testaments to our commitment to grow talent through experiential development.

The introduction of the 360 Feedback Survey has also given us a platform to assess the leadership styles and organisation climate while promoting a culture of transparency. As part of the continuous effort to expose our talent to the best in class, they have been extensively involved in regional conferences and executive leadership programmes, both as participants as well as speakers.

The Future Of Work Centre (FOWC) has also been introduced as part of the Group's cumulative efforts aimed at equipping its workforce with essential skills and opportunities through the 3D (Data, Digital, Design) Academy, involvement in regional 3D initiatives, etc. in preparation for a future that will see them work alongside AI, robotics and data in a highly digitalised environment.

• REMUNERATION

CIMB Group's remuneration philosophy aims to reinforce a pay-for-performance culture while ensuring appropriate risk-taking behaviour.

The governance is established on all remuneration-related matters through CIMB Group Nomination and Remuneration Committee ("The 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 risk-adjusted performance measures such as Economic Profit and Risk Adjusted Return on Capital, which are incorporated in our scorecards and reporting. The Committee is also guided on their decisions according to the advice and assessment provided by CIMB Group's risk, audit and compliance functions on the respective units in CIMB Group.

CIMB Group has a deferred remuneration structure in place through an equity ownership plan, where the share awards are vested over 3 years. This share-based long term incentive plan applies to key personnel and senior management of CIMB Group, as well as identified material risk takers. The plan serves to align the interest of this group of employees to that of our shareholders and to increase focus towards long-term sustainability, as well as retaining them with CIMB Group.

• CULTURE

GHR ran a campaign called "ABC bite-sized" where the three critical behaviours were broken down to help employees better understand and remember the three critical behaviours.

For this campaign, a different behavior, accompanied by real life testimonials from staff of how they live the behaviour, is promoted every two months using various channels – Email, Instagram, Branch/Departmental TVs & lift screens. GHR also piloted "Have Your Say" mailbox in GHR to provide an efficient mechanism and a safe space for staff to give suggestions and highlight concerns/issues both digitally and physically. Through this initiative we hope that many good ideas can be acted upon and implemented to help create a better working environment that fosters empathy, support and encourages open engagement.

statement on risk management and internal control

• WHISTLE BLOWING

In 2019, GHR has taken steps to increase the Whistle Blowing channels for its employees and third parties in making a disclosure. The additional channels are provided with a link to the Disclosure Form which can be found on CIMB Homepage (quick link via tile and landing page), CIMB Clicks and Sync-up. All new employees are also briefed on the Whistle Blowing during the Group Orientation programme. In addition, bunting on the Whistle Blowing are placed in our office premises besides screen savers on computers and pop-ups in the Human Resource Information System before the staff are allowed to proceed with their HR transactions.

• ANTI-BRIBERY AND CORRUPTION

One of the core values of CIMB Group is integrity, and CIMB Group will not tolerate any acts which are in breach of this value. CIMB Group firmly believes in acting professionally, fairly and with integrity in all business dealings and relationships. Whilst CIMB Group already has in place various policies and processes, which address some of the issues relating to bribery and corruption, a more comprehensive policy to cover areas of concern is deemed necessary in view that CIMB Group operates in many jurisdictions with anti-corruption laws. As such, in line with global best practices and good governance approach, CIMB Group has established the Anti-Bribery and Corruption Policy. As commitment to this Anti-Bribery and Corruption Policy, CIMB has also developed a No Gift Policy in our conduct with our customers in relation to entertainment and the receipt and giving of gifts.

• BUSINESS CONTINUITY MANAGEMENT

BCM program is in place as part of our ongoing commitment in ensuring business resilience throughout our Group. Continuity of service to our customers, together with all the supporting business processes, is fundamental to meeting our business objectives. The Management are responsible to ensure enterprise-wide implementation of sound BCM practices as part of good corporate governance and prudent risk management.

We have put in place a sound BCM program aiming to deliver organisational resilience by ensuring that critical business process can continue or be recovered in a timely manner following a disruption and ensure the Group meets BCM statutory and regulatory responsibilities and that it adheres to accepted best practices.

Our BCM Program is aligned to the organisation's business vision and strategy. This is done by calibrating the Group's BCM Program to the target level of preparedness, which is determined by the Group BCM Steering Committee.

Regular reviews, re-assessments and updates for BCM documentations/plans have been conducted to ensure adequacy, effectiveness and relevance of the business recovery strategies. These plans are rehearsed and tested on a regular basis.

Our Group has a BCM department, whose primary role is to ensure effective coordination and supervision of all BCM activities by introducing integrated and standardised BCM approach across the organisation.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of CIMB Group.

CONCLUSION

The Board, through the Audit Committee, Board Risk and Compliance Committee and the Board Shariah Committee, confirms that it has reviewed the effectiveness of the risk management and internal control framework and considers CIMB Group's system of internal control as adequate in safeguarding the shareholders' interests and assets of CIMB Group. The Board also confirms that there is an effective ongoing process for identification, evaluation and management of significant risks in CIMB Group and is committed to ongoing review of the entire control, compliance and risk management controls.

risk management

RISK MANAGEMENT OVERVIEW

A robust and effective risk management system is critical for our Group to achieve continued profitability and sustainable growth in shareholder value in today's globalised and inter-linked financial and economic environment.

Our Group embraces risk management as an integral part of our Group's business, operations and decision-making processes. In ensuring that our Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, credit evaluations, new product assessments and quantification of capital

requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

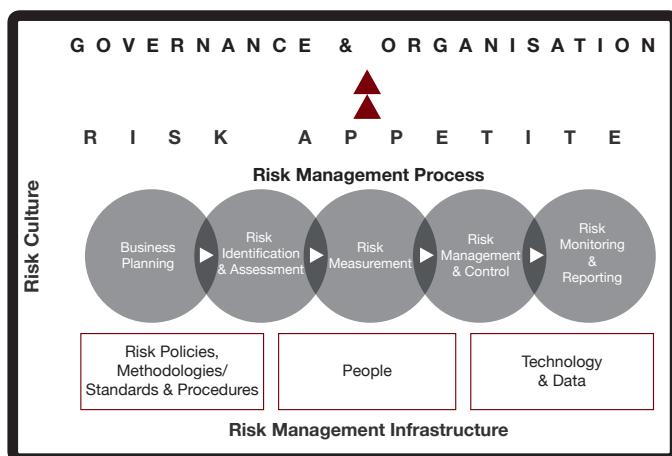
Generally, the objectives of our risk management activities are to:

- (i) identify the various risk exposures and capital requirements;
- (ii) ensure risk-taking activities are consistent with risk policies and the aggregated risk positions are within the risk appetite as approved by the Board; and
- (iii) create shareholder value through a sound risk management framework.

ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK

Our Group employs a Group Enterprise-Wide Risk Management (EWRM) framework as a standardised approach to effectively manage our risks and opportunities. The Group EWRM framework provides our Board and management with tools to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, the external environment and/or the 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 at the point of risk-taking activity. There is clear accountability of risk ownership across the Group.

- (ii) **Governance & Organisation:** A strong governance structure is important to ensure an effective and consistent implementation of the Group 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 and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Group's risk management framework is effectively maintained.
- (iii) **Risk Appetite:** 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 and new product/new business activities.
 - **Risk Identification & Assessment:** Risks are systematically identified and assessed through the robust application of the Group's risk 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

- Risk Management & 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 & Reporting: Risks on an individual, as well as a portfolio, basis are regularly monitored and reported to ensure they remain within the Group's risk appetite.

(v) Risk Management Infrastructure

- Risk Policies, Methodologies/Standards and Procedures addressing all areas of material 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

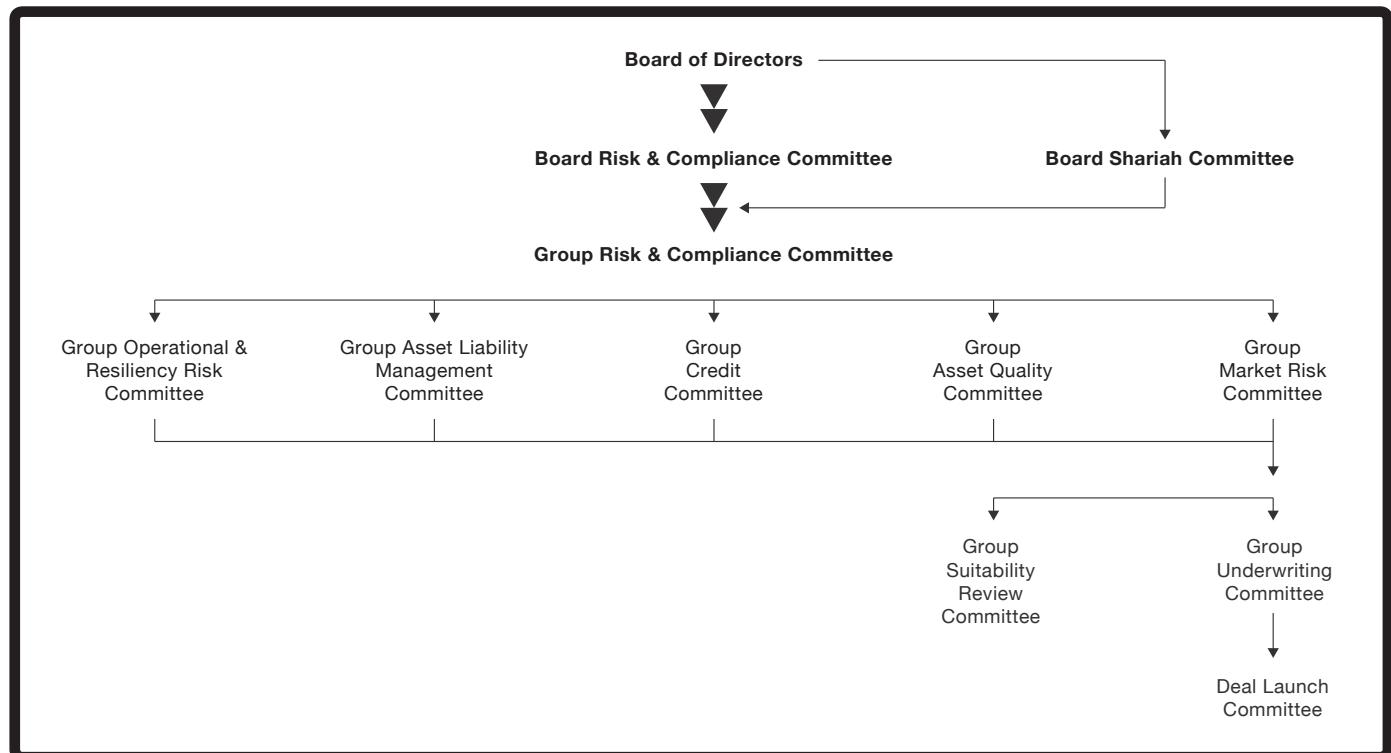
At the apex of the governance structure are respective Boards of entities within the Group, which decide on the entity's risk appetite corresponding to its business strategies. Each Board Risk and Compliance Committee (BRCC) reports directly to the respective Boards and assumes responsibility on behalf 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 our Group Risk and Compliance Committee (GRCC).

To facilitate the effective implementation of Group EWRM framework, our BRCC has established various specialised/sub-risk committees within our Group, each with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

The responsibility of supervising risk management functions is delegated to our GRCC, comprised of senior management, and reports directly to our BRCC. Our GRCC performs the oversight function on the overall risks undertaken by the Group in delivering its business plans vis-à-vis the stated risk appetite of our Group. Our GRCC is supported by specialised risk committees, namely Group Credit Committee, Group Market Risk Committee, Group Operational & Resiliency Risk Committee, Group Asset Liability Management Committee and Group Asset Quality Committee, each addressing one or more of the following:

- (i) Market risk, arising from fluctuations in the value of the trading or investment exposure due to changes in market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;
- (ii) Credit risk, arising from 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;
- (iii) Liquidity risk, arising from a bank's inability to efficiently meet its present and future funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses;
- (iv) Operational risk, arising from risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events;
- (v) Interest rate/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;
- (vi) Capital risk, arising from the failure to meet minimum regulatory and internal requirements which could incur regulatory sanction on our Group, thereby resulting in a potential capital charge; and
- (vii) Shariah Non Compliance (SNC) risk, arising from risk of possible failure to comply with the Shariah requirements determined by 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 in which the Group operates.
- (viii) Sustainability risk, comprising environmental and social issues stemming from transactions/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, our 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 our 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 allowing our Board with a comprehensive view of the activities within our Group.

THREE LINES OF DEFENCE

Our Group's risk management culture is embodied through the adoption of the Three Lines of Defence philosophy, whereby risks are managed from the point of risk-taking activities. This is to ensure clear accountability of risk across our Group and risk management 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 perform independent monitoring of business activities with reporting to the Board and management to ensure that our Group conducts business and operates within the approved

appetite, and is in compliance with regulations. The third line of defence is 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 our Group's management and stakeholders in monitoring and controlling risk exposures within the Board-approved risk appetite statement.

Group Risk is headed by our Group CRO, appointed by our Board to lead the Group-wide risk management functions, including the implementation of the Group EWRM framework. Our 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 our 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.

risk management

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) CRO's main function is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under his/her purview;
- ii) The CRO is supported by the CRO International Offices who oversee the risk management functions of the regional offices e.g. branches and small overseas banking subsidiaries;
- 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 support respective CRO in the various geographies.
- ii) The Risk CoEs consist of Risk Analytics, Credit Risk Infrastructure, Market Risk, Non-Financial Risk Management (comprising Operational, Shariah, Business Continuity Management, Technology, Outsourcing & Fraud Risk Management), Asset Liability Management, and Credit Risk.

- **Risk Analytics CoE**

The Risk Analytics (RA) CoE ensures the Group's compliance to regulatory requirements prescribed for IRB Approach and facilitates other Risk CoEs in their respective risk management through Internal Capital Adequacy Assessment Process (ICAAP), Risk Appetite and Stress Testing. RA CoE also validates credit risk models and performs non-retail credit risk analytics, asset quality reporting and Single Counterparty Exposure Limit (SCEL) regulatory reporting.

- **Credit Risk Infrastructure CoE**

The Credit Risk Infrastructure (CRI) CoE implements risk infrastructure of loan decision engine and rating system which encompass credit risk models and lending criteria. The CoE also manages a Risk Data Mart that facilitates Credit Risk, Risk Weighted Asset (RWA) and SCEL reporting and analytics.

- **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, performing mark-to-market valuation, calculating Value at Risk and market risk capital, as well as performing stress testing.

- **Non-Financial Risk Management CoE**

The Non-Financial Risk Management (NFRM) CoE ensures that the first line of defence manages their operational risk by providing an operational risk framework that enables them to identify, assess, manage and report their operational risks. The team also provides constructive challenge and assessment to the first line of defence's execution of the operational risk framework and act 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.

- **Asset Liability Management CoE**

The Asset Liability Management CoE recommends the framework and policies for the independent assessment, measurement and monitoring of liquidity risk and interest rate risk in the banking book. It conducts regular stress testing on the Group's liquidity and interest rate risk in the banking book profile, by leveraging on the standardised infrastructure it has designed, built and implemented across the region. It provides the framework and tools for maintenance of the early warning system indicators and contingency funding plan by business owners across the Group.

- **Credit Risk CoE**

The Credit Risk CoE consists of Retail and Non-Retail credit risk and is dedicated to the assessment, measurement, management, monitoring and reporting of credit risk of the Group. It ensures a homogenous and consistent approach to credit risk policies, methodologies and procedures; credit risk models; underwriting; and portfolio analytics.

In ensuring a standardised approach to risk management across our Group, all risk management teams within our Group are required to conform to the Group EWRM framework, subject to necessary adjustments required for local regulations. For branches and subsidiaries without risk management department, all risk management activities are centralised at the relevant Risk CoEs. Otherwise, the risk management activities are performed by the local risk management team with matrix reporting line to the relevant Risk CoEs.

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. In derivatives, sales and trading activities, credit risk arises from the possibility that our 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 from the point of risk-taking activities, our 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 as a function independent from the business units 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.

Our Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities holders 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 loans and private banking loans, 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. For retail loans, all credit applications are evaluated and approved by Consumer Credit Operations according to the designated delegated authority with higher limit approved at joint delegated authority and relevant credit committee.

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 reviewing policy. 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.

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 our 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 our Group's retail and non-retail exposures.

Credit reviews and ratings are conducted on the non-retail credit exposures at minimum on an annual basis, and more frequently when material information on the obligor or other external factors come to light.

The exposures are actively monitored, reviewed on a regular basis and reported regularly to 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.

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.

risk management

All extension of secured credit facilities as 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 guides. Group Credit Committee 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, our 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 the 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, our 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.

Our 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 any fluctuation in the value of a trading or investment exposure arising from changes to market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

Our Group hedges the exposures to market risk by employing various strategies, including the use of derivative instruments.

Our Group adopts various measures as part of risk management process. Our GRCC with the assistance of Group Market Risk Committee and its delegated committees ensure that the risk exposures undertaken by our Group is within the risk appetite approved by our Board.

Market Risk CoE is responsible for measuring and controlling our 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 the independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by risk management quantitative analysts to assess their applicability relative to market conditions.

Our 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 movements 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 & 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 RISK

Liquidity risk is defined as the current and potential risk to earnings, shareholder funds or our reputation arising from our Group's inability to efficiently meet our present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are 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 our Group's liquidity risk management is to ensure that our Group can meet its cash obligations in a timely and cost-effective manner. To this end, our 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, our Group is able to maintain a diversified core deposit base comprising retail transactions accounts, savings, demand and term deposits, thus providing our Group with a stable, large funding base. Our 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-days horizon. Our 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.

In addition to regulatory limits, liquidity risk undertaken by our Group is governed by a set of established liquidity risk limits and appetite. Management Action Triggers (MATs) have been established to alert management to potential and emerging liquidity pressures. Our Group’s Liquidity Risk Management Policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset-Liability Management function, which is responsible for the independent monitoring of our 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. Our 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 IN THE BANKING BOOK

Interest rate risk in the banking book is defined as the current and potential risk to our Group’s earnings and economic value arising from movement in interest rates.

Our Group manages its exposure of fluctuations in interest rates through policies established by Group Asset Liability Management Committee. Interest rate risk in the banking book undertaken by our Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by our Group. The risk appetite is established by the Board. The Group Asset Liability Management Committee is a board-delegated committee which reports to the GRCC. With the support from Asset Liability Management CoE under Group Risk, and Capital and Balance Sheet Management under Group Finance, our Group Asset Liability Management Committee is responsible for the review and monitoring of Group’s balance sheet, business and hedging strategies, the overall interest rate risk profile and ensuring that such risk profile is within the established risk appetite. Treasury &

Markets is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

Interest rate risk in the banking book is measured by:

- (i) Economic Value of Equity (EVE) sensitivity measures the long term impact of sudden interest rate movement across the full maturity spectrum of our Group’s assets and liabilities. It defines and quantifies interest rate 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. 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 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 generally affect reported earnings through changes in the bank’s net interest income, which is the difference between total interest income earned from assets and total interest expense incurred from liabilities. Our Group’s EAR is taking into consideration forecasts on budgeted new business generation and product pricing strategies.

5. NON-FINANCIAL RISK MANAGEMENT OVERSIGHT

Operational risk managed under Group Non-Financial Risk Management is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputation risks.

Operational Risk Management Oversight

The NFRM CoE, a second line of defence function, provides the methodology, tools and processes for the identification, assessment, reporting, and management of operational risks by the respective risk owners across the Group. The NFRM CoE also independently oversees the operational risk controls monitoring that reside within the first line of defence.

Identified risks are rated using a defined risk rating methodology applied across the Group’s three lines of defence. Monitoring of the identified risks is primarily done through the Group Operational & Resiliency Risk Committee (GORRC) 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 GORRC is the senior management committee at the Group-level that is tasked to oversee the operational risk framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of CIMB Group and make recommendation to the GRCC for approval. GORRC oversees and monitors the overall control environment of CIMB Group and reports to Group Risk and Compliance Committee (GRCC) on material operational risks.

risk management

Non-Financial 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. Our Group manages operational risks through the following key measures:

- Sound risk management practices in accordance with Basel regulatory guidelines;
- Board and senior management oversight;
- Well-defined responsibilities for all personnel concerned;
- Establishment of a risk management culture;
- Deployment of Operational Risk Management (ORM) tools that include:
 - Operational Event and Loss Data Management
 - Risk & Control Self-Assessment
 - Control Issue Management
 - Key Risk Indicators;
 - New Product Approval Process; and
 - Scenario Analysis

These tools form part of the operational risk framework that allows the Group to effectively identify, measure, mitigate and report its operational risks. Each material division of the CIMB Group self-assesses on their internal risk and control environment rating and report key control deficiencies with remediation plans.

Each new or varied product with changes to the process flow is subjected to a rigorous risk review, where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners.

The promotion of a risk management culture within our Group, whereby the demand for integrity and honesty is non-negotiable, remains the core theme in our operational risk awareness programme. Additionally, the e-learning module on operational risk management has enhanced the awareness of operational risk amongst the staff.

6. REPUTATION RISK

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. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, revenue or share price. Reputation risk exists throughout the organisation and is essentially a function of the adequacy of the Group's internal risk management processes, as well as the manner and efficiency with which management responds to external influences.

The framework for managing reputational risk identifies the sources of reputational risks, and monitors and manages these within a defined risk appetite. The Group Operational & Resiliency Risk Committee provides oversight over the framework execution.

7. SHARIAH NON-COMPLIANCE RISK

SNC risk is the risk that arises from the Group's possible failure to comply with the Shariah requirements determined by SAC of BNM and SC, BSC of CIMB Group and the other

Shariah regulatory authorities of the jurisdictions in which the Group operates. SNC may result in financial and non-financial impact to the Group such as nullification of contract, non-recognition of income or earnings, regulatory breach, reputation risk, etc.

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.

Our Group has a Group Shariah Advisory & 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 SRM control measures and Shariah & Governance.

SRM is facilitated by the SRM unit within NFRM CoE by implementing a systematic and consistent approach to the management of SNC. The objectives, mission, guiding principles, governance structure, as well as the methodology and approach adopted by the Group in managing SNC risk, are articulated in the Shariah Risk Management Policy (SRMP).

Apart from monitoring and analysing the SNC events or incidences submitted by Risk Control Officer/Designated Compliance and Operational Risk Officers to Shariah Review & Assurance under Group Legal and Compliance CoE for escalation to BSC and reporting to the relevant risk committees, SRM unit within NFRM CoE also actively participates in the Islamic products and services development process to ensure that all SNC risk are appropriately identified, assessed, managed and controlled. The new products and services as well as internal policies and procedures that are applicable to Islamic banking businesses and services are subject to prior approval from BSC before implementation.

8. SUSTAINABILITY RISK

Sustainability risk refers to environmental and social issues stemming from transactions/activities associated with a business relation and its operations and/or the Group's own internal operations and employees. It also includes the risks or opportunities that the Group may be exposed to, or that may be available to the Group, because of changing social and environmental conditions.

The Sustainability Risk Management Framework enables us to identify, access, govern, manage and monitor economic, environmental, social and ethical risks through appropriate policies, procedures and controls.

Underpinning the Sustainability Risk Management Framework are the Group Sustainability Policy (GSP) and the Group Sustainable Financing Policy which guide the Group's orientation and performance to sustainability. These include, among others, conduct of sustainability due diligence to evaluate, adopt and advocate proactive measures to manage sustainability risks arising from the Group's lending and business activities. For more information about the governance and implementation of the two policies, to refer to the Sustainability Statement of this Annual Report or the CIMB Group Sustainability Report 2019.

audit committee report

OVERVIEW

The Audit Committee of CIMB Group Holdings Berhad (Group AC) is committed to its role of ensuring high corporate governance practices and providing oversight on the Group's financial reporting, risk management and internal control systems.

1. ATTENDANCE OF MEETINGS

The details of the Group AC membership and meetings held in 2019 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Mohamed Ross bin Mohd Din	Chairman/ Independent Director	17	17
Datuk Mohd Nasir Ahmad	Independent Director	17	16
Ms Teoh Su Yin	Independent Director	17	13

In addition to the 17 meetings held to deliberate on matters relating to the Group, 26 other meetings were held by members of the Banking Group Audit Committee (Banking Group AC) to deliberate on matters relating to the three Malaysian banking entities, making a total of 43 meetings for the year.

The details of the Banking Group AC membership and meetings held in 2019 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Datuk Mohd Nasir Ahmad	Chairman/ Independent Director	26	26
Dato' Zainal Abidin Putih	Non- Independent Director	26	24
Puan Rosnah Dato' Kamarul Zaman	Independent Director	26	25
Puan Nadzirah Abd Rashid	Independent Director	26	26
Madam Ho Yuet Mee	Independent Director	26	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.

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 2019

INTERNAL AND EXTERNAL AUDIT PROCESS

- Approved the annual internal audit plan and the mid-year review of the plan in March and August 2019 respectively. Reviewed the audit plan for Business Units based on risk assessment conducted and audit resource requirements.
- Reviewed GCAD's revised methodology and practices in respect of risk assessment for audit planning purposes and audit grading.
- Approved the KPIs for GCIA and his direct reports and evaluated the GCIA's annual performance together with the remuneration payout.
- Evaluated GCAD's overall performance for 2019 and provided written feedback for improvements.
- Reviewed the summary of internal audit work performed across the region together with the audit outcome on a quarterly basis.
- Reviewed and approved the External Auditor's 2020 audit plan and scope of work on 25 September 2019.

audit committee report

- g. Held a closing meeting of external audits with the External Auditor to review the financial results, MFRS related issues, credit related matters, valuation of project investment, group and tax related matters and areas of concerns identified.
 - h. Held 2 meetings with the External Auditor without the presence of the Group Management and Executive Directors on 25 January 2019 and 24 July 2019 to discuss relevant issues and obtain feedback for improvements.
 - i. 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.
 - j. Completed the annual assessment on the External Auditor in November 2019 prior to recommendation to the Board on its reappointment; the principal areas assessed were in accordance to BNM's Guidelines on External Auditor covering performance, independence and objectivity.
- Accordingly, the areas assessed included:
- Level of knowledge, capabilities experience and quality of previous work
 - Level of engagement with the ACs
 - Ability to provide constructive observations and recommendations
 - Appropriateness of audit approach and the effectiveness of audit planning
 - Timeliness of audit deliverables
 - Non-audit services rendered by the External Auditor so that it does not impede their independence
- k. On track in achieving the requirement on Certification of Banking Auditors (CBA) as imposed by Asian Institute of Chartered Bankers (AICB).

GOVERNANCE, RISK AND CONTROL

- a. Reviewed the adequacy and effectiveness of the Group's system of internal controls, financial reporting and risk management (based on audit plan coverage).
- b. Endorsed GCAD's enhanced methodology for identifying, assessing and covering risk areas.
- c. Reviewed the Group's compliance with regulatory requirements and internal policies (based on audit plan coverage).
- d. Encouraged robust discussion on emerging risks, key challenges and operational concerns, including requiring Management to present their strategies and action plans in achieving established objectives.
- e. Reviewed the efficiency of GCAD's operations and the economical utilisation of its resources.

- f. Reviewed the internal control issues identified by internal, external and regulatory auditors, Management's response to audit recommendations and the implementation of agreed action plans. For audits with adverse audit ratings and audit areas deemed to be critical, AC engages with Management more actively to resolve any control weaknesses identified.
- g. Monitored the implementation of corrective actions by Management; Management need to provide justifications for any undue delay and present for AC's approval.
- h. Held meetings with the respective ACs and Management of CIMB Niaga, CIMB Thai, CIMB Cambodia, CIMB Vietnam and Touch 'n Go. In each of the meetings, the businesses and issues of the respective operations were presented and discussed.
- i. Attended the Group's Annual Management Summit where relevant businesses and support units reviewed their operations for the year and presented strategies and plans for the coming year.
- j. AC Chairman of CIMB Group provided oversight on the effective implementation of the CIMB Group Policy on whistle blowing pursuant to BNM Corporate Governance Framework; any concerns on illegal, unethical or questionable practices escalated to the AC Chairman via the dedicated whistle blowing email address objectively investigated and addressed.

AUDIT ISSUES RESOLUTION COMMITTEE (AIRCOM)

- a. AIRCom, an AC delegated committee, assisted the AC in ensuring the effectiveness of management actions in addressing key risks and internal control weaknesses. The appointment of AIRCom Chairman and Alternate Chairman (held by Senior Management) require the AC's approval.
- b. The AIRCom's key activities include:
 - Reviewed significant findings arising from audits and investigations conducted; where necessary, the relevant responsible party would attend AIRCom to discuss the issues and effectiveness of corrective actions taken.
 - Reviewed findings to identify common themes and holistic solutions to address the root cause(s).
 - Reviewed reasons for any delayed implementation of agreed action plans and to escalate to higher authority where required; to provide recommendation for AC's approval for cases with repeated extension of implementation date (the process of revising target implementation date is governed by an established Audit Follow-Up Framework).
 - Assess any decision by risk owners to accept the risk exposure of audit findings (i.e to not take corrective actions, based upon the risk owners' cost benefit analysis); provide appropriate recommendation for AC's endorsement of the risk acceptance.

- c. The AIRCom meetings were held monthly prior to any AC meetings for the month; minutes of the AIRCom meetings were submitted to AC for notification and discussion.

FINANCIAL REPORTING

- a. Reviewed the financial statements of the Group on a quarterly basis and the draft announcements before recommending them for the Board's approval.
- b. Reviewed the financial results prior to the approval by the Board; discussed the following as highlighted by the External Auditor in audited financial reports:
- Significant accounting and audit matters involving credit, treasury, taxation and impairment related matters
 - Information technology matters
 - Group related matters (i.e. impairment of Permata loans & cost of investment in CIMB Investment Bank, assessment of goodwill impairment and intangible assets)
 - Summary of any uncorrected misstatements
 - MFRS 9 related matters which include the review of overall governance framework surrounding MFRS 9 models, post-implementation review (i.e. annual validation) and model monitoring
- c. In relation to the financial statements for the financial year ended 31 December 2019, the AC at its meeting held on 23 January 2020 was briefed by the External Auditors on the Key Audit Matters included in the Independent External Auditors' Report. These are matters regarded as most significant by the External Auditors in the audit of the financial statements of the Group and the Company, which involved significant judgement and estimates by the Management. The AC is satisfied that based on the audit procedures performed by the External Auditors, no material exceptions were noted on those matters.
- d. Reviewed write-off proposals as presented by the Management before recommending them for the Board's approval in accordance to established policy.

RELATED PARTY TRANSACTIONS (RPTS) AND CONFLICT OF INTEREST

- a. RPTs are reviewed by the AC, taking into account the nature and underlying details of the transactions, in establishing any potential conflict of interest that may arise, before making recommendation to the Board for approval.
- b. Pursuant to the Main Market Listing Requirements of Bursa Malaysia, there was one related party contract recommended by the AC for the Board's approval during the year in relation to the appointment of a related party company providing facilities management services to CIMB for a period of 5 years commencing from 1 January 2020 to 31 December 2024.

- c. Pursuant to MFRS 124 on Related Party Disclosures, significant RPT balances and transactions were reviewed on quarterly basis, with explanations provided for exceptional trend or transactions.

- d. All loans and financing granted to connected parties (pursuant to BNM's Guidelines on Credit Transactions and Exposures with Connected Parties) are under the direct purview of the respective Board of Directors.

4. SUMMARY OF GCAD'S KEY ACTIVITIES

- a. Carried out audits and investigations on the Group; issued 308 reports during the year.
(Note: In addition to the above reports issued, a number of regulatory driven assignments had also been completed)
- GCAD's scope of coverage encompassed all business and support units; areas audited included treasury related matters, loans & financing (retail & non retail), distribution channels, back office operations, IT operations & security, Head Office functions and also special focus areas such as AML/CFT, customer information secrecy, product transparency, outsourced functions and business continuity.
- b. Developed infrastructure to support GCAD's strategic emphasis on Data Analytics and Continuous Auditing.
- c. Identified potential cost savings and prevention of data and income leakage from the audits and investigations performed during the year.
- d. 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.
- e. 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.
- f. 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.
- g. Conducted 2 regional town hall for top-down communication on key matters relating to the internal audit function.
- h. Conducted a two-day Regional Audit Planning Summit held at CAD Niaga, Jakarta to discuss and deliberate key audit methodologies and pressing matters relating to the function.

audit committee report

- i. Enhanced relationship with Management by implementing Quarterly Business Monitoring (QBM). GCIA, Department Heads or Section Heads have regular meetings with relevant key stakeholder to strengthen the working relationship and business understanding, for better audit focus.
- j. 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.
- k. Submitted periodic reports to the AC, top Management and regulators.
- l. Supported AC in the annual review exercise on appointment of External Auditor.
- m. Developed a comprehensive Competency Framework for holistic staff development including a training roadmap for continuous upskilling/reskilling our auditors. 46% of auditors currently possess the Certification for Bank Auditor (CBA) qualification by the AICB.
- n. Continued with the Branch Manager Attachment Program to promote risk and control culture in the first line of defense; of the 17 branch managers participated in 2019. (2018: 20)
- o. Passed the Surveillance Audit of ISO 9001:2015 Certification for internal audit services.
- p. Incurred total costs of RM84.5 million (Malaysia: RM41 million) to maintain the internal audit function of the Group for FY2019.

Audit Committee Member	Training attended
Datuk Mohd Nasir Ahmad (continued)	<ul style="list-style-type: none"> • Speaking at Malaysian Economic Convention • ACCA Council Training (June 2019) • "Demystifying The Diversity Conundrum: The Road to Business Excellence" by BURSA Malaysia • 2nd PIDM-FIDE FORUM Annual Dialogue with the CEO of PIDM • Speakers in CIMB INSEAD Leadership Programme (CLP) Cohort 8 Module 3 • 3rd Directors Regional Sharing Session • ACCA Council Training (September 2019) • Speakers in CIMB Young ASEAN Leaders 2019 • Regional Conference on Climate Change • The Cooler Earth Sustainability Summit • Regional Audit Planning Summit • Forum on Corporate Governance in the Capital Market • CIMB Group's Annual Management Summit • Adequate Procedures Complying with Section 17A of MACC Act 2009 • Sesi Perkongsian Pengetahuan dan Pengalaman untuk SIRIM 'Talent Management Program' • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission

5. TRAINING

Listed below are the seminars and training events attended by the members of the Audit Committee to keep abreast of latest developments (listed in chronological order):

Audit Committee Member	Training attended
Dato' Mohamed Ross Bin Mohd Din	<ul style="list-style-type: none"> • Tech 101 Briefing • Islamic Finance for Board of Directors Programme by International Shariah Research Academy in Islamic Finance • CIMB Tech Risk Workshop • Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy • Bank Negara Malaysia Financial Industry Conference 2019 • FIDE Forum – ISRA Programme – Value Based Intermediation: Directors Role • 3rd Directors Regional Sharing Session • The Cooler Earth Sustainability Summit • Khazanah Megatrends Forum 2019 • CIMB Group's Annual Management Summit • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission

Audit Committee Member	Training attended
Datuk Mohd Nasir Ahmad	<ul style="list-style-type: none"> • Tech 101 Briefing • Chairman Media Training • Bank Negara Malaysia Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session • CIMB Tech Risk Workshop • Chairman Media Training – Workshop 3 (Speech Delivery) • Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy • CIMB BOD European Innovation Safari

Audit Committee Member	Training attended	Audit Committee Member	Training attended
Dato' Zainal Abidin Putih	<ul style="list-style-type: none"> • Tech 101 Briefing • BNM Annual Report 2018/Financial Stability and Payment Systems Report 2018 Briefing Session • CIMB – Risk Posture Workshop • 3rd Directors Regional Sharing Session • The Cooler Earth Sustainability Summit • Khazanah Megatrends Forum 2019 • FIDE/ICLIF Programme – Understanding Fintech and Its Implications for Insurance Companies • CIMB Group's Annual Management Summit • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission • L&G Directors' in House Training – Leadership Greatness In Turbulent Times – Building Corporate Longevity: by Erik P.M. Vermeulen, Senior Legal Counsel & IDMD Faculty Member 	Mdm Ho Yuet Mee	<ul style="list-style-type: none"> • Global Board Leadership Summit • Tech 101 Briefing • Islamic Finance for Board of Directors Programme by International Shariah Research Academy in Islamic Finance • Financial Institutions Directors Education (FIDE) Core Programme – Module B • Digital Assets: Global Trends, Legal Requirements and Opportunities for Financial Institutions • CIMB Tech Risk Workshop • Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy • FIDE Forum – ISRA Programme – Value Based Intermediation: Directors Role • 3rd Directors Regional Sharing Session • FIDE Elective Programme: Raising Defences – Section 17A, MACC Act • 2030 Sustainable Development Goals Game • BNM-FIDE Forum Dialogue: Key Aspects of Fintech and Regulation • The Cooler Earth Sustainability Summit • Khazanah Megatrends Forum 2019 • Leadership Greatness in Turbulence Times – Building Corporate Longevity • Malaysia SDG Summit 2019 • CIMB Group's Annual Management Summit
Puan Rosnah Dato' Kamarul Zaman	<ul style="list-style-type: none"> • Tech 101 Briefing • CIMB Tech Risk Workshop • 3rd Directors Regional Sharing Session • The Cooler Earth Sustainability Summit • Leadership Greatness in Turbulence Times – Building Corporate Longevity • CIMB Group's Annual Management Summit • Islamic Finance for Board of Directors Training Programme • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission 	Teh Su Yin	<ul style="list-style-type: none"> • Tech 101 Briefing • 3rd Directors Regional Sharing Session • The Cooler Earth Sustainability Summit • Khazanah Megatrends Forum 2019 • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission
Puan Nadzirah Abdul Rashid	<ul style="list-style-type: none"> • CIMB Tech Risk Workshop • Islamic Finance – A Catalyst for Financial Inclusion • CG Watch: How does Malaysia Rank? • MyFintech Week 2019 • 3rd Directors Regional Sharing Session • The Cooler Earth Sustainability Summit • Khazanah Megatrends Forum 2019 • Malaysia: Post Budget 2020 Forum • Leadership Greatness in Turbulence Times – Building Corporate Longevity • CIMB Group's Annual Management Summit • Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission 		

board shariah committee report

Pursuant to the enterprise wide Shariah governance framework as provided by Bank Negara Malaysia in its Guideline on Shariah Governance for Islamic Financial Institutions and now as enshrined in the effective Islamic Financial Services Act 2013, the Board of Directors (the “Board”) is ultimately responsible and accountable for the oversight and management of Shariah matters in the operation of the Group’s Islamic banking and finance activities. In undertaking its duties and responsibilities relating to Shariah, the Board relies on the advice of the Board Shariah Committee of CIMB Group Holdings Berhad that is established under its core Islamic operating entity, CIMB Islamic Bank Berhad (“CIMB Islamic”).

The main responsibility of the Board Shariah Committee 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 Board Shariah Committee 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 Holding Berhad shall be made based on the decisions, views and opinions of the Board Shariah Committee. If the Board disagrees with any decisions, views, and opinions of the Board Shariah Committee on any Shariah matter, the former shall refer back the matter to the latter for a second or third review before final decision is made. All and any final decision of the Board on Shariah matter shall be made based on the final decisions, views and opinions of the Board Shariah Committee. All decisions of the Board and the Board Shariah Committee 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 Board Shariah Committee shall at all times assist the Board to ensure that the Group’s Islamic banking and finance business does not have elements/activities which are not permissible under Shariah.

The members of the Board Shariah Committee are as follows:

1. Professor Dr. Mohammad Hashim Kamali (contract of appointment expired on 13 June 2019)
2. Dr. Nedham Yaqoobi
3. Dr. Shafaai Musa
4. Professor Dr. Yousef Abdullah Al Shubaily
5. Associate Professor Dr. Aishath Muneeza
6. Ahmed Baqar Rehman (appointed on 1 June 2019)
7. Dr. Ahmad Sufian Che Abdullah (appointed on 1 November 2019)

The Board hereby affirms based on advice of the Board Shariah Committee that the Group’s Islamic banking and finance operations has been done in a manner that does not contradict with Shariah save and except for those that have been specifically disclosed in this financial report (if any). This affirmation by the Board is independently verified and confirmed by the Board Shariah Committee in a separate Board Shariah Committee Report made herein.

ZAKAT OBLIGATIONS

CIMB Islamic Bank Berhad pays business zakat by adopting the Adjusted Growth Method to state zakat authorities in line with the methodology approved by Board Shariah Committee. However, the amount payable by the CIMB Islamic Bank Berhad is at the discretion of the management of CIMB Islamic Bank Berhad and it is the shareholder’s responsibility to ensure that their own zakat obligation 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 Bank and its subsidiaries arising from changes to local legislation, regulation, law or market convention as the case may be. Accrual of zakat expenses (if any) in the Financial Statements of the Group is reflective of this.

BOARD SHARIAH COMMITTEE’S REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

We, the members of the CIMB Group Board Shariah Committee as established under CIMB Islamic Bank Berhad (“CIMB Islamic”), are responsible to assist the Board in the oversight and management of Shariah matters in the operation of the Group’s Islamic banking and finance activities. Although the Board is ultimately responsible and accountable for all Shariah matters under the Group, the Board relies on our independent advice on the same.

Our main responsibility and accountability is to assist the Board in ensuring that the Group’s Islamic banking and finance businesses does not have elements/activities which are not permissible under Shariah. In undertaking our duties we shall follow and adhere to the decisions, views and opinions of the Shariah Advisory Council of the relevant Malaysian financial regulators for businesses undertaken in Malaysia and for businesses outside Malaysia we shall take into consideration the decisions, views and opinions of the relevant authority on Shariah matters (if any, sanctioned by law/regulation to be followed by the Bank) in the relevant jurisdiction that the Group is doing business.

As members of the Board Shariah Committee, we are responsible to provide an independent assessment and confirmation in this financial report that the operations of the Islamic banking and finance business of CIMB Group have been done in conformity with Shariah as has been decided and opined by us and with those Notices, Rules, Standards, Guidelines and Frameworks on Shariah matters as announced and implemented by relevant financial regulators in the relevant jurisdictions that the Group's Islamic banking and finance businesses were undertaken during the period being reported.

Our independent assessment and confirmation has been used as the basis for the Board's affirmation of the same in the Director's Report herein before.

In making our independent assessment and confirmation, we have always recognised the importance of CIMB Group maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the Shariah compliant status of its Islamic banking and finance businesses.

In this regard sufficient internal controls are in place to ensure that any new Islamic financial transaction is properly authorised; the group's assets and liabilities under its statements of financial position are safeguarded against possible Shariah non-compliance; and, that the day to day conduct of its operations does not contradict Shariah principles.

In addition to the necessary policies and procedures, the Bank has a well-defined division of responsibility and guidelines of business conduct to all staff.

Effective Shariah governance is supported by a professional staff of Shariah researchers as well as the advisory and consultancy function that supports us in our decision and deliberations, providing check and balance for all Shariah matters as presented to us by the Management. CIMB Group Shariah Review Policy and Procedures were established to set out policies for Shariah review function encompassing regular examination and evaluation of the Bank's level of compliance to the Shariah requirements, remedial rectification measures to resolve non-compliances and control mechanisms to avoid recurrences. In addition, the Shariah Review Procedures sets out the procedures for Shariah review execution, responsibilities of stakeholders and internal reporting process relating to Shariah non-compliance events, in line with BNM's requirements.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, Shariah Review conducts post review of CIMB Group's activities and operations in accordance with the annual Shariah review work plan approved by us and the respective Boards of Directors of CIMB Group. Additionally, Shariah Review conducts investigations on issues escalated by the stakeholders and performs ad-hoc review as required from time to time by us and the regulators. As for effective risk management and control, the Group adopted the strategic implementation of tiered model i.e. Three Lines of Risk Defense in governing and managing Shariah Non-Compliant risk. Lastly, there is also a team of internal auditors who conduct periodic Shariah audits of all the Group's Islamic banking and finance operations on a scheduled and periodic basis.

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 done 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) except for the following incident of Shariah non-compliance event within the Group:

- i) Shariah Non Compliance reward was offered to CIMB Islamic customers pursuant to a marketing campaign.

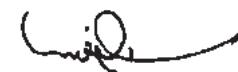
In our opinion:

1. The contracts, transactions and dealings entered into by the Group during the financial year ended 31 December 2018 that were presented to us were done in compliance with Shariah;
2. The allocation of profit and charging of losses relating to investment accounts conformed to the basis that were approved by us in accordance with Shariah;
3. There were no earnings that were realised from sources or by means prohibited by Shariah have been considered for disposal to charitable causes; and
4. The zakat calculation is in compliance with Shariah principles.

We have actively monitored and overseen the independent work carried out for Shariah review and Shariah audit functions by the relevant functionaries under the established system of internal control, which included the examination, on a test basis, of each type of transaction, of relevant documentation and procedures adopted by the Group. We are satisfied that the Management has planned and performed the necessary review and audit so as to obtain all the information and explanations which are considered necessary to provide us with sufficient evidence to give reasonable assurance that the Group has not violated Shariah.

We, the members of the Board Shariah Committee, are of the opinion that the operations of the Group for the financial year ended 31 December 2019 were conducted in conformity with Shariah except for what has been disclosed.

On behalf of the Board Shariah Committee



Dr. Shafaa'i Musa
Chairman



Associate Professor Dr. Aishath Muneeza
Member

Kuala Lumpur
1 March 2020

sustainability statement

For details and comprehensive information, please refer to the full version of the CIMB Sustainability Report 2019

FORWARD: ASEAN'S SUSTAINABLE BANKING AGENDA

#CIMBforTomorrow is our commitment to stakeholders.

It is about our efforts to preserve invaluable natural and social capital. It is also our endeavour to create value for all stakeholders through net positive economic, environmental and social (EES) impact.

In the conduct of business, we assume full responsibility for our actions. 2019 was year one of our first 5-year Sustainability Roadmap. It was a year for us to build the right foundation to anchor our five sustainability pillars or focus areas. **CIMB's near-term objectives have been to raise awareness, build capability, garner support from our network of stakeholders, and motivate action.** The successful outcomes of these objectives significantly contribute to CIMB's EES performance. **In the mid to long-term, the aspiration is to influence, shape and FORWARD the sustainability agenda in ASEAN.**

BEYOND STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

Beyond standards, our intent has been to provide stakeholders with accurate and reliable information on our sustainability performance and aspirations.

Our motivation is to inspire sustainable action, forge new partnerships for sustainable development, and create a community of sustainability champions. The Sustainability Report 2019 adheres to the following best practice sustainability guidelines, standards and frameworks.

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting.
- "In Accordance" with GRI Standards: Core Option.
- United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB).
- Dow Jones Sustainability Index (DJSI).

BUSINESS CASE: PROFITS WITH PURPOSE

This year's sustainability report focuses on the business case for sustainability. It is a transparent account of stakeholders' expectations and our commitments. It serves as a credible reference document on the adoption and implementation of sustainability principles, and draws a clear picture of where CIMB is in its sustainability journey.

The CIMB Group Sustainability Report 2019 documents an important shift in the way we approach business. **From shareholder returns to stakeholder expectations – we are shifting in our mindsets. We are committing to create value for all.** We are working to mobilise definitive action today, to create a better tomorrow for everyone who is associated with us.

SCOPE: REPORTING COVERAGE AND PRINCIPLES

The 2019 scope for our annually published CIMB Sustainability Report includes information for the period **1 January 2019 to 31 December 2019**, primarily for Malaysia unless Indonesia, Singapore, Thailand, and Cambodia are indicated. This statement is a summary of the full report.

All quantitative and qualitative information for relevant indicators has been disclosed for a minimum of two years where applicable. The last report was published in March 2019 for the period covering 1 January 2018 to 31 December 2018.

Where possible, we have remained true to the principles of **balance, comparability, clarity, completeness, reliability and accuracy.**

FEEDBACK LOOPS: REVIEW FOR CONTINUOUS IMPROVEMENT

We look at sustainability as our responsibility towards our stakeholders and their future. It is therefore critical to continuously map their views on our sustainability efforts. It is equally important to seek their participation in creating long-term positive impact in areas that matter most to them. Our assurance to our stakeholders is to keep their interests at the core of everything that we do. The motivation is to shape a better tomorrow for all of us. We encourage our stakeholders to access and read our full CIMB Sustainability Report 2019 and submit feedback, ideas, and questions on our programmes and performance. Please contact:

Luanne Sieh

Head, Group Sustainability
sustainability@cimb.com

CIMB Sustainability Report 2019



<https://www.cimb.com/en/sustainability/sustainability.html>

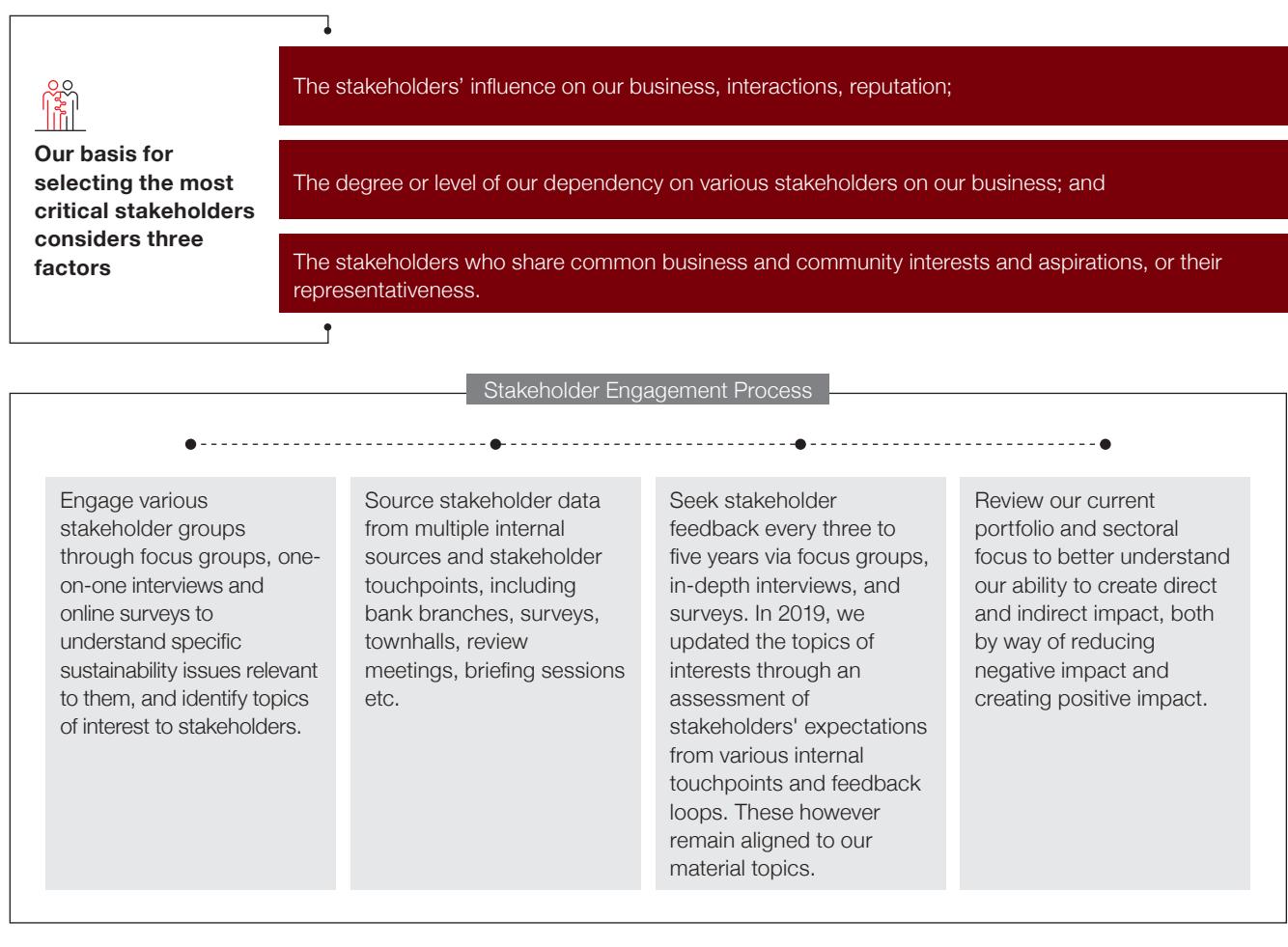
RELIABILITY: ASSURANCE OF THE QUALITY OF REPORTING

We continuously discuss and deliberate on the level of transparency and accountability in reporting across various functions of the Group. This positively contributes to improving the quality of our report, in terms of presenting information in a balanced, meaningful and accurate manner.

Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG. For scope of work and observations, please refer to the full assurance statement on pages 146 - 148 of the Sustainability Report 2019.

STAKEHOLDER INCLUSIVENESS: STAKEHOLDERS' EXPECTATIONS AND MATERIALITY

We have committed to use our relationships to influence our ASEAN-wide network of stakeholders to adopt and integrate sustainable business practices.



sustainability statement

In the table below, we have listed our most critical stakeholders, the various platforms we rely on to bridge and strengthen our relationships and some of the key topics that interest our stakeholders.

> Stakeholders' Topics of Interest

				Topics of Interest
				Frequency of Engagement – Daily
 Customers Basis for Selection <ul style="list-style-type: none"> Dependency Influence 	 Banking distribution channels	 Call centres	 Feedback forms and surveys	<ul style="list-style-type: none"> Consistent and Superior Customer Experience Enhanced Digital Services Financial Education Financial Inclusion Green Education and Participation Data Security Access to Finance <p>Material Topics: Customer Experience; Technology; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation.</p>
 Clients Corporate/Commercial Basis for Selection <ul style="list-style-type: none"> Dependency Impact 	 Banking distribution channels	 Call centres	 Seminars & conferences	<ul style="list-style-type: none"> Access to Finance Favourable Lending Terms Customer Experience <p>Material Topics: Sustainable Finance; Customer Experience</p>
 Employees Basis for Selection <ul style="list-style-type: none"> Dependency Influence 	 Townhalls	 Informal meetings	 Department meetings	<ul style="list-style-type: none"> Leadership by Example - Corporate Values and Culture Fair Remuneration and Benefits Grievance Mechanisms Financial Literacy Talent Development and Talent Mobility Sustainability <p>Material Topics: Nurturing Growth; Talent Attraction, Growth, and Retention; Corporate Culture; Diversity and Inclusion; Corporate Citizenship and Volunteerism; Sustainable Finance; Health, Safety and Well-being</p>

 <p>Suppliers</p> <p>Basis for Selection</p> <ul style="list-style-type: none"> • Dependency 	 <p>Procurement process</p>	 <p>Community events</p>	<ul style="list-style-type: none"> • Partnerships for Growth • Fair Remuneration and Payment Terms • Grievance Mechanisms • Financial Literacy • Community Development <p>Material Topics: Sustainable Supply Chain; Governance; Sustainability Education and Participation; Nurturing Growth</p>
	 <p>Performance evaluation</p>	 <p>Focus groups</p>	<p>Frequency of Engagement – Monthly</p>
 <p>Government and Regulators</p> <p>Basis for Selection</p> <ul style="list-style-type: none"> • Dependency • Influence 	 <p>Meetings</p>	 <p>Seminars</p>	<ul style="list-style-type: none"> • Governance • Sustainable Finance • Sustainable Supply Chain • Sustainability Education and Awareness • Financial Inclusion • Quality EES Reporting / Communication • Value-based Intermediation • Customer Experience • Treating Customers Fairly • Talent Development • Climate Change <p>Material Topics: Governance; Customer Experience; Technology; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation; Climate Change; Sustainable Finance; Sustainable Supply Chain</p>
	 <p>Other forms of communication</p>	 <p>Interviews</p>	<p>Frequency of Engagement – Quarterly</p>
 <p>Community/NGOs/Civil Society</p> <p>Basis for Selection</p> <ul style="list-style-type: none"> • Dependency • Influence 	 <p>Community partnerships and investments, including donations</p>	 <p>Social media (Ongoing)</p>	<ul style="list-style-type: none"> • Partnerships for Growth • Financial Inclusion • Volunteerism • Financial Literacy • Community Development • Climate Change <p>Material Topics: Financial Literacy, Inclusion, and Well-being; Climate Change; Corporate Citizenship and Volunteerism; Nurturing Growth</p>
	 <p>Briefings</p>	 <p>Meetings</p>	<p>Frequency of Engagement – Monthly</p>
 <p>Investors</p> <p>Basis for Selection</p> <ul style="list-style-type: none"> • Influence 	 <p>Briefings</p>	 <p>Meetings</p>	<ul style="list-style-type: none"> • Quality EES Reporting / Communication • Sustainable Finance • Sustainable Supply Chain Practices • Governance (Corporate and Sustainability Governance) • Climate Change Strategy <p>Material Topics: Sustainable Finance; Governance; Sustainable Supply Chain; Climate Change</p>
			<p>Frequency of Engagement – Quarterly, Annual</p>

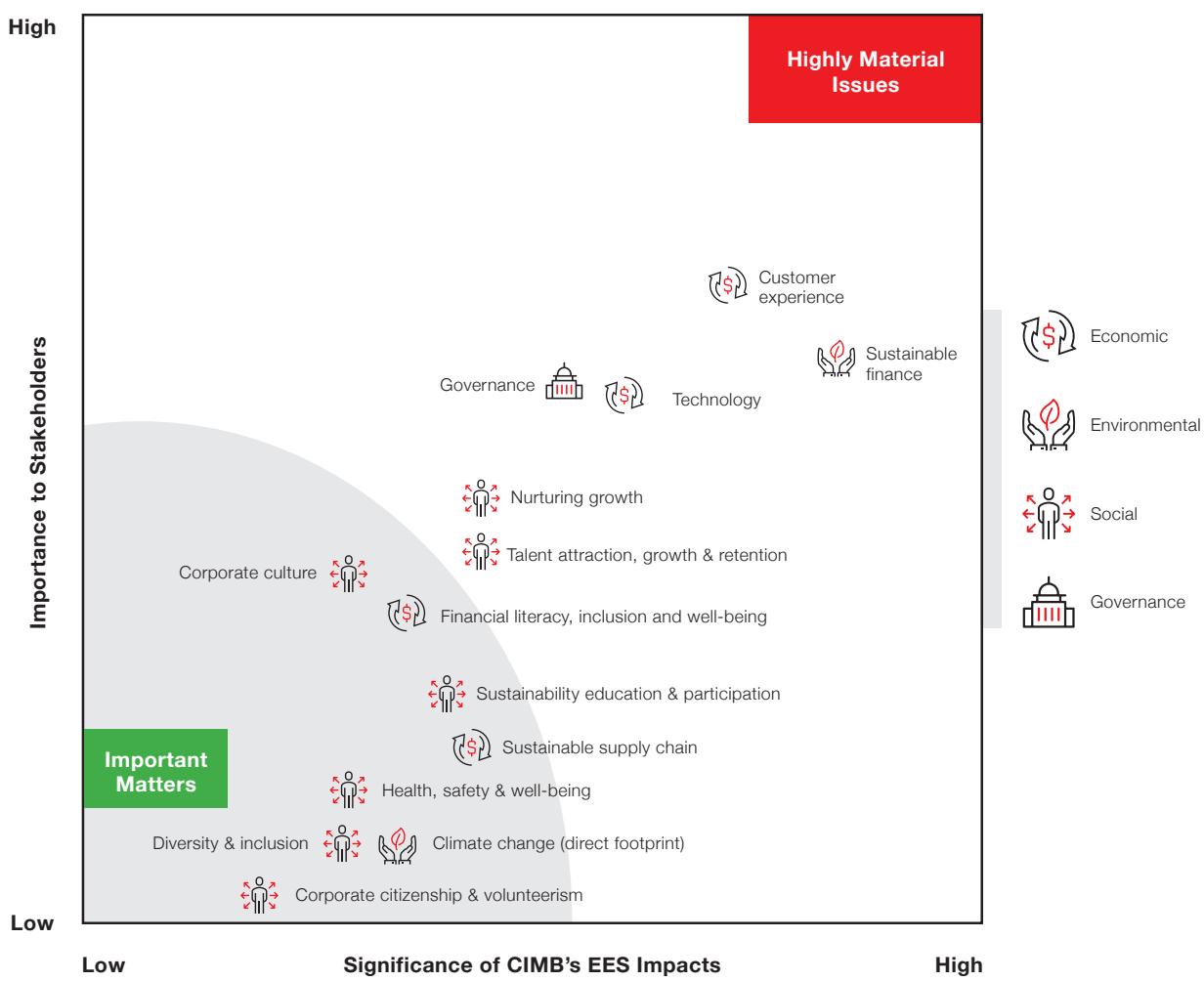
sustainability statement

> Materiality & Prioritisation

Based on the in-depth stakeholder engagement and materiality assessment exercise undertaken in 2018, below is our Materiality Matrix. **These material topics have been finalised based on their expected impact, either through our operations, clients or other business relations.**

To further prioritise and address the material topics strategically, we have evaluated them based on the following:

- The material relevance to stakeholders
- Influence on stakeholders' assessments and decisions
- The significance of CIMB's economic, environmental, and social impacts



List of 6 Highly Material Issues:

- 1 Customer Experience
- 2 Sustainable Finance
- 3 Technology
- 4 Governance
- 5 Nurturing Growth
- 6 Talent Attraction, Growth and Retention

List of 8 Important Topics:

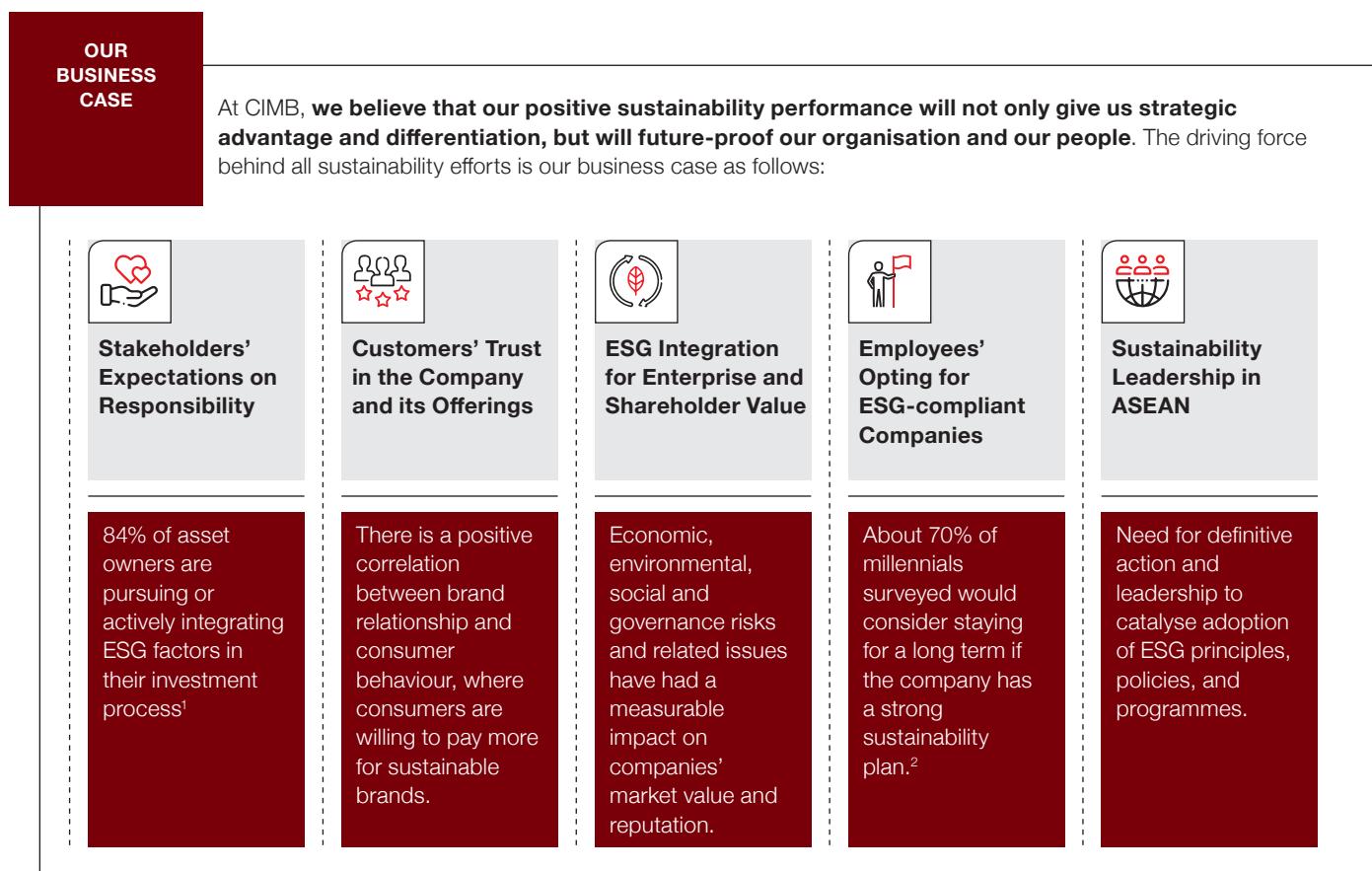
- 1 Corporate Culture
- 2 Financial Literacy, Inclusion and Well-Being
- 3 Sustainability Education and Participation
- 4 Sustainable Supply Chain
- 5 Health, Safety and Well-Being
- 6 Climate Change (Direct Footprint)
- 7 Diversity and Inclusion
- 8 Corporate Citizenship and Volunteerism

OUR PHILOSOPHY

Our philosophy for business goes beyond short-term profits. With a rich legacy of over four decades, CIMB Group continues to be a progressive financial institution, fulfilling not only the expectations of our stakeholders today, but safeguarding the needs of future generations.

Our core business of banking aspires to fulfil the promise of a better future, where economic growth empowers people and businesses, creates new opportunities, and reduces social inequalities. With sustainable banking practices, we operate to achieve growth that is meaningful for everyone who shares this vision.

This also means that **we acknowledge the impacts of our business as well as our people on the planet as well as society.** Our commitment is to operate in a way where we assume accountability and responsibility towards our actions, while minimising negative impacts and creating net positive impact. In short, **our promise of a better future inspires us to optimise our capabilities, resources, and influence for creating positive economic, environmental and social impact.**



Sources: 1. Morgan Stanley Institute for Sustainable Investing and Morgan Stanley Investment Management (2018)

2. Fast Company (2019)

sustainability statement

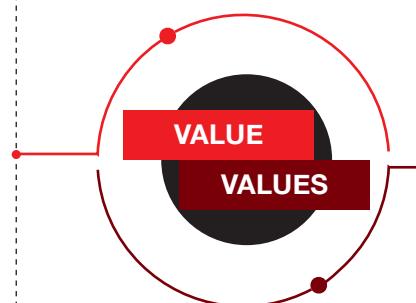
We consider both **VALUE** and **VALUES**
when embedding sustainability principles into our business model.

Value Preservation

We endeavour to **identify and mitigate environmental and social risks** across the bank, including our products and services, customers, business practices, human capital management, and our value chain partners.

Value Creation

Our ultimate objective is to both **catalyse and create positive impact** in terms of profits, people, and our planet, for CIMB as well as our multiple stakeholders in markets and communities where we operate.

**Moral Responsibility**

We believe '**Sustainability**' is the right **thing to do** and we have a moral responsibility as a corporate citizen.

Fiduciary Obligation & Beyond

Beyond corporate responsibility, we have to **demonstrate the right leadership** through governance at the highest level.



Our aspiration towards 2023 is to become a visible ‘shaper’ of sustainability practices in the ASEAN community. Our actions today will determine how the future will look like, and whether the generations of tomorrow will be grateful for the world we leave behind for them.

#CIMBforTomorrow is our pledge for the future and to ensure the sustainability of the planet. By reducing our negative environmental and social impacts and increasing our positive impacts, we are committed to create net positive change for our planet, our people, and for progress, ensuring a better tomorrow.

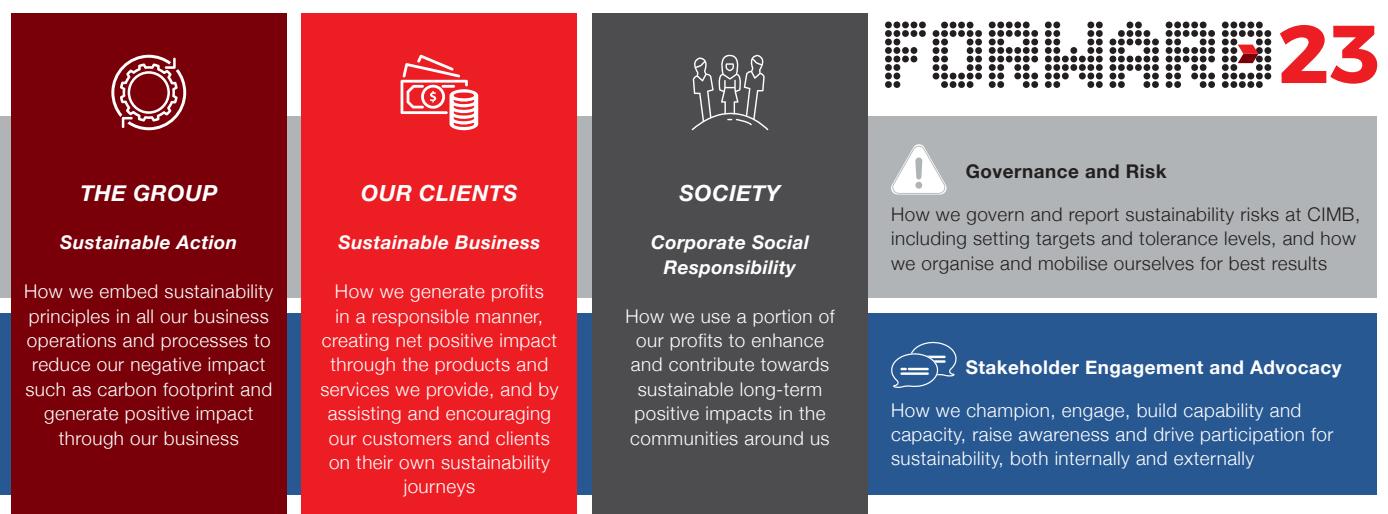
The United Nations Our Common Future, also known as the ‘Brundtland Report’, defines sustainability as “...meeting the needs of the present without compromising the ability of future generations to meet their own.”



Thank You from Tomorrow video.
Follow us on social media #CIMBforTomorrow

SUSTAINABILITY ROADMAP 2023

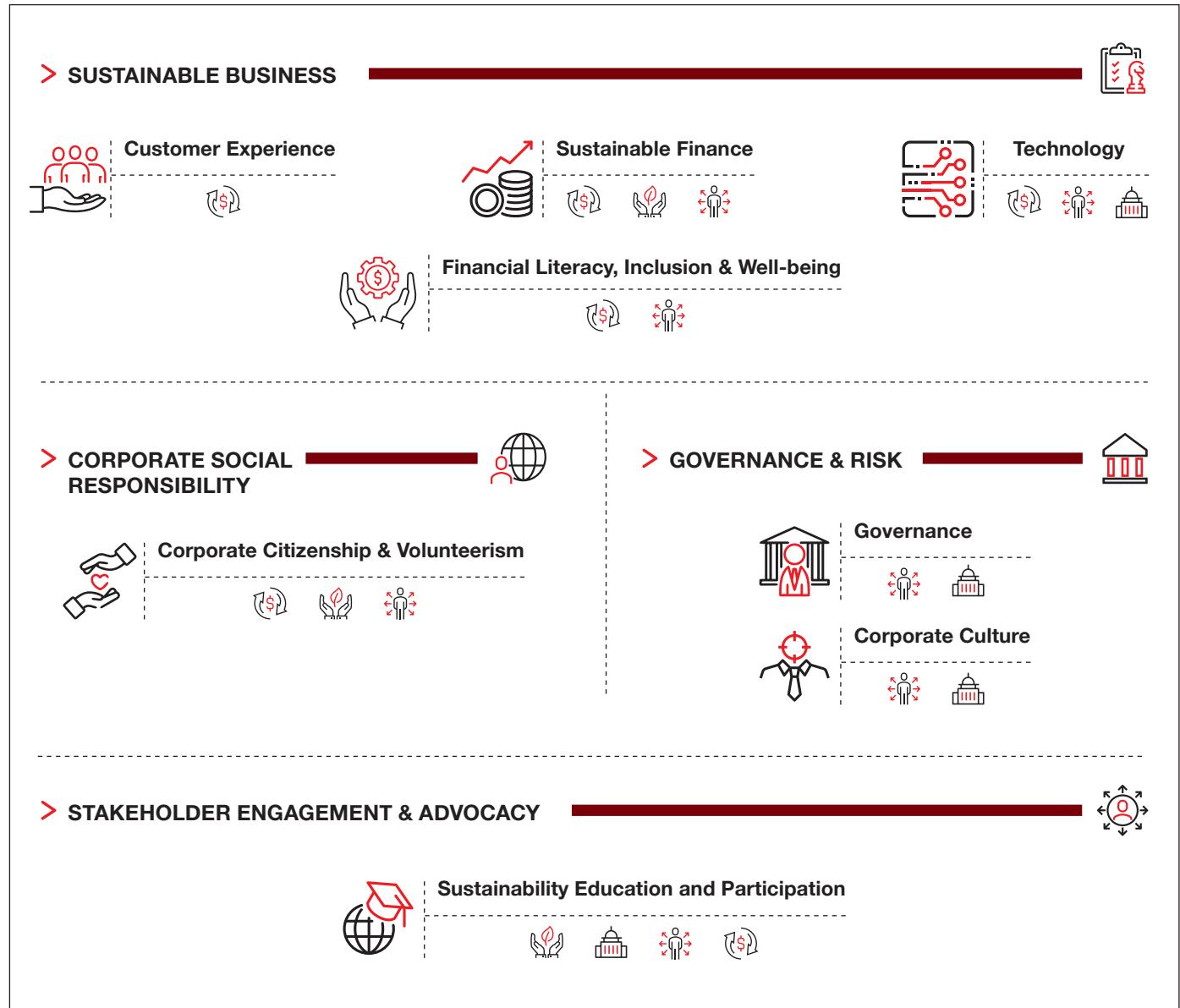
We broadly focus on two key objectives. The first is to create positive impact and opportunities through our business, operations, relationships and networks. The second is to manage and mitigate negative impacts and risks through partnerships, capacity building, policy influence and action. **In alignment with the Group's business strategy, the Sustainability Roadmap 2023 focuses on five key areas** as follows.



MATERIAL MATTERS BY FOCUS AREAS OF OUR SUSTAINABILITY ROADMAP AND THEIR IMPACT (ECONOMIC, ENVIRONMENTAL, SOCIAL & GOVERNANCE)



sustainability statement

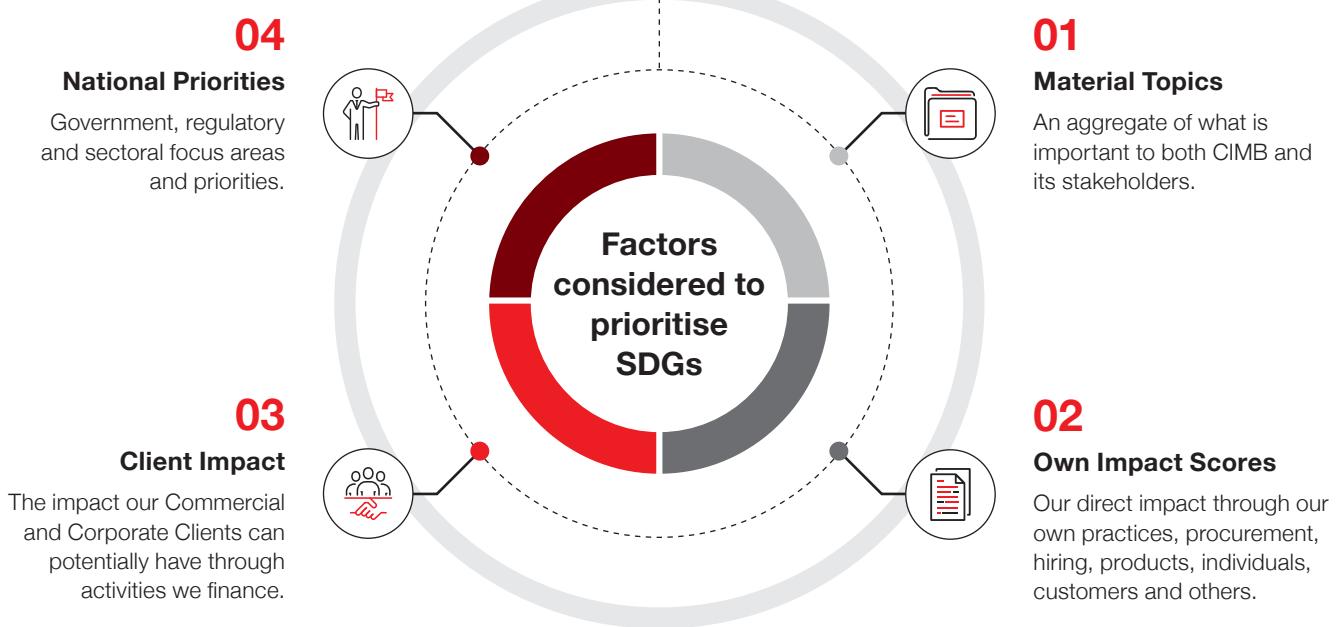


PRIORITY SUSTAINABLE DEVELOPMENT GOALS (SDGs)

All our sustainability efforts, programmes and initiatives, performance tracking, and impact reporting in relation to the above focus areas are structured and designed to meet specific targets of the following seven priority SDGs.



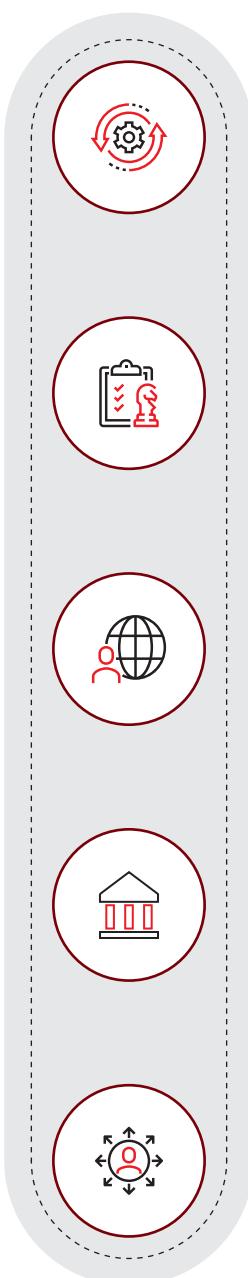
The following factors were taken into consideration when prioritising SDGs,
in alignment with our focus areas and business impact.



sustainability statement

SUSTAINABILITY SCORECARD

In consultation with the Group Sustainability Council, **we have determined our preliminary indicators of measuring impact for the 5-year Sustainability Roadmap 2023.** A comprehensive target-setting exercise based on all the five pillars (below) is currently in progress. Meanwhile, our aspiration is to progressively demonstrate sustainability leadership across ASEAN. Below is the table with preliminary indicators:



Sustainable Action

- Reduction in GHG emissions for Scope 1 and 2 across CIMB Group (%)
- Gender pay gap (across all Job Categories)
- Number of suppliers engaged on sustainability topics
- Employees who are upskilled/reskilled (%)
- Percentage of Digital, Data, Design workforce (%)

Sustainable Business

- CIMB Financing Clients with Environmental and Social (E&S) Actions Plans (%)
- Clients with E&S Action Plans that implemented them (%)
- Percentage of book in Sustainable Business (%)
- Number of people from underserved communities served (counselling, advisory, training)
- Positive Treating Customer Fairly Perception
- Net Promoter Score

Corporate Social Responsibility

- Funds channelled towards high social and environmental impact programmes (%)
- Number of employees participating in CSR programmes

Governance and Risk

- Material issues supported by policy commitments (%)
- Improvement in Governance-related scores on Dow Jones Sustainability Index (%)
- Female representation on the Board and in Key Management positions (%)

Stakeholder Engagement and Advocacy

- Number of employees trained/briefed on sustainability issues
- Completion of sustainability e-learning (%)



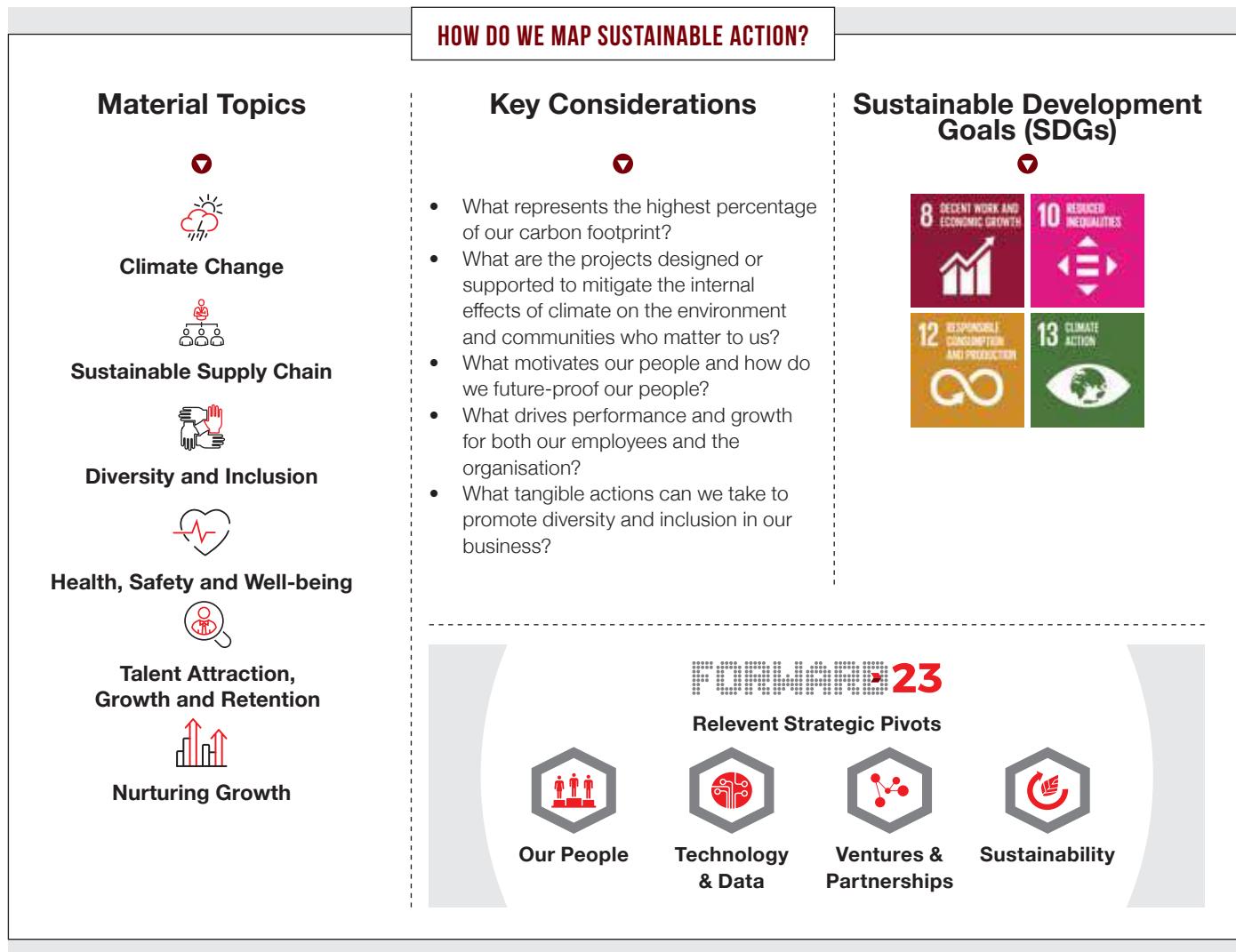
sustainability statement

> SUSTAINABLE ACTION

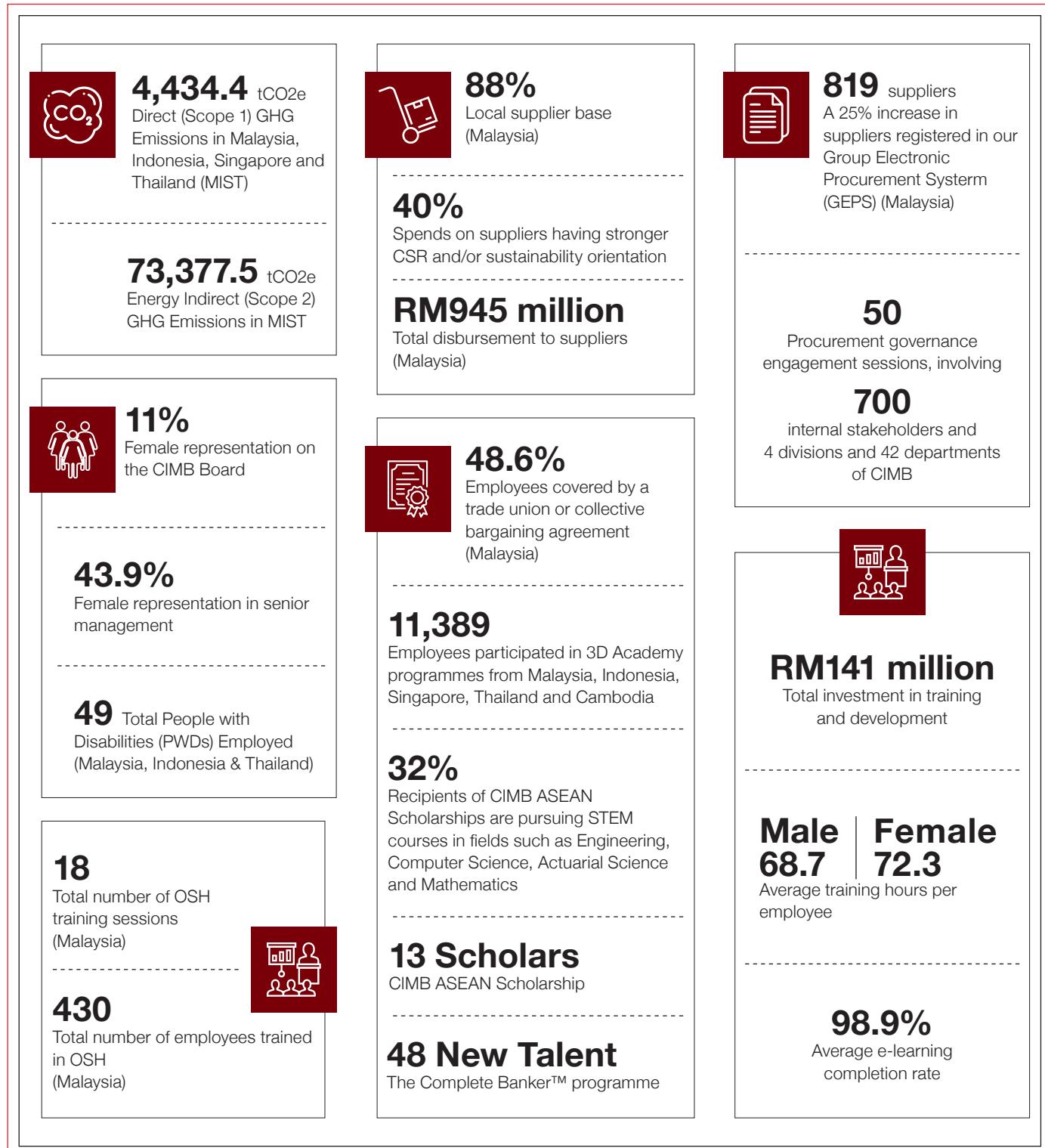


Sustainability is part of our core Forward23 strategy. Sustainable action demonstrated at CIMB speaks of our commitment to creating positive impacts through our day-to-day business. **Our key focus is on promoting sustainable practices in our operations and processes group-wide.** Over the last one year, we have achieved significant milestones and made commitments to initiate tangible steps towards addressing sustainability challenges facing our organisation, and its stakeholders.

At CIMB, we recognise the urgency. **Our mid-term strategy on sustainability takes into account how our business (including the supply chain) will continue to be impacted by the global phenomenon of climate change.** We also understand the role of our people in championing definitive action to mitigate negative impacts and create positive change within our circles of influence as well as the communities where we operate. The role of people and their mix is also critical for our business performance. According to the Global Diversity Practice, Diversity widens access to the best talent, whereas Inclusion allows organisations to engage with talent effectively. Together, Diversity and Inclusion lead to enhanced innovation, creativity, productivity, reputation, engagement, and results. At CIMB, we do believe that a healthy balance of gender, age, and ethnicity improves decision-making and gives us a business advantage.



SUSTAINABLE ACTION: PERFORMANCE HIGHLIGHTS 2019



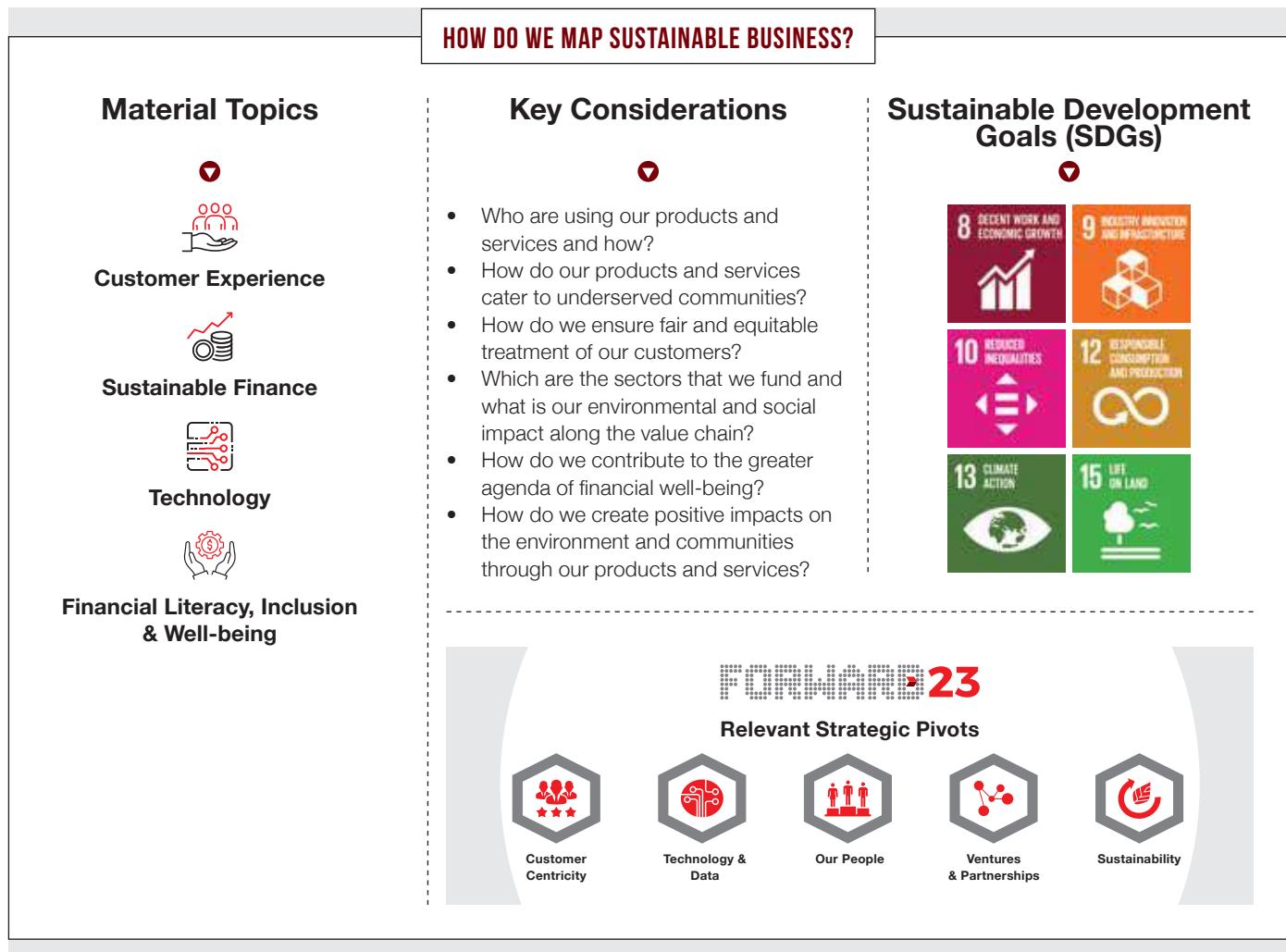
sustainability statement



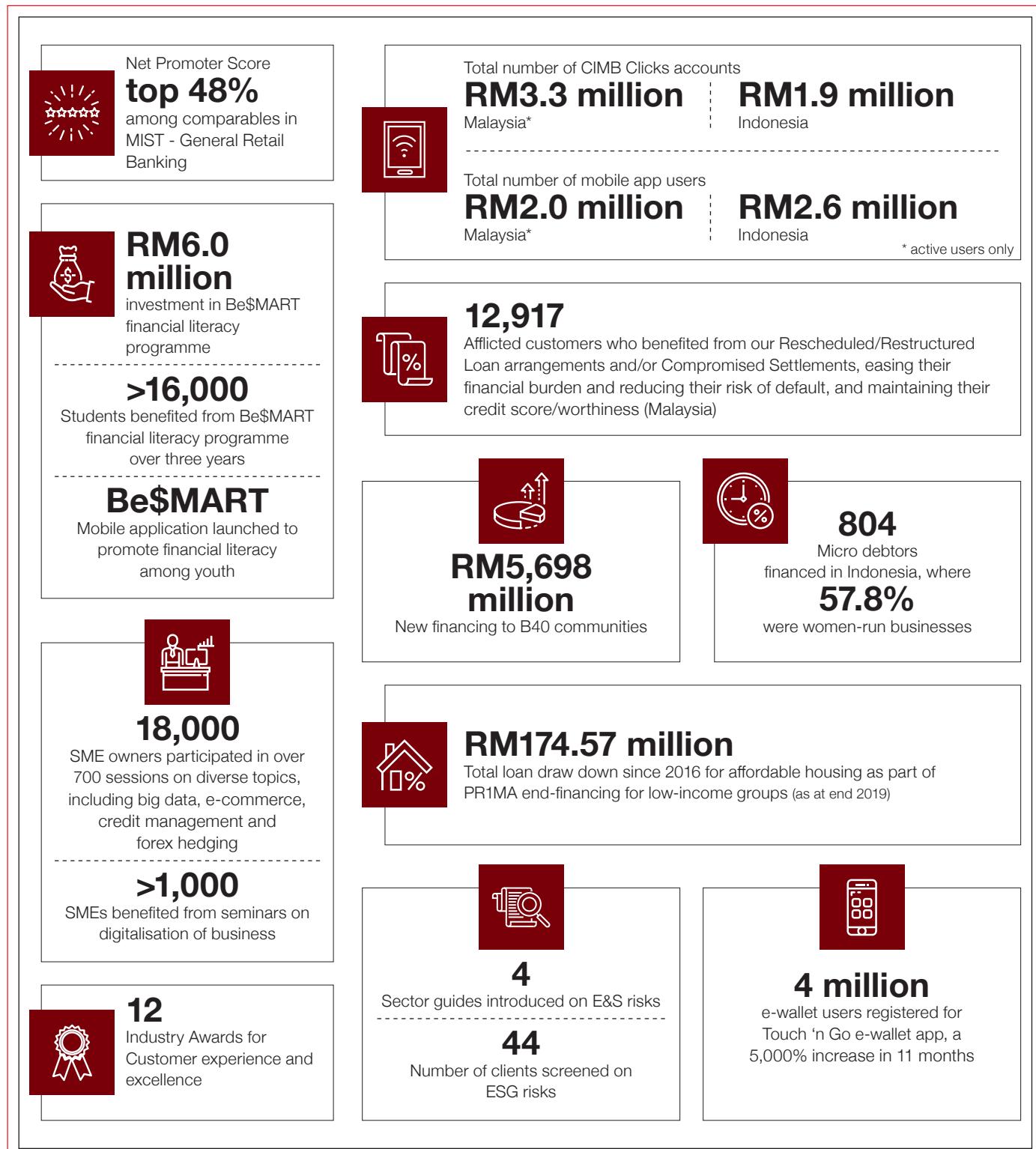
> SUSTAINABLE BUSINESS

Business can be a force for good. Key to this is to understand what sustainability means in the context of both business and stakeholders. Aligning business priorities with stakeholders' expectations is always the starting point. Over the last two years, we have started to take an outside-in orientation on business i.e., from stakeholders' perspectives. We are also working to reconcile the gaps, and change the way we measure our impact, our success and our stakeholder relationships.

Today, we are mindful of how we generate business profits in a responsible manner. **Our objective is to create net positive impact through our products and services. In the process, our long-term approach is to inspire and encourage our customers to contribute to sustainable business, by embracing sustainability principles and practices.**



SUSTAINABLE BUSINESS: PERFORMANCE HIGHLIGHTS 2019



sustainability statement

> CORPORATE SOCIAL RESPONSIBILITY



Transformative CSR catalyses meaningful development. For more than a decade, CIMB Foundation has been instrumental in championing causes which matter to the communities where we operate. From financial literacy to gender empowerment, and entrepreneurship to environmental stewardship, we continue to focus our efforts on identifying issues that impede socio-economic development of people who matter to us in all our markets. It is our mission to help communities prosper and positively contribute to shaping a better planet for future generations.

HOW DO WE MAP CORPORATE SOCIAL RESPONSIBILITY?

Material Topics



Corporate Citizenship & Volunteerism

FORWARD 23

Relevant Strategic Pivots



Sustainability

Key Considerations



- How do we instill new skills that can improve income potential, employability and competitiveness/competencies of employees, youth, women and SMEs?
- How do we impart knowledge that can improve health and productivity as well as performance of employees and community members?
- How do we provide a springboard for women, youth, SMEs, and seek meaningful participation of our stakeholders including employees, partners, suppliers, and customers in driving projects with socio-economic benefits?

Sustainable Development Goals (SDGs)



CORPORATE SOCIAL RESPONSIBILITY: PERFORMANCE HIGHLIGHTS 2019

**1,170**

CIMB Volunteers contributed

6,580

hours to support 68 projects, benefiting more than 40,000 community members

40,000

Total number of beneficiaries (CIMB Foundation)

**RM17.0 million**

spend on Natural Disaster & General Donations/Others

**RM11.1 million**

spend on Education

**RM11.1 million**

spend on Community Development

**RM6.6 million**

spend on Sports

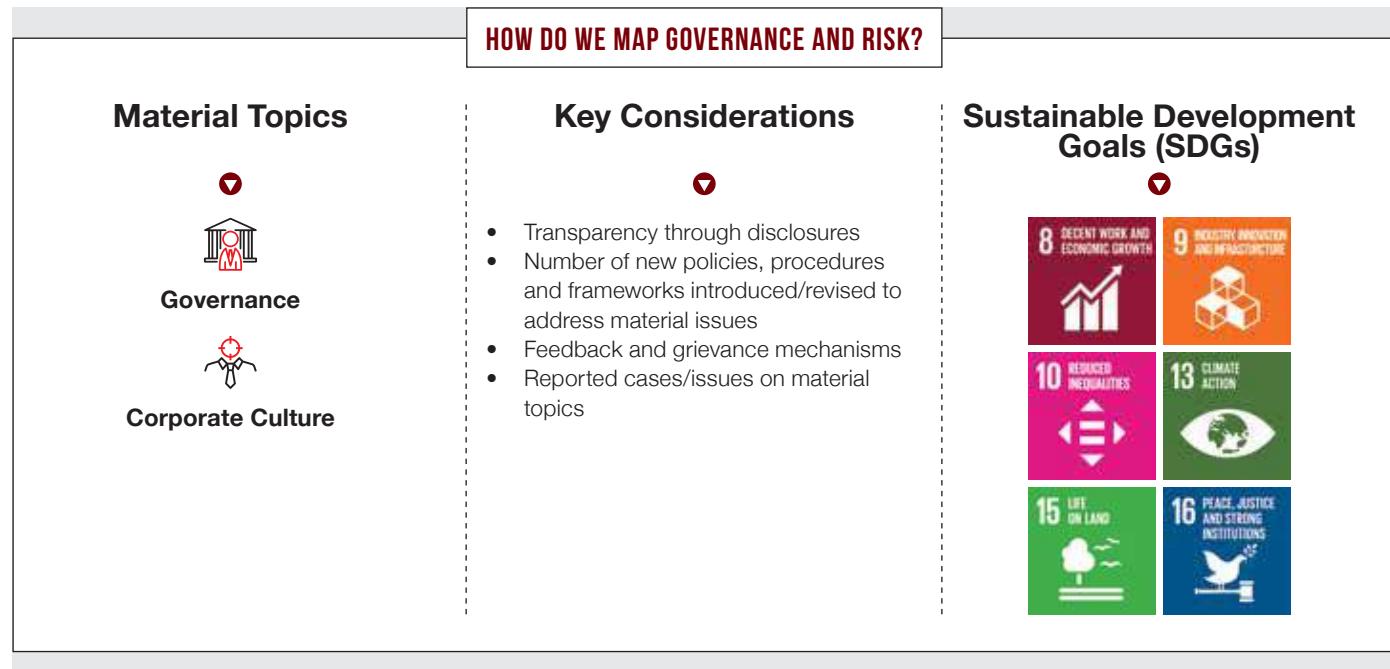
**RM45.8 million**

Total regional CSR spend

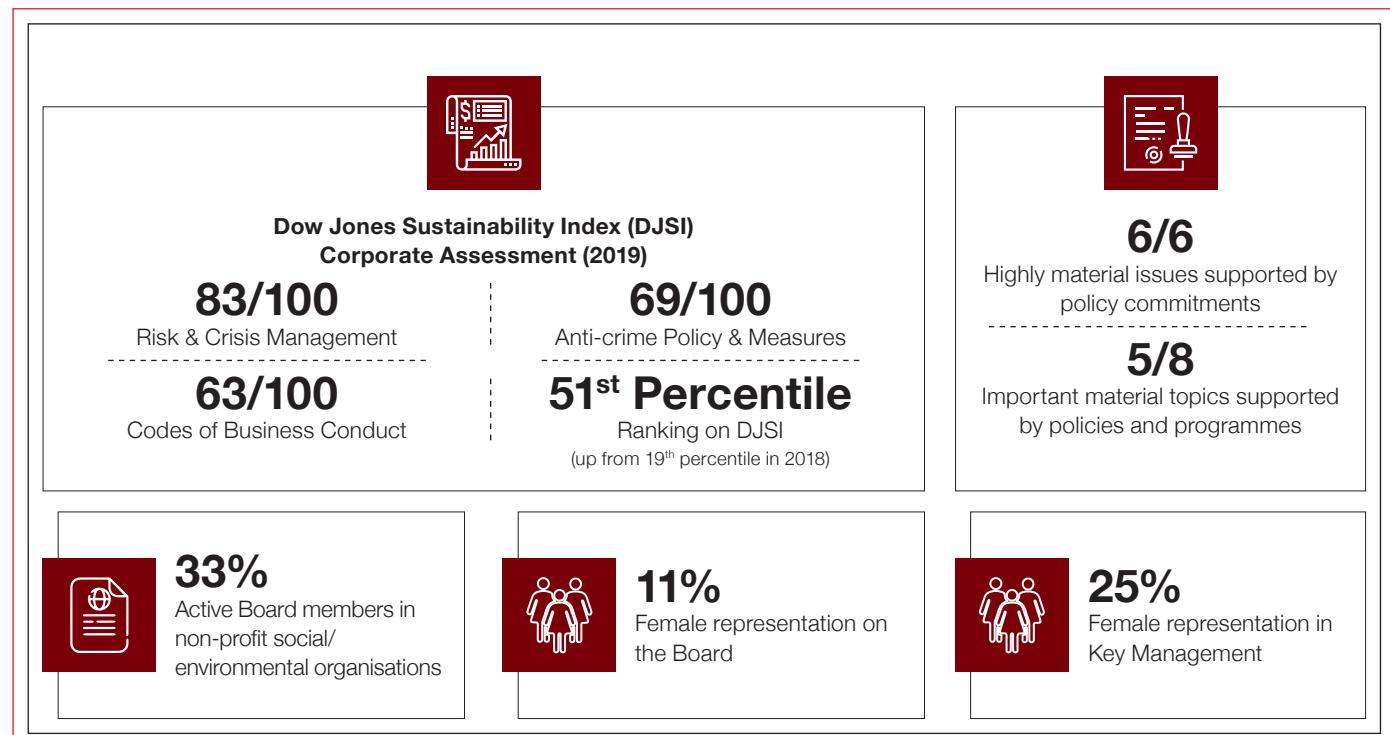
> GOVERNANCE & RISK



It is our responsibility to uphold a high standard of corporate governance. Effective corporate governance is pivotal to preserving the banking ecosystem and the economy as a whole.



GOVERNANCE & RISK: PERFORMANCE HIGHLIGHTS 2019



sustainability statement

> STAKEHOLDER ENGAGEMENT AND ADVOCACY



Systematic engagement is fundamental to understanding stakeholders' needs, while advocacy creates consensus and an ecosystem of support and change. While it is critical to analyse, understand and respond to the evolving expectations, needs, and issues of the priority stakeholders, it is equally important to reach-out to our employees, peers, clients, policymakers, regulators, as well as the government to advocate principles and programmes that will positively contribute to greater impact. The primary objective however for all engagement should be to not just raise awareness, but to mobilise support for enabling meaningful actions towards sustainable development.

At CIMB, over the past one year, we have invested our resources and time to first raise our level of engagement with internal stakeholders across the Group, mainly to orientate our employees in different functions on sustainability, sustainable finance, and sustainable development. We also extended our engagement efforts to include important stakeholders outside the organisation, initiating dialogue and deliberations with suppliers, clients, regulators, industry associations, government officials and business leaders on catalysing growth with responsibility towards our environment as well as our people.

HOW DO WE MAP STAKEHOLDER ENGAGEMENT AND ADVOCACY?

Material Topics



Sustainability Education and Participation

Key Considerations



- Enculturation of internal stakeholders and their sustainability orientation
- Sustainability-related engagements with external stakeholders
- Industry and stakeholder outreach, awareness, and advocacy efforts

Sustainable Development Goals (SDGs)



STAKEHOLDER ENGAGEMENT AND ADVOCACY: PERFORMANCE HIGHLIGHTS 2019



2,268

Number of employees trained/briefed on sustainability issues



22

Industry peers and financial institutions engaged on sustainability



189

CIMB Sustainability Champions

7

National and international working groups where CIMB is represented

regional notable deal

REGIONAL ADVISORY DEALS



Lotte Chemical Titan Holding Berhad

Divestment of 59,584,000 ordinary shares representing 49% of the issued share capital in PT Lotte Chemical Indonesia by Lotte Chemical Titan Holding Berhad to Lotte Chemical Corporation for a cash consideration of USD65,396,955



BlueScope Steel Limited

RM125.0 million acquisition by NS BlueScope (Malaysia) Sdn Bhd, a joint venture entity of BlueScope Steel Limited, of the coated coil business of YKGI Holdings Berhad

PARAMOUNT

Paramount Corporation Berhad

RM38.5 million disposal of Paramount Corporation Berhad's controlling interests in KDU University College Sdn Bhd, KDU University College (PG) Sdn Bhd and KDU College (PJ) Sdn Bhd



Xinghua Port Holdings Limited

Compliance Adviser to Xinghua Port Holdings Limited post its listing on the Main Board of the Stock Exchange of Hong Kong Limited

REGIONAL EQUITY DEALS



Sapura Energy Berhad

Strategic partnership between Sapura Energy Berhad ("SEB") and OMV Aktiengesellschaft, through a joint venture company, SEB Upstream Sdn. Bhd. involving:-

- Issuance of 50% equity interest in SEB Upstream Sdn. Bhd. for a consideration of USD625 million
- Repayment of an amount owing of USD350 million to SEB group



Federal Land Development Authority

FELDA's RM308.0 million (USD75.0 million) Maybank block trade

FELDA's RM263.8 million (USD63.7 million) Maybank block trade



AME Elite Consortium Berhad

RM166.6 million (USD39.7 million) IPO of AME Elite Consortium Berhad on Main Market Bursa Malaysia



Dusit Thani Freehold and Leasehold Real Estate Investment Trust

THB1.8 billion Dusit Thani Freehold and Leasehold REIT, Rights Offering and Public Offering



Axis Real Estate Investment Trust

Axis REIT's Follow-on Placement with Total Proceeds of RM340.5 million (USD81.5 million)



Aoyuan Healthy Life Group Company Limited

HKD737.0 million (USD94.0 million) IPO on the Main Board of the Stock Exchange of Hong Kong

Khazanah Nasional Berhad

Khazanah Nasional Berhad's RM1.1 billion (USD255.0 million) Tenaga Nasional Berhad block trade

regional notable deal

REGIONAL DEBT DEALS

Khazanah Nasional Berhad

Establishment of an Islamic Medium Term Notes Programme of up to RM10.0 billion in nominal value via Danum Capital Berhad

USD500.0 million Guaranteed Exchangeable Bonds via Cerah Capital Ltd

LLPL Capital Pte Ltd

USD775.0 million Guaranteed Project Financing Notes

**CIMB Bank Berhad**

USD680.0 million Formosa Sustainable Development Goals Bond

**LMIRT Capital Pte. Ltd.**

USD250.0 million Guaranteed Senior Notes

**RCE Marketing Sdn Bhd via Zamarad Assets Berhad**

RM2.0 billion Asset-Backed Securitisation Sukuk Programme

**Kuala Lumpur Kepong Bhd**

RM2.0 billion Islamic Medium Term Notes Programme



PENANGPORT

A Member of MMC Group

Penang Port Sdn Bhd

RM1.0 billion Islamic Medium Term Notes Programme

**Genting Berhad via its wholly-owned subsidiary Genting RMTN Berhad**

RM10.0 billion Medium Term Notes Programme

YTL Corporation Berhad

SINCE 1955

YTL Corporation Berhad

RM500.0 million Medium Term Notes

**PT Sarana Multi Infrastruktur (Persero)**

IDR1,000.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche II of IDR3,000.0 billion

IDR3,000.0 billion Senior Bonds via 2nd Shelf Registration Programme Tranche I of IDR25,000.0 billion

IDR4,096.0 billion Senior Bonds via 2nd Shelf Registration Programme Tranche II of IDR25,000.0 billion and IDR1,000.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche III of IDR3,000.0 billion

IDR2,808.3 billion Senior Bonds via 2nd Shelf Registration Programme Tranche III of IDR25,000.0 billion

**PT Sarana Multigriya Finansial (Persero)**

IDR2,511.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche VIII of IDR12,000.0 billion

IDR1,850.5 billion Senior Bonds via 4th Shelf Registration Programme Tranche VII of IDR12,000.0 billion

IDR2,000.0 billion Senior Bonds via 5th Shelf Registration Programme Tranche I of IDR19,000.0 billion and IDR100.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche I of IDR2,000.0 billion

REGIONAL DEBT DEALS (CONTINUED)



Lembaga Pembiayaan Ekspor Indonesia

IDR2,000.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche V of IDR26,000.0 billion

IDR1,058.6 billion Senior Bonds via 4th Shelf Registration Programme Tranche VII of IDR26,000.0 billion

IDR1,661.5 billion Senior Bonds via 4th Shelf Registration Programme Tranche VIII of IDR26,000.0 billion

IDR1,018.5 billion Senior Bonds via 4th Shelf Registration Programme Tranche VI of IDR26,000.0 billion and IDR150.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche IV of IDR6,000.0 billion

IDR3,857.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche IV of IDR26,000.0 billion and IDR441.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche III of IDR6,000.0 billion



PT Adira Dinamika Multi Finance Tbk

IDR618.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche IV of IDR9,000.0 billion and IDR214.0 billion Mudharabah Sukuk via 3rd Shelf Registration Programme Tranche III of IDR1,000.0 billion

IDR1,192.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche VI of IDR9,000.0 billion



PT Bank Tabungan Negara (Persero) Tbk

IDR4,144.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche II of IDR10,000.0 billion



PT Semen Indonesia (Persero) Tbk

IDR4,078.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche II of IDR8,000.0 billion



motorcycle financing

PT Federal International Finance

IDR2,360.3 billion Bonds via 3rd Shelf Registration Programme Tranche V of IDR15,000.0 billion

IDR1,500.0 billion Bonds via 4th Shelf Registration Programme Tranche I of IDR15,000.0 billion



PT Bank CIMB Niaga Tbk

IDR2,000.0 billion Mudharabah Sukuk via 1st Shelf Registration Programme Tranche II of IDR4,000.0 billion

IDR1,823.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche I of IDR6,000.0 billion and IDR83.0 billion Subordinated Bonds via 1st Shelf Registration Programme Tranche I of IDR2,000.0 billion



PT Astra Sedaya Finance

IDR2,225.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche II of IDR8,000.0 trillion

IDR1,556.7 billion Senior Bonds via 4th Shelf Registration Programme Tranche 3 of IDR8,000.0 billion



PT Indosat Tbk

IDR1,500.0 trillion Senior Bonds via 3rd Shelf Registration Programme Tranche I of IDR7,000.0 trillion and IDR500.0 billion Ijarah Sukuk via 3rd Shelf Registration Programme Tranche I of IDR3,000.0 trillion

IDR2,587.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche II of IDR7,000.0 billion and IDR794.0 billion Ijarah Sukuk via 3rd Shelf Registration Programme Tranche II of IDR3,000.0 billion



Permodalan Nasional Madani

PT Permodalan Nasional Madani (Persero)

IDR2,000.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche I of IDR6,000.0 billion

IDR1,350.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche II of IDR6,000.0 billion



Dedication for Movement

PT Waskita Beton Precast Tbk

IDR500.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche I of IDR2,000.0 billion

IDR1,500.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche II of IDR2,000.0 billion



PT Bank Danamon Indonesia Tbk

IDR2,000.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche I of IDR5,000.0 billion

regional notable deal

REGIONAL DEBT DEALS (CONTINUED)

**PT Mandiri Tunas Finance**

IDR2,000.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche II of IDR3,000.0 billion

IDR1,000.0 billion Senior Bonds via 4th Shelf Registration Programme Tranche I of IDR3,000.0 billion

**PT Indonesia Infrastructure Finance**

IDR1,500.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche I of IDR3,000.0 billion

**PT XL Axiata Tbk**

IDR634.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche II of IDR5,000.0 trillion and IDR640.0 billion Ijarah Sukuk via 2nd Shelf Registration Programme Tranche II of IDR5,000.0 billion

**PT Tower Bersama Infrastructure Tbk**

IDR750.0 billion Senior Bonds via 3rd Shelf Registration Programme Tranche III of IDR7,000.0 billion

**PT JACCS Mitra Pinasthika Mustika Finance Indonesia**

IDR664.0 billion Senior Bonds I

**PT Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk**

IDR248.0 billion Senior Bonds via 1st Shelf Registration Programme Tranche III of IDR3,500.0 billion

**True Corporation Public Company Limited**

THB8.5 billion Senior Unsecured Debenture

THB12.2 billion Senior Unsecured Debenture

THB22.9 billion Senior Unsecured Debenture

**Ananda Development PCL**

THB4.0 billion Senior Unsecured Debenture

THB2.5 billion Senior Unsecured Debenture

**TPI Polene Power PCL**

THB4.0 billion Senior Unsecured Debenture

REGIONAL LOAN SYNDICATION DEALS

**PT Chandra Sakti Utama Leasing**

Syndicated Term Financing of USD130.0 million

**Kulim (Malaysia) Berhad**

Syndicated Term Financing-i Facility of up to RM1.5 billion

notable achievements

MSWG-ASEAN CORPORATE GOVERNANCE AWARDS 2018

- Industry Excellence Award – Finance (1st place)
- Excellence Award for CG Disclosure (1st place)
- Excellence Award for Overall CG & Performance (4th place)

MALAYSIA E-PAYMENTS EXCELLENCE AWARDS (MEEA) 2019

- Best E-Payment Bank
- Best IBFT Bank
- MyDebit Market Expansion

ALPHA SEA REGIONAL ISLAMIC FINANCE AWARD 2019

- Best Islamic Finance Sukuk House
- Best FX Bank for Corporate Islamic Treasury

THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2019

- Best Exchangeable Sukuk
- Best Sovereign Sukuk/Best Green Sukuk
- Best Corporate Sukuk
- Best Unrated Sukuk
- Best Local Currency Sukuk
- Best Islamic Project Finance Deal
- Power Deal of the Year – Malaysia
- Transport Deal of the Year – Malaysia

ALPHA SEA BEST FINANCIAL INSTITUTION AWARDS 2019

- Best Cash Management Bank in Malaysia
- Best Equity House in Malaysia
- Best Institutional Broker in Malaysia

THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2019

- Best Digital Bank in Malaysia
- Best Retail Bank in Malaysia
- Retail Banker of the Year in Asia Pacific 2019 – Samir Gupta

GLOBAL FINANCE WORLD'S BEST ISLAMIC FINANCIAL INSTITUTIONS AWARDS 2019

- Best Sukuk Bank
- Best Islamic Trade Finance Provider
- Best Islamic Bank CSR

NEXT-GEN CUSTOMER EXPERIENCE IN FINANCIAL SERVICES AWARDS 2019

- Excellence Net Promoter Score
- Best Customer Experience – Branch
- Best Customer Experience Business Model (Highly Acclaimed)
- Best Use of Customer Feedback (Highly Acclaimed)
- Best Client On-Boarding Initiative (Highly Acclaimed)
- Best Use of Data Analytics (Highly Acclaimed)
- Best Customer Experience – Contact Centre (Highly Acclaimed)

EUROMONEY AWARDS FOR EXCELLENCE ASIA 2019

- Malaysia's Best Investment Bank

FINANCEASIA COUNTRY AWARDS 2019

- Best Investment Bank – Malaysia
- Best DCM House – Malaysia
- Best ECM House – Malaysia
- Best Private Bank – Malaysia

FINANCEASIA HOUSE AWARDS 2019

- Islamic Finance House of the Year

ALPHA SEA 13TH DEAL & SOLUTION AWARDS 2019

- Best Bond House in Southeast Asia
- Best Islamic Finance Deal in Southeast Asia
- Best Islamic ABS-Backed Sukuk
- Best Secondary Deal & Best Convertible Securities in Southeast Asia
- Best Refinancing Deal in Southeast Asia

NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2019

- Most Outstanding Annual Report of the Year – Platinum
- Industry Excellence Awards – Finance
- Inclusiveness and Diversity Reporting Award – Silver
- Best Designed Annual Report – Gold

corporate event highlights





22 April 2019 CIMB Group's 62nd Annual General Meeting, Sime Darby Convention Centre.



23 May 2019 Majlis Berbuka Puasa CIMB Group, Masjid Ar-Rahah.



30 May 2019 CIMB Foundation Hari Raya Shopping with underprivileged children, Mydin Kuantan.



26 June 2019 CIMB Hari Raya Open House, The St. Regis Kuala Lumpur.



23 July 2019 Konser Kerja Mimpi Untuk Indonesia Jakarta, Jakarta Convention Center.



23-27 September 2019 CIMB Young Asean Leaders, UKM Bangi.



1 & 2 October 2019 The Cooler Earth – Sustainable Finance Summit, Plenary Hall, KLCC.



23 November 2019 The Music Run, KL Sports City (Bukit Jalil Stadium).

media highlights

CIMB launches RM100m green energy financing for SMEs

2 October 2019 | The Edge Financial Daily



8 April 2019 | New Straits Times



CIMB on track to disburse RM15b financing to SMEs by 2020

26 September 2019 | The Edge Financial Daily



CIMB offers half-year paid maternity leave for first-time mothers

7 January 2019 | Borneo Post (Kuching)

CIMB Foundation – CIMB Young ASEAN Leaders Sharing Session with Tengku Dato' Sri Zafrul Tengku Abdul Aziz



30 September 2019 | The Edge Financial Daily

CIMB SETS ASIDE EXTRA RM400M FOR IT, OPERATIONS PAGE 19

FORWARD2030'S BLUEPRINT:

CIMB TO FOCUS ON TECH, DATA SEGMENT

23 April 2019 | New Straits Times

CIMB Niaga posts 16.9% net profit growth in 2018

21 February 2019 | The Sun

CIMB TAKES THE NEXT STEP FORWARD

The thinking behind Forward2030 is that we want to accelerate our growth in some of the markets and we want to future-proof as well to ensure that we are sustainable in the long run.

Forward2030 is the strategic plan that will take CIMB to 2030. It is a bold, forward-thinking plan that will see CIMB become a truly integrated, diversified and sustainable bank. The plan is built on three pillars: digital banking, retail banking and corporate banking. The plan also includes a focus on sustainability and environmental, social and governance (ESG) issues. The plan aims to achieve a 10% annual growth rate over the next 10 years, with a focus on high-value customers and a strong emphasis on innovation and technology.

11 March 2019 | The Edge

CIMB Islamic and Takaful Ikhlas aim for RM168 million, 11% YoY growth through strategic partnership

聯昌伊銀 Takaful Ikhlas 合作

冀未來5年
業務增11%



19 August 2019 | China Press

Lender allocates additional RM400m to improve bank ops, IT infrastructure

KUALA LUMPUR:

CIMB Bank Bhd will be more aggressive in its investment in information technology (IT) and its bank operations in the financial year 2019 (FY19).

To this end, it has allocated an additional RM400 million on top of existing business-as-usual allocations.

Under the bank's next Five-year Forward2030 blueprint, CIMB has set aside RM2 billion for expenditure in the technology and data segment.

Group chief executive officer



Tengku Dato Sri Zafrul Tengku Mohd Nasir said following the use of its capital expenditure this year, the group was anticipating

that return on equity (ROE) growth for FY19.

"However, ROE growth would be better this year at around 12

CIMB Bank appoints Victor Lee Meng Teck as Singapore CEO



2 January 2020 | The Edge Markets

CIMB crowned M'sia's Best Digital Bank 2018, Best Retail Bank



25 March 2019 | Borneo Post (Kuching)

CIMB Islamic provides RM100 min financing for SMEs to achieve halal status

CIMB ISLAMIC

29 November 2019 | New Sabah Times English (KK)

CIMB Cycle 2019



22 April 2019 | The Edge Financial Daily

CIMB-Principal Asset Management Bhd

WON TWO FUND AWARDS



26 September 2019 | The Edge Financial Daily

ALL-DIGITAL, MOBILE-FIRST

CIMB makes banking presence in Philippines



KUALA LUMPUR: CIMB Group Holdings Bhd has officially made

30 January 2019 New Straits Times

Will tomorrow thank us for today's actions?



17 June 2019 The Edge

CIMB's RM5.58b profit tops forecast

INFO BOX
24.6PC
Year-on-year increase in CIMB Group's earnings for last year
RM2.37B
Total dividend payout for last year

1 March 2019 New Straits Times

CIMB tingkat kemahiran digital kakitangan



"Pekerja kami adalah aset kami yang paling bernilai, mereka adalah kunci untuk kami mencapai sasaran itu"

Tengku Zafrol Aziz,
Ketua Eksekutif Kumpulan CIMB

29 April 2019 Berita Harian

Investasi Teknologi dan SDM



29 April 2019 Kompas

CIMB collaborates with PayNet to introduce contactless payment solution



19 December 2019 Borneo Post (Kuching)

CIMB Foundation's Hari Raya Shopping programme



31 May 2019 China Press (East Coast)

CIMB Singapore eyes US\$100m of trade financing via blockchain

First structured trade financing transaction on platform run by Singapore-based iTrust was completed this month

18 October 2019

The Business Times (Singapore)

CIMB Niaga Resmikan Digital Lounge @Home



27 September 2019 Suara Pembaruan

CIMB Islamic wins Best Islamic Bank at IFN Awards



25 March 2019 The Edge Financial Daily

CIMB Thai announces 2020 strategy



26 December 2019 Money and Banking

CGS-CIMB Securities Sdn Bhd commences operations in Malaysia



CGS-CIMB證券正式投運

CGS-CIMB Securities Sdn Bhd

CGS-CIM

shareholders' statistics

as at 1 March 2020

Issued and Paid-up Share Capital : RM25,843,808,000 comprising 9,922,966,350 ordinary shares

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS (AS PER THE RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares
1 – 99	2,948	4.45	99,680	0.00
100 – 1,000	25,036	37.79	11,044,758	0.11
1,001 – 10,000	28,660	43.25	106,214,184	1.07
10,001 – 100,000	7,936	11.98	208,527,773	2.10
100,001 – 496,148,316 ^(*)	1,674	2.53	5,482,176,676	55.25
496,148,317 and above ^(**)	3	0.00	4,114,903,279	41.47
Director holding	0	0.00	0	0.00
Total	66,257	100.00	9,922,966,350	100.00

Notes:^{*}1 Less than 5% of issued holdings.^{*}2 -5% and above of issued holdings.^{*}3 Less than 0.01%.^{*}4 Excludes 4,908 shares retained as treasury shares as at 1 March 2020.

ANALYSIS OF EQUITY STRUCTURE (AS PER THE RECORD OF DEPOSITORS)

Category of Shareholders	No. of Holders			No. of Shares			% of		
	Malaysian			Malaysian			Malaysian		
	Bumiputra	Non-Bumiputra	Foreign	Bumiputra	Non-Bumiputra	Foreign	Bumi-putra	Non-Bumi-putra	Foreign
1) Individual	8,324	43,545	885	21,203,149	283,841,928	14,228,792	0.21	2.86	0.14
2) Body Corporate									
A) Banks/Finance Companies	73	5	0	1,946,148,421	773,551	0	19.61	0.01	0.00
B) Investments Trusts/ Foundation/ Charities	0	7	0	0	599,620	0	0.00	0.01	0.00
C) Other Types of Companies	67	539	26	2,364,082,005	63,277,333	24,261,843	23.82	0.64	0.24
3) Government Agencies/Institutions	4	0	0	31,179,190	0	0	0.31	0.00	0.00
4) Nominees	7,146	4,015	1,621	299,808,127	1,899,846,675	2,973,715,716	3.02	19.15	29.97
5) Trustee	0	0	0	0	0	0	0.00	0.00	0.00
6) Others	0	0	0	0	0	0	0.00	0.00	0.00
	15,614	48,111	2,532	4,662,420,892	2,248,339,107	3,012,206,351	46.97	22.67	30.35
Grand Total	66,257			9,922,966,350			99.99		

DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	No. of Shares Held			
	Direct Interest	%*1	Deemed Interest	%*1
Tengku Dato' Sri Zafrul bin Tengku Abdul Aziz	1,780,558	0.02	–	–
Dato' Lee Kok Kwan	1,205,072	0.01	88,648	–*2

Notes:

*1 Excludes 4,908 shares retained as treasury shares as at 1 March 2020.

*2 Less than 0.01%.

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDINGS)

Name of Substantial Shareholders	No. of Shares Held			
	Direct	%*1	Indirect	%*1
Khazanah Nasional Berhad	2,358,894,374	23.77	–	–
Employees Provident Fund	1,322,121,341	13.32	–	–
Kumpulan Wang Persaraan (Diperbadankan)	591,190,821	5.96	–	–

Notes:

*1 Excludes 4,908 shares retained as treasury shares as at 1 March 2020.

*2 Includes shares held through nominees.

30 LARGEST SHAREHOLDERS (AS PER REGISTER OF MEMBERS AND RECORDS OF DEPOSITORS)

Name of Shareholders	No. of Shares Held	% of Issued Capital*1
1. Khazanah Nasional Berhad	2,358,894,374	23.77
2. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	1,164,818,084	11.74
3. Kumpulan Wang Persaraan (Diperbadankan)	591,190,821	5.96
4. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	483,995,262	4.88
5. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 – Wawasan</i>	232,711,556	2.35
6. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	174,825,338	1.76
7. HSBC Nominees (Asing) Sdn Bhd <i>SBL Exempt An for J P Morgan Securities Plc</i>	124,844,631	1.26
8. Citigroup Nominees (Asing) Sdn Bhd <i>CBHK for Fubon Life Insurance Co., Ltd (CTL)</i>	118,189,200	1.19
9. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	117,833,930	1.19
10. Cartaban Nominees (Asing) Sdn Bhd <i>GIC Private Limited for Government of Singapore (C)</i>	109,038,388	1.10

shareholders' statistics

as at 1 March 2020

Name of Shareholders	No. of Shares Held	% of Issued Capital*1
11. Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	107,489,197	1.08
12. HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for The Prudential Assurance Company Limited (OBA ESI)</i>	104,334,350	1.05
13. HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	103,797,038	1.05
14. HSBC Nominees (Asing) Sdn Bhd <i>SBL Exempt An For Credit Suisse Securities (Europe) Limited</i>	103,487,016	1.04
15. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	101,440,874	1.02
16. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (West CLT OD67)</i>	95,485,912	0.96
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	86,985,945	0.88
18. Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	79,141,233	0.80
19. CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>RSS/SBL Exempt An for CGS-CIMB Securities Sdn Bhd</i>	77,267,818	0.78
20. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>BNYM SA/NV for Eastspring Investments – Asian Equity Fund</i>	73,703,582	0.74
21. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for AIA Bhd.</i>	71,258,066	0.72
22. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Nomura)</i>	59,655,951	0.60
23. Permodalan Nasional Berhad	54,280,113	0.55
24. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Dimensional Emerging Markets Value Fund</i>	52,637,782	0.53
25. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Citibank New York (Norges Bank 14)</i>	51,166,453	0.52
26. HSBC Nominees (Asing) Sdn Bhd <i>JPMBL SA for Stichting Depositary APG Emerging Markets Equity Pool</i>	48,451,834	0.49
27. HSBC Nominees (Asing) Sdn Bhd <i>JPMBL for UBS (IRL) Investor Selection Public Limited Company – Global Equity Long Short Fund</i>	46,217,317	0.47
28. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)</i>	41,874,595	0.42
29. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Citibank New York (Norges Bank 1)</i>	37,629,671	0.38
30. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	36,738,247	0.37
Total	6,909,384,578	69.65

Note:

*1 Excludes 4,908 shares retained as treasury shares as at 1 March 2020.

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 Committee (GRC) or its sub-committee(s) and approved by our Board or Board Risk 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 affected 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.	Group Outsourcing Policy	This document sets out how outsourcing arrangements in the Group are managed across the lifecycle of the arrangement to ensure proper controls in place in managing outsourcing risk.
4.	a) Business Continuity Management Policy b) Business Continuity Management Procedure	These documents provide the policies and procedures in responding to a disruption, crisis and/or disaster and to resume critical business functions.
5.	Group Corporate Communications	This document sets out the framework for the dissemination of information by the Group to its shareholders, media and other stakeholders. Information given by the Group to the general public shall always be timely, accurate, relevant and reliable so as to enable a properly informed view of how the Group is governed, its financial and operational performances, future prospects and key corporate developments.
6.	Group Crisis Communications Guidelines	Crises affect organisations in varying degrees and frequency. The challenge for the affected organisation is to manage these crises well in order to get back to the business of running the organisation as quickly as possible. CIMB Group has a Crisis Communications Guide to aid effective response and communication with affected stakeholders in a timely and consistent manner. It defines crisis, crisis classification, escalation procedures, and the establishment of a crisis communication management team and centre.
7.	a) Group Data Management Policy Manual b) Group Data Management Procedure	These policies and procedures enable a structured approach to the management of data and dissemination of information throughout CIMB Group. The manual spells out the data governance and management information system frameworks.

internal policies, procedures and guidelines

No.	Title	Description
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 encompass 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 terms of employment for CIMB employees. These include recruitment terms such as emolument, retirement, working days and hours, office wear, conduct and discipline. The handbook sets out employment benefits including allowances and claims, medical benefits, benefits-in-kind, leave, and employee loans.
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. Seven days of volunteering entitles staff to one day of annual leave in the following year.
14.	Staff Welfare Fund	The Staff Welfare Fund is established to provide financial assistance to our staff and their family members to cope with high medical expenses, as a result of being involved in an accident or due to serious illness. The fund is also used to assist in loss/damage of property due to natural disasters e.g. fire/flood.
15.	Sexual Harassment Policy & Guidelines	These documents set out the policies and guidelines to maintain a working environment which is free of sexual coercion and annoyance. CIMB Group is committed to ensure that all employees are protected from harassment of any kind and in particular from sexual harassment. The policy covers all CIMB Group employees including contract and temporary employees.
16.	Whistle Blowing Policy	This document is in place to ensure CIMB Group has a disciplined and professional workforce. Under this policy, employees are required to promptly report incident of wrongdoings, malpractices or irregularities at their workplace to the Management for immediate rectification and action and the Management is committed to ensure strict confidentiality and will not only protect the identity of the complainants and will also protect the complainant from any harassment and victimisation at work due to the disclosure.
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.

No.	Title	Description
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.
20.	a) Shariah Advisory and Board Shariah Committee Secretariat Policy b) Shariah Advisory and Board Shariah Committee Secretariat Procedure	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. 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 Management Policy b) Group Fraud Risk Governance and Procedure	These documents set out clear directives and guidelines on CIMB Group's fraud risk governance framework. It provides guideline on the parties responsible to (i) instantly respond to a fraud/suspected fraud incident; (ii) take measures to recover or prevent from further loss of funds and limit any adverse publicity that potentially results in reputation damage; (iii) take necessary actions to strengthen the operational policies and procedures, including systems, whenever a fraud/suspected fraud has occurred either within the CIMB Group or the Industry.
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.

internal policies, procedures and guidelines

No.	Title	Description
24.	a) Technology Risk Management Policy b) Technology Risk Management Procedure	These documents provide a consistent and unified approach for developing, managing and improving technology (including Cyber) risk management within the Group's business operations. It comprises of a systematic method to identify, analyse, evaluate, treat, monitor and communicate technology risks associated with any activity, function or process, thereby protecting the Group by minimising its losses.
25.	a) Group Compliance Policies b) Group Compliance Procedures	These documents are to establish a compliance programme framework to ensure compliance with relevant laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its regulated and licenced activities that govern the overall working of the business and support units within CIMB Group.
26.	a) Group Competition Law Policy b) Group Competition Law Procedure	The Malaysian Competition Act came into force in 2012 and has changed the business landscape in Malaysia and affected the way all Malaysian businesses operate. The Competition Law Manual provides an overview of the Competition Act and guides all business units within the Malaysian banking entities of CIMB Group to familiarise and understand the competition laws of Malaysia. It is a general guide on anti-competitive conduct, anti-competitive agreements and compliance reporting of any violations or breach of the Malaysian Competition Act.
27.	Group Liquidity Risk Management Policy	This is the primary reference document on matters relating to the key principles for the liquidity risk management framework of banking entities within CIMB Group. The policy sets out key approaches and critical areas for an integrated liquidity risk management process including liquidity risk strategies, management oversight, roles and responsibilities of various divisions/departments, risk controls and monitoring procedures to ensure that the Group has sufficient liquidity to meet its obligations as they fall due. Group's contingency funding plan is in place to alert and to enable the management to act effectively and efficiently during a liquidity crisis and under adverse market conditions.
28.	Group Reputation Risk Policy	The policy sets out the Group's approach to identifying and managing its reputation risks within board set appetite. The policy leverages off existing Operational Risk Management tools and provides additional oversight and monitoring through a Group Operational & Resiliency Risk Committee (GORRC).
29.	Group Credit Risk Policy (with Islamic addendum)	These documents set out the broad Credit and Financing Policies, applicable to the CIMB Group Conventional and Islamic Banking businesses, with the purpose to establish the discipline for orderly extension of credit and financing 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.

No.	Title	Description
32.	CIMB Group Enterprise-Wide Risk Management (EWRM) Framework	This describes the policies, guidelines and methodologies for managing risk across the Group. It 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 policy 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 policy sets out the Group's approach in managing operational risk. The policy sets out the tools used by the first line of defence to identify, assess, manage and report their operational risks.
35.	Group Interest Rate Risk/Rate of Return In Banking Book Policy	This is the Group's primary reference document on the key principles for the interest rate risk management for the non-traded books. This policy also sets out the approving authority of risk policies, Board and management oversight, roles and responsibilities of divisions/departments, risk measurement methodologies, risk 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 explanation/illustration that could facilitate the Group in identifying, assessing, controlling and monitoring SNC risk inherent in its Islamic products and day-to-day activities.
37.	Group Credit Risk Policy	This Policy sets out the credit risk guiding principles for application across the Group to ensure consistency in its credit risk management activities.
38.	Group New Product Approval Procedure	This Policy sets out a consistent framework to risk manage the launch of new and varied products. New products will be subjected to a robust internal approval process that requires objective review and appropriate senior management sign off before they are offered to customers or investors.
39.	Group Retail Credit/Financing Policy	This Policy is an overarching group policy which governs the credit aspects of Retail lending business. It applies to major retail lending products such as Property Financing, Vehicle Financing, Credit Cards and other revolving credit facilities, secured and unsecured term financing, for CIMB retail banking in all the countries where CIMB is present.
40.	Group Internal Capital Adequacy Assessment Process (ICAAP) Policy	This Policy describes the policies aspects of ICAAP for all entities within CIMB Group. It ensures adequate policies are in place for efficient and proper conduct of ICAAP across various divisions within the Group. The Policy also sets out the key ICAAP requirements which include assessing the risk profile of the bank, assessing capital adequacy, monitoring compliance with regulatory requirement on capital adequacy, reporting to management and regulator on ICAAP and ICAAP governance and independent review.

internal policies, procedures and guidelines

No.	Title	Description
41.	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.
42.	Group Internal Audit Policy Manual	This document sets out the policies, strategies and detailed procedures of GIAD in order to deliver an efficient and effective internal audit service (including investigation) in congruence with the goals of the CIMB Group of Companies.
43.	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"> • Directors' and Responsible Officers' requirements, roles and responsibilities • Management accountability • Committee structure and oversight • Adherence to Group Policies and Procedures • Inter-entity Service Level Agreements • Adherence to the Group Financial Booking Governance • Financial Delegation of Authority
		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.
44.	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.
45.	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.
46.	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.
47.	a) Disclosure of Customer Information to Law Enforcement Agency Policy Manual b) Disclosure of Customer Information to Law Enforcement Agency Procedure Manual	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.
		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.

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	5	700,000,000	2015	Dec-19
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	20	281,914,822	1999	Sep-16
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	3	125,767,982	2015	May-19
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	12	120,998,526	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 2023	4	29	74,148,181	2001	May-19
Jl. Gajah Mada 18 Jakarta Pusat	3 storey office building used as CIMB Niaga Head Office and Branch.	Leasehold expiring on 17 January 2036	17	29	52,865,999	2006	May-19
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 2023	4	27	51,833,058	2012	May-19
Synergy Building Jl. Sutera Barat Kav 17 Alam Sutera, Serpong Tangerang, Banten	20 storey office bulding, CIMB Niaga owned 7 Floors (GF, UG, 1st, 2nd, 3rd, 5th, 6th), used as CIMB Niaga Branch and Head Office business support.	Leasehold expiring on 3 April 2024	5	8	40,027,733	2014	May-19
CIMB Niaga Kebon Sirih Jl. Kebon Sirih 33 Jakarta Pusat	CIMB Niaga Branch premises.	Leasehold expiring on 22 August 2031	12	35	33,118,073	2003	May-19
Berita Satu Plaza Jl Gatot Subroto Kav 35-36, Jakarta Selatan	CIMB Niaga owned 3 Floors (GF, 1st, 3rd), used as CIMB Niaga Branch and Head Office business support.	Leasehold expiring on 31 March 2024	5	35	30,127,975	1997	May-19

corporate information

as at 1 March 2020

BOARD OF DIRECTORS	Datuk Mohd Nasir Ahmad Chairperson/Independent Director	Robert Neil Coombe Independent Director	Afzal Abdul Rahim Independent Director
>	Tengku Dato' Sri Zafrul Tengku Abdul Aziz Group Chief Executive Officer/ Executive Director	Dato' Mohamed Ross Mohd Din Independent Director	Didi Syafruddin Yahya Independent Director <i>(Appointed on 7 May 2019)</i>
	Teoh Su Yin Senior Independent Director	Dato' Lee Kok Kwan Non-Independent Director	Tongurai Limpiti Independent Director <i>(Appointed on 7 May 2019)</i> <i>(Resigned on 30 December 2019)</i>

GROUP COMPANY SECRETARY	Datin Rossaya Mohd Nashir LS 0007591	AUDIT COMMITTEE	Dato' Mohamed Ross Mohd Din Chairperson/ Independent Director	Datuk Mohd Nasir Ahmad Independent Director
>		>		Teoh Su Yin Senior Independent Director

BOARD RISK AND COMPLIANCE COMMITTEE	Robert Neil Coombe Chairperson/Independent Director	Teoh Su Yin Senior Independent Director	Dato' Mohamed Ross Mohd Din Independent Director
>	Datuk Mohd Nasir Ahmad Independent Director	Dato' Lee Kok Kwan Non-Independent Director	Ahmad Zulqarnain Che On Non-Independent Director

GROUP NOMINATION AND REMUNERATION COMMITTEE	Teoh Su Yin Chairperson/ Senior Independent Director	GROUP SHARIAH COMMITTEE	Dr Shafaai Musa Chairperson/Independent Member
>	Datuk Mohd Nasir Ahmad Independent Director	>	Sheikh Professor Dr Yousef bin Abdullah Al Shubaily Independent Member
	Dato' Mohamed Ross Mohd Din Independent Director		Sheikh Dr Nedham Yaqoobi Independent Member
	Ahmad Zulqarnain Che On Non-Independent Director		Associate Professor Dr Aishath Muneez Independent Member
	Robert Neil Coombe Independent Director		Ahmed Baqar Rehman Independent Member <i>(Appointed on 1 June 2019)</i>
	Didi Syafruddin Yahya Independent Director <i>(Appointed on 7 May 2019)</i>		Sheikh Professor Dr Mohammad Hashim Kamali Independent Member <i>(Contract Expired on 13 June 2019)</i>
	Afzal Abdul Rahim Independent Director <i>(Resigned on 31 July 2019)</i>		Dr Ahmad Sufian Che Abdullah Independent Member <i>(Appointed on 1 November 2019)</i>

REGISTERED OFFICE

>

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel: 603-2261 0085
Fax: 603-2261 0099
Website: www.cimb.com
Investor Relations: ir@cimb.com
Senior Independent Director:
cimbSID@cimb.com
Social media:
[www.facebook.com/
CIMBMalaysia](http://www.facebook.com/CIMBMalaysia)
www.twitter.com/CIMB_Assists
[www.instagram.com/
cimbmalaysia/](http://www.instagram.com/cimbmalaysia/)
www.linkedin.com/company/cimb

GROUP MANAGEMENT

>

Tengku Dato' Sri Zafrul Tengku Abdul Aziz
Country Head, Malaysia
Group Chief Executive Officer & Chief Executive Officer/
Executive Director, CIMB Bank Berhad

Tigor M. Siahaan
Country Head, Indonesia
President Director & Chief Executive Officer,
PT Bank CIMB Niaga Tbk

Victor Lee Meng Teck
Country Head, Singapore
Chief Executive Officer, CIMB Bank, Singapore
Chief Executive Officer, Group Commercial Banking

Adisorn Sermchaiwong
Country Head, Thailand
President & Chief Executive Officer/Executive Director,
CIMB Thai Bank PCL

Ahmad Shahriman Mohd Shariff
Chief Executive Officer, Group Islamic Banking
Chief Executive Officer/Executive Director,
CIMB Islamic Bank Berhad

Shahnaz Jammal
Chief Executive Officer, Group Wholesale Banking

Samir Gupta
Chief Executive Officer, Group Consumer Banking

Rafe Haneef
Chief Executive Officer, Group Transaction Banking

Effendy Shahul Hamid
Chief Executive Officer, Group Ventures & Partnerships

Gurdip Singh Sidhu
Group Chief Strategy & Design Officer

Khairul Rifaie
Group Chief Financial Officer

Omar Siddiq
Group Chief Operating Officer

Dato' Hamidah Nziadin
Group Chief People Officer
Chief Executive Officer, CIMB Foundation

David Richard Thomas
Group Chief Risk Officer

Kwan Keen Yew
Group Chief Legal & Compliance Officer

Amran Mohamad
Group Chief Internal Auditor

Datin Rossaya Mohd Nashir
Group Company Secretary

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: [info.my@
boardroomlimited.com](mailto:info.my@boardroomlimited.com)

AUDITORS

>

PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur

STOCK EXCHANGE LISTING

>

Listed on Main Market of Bursa
Malaysia Securities Berhad
since 3 November 1987

Stock Code: 1023

group corporate directory 2019

CIMB Group Holdings Berhad

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

CIMB Bank Berhad

Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

CIMB Investment Bank Berhad

Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

CIMB Islamic Bank Berhad

Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

PT Bank CIMB Niaga Tbk

16th Floor, Jl. Jend Sudirman Kav. 58
Graha CIMB Niaga
Jakarta 12190, Indonesia
Tel : 6221 250 5252
Fax : 6221 252 6749
Website : www.cimbniaga.com

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

CIMB Bank Plc

20AB, Corner Preah Norodom
Boulevard & Street 118
Sangkat Phsar Chas
Phnom Penh 12203
Kingdom Of Cambodia
Tel : 855 23 988 388
Fax : 855 23 988 099
Website : www.cimbbank.com.kh

CIMB Bank (Vietnam) Limited

Level 2, CornerStone Building
16 Phan Chu Trinh
Hoan Kiem District
Hanoi, Vietnam
Tel : 84 4 3266 3388
Fax : 84 4 3266 3389
Website : www.cimbbank.com.vn

CIMB Bank (L) Limited

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 W P Labuan, Malaysia
Tel : 6087 597 500
Fax : 6087 597501
Website : www.cimb.com

CIMB Bank Berhad

Singapore Branch

#09-01, Singapore Land Tower
50, Raffles Place 048623
Singapore
Tel : 65 6337 5115
Fax : 65 6337 5335
Website : www.cimb.com

CIMB Bank Berhad

London Branch

Ground Floor, 27, Knightsbridge
London SW1X 7LY
United Kingdom
Tel : 44 0 20 7201 3150
Fax : 44 0 20 7201 3151
Website : www.cimb.com

CIMB Bank Berhad

Shanghai Branch

Unit 1805-1807, AZIA Center
1233, Lujiazui Ring Road
Pudong New District
Shanghai 200120, China
Tel : 86 21 2026 1888
Fax : 86 21 2026 1988
Website : www.cimb.com

CIMB Bank Berhad

Hong Kong Branch

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

CIMB Bank Berhad

Philippines Branch

Ground Floor, ORE Central Building
9th Avenue Corner 31st Street
Bonifacio Global City, Taguig
1634 Philippines
Tel : 63 2 249 9000
Fax : NIL
Website : www.cimb.com

CIMB Bank Berhad

Labuan Offshore Branch

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 W P Labuan, Malaysia
Tel : 6087 597 500
Fax : 6087 597501
Website : www.cimb.com

CIMB Investment Bank Berhad

Brunei Branch

14th Floor, PGGMB Building
Jalan Kianggeh
Bandar Seri Begawan BS8111
Brunei Darussalam
Tel : 673 224 1888
Fax : 673 224 0999
Website : www.cimb.com

CIMB Thai Bank Pcl

Vientiane Branch

010, Lanexang Avenue
Unit 2, Ban Hatsadi
Chanthabury District
Vientiane, Lao Pdr
Tel : 856 21 255 355
Fax : 856 21 255 356
Website : www.cimb.com

Touch 'N Go Sdn. Bhd.

Tower 6, Avenue 5, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 603 2714 8000
Fax : 603 2714 8001
Website : 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

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 8899
Website : 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 8899
Website : www.cimb.com

iCIMB (Malaysia) Sdn. Bhd.

19th Floor, Tower 5, Avenue 7
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 603 2180 7198
Fax : 603 2180 7100
Website : www.cimb.com

iCIMB (MSC) Sdn. Bhd.

19th Floor, Tower 5, Avenue 7
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 603 2180 7198
Fax : 603 2180 7100
Website : 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 8899
Website : www.cimbfoundation.com

CIMB Bancom Capital Corporation

28th Floor, ORE Central Building
9th Avenue Corner 31st Street
Bonifacio Global City
Taguig, 1634 Philippines
Tel : NIL
Fax : NIL
Website : www.cimb.com

CIMB Investment Bank (Private)

Limited
Level 33, West Tower
World Trade Centre, Echelon Square
Colombo 01, Sri Lanka
Tel : 94 11 234 8888
Fax : 94 11 244 1801
Website : www.cimb.com

CGS-CIMB Holdings Sdn Bhd

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

CGS-CIMB Securities International

Pte. Ltd.
#16-02, Singapore Land Tower
50, Raffles Place 048623
Singapore
Tel : 65 6225 1228
Fax : 65 6225 1522
Website : www.cimb.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

CIMB Bank Berhad

Mumbai Representative Office

Plot No.C-59, G - Block, Platina
Office No. 603a, 6th Floor
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Tel : 91 22 6671 1570/
91 02 2650 0330
Fax : NIL
Website : www.cimb.com

This page has been intentionally left blank.

www.cimb.com