

CIMB GROUP HOLDINGS BERHAD

(Company No. 195601000197 (50841-W))

Minutes of the Sixty-Fourth (64th) Annual General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) held fully virtual at the broadcast venue at Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 15 April 2021 at 10.00 a.m.

Present at Broadcast Venue : Datuk Mohd Nasir Ahmad - Chairman
Dato’ Abdul Rahman Ahmad – Group Chief Executive Officer
Dato’ Lee Kok Kwan
Dato’ Mohamed Ross Mohd Din
Encik Didi Syafruddin Yahya

Present remotely via Tele-presence : Encik Afzal Abdul Rahim
Mr. Robert Neil Coombe
Ms. Shulamite N K Khoo
Ms. Teoh Su Yin
Ms. Serena Tan Mei Shwen

And 728 shareholders attending or by proxy via RPV as per Attendance List

In Attendance Encik Khairul Rifaie – Group Chief Financial Officer
Datin Rossaya Mohd Nashir – Group Company Secretary

Representatives from Messrs PricewaterhouseCoopers

Ms. Elaine Ng Yee Ling
Mr. Soo Hoo Khoon Yean
Ms. Stefanie Tang Phei Ling

1. CHAIRMAN OF THE MEETING

Datuk Mohd Nasir Ahmad took the Chair.

2. QUORUM

The Group Company Secretary confirmed that there was sufficient quorum in accordance with Article 63 of the Company’s Constitution, and the 64th Annual General Meeting (AGM) of the Company was duly convened.

3. NOTICE OF MEETING

The Notice convening the Meeting was tabled and taken as read.

4. CHAIRMAN’S OPENING REMARKS

CHAIRMAN'S
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The Chairman welcomed the shareholders to the 64th AGM of CIMB which was held fully virtual. The Chairman took the opportunity to thank the shareholders for their virtual presence and continuous support to CIMB. The Chairman informed that the virtual meeting was necessary in support of the Government's initiative to discourage mass gatherings as part of its safety measures to contain the spread of COVID-19.

The Chairman then introduced the Board of Directors of CIMB, the Group Chief Financial Officer and the Group Company Secretary.

The Chairman informed that one Director had stepped down from the Board after last year's AGM; Encik Ahmad Zulqarnain Che On who resigned on 30 June 2020.

He also welcomed the new Non-Independent Director, Ms. Serena Tan Mei Shwen, who was appointed on 30 September 2020 to succeed Encik Ahmad Zulqarnain as a nominee director of Khazanah Nasional Berhad.

The Chairman also introduced the representatives from the PricewaterhouseCoopers, the External Auditors, Ms. Elaine Ng Yee Ling, Mr. Soo Hoo Khoon Yean and Ms. Stefanie Tang Phei Ling who were also present at the broadcast venue.

The Chairman informed that the year 2020 was extraordinary. The impact of the global pandemic had been unprecedented by all measures. While CIMB continued to navigate the new normal, the future would see CIMB growing stronger and better. After almost a year of uncertainty, Management had seen new opportunities for transformation and resilient growth. Most importantly, as both individuals and businesses, Management in CIMB developed a deeper appreciation for its responsibility as citizens of one planet. The spirit of cooperation would keep humanity and the purpose of businesses alive for generations.

The Chairman highlighted that no country, no economy, no business and no community had been immune to the impact of COVID-19 pandemic. The period of the "Great Lockdown" in different parts of the world and across industries plunged the global economy into a recessionary situation. The threat to humanity and the cost of human capital rose to a level that proved detrimental to both productivity and performance of businesses. Trade and supply chain disruptions affected the income potential and socio-economic well-being of SMEs, which were the backbone of many emerging markets.

In the spirit of alliance and in support of the philosophy of leaving no one behind, a cross-section of stakeholders accelerated and supported Government efforts for resilient recovery. The Chairman particularly commended the National Economic Stimulus Packages introduced to cushion the impact on the people and the business community.

The Chairman further highlighted that in 2020, Financial Institutions assumed a critical role in the recovery efforts of governments, regulators and policymakers. As a universal ASEAN banking group, CIMB had taken extraordinary steps to support businesses, customers and the people from the mandated moratoriums to health and safety measures, from loan holidays to extended credit terms, and from uninterrupted access to financing to community care initiatives.

It would be easy to view 2020 purely as a disruptive year. For the banking industry and CIMB in particular, it was also a year for CIMB to reinforce its relationships, an

opportunity to stand by the customers who needed financial support and assure them unhindered access to finance.

The Chairman called 2020 Year Zero which provided an opportunity for new beginnings for people and institutions to strengthen their fundamentals and reimagine a new way to conduct business and live their lives, to move into the future with innovative solutions. This was certainly the case for CIMB where, under the leadership of the new Group Chief Executive Officer (Group CEO), Dato' Abdul Rahman Ahmad, CIMB recalibrated its 5-year mid-term strategy (2019-2023), now called Forward 23+, and extended it by a year to 2024.

The focus over the next 1-4 years would be on disciplined execution for delivering sustainable returns. This would require CIMB to remain customer-centric, reshape its portfolio, drive cost efficiencies, strengthen technology and leverage on the regional operating model through focused investments.

The Chairman informed the meeting that COVID-19 pandemic had been a wake-up call and the ultimate 'stress-test' for a world afflicted by environmental degradation and social inequalities. The pandemic had shown that sustainability and resilience were now a necessity for businesses. The outperformance of ESG indices and funds during this period of economic uncertainties was a testimony of the demand by stakeholders for greater business transparency, accountability and innovation.

In 2020, CIMB introduced the CIMB Coal Sector Guide, the fifth sector guide under CIMB's Group Sustainability Financing Policy. With effect from 2021 (in phases), the Group would no longer finance new, or expansions of thermal coal mines and coal-fired power plants, except where there was an existing commitment. CIMB was the first banking group in Malaysia and one of the first in Southeast Asia to commit to phasing out coal from its portfolio by 2040.

CIMB was deeply rooted in communities and worked with partners to improve lives. In 2020, CIMB invested RM29.3 million in Corporate Social Responsibility (CSR) initiatives across the region. CIMB launched various COVID-19 relief programmes which ranged from supporting medical workers, to meal provisions for communities in need.

In addition, CIMB valued the safety and health of #teamCIMB and all its valued customers. SOPs had been set in place for all staff. As an essential service provider, the SOPs were intended to keep #teamCIMB safe from COVID-19 and to ensure the bank's operational continuity.

The Chairman then thanked all frontliners in the business and particularly the branches, in public services and in healthcare ecosystems, who despite the risks, continued to fulfil their responsibilities to keep everyone safe and healthy.

On behalf of the Board, the Chairman also extended his sincere gratitude to all CIMB stakeholders including employees, customers, partners, suppliers and regulators for their trust and continued association. The stakeholders had been a source of great support and strength for CIMB during this difficult time and CIMB looked forward to continue the mutually rewarding relationship as CIMB embarked on a new journey of recovery and resilient growth.

The Chairman ended his speech by inviting the Group CEO to give his presentation on the 2020 CIMB Group Overview and 2021 Plans.

5. GROUP CEO'S PRESENTATION

Dato' Abdul Rahman Ahmad thanked the Chairman and welcomed all shareholders and guests to the AGM, and presented the Group's key financial performance which included CIMB Today, FYE 2020 Performance, COVID-19 response, Forward23+, Journey Towards a Purpose Driven Organisation and Going Forward.

Dato' Abdul Rahman expressed his sincere appreciation to shareholders for taking their time to be with CIMB today. He informed that this was the second time CIMB had conducted the AGM virtually. He further expressed his sincere apology in view that the current situation did not allow him to stand before shareholders and address them in person.

Dato' Abdul Rahman reiterated that 2020 was an unprecedented year; a year where all corporates, community and individuals were affected by the global pandemic. The financial industry was at the forefront as the impact of the contracting economy severely affected the borrowers and the operating environment. Swift stimulus measures undertaken by the Governments in countries CIMB operated in helped to cushion some of these negative impacts. All financial institutions, including CIMB, had taken necessary actions to ensure CIMB helped its customers navigate through this extremely challenging time even though it meant CIMB would incur short-term adverse financial implications.

Dato' Abdul Rahman informed that his presentation would cover 6 key areas, as follows:

(i) CIMB Today

CIMB Group today remained the fifth largest bank in ASEAN, with a total asset size of RM602 billion. CIMB's footprint spanned across 15 countries with 668 branches across the region, employing more than 34,000 talents.

(ii) FYE 2020 Performance

As a result of the COVID-19 pandemic, the Group's financial performance in FYE 2020 was severely impacted with the net profit declining by 76.2% Year-on-Year (YoY) to RM1.2 billion, representing a Return on Equity (ROE) of 2.1%. The Cost-to-Income ratio (CIR) however, improved by 1.2% YoY to 52.2% due to aggressive cost optimisation measures. CIMB also achieved a record high CET1 capital ratio of 13.3%, ensuring CIMB remain well-capitalised against future headwinds.

In terms of business performance, CIMB's operating income experienced a decline of 3.4% YoY to RM17.19 billion on the back of flat Net Interest Income (NII), as Net Interest Margin (NIM) was impacted by interest rate cuts and modification loss. NII however, declined by 13.1% due to weaker trading income and flat NII. Gross loans also declined slightly by 1.0% as CIMB de-risked its balance sheet. On a more positive note, Current Account Saving Account (CASA) grew strongly by 22.6% leading to the Group CASA ratio strengthening to 41.3% from 34.4%. This would provide the Group with the strong platform to optimise the cost of funds going forward.

Dato' Abdul Rahman informed that last year, CIMB made a promise to mitigate the weaker operating performance, and therefore, CIMB planned to rationalise

its cost aggressively. He further informed that CIMB delivered RM524 million reduction in operating expenses, exceeding its original target of RM500 million. This was commendable and achieved on the back of strong discipline in cost management, especially given that CIMB continued to make the required investment in technology.

Accordingly, despite the challenging environment, CIMB's underlying business remained resilient with a marginal decline in terms of Pre-Provision Operating Profit (PPOP) of 1.0% YoY to RM8.2 billion. For FYE 2020, Consumer Banking PPOP grew with strict cost controls and positive JAW; while Wholesale Banking grew stronger NII and delivered higher Investment Banking revenue. Across the region, Malaysia and Thailand's PPOP grew and Indonesia was sustained but Singapore declined due to a sharp contraction in NIM.

One of the biggest impacts of the pandemic was reflected in the provisions across all business segments and countries where CIMB put aside RM6.8 billion in FYE 2020. The elevated provisions were caused by three factors – higher credit related impairments in Singapore and Oil & Gas legacy accounts, provisions for specific COVID-19 related accounts in sectors such as aviation and tourism, and management overlays that CIMB took for moratorium and restructured loans, as well as macroeconomic factor adjustments as prescribed under MFRS9 to take into account the weaker economic outlook.

As a result, the Group's credit cost jumped to 146bps as compared to 44bps recorded in FYE 2019. CIMB believed that as the economies recovered, the worst was over and CIMB expected the provisions in FYE 2021 to be lower although would still remain elevated as compared to the normalised pre-COVID level.

Consequent to the elevated provisions, all business segments and countries experienced a decline in Profit before Tax (PBT).

Despite the challenging environment and business performance, CIMB was pleased to inform that the capital position strengthened in 2020 to the highest ever CET1 capital ratio of 13.3%, a 40bps increase from 2019. This reflected CIMB's continuous capital optimisation effort, exceeding the FYE 2020 target.

At the same time, CIMB remained committed to reward its shareholders. CIMB declared a dividend pay-out ratio of 40% of reported net profit in line with CIMB's dividend policy of between 40 to 60%. This translated to payment of dividend of 4.81 sen per share or a total distribution of RM477 million.

In summary, CIMB recognised that FYE 2020 was a challenging year for the Group where CIMB managed to achieve only three out of seven of its FYE 2020 targets that were set pre-pandemic. CIMB was wholly committed to deliver significantly improved financial performance going forward as outlined under the Strategic Plan Forward23+.

(iii) COVID-19 Response

As mentioned during the last AGM, Dato' Abdul Rahman emphasised that the most important focus in FYE 2020 was to navigate through the impact of COVID-19 whilst building resilience, strengthening stakeholder relationships, and planning for recovery.

Dato' Abdul Rahman further highlighted that CIMB had made significant headway in delivering its commitment to the customers, community and employees. For #teamCIMB, Management offered loan moratoriums on their mortgages, and provided online wellness and fitness classes to keep their morale high. For the physical well-being of customers, CIMB ensured that social distancing and strict protocols were adhered to at the branches, and CIMB intensified its digital offerings to provide a seamless delivery of virtual banking services, resulting in over 60% increase in transactions on CIMB Clicks platform. For communities, CIMB channelled about RM2.8 million towards health and relief programmes in relation to COVID-19, via various NGOs.

Most importantly, CIMB recognised the difficulties faced by the borrowers that were adversely impacted. CIMB worked closely with the regulators to provide relief packages under various programmes to assist the affected customers. At the peak, CIMB provided relief packages which amounted to RM173 billion, benefiting close to 1.5 million accounts across the region, helping them mitigate the impacts of COVID-19 on their businesses and daily lives. Dato' Abdul Rahman informed that a large portion of them had now successfully migrated out of the assistance programmes and were able to resume repayments. CIMB was committed to continue helping the remaining 320,000 accounts under assistance, representing 15% of the total portfolio, to also do the same in the future.

CIMB's efforts to assist customers during this pandemic and to maintain strong franchise value were recognised. In 2020, CIMB received numerous accolades which included amongst others:

- (a) The Most Helpful Bank during COVID-19 Indonesia by The Asian Banker and Most Customer-Centric COVID-19 Debt Relief Scheme (Banking) in Singapore by Global Business Outlook Awards;
- (b) Thailand House of the Year by Asia Risk Awards; and
- (c) Best Digital Bank Philippines by Global Banking & Finance Review and the Best Company to Work for Cambodia by HR Asia.

(iv) Forward 23+

Dato' Abdul Rahman informed that CIMB's vision and ambition was to be the leading focused ASEAN bank. Being an ASEAN bank was the key differentiator, but CIMB needed to be focused instead of becoming everything to everyone.

2021 would be the first full year of CIMB's Forward23+ strategy. It was a refinement of the previous plan, Forward23, but it had taken into account of a year lost due to COVID-19 and would culminate in 2024.

The plan had five strategic themes, as follows:

- (a) Delivering Sustainable Financial Returns – Through reshaping CIMB's portfolio, driving cost efficiency, digitising for value and undertaking focused investments across identified growth segments.
- (b) Disciplined Execution – This would be crucial in ensuring the success of this recalibrated plan.
- (c) Customer Centricity – CIMB would continue to place customers at the heart of its business.

- (d) Transform Fundamentals – By enhancing risk management, prudent capital optimisation and achieve best in class Finance and Compliance functions.
- (e) Purpose-driven Organisation – By transforming the organisation into a purpose-driven entity, with the right culture and values, investing in the best talent and putting sustainability at the forefront of CIMB’s agenda for the benefit of the community.

CIMB had set a clear roadmap to deliver measurable targets by 2024 where CIMB aimed to be market leading in terms of ROE, achieve 45% CIR and strong capital with at least 13% CET1 capital ratio. Beyond financials, CIMB strived to achieve top quartile Net Promoter Score for Customer Experience (CX) and Dow Jones Sustainability Index, as well as be recognised as a high performing employer in terms of organisational health.

CIMB had a positive start to the Forward23+ journey. CIMB’s portfolio reshaping was underway and CIMB had developed 25 core programmes including a revamped KPI framework to ensure disciplined execution and adjusting Management’s compensation mix to have better alignment with shareholder value creation. The cost management initiatives were gaining momentum and CIMB had commenced efforts to identify further cost efficiencies.

Dato’ Abdul Rahman highlighted that the 25 Core Programmes were gaining traction. Digital was one of the main focus areas as online banking had become the primary banking experience for most customers. In conjunction with that, CIMB had completed its technology blueprint, and now was in the process of developing the next generation of CIMB Clicks and BizChannel. At the same time, CIMB had developed a comprehensive and integrated CX score framework and was rigorously executing the CX Strategic Programme to improve CX.

CIMB fully recognised that to deliver sustainable returns, it needed to continue to invest in the business. In this respect, CIMB have identified key segments that it intended to double down and aggressively grow.

The pandemic had truly accelerated the digital adoption amongst customers. Management would continue to invest selectively in the digital ventures that had started to show strong market acceptance. Dato’ Abdul Rahman was pleased to report, the digital bank in Philippines, CIMB Philippines (CIMB PH) reached 3.1 million customers with a deposit balance of RM737 million, making it one of the fastest growing digital banks in ASEAN. The e-wallet joint venture with Ant Financial, TNG Digital (TNGD) had continued to deliver impressive growth, reaching 15.2 million registered users and 293,000 merchants. CIMB Vietnam, on the other hand, was gaining recognition as it continued to transform towards a digital-first model.

- (v) Journey Towards a Purpose Driven Organisation

The sustainability journey started 14 years ago when CIMB started CIMB Foundation to focus on CSR. This had evolved tremendously especially over the last 3 years when CIMB developed sustainability strategy and built the foundations through the establishment of Group Sustainability Division and became the founding signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible banking in 2019. CIMB

also formulated the Group Sustainability Policy and launched the Group Sustainable Financing Policy to integrate environmental and social risks into our financing decisions.

In 2020, CIMB expanded this further by disbursing nearly RM1 billion worth of Sustainability-Linked Loans and developed the Green, Social and Sustainable Impact Products and Services Framework. In addition, CIMB took the bold step to be the first Malaysian bank to announce the Coal Sector Guide where CIMB was committed to phasing out coal financing by 2040.

This year, CIMB Sustainability would focus on, among others - Sustainable actions such as developing energy and waste management plan, growing sustainable business to meet Green Loan and financing target and promoting the sustainability agenda across financial industry through CIMB's flagship annual event, the Cooler Earth Sustainability Summit, as well as being the driver behind Bank Negara Malaysia's (BNMs) Joint Committee on Climate Change (JC3) flagship event.

At the same time, CIMB remained committed to CSR programmes. In 2020, CIMB invested a total of RM29.3 million across the region to support around 118,808 people in need, including more than RM2.8 million contributions to COVID-19 relief initiatives.

Going forward, CSR programmes should go beyond just monetary contribution. Accordingly, CIMB had just announced a holistic Employee Volunteerism Programme across CIMB Group, where all CIMB employees were encouraged to contribute and connect with the communities in areas they were individually passionate about. CIMB was setting a target of an average of 2 volunteering hours per employee which should deliver approximately 70,000 volunteering hours, positively impacting the society.

(vi) CIMB Going Forward

Dato' Abdul Rahman shared CIMB's perspective and outlook for FYE 2021.

CIMB expected that the global economy and economies of Malaysia, Indonesia, Thailand and Singapore to rebound back after the contraction in 2020 and record positive economic growth. There remained however, uncertainty regarding the pace and extent of economic recovery, especially given the third wave of infections experienced in 1Q 2021 and the high dependence on a successful vaccine rollout.

Accordingly, CIMB remained cautious of the economic climate. CIMB hoped for the best but must be ready and prepared should economic conditions remain challenging, especially for sectors affected by the pandemic.

CIMB expected the financial performance in 2021 to significantly improve compared to last year, although unlikely to yet reach the pre-pandemic levels of 2019. Management had set a stretched target to deliver a loans growth of 4-5%, CIR of below 52%, lower provisions to 80-90bps, deliver a ROE of between 6-7% and maintain the capital ratio CET1 above 12.5%.

To achieve these targets, CIMB would focus on three main areas:

- (a) Undertake targeted investments in areas such as wealth management, transaction banking and ASEAN-networked wholesale business;
- (b) Maintain cost discipline to increase operational efficiency; and
- (c) Continue enhancing risk management by prudently managing credit exposure to mitigate credit risk.

In summary, whilst FYE 2020 was a challenging year, CIMB had a clear roadmap for recovery and CIMB was confident to deliver significantly improved financial performance in 2021 and be on track to achieve its ambition to be the leading focused ASEAN Bank by 2024.

On behalf of all at CIMB Group, Dato' Abdul Rahman expressed his deepest gratitude to the Chairman and the Board for their confidence and faith in Management and thanked all in #teamCIMB for their perseverance, hard work and continuous commitment through these difficult times. He highlighted that it was a privilege and honour to work together with #teamCIMB. He then thanked the customers, partners and valued shareholders for their kind support, trust and understanding. He looked forward to a new recovery year to bring CIMB forward for mutual benefit.

6. POLLING PROCESS

The Chairman informed that the members, corporate representatives and proxies present had the right to speak and vote on the resolutions set out in the Notice of the 64th AGM dated 18 March 2021.

Before moving to the formal business of the Meeting, the Chairman informed that voting on each of the Resolutions set out in the Notice of AGM would be conducted via online electronic voting. Shareholders had the right to speak and ask questions in real time by clicking on the messaging icon.

The Chairman further informed that in his capacity as Chairman of the Meeting, he had been appointed as a proxy by some shareholders, and would be voting in accordance with their instructions.

The Chairman then informed that the Share Registrar, Boardroom Share Registrars Sdn Bhd (Boardroom), would act as a Poll Administrator to conduct the online electronic polling process and Messrs Deloitte was appointed as the Scrutineer to verify the poll results.

The Chairman then invited the Group Company Secretary to explain the process for online electronic poll voting.

The Group Company Secretary then explained the online electronic poll voting process, including the relevant house-keeping rules for the online electronic poll voting, details of which were duly noted.

Before proceeding with the Agenda for the AGM, the Chairman informed shareholders that any queries regarding banking-related matters should be directed to CIMB's dedicated email at cru@cimb.com.

The Chairman highlighted that the Group Chief Financial Officer and the Group Company Secretary were also shareholders of the Company. They had offered to be

proposer and seconder for all the resolutions. In this respect, Resolution 1 to Resolution 11 were duly proposed and seconded.

7. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman tabled the Audited Financial Statements for the FYE 31 December 2020 and the Reports of the Directors and Auditors.

The Chairman informed that CIMB had published the Annual Report (AR) and Accounts for FYE 2020 to Bursa Malaysia on 17 March 2021 and subsequently uploaded to CIMB's Website on the same day.

The Audited Financial Statements for the FYE 31 December 2020 were only for discussion and would not be put to vote, as it did not require shareholders' approval under the provisions of Section 340 (1)(a) of the Companies Act 2016.

The Chairman then reminded shareholders that voting was already open and shareholders could cast their respective votes at any time until the announcement of the closure of poll voting.

At this juncture, the Chairman, being an interested party, handed over the chair to Ms. Teoh Su Yin, the Chairperson of the Group Nomination and Remuneration Committee (GNRC), to present Ordinary Resolution 1 to 5.

8. RE-ELECTION OF DIRECTORS WHO RETIRE PURSUANT TO ARTICLE 81 AND ARTICLE 88 OF THE COMPANY'S CONSTITUTION

In line with BNM's Guidelines on Corporate Governance and CIMB's Fit and Proper Policies and Procedures for Key Responsible Persons, the GNRC had conducted an assessment of retiring Directors at the AGM under Article 81 and Article 88 of the Company's Constitution. The assessment criteria for their re-appointment included their attendance and contribution at Board and Committee meetings, their time commitment and level of contribution to effectively discharge their roles as Directors as well as subjective assessment on their conduct, character and competence, amongst others.

The Board had approved the GNRC's recommendations for these Directors to retire by rotation.

Ms. Teoh informed of the following Resolutions for Directors who retired pursuant to Article 81 of the Company's Constitution:

- (i) Agenda 2 on Ordinary Resolution 1 is for the proposed re-election of Datuk Mohd Nasir Ahmad who retired under Article 81 of the Company's Constitution;
- (ii) Agenda 2 on Ordinary Resolution 2 is for the proposed re-election of Mr. Robert Neil Coombe who retired under Article 81 of the Company's Constitution; and
- (iii) Agenda 2 on Ordinary Resolution 3 is for the proposed re-election of Encik Afzal Abdul Rahim who retired under Article 81 of the Company's Constitution.

Ms. Teoh further informed of the following Resolutions for Directors who retired pursuant to Article 88 of the Company's Constitution:

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- (i) Agenda 3 on Ordinary Resolution 4 for the proposed re-election of Dato' Abdul Rahman Ahmad who retired pursuant to Article 88 of the Company's Constitution; and
- (ii) Agenda 3 on Ordinary Resolution 5 is for the proposed re-election of Ms. Serena Tan Mei Shwen who retired pursuant to Article 88 of the Company's Constitution.

9. APPROVAL ON PAYMENT OF NON-EXECUTIVE DIRECTORS' REMUNERATION

The Chairman informed that the next item was Agenda 4, Ordinary Resolution 6 was on the proposed payment of Non-Executive Directors' Remuneration with effect from the 64th AGM until the next AGM of the Company.

Being interested in Ordinary Resolutions 6 and 7, the Chairman handed the chair to the Group CEO to present Ordinary Resolutions 6 and 7.

Dato' Abdul Rahman informed that Section 230(1) of the Companies Act 2016, provided, amongst others, that fees of the directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. This proposal was also in line with the recommendation by BNM in its Directors' Remuneration Report.

The Board of Directors recommended the Directors' fees for the Company and its subsidiaries as approved at the previous AGM of the Company, for shareholders' approval. There was no revision to the amount proposed. The proposal, if approved by the shareholders, would allow CIMB to remunerate Directors timely instead of in arrears. This ensured accountability while recognising the effort and contribution of the Non-Executive Directors by paying them in a timely manner without having to wait for the next AGM.

10. APPROVAL ON PAYMENT OF ALLOWANCES AND BENEFITS PAYABLE TO NON-EXECUTIVE DIRECTORS

Dato' Abdul Rahman informed that the next item was Agenda 5, Ordinary Resolution 7 on the proposed payment of allowances and benefits payable to Non-Executive Directors of the Company up to an amount of RM3,895,000 from the 64th AGM until the next AGM of the Company.

The amount payable to Non-Executive Directors comprised allowances, benefits-in-kind and other emoluments payable to them by the Company and its subsidiaries.

In determining the estimated cap payable for the Non-Executive Directors, various factors were considered, including the number of scheduled meetings for the Board, Board Committees and Boards of subsidiaries as well as the number of Non-Executive Directors involved in these meetings. The Board recommended up to an amount of RM3,895,000 as payment of allowances and benefits payable from the 64th AGM until the next AGM of the Company.

Dato' Abdul Rahman then invited the Chairperson of the GNRC, to present details of the annual cap payable to the Non-Executive Directors and the recent initiative to reduce Board-related costs.

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Ms. Teoh Su Yin, the Chairperson of the GNRC, thanked Dato' Abdul Rahman and proceeded to explain on the following:

Reduction of Board-related Costs

Given the challenging environment in FYE 2020, the Board had agreed previously, on temporary basis, to reduce the Retainer Fees and Chairperson's Premium for CIMB Group Directors by 10% and Meeting Allowance by 20%, which took effect on 1 June 2020. The Board had reassessed the effectiveness of these temporary measures and agreed to extend the temporary measures until 31 May 2021.

The Board recognised that the total remuneration for Non-Executive Directors had increased slightly from RM5.9 million in FYE 2019 to RM5.96 million in FYE 2020 even with the introduction of the temporary measures. The amount for the increased remuneration in FYE 2020 included fees earned by Directors for their directorships in CIMB subsidiaries, which took effect in FYE 2020:

- (i) Additional RM0.158 million for the remuneration of Datuk Mohd Nasir Ahmad as the Chairperson of the Board of CIMB Bank Cambodia; and
- (ii) Additional RM0.797 million for the remuneration of Encik Didi Syafruddin Yahya as the President Commissioner of the Board of Commissioners at PT Bank CIMB Niaga Tbk.

After adjusting for the two factors above, the total remuneration for Non-Executive Directors was approximately RM5.0 million resulting in costs savings of around RM0.955 million or 15%.

Annual Cap

Based on the Annual Cap of RM3.895 million that was approved by shareholders at the 63rd AGM for variable benefits payable to the Non-Executive Directors from the 63rd AGM until the 64th AGM, the Board noted that the actual variable benefits payable from the 63rd AGM until the 64th AGM was RM2.05 million resulted in a positive gap of RM1.85 million. Without the voluntary reduction of Board-related costs, the hypothetical variable benefits would be substantially higher at around RM2.46 million.

The Board proposed to maintain the Annual Cap of RM3.895 million for variable benefits payable to the Non-Executive Directors from the 64th AGM until the next AGM of the Company for approval by the shareholders as specified under Ordinary Resolution 7.

In light of the voluntary reduction of Board-related costs maintained by the Board, the Board would be expecting the projected remuneration of the Non-Executive Directors to be lower than the proposed Annual Cap.

At this juncture, Ms. Teoh handed over the chairmanship to the Chairman for next agenda.

11. RE-APPOINTMENT OF AUDITORS

The Chairman informed that Agenda 6, Ordinary Resolution 8 was on the proposed re-appointment of Messrs PricewaterhouseCoopers (PwC) as Auditors of the Company for the FYE 31 December 2021 and to authorise the Board of Directors to fix their remuneration.

Being satisfied with PwC's performance in 2020, their technical competency and audit independence as well as fulfilment of criteria set out in CIMB's Guidelines for the Appointment/Re-appointment of external auditor, the Board recommended the reappointment of PwC as external auditors of the company for the FYE 31 December 2021.

The Chairman further informed that the present auditors, PwC, had expressed their willingness to continue in office.

SPECIAL BUSINESS

12. RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

The Chairman informed the Meeting that the next item on the Agenda, Agenda 7 under Special Business, Ordinary Resolution 9, was to give the authority to the Directors to issue shares at any time until the conclusion of the next AGM, provided the number of shares to be issued did not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant governmental and/or regulatory authorities being obtained for such allotment and issue.

This proposal, which had been approved for the past years, was to give the Directors the authority to issue new shares up to 10% of the capital of CIMB without having to call for an Extraordinary General Meeting. The proposal was however subject to regulatory approvals, namely Bursa Malaysia Securities Berhad and/or BNM, and would only be valid up to the next AGM.

This proposal was a strategic tool available to the Company in managing its capital without being unduly dilutive to existing shareholders. By having this authority in place, the Company was better placed to take advantage of the market movements and gave the Company the flexibility to issue shares for purposes as the Directors deemed would be in the best interests of the Company and shareholders.

13. RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY IN RELATION TO THE DIVIDEND REINVESTMENT SCHEME (DRS)

The Chairman proceeded to the next item of the Agenda, Agenda 8 under Special Business, Ordinary Resolution 10, which was to consider and if thought fit, to pass the Ordinary Resolution to renew the authority for the Company to allot and issue new ordinary shares in the Company in relation to the DRS. The details of the Resolution were as stated in the Notice of AGM.

The shareholders had approved the DRS at the Extraordinary General Meeting held on 25 February 2013.

The shareholders were informed that this proposal would give authority to the Directors to issue ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS, until the conclusion of the next AGM. A renewal of this authority would be sought at the subsequent AGM.

14. RENEWAL OF THE AUTHORITY TO PURCHASE OWN SHARES

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The Chairman informed the meeting that the item under Agenda 9 under Special Business, Ordinary Resolution 11, was for the shareholders to consider and if thought fit, to pass the Ordinary Resolution to renew the authority for the Company to purchase its own ordinary shares, details of which were as stated in the Notice of AGM.

The Chairman further informed that shareholders had approved a similar motion for the past years and that the last approval would lapse at this meeting. In view of this, the Board sought the shareholders' approval for a new mandate until the next AGM. The details of the Proposed Share Buy-Back were as stated in the Statement Accompanying Notice of AGM.

By having this authority in place, the Company would be able to utilise any of its surplus financial resources to purchase CIMB shares in the market. The increase in Earnings per Share, if any, from the Proposed Share Buy-Back was expected to benefit the shareholders of the Company.

The purchased shares could be held as Treasury Shares and re-sold through Bursa Securities with the intention of realising potential gain without affecting the total issued and paid-up share capital of the Company. The distribution of the Treasury Shares as share dividend also served to reward the shareholders of the Company. The share buy-back would only be made after careful consideration, and where the Board was of the opinion that the Proposed Share Buy-Back was in the best interest of the Company and shareholders.

15. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

The Chairman informed that a letter and questions were received from MSWG and invited Dato' Abdul Rahman to address them accordingly.

Dato' Abdul Rahman informed that CIMB had responded to the letter from MSWG in relation to the 64th AGM. He then provided CIMB's written replies in response to the 6 questions raised by MSWG and a snapshot of the questions and responses were also provided online for the benefits of the shareholders.

Question 1:

CIMB's ROE had been lagging the industry peers for years with a record low of 2.1% posted in FYE 31 December 2020 (FYE 2019: 9.3%). The underperforming ROE had led to a significant decline in shareholders' value with five-year total shareholders' return of -23.6% as of 15 October 2020 (Slide no.5 & 6, Forward23+ Investor Presentation).

Hence, CIMB had outlined five strategies under the recalibrated Forward23+ strategy to deliver better shareholders' return and ROE performance.

By 2024, CIMB aspires to achieve a CIR of 45% (FYE 2020: 52.2%) and achieve a ROE that would place CIMB at the top quartile among ASEAN banks with ROE of at least 12% - 13%.

Some analysts, however, deemed these aspirations as 'stretched'. What were the catalysts that would enable CIMB to achieve these ambitious targets by FYE 2024?

Response:

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CIMB recognised that the Forward23+ targets for 2024 was ambitious and stretched. CIMB however, had set a clear and executable strategy to deliver these targets.

CIMB would focus on reshaping the portfolio by accelerating growth in areas of strength such as Consumer, wealth management and Treasury & Markets. CIMB was committed to disciplined cost management by containing and reducing structural costs to bring the CIR closer to peers; and CIMB would continue to digitise for value by investing in technology and leveraging on analytics to operate the business more effectively. CIMB was focused on disciplined execution by transforming the fundamentals and enhancing risk management to normalise the provision to market benchmarks.

In summary, CIMB aimed to grow judiciously whilst minimising the downside risk and CIMB was committed to show progress YoY to demonstrate that CIMB was on track to deliver on the Forward 23+ 2024 Targets.

Question 2:

Under the Forward23+ strategic plan, CIMB also plans to reshape its portfolio by turning around, fixing and exiting certain sectors such as the Corporate and Commercial Banking businesses (COBA & COMBA) in Indonesia, Singapore and Thailand.

In FYE 2020, the performance of Indonesian and Singaporean markets was badly affected by increased provisions in the COBA & COMBA businesses, on top of COVID-19 related provisions.

This had resulted in a pre-tax loss of RM979 million for Singapore operation in 2020 (FYE 2019: PBT RM490 million), and a 28.5% decline in Indonesia's PBT to RM761 million (FYE 2019: RM960 million).

(a) Was the worst over for the COBA and COMBA businesses in the two countries?

Response:

CIMB expected the Commercial and Corporate banking businesses in Singapore and Indonesia to improve in 2021 as the significant amount of loan loss provisions taken in 2020 were unlikely to recur. In Singapore, the losses were predominantly due to specific cases in the Structured Commodity Financing business, which CIMB have exited. For Indonesia, CIMB was presently recalibrating the COBA and COMBA businesses to de-risk the portfolio and expected better performance given the anticipated gradual business recovery in the country.

(b) Of the four business segments, the Commercial Banking division was the most underperformed segment in FYE 2020 with a YoY 102% decline in PBT to pre-tax loss of RM34 million (FYE 2019: PBT of RM1.62 billion). The lacklustre performance was due to elevated provisions from legacy accounts during the year.

Would the division be able to deliver better topline and bottomline performance in FYE 2021? What were the catalysts for a turnaround performance of the division in FYE 2021?

Response:

As mentioned above, Commercial Banking was expected to deliver a better performance in 2021 in line with improved economic activity as well as lower loan loss provisions.

CIMB was reshaping the portfolio by prioritising growth in higher RAROC segments such as Commercial Banking in Malaysia and SMEs across the region. The division would also focus on accelerating CASA growth and Transaction Banking to drive Non-Interest Income.

Did the Group foresee significant increase in credit risk for major commercial accounts in FYE 2021?

Response:

While CIMB did not foresee significant further increase in credit risks, customers in COVID-19 impacted sectors like hospitality, leisure and retail, were expected to take a longer time to fully recover. CIMB would continue to provide assistance to these customers on a case by case basis. Accordingly, CIMB expected provisions to be lower in 2021 although still elevated above the normalised levels.

Question 3:

Throughout FYE 2020, CIMB's Consumer Banking division had provided payment relief assistance to 257,000 accounts across Malaysia, Indonesia, Singapore, Thailand and Cambodia (MISTC) markets, covering RM22 billion in gross loan (page 79 of 2020 Annual Report).

- (a) How many of these accounts were still under the payment relief assistance program? Please elaborate further on the remaining credit risks of loans that were still under payment relief assistance.

Response:

As at February 2021, there were 222,000 accounts under payment relief assistance programs across MISTC, representing about 11% of total Consumer loans.

Customers opting for payment relief were likely to have diminished repayment capacity in the short term due to loss of job or income. CIMB expected the assistance programs to provide a bridge for these customers to recover from their challenging situation. The extent of their remaining credit risk would be dictated by the state of the economy, but CIMB expected these customers' credit profile to improve as the economy recovers.

- (b) In Malaysia, as of 31 December 2020, 82% of retail customers and 61% of non-retail customers, who had opted in for the targeted assistance program after the end of the automatic loan moratorium from April to September 2020, have resumed their repayment obligation.

Meanwhile, there were 5% of retail customers and 2% non-retail customers missed their payments to the Bank, involving total amount of RM6.516 billion (page 239 of CIMB's Financial Statements 2020).

How did the Bank assist these affected customers?

Response:

There were many avenues to assist affected customers under the Targeted Assistance Programme including loan moratorium, reducing monthly repayments in proportion with their reduction in income and in more severe cases, to refer them to AKPK. For non-retail customers, CIMB offered Rescheduling & Restructuring (R&R) and interest only payments for a period of time.

Question 4:

CASA ratio spiked to 41.3% in FYE 2020, as compared to 34.4% in FYE 2019.

What were the reasons for the significant increase in CASA deposits? What adjustment had CIMB made to its funding strategy due to the increased CASA ratio?

Response:

The improved CASA deposits was attributed to:

- (i) Impact of the pandemic which resulted in a system-wide liquidity build up, as consumers and corporates held back spending and investments;
- (ii) Culmination of the regional CASA focus strategy particularly in Indonesia, where digital innovation drove easy access to banking and customers using the bank as their main operating account.

There was no change to the funding strategy but the increased CASA ratio had provided the Group with the platform to lower its effective cost of funds.

Question 5:

The total uptime for CIMB Clicks declined from 98.24% in FYE 2017 to 95.96% in FYE 2018 and 94.67% in FYE 2019, then rebounded to 98.65% in the 1H FYE 2020.

(a) What was the total uptime for CIMB Clicks and other digital channels in FYE 2020?

Response:

As highlighted on CIMB's website, the core digital channel CIMB Clicks, reported an uptime of 99.51% for FYE 2020. CIMB continued to focus on improving reliability and is committed to improving the CX. To transparently measure its progress, CIMB was one of the first Malaysian banks to report CIMB Clicks performance publicly and regularly via CIMB's website.

(b) Under the Forward23+ plan, CIMB had conducted some baselining exercises to evaluate CIMB's technology stability/availability.

What were the findings of these exercises? How did these findings help CIMB to better improve the digital services?

Response:

The main findings of the baselining exercises identified were that CIMB needed to strengthen its reliability by stabilising the technology infrastructure and to upgrade the systems. It also identified gaps that had been translated into focused and detailed plans to aid the continuing efforts to improve and strengthen the

technology environment as well as help deliver better returns on CIMB's technology investments.

Question 6:

In December 2020, CIMB became the first local bank to introduce the Coal Sector Guide which outlined the commitment to phase out coal-related financing from its portfolio by 2040.

Besides, with effect from 2021, CIMB would prohibit asset-level or general corporate financing for new thermal coal mines and coal-fired power plants, as well as expansions, except where there was an existing commitment.

Would such commitment be expanded to other economic sectors in the near term? If so, what were the sectors that the Bank would be looking at?

Response:

Apart from coal, CIMB had already developed sector guides for key sectors with relatively high levels of environmental and social risks: specifically, for (1) palm oil, (2) oil & gas, (3) forestry, as well as (4) infrastructure, construction & real estate. CIMB was continually reviewing and assessing risks from these and other sectors to ensure that CIMB remained at the forefront of the sustainability agenda. Further, building on CIMB's experience with the Coal Sector Guide, CIMB was also working on addressing better the transition risks of other highly carbon-intensive sectors in the portfolio.

16. PRE-AGM QUESTIONS FROM SHAREHOLDERS

The Chairman informed that CIMB received pre-AGM questions which the Group CEO, Chairperson of the GNRC and himself would read the questions and answer on behalf of the Board.

The Chairman, the Group CEO and the Chairperson of the GNRC then addressed the following questions from the shareholders:

- (i) CIMB received quite a few queries from shareholders about door gifts for those who attended the AGM today.

The Chairman informed that as a token of appreciation, shareholders or proxies attending the AGM would receive a Touch 'n Go eWallet reload pin worth RM25 after the AGM. To reload the eWallet, the Chairman requested shareholders to download and register their Touch 'n Go eWallet applications on their mobile phones. He further informed that the reload pin, careline number and guide on how to redeem the Touch 'n Go e-wallet would be emailed by Boardroom Share Registrar at a subsequent date after the AGM. The Chairman highlighted that there would be no door gifts for shareholders or proxies attending the Extraordinary General Meeting (EGM) which would be held at the conclusion of the AGM, in line with CIMB's standard practice.

- (ii) Mr. Lee Choon Meng enquired on asset quality and whether the Bank had taken any mitigation plan since there were large provisions reported in the past year. He also enquired the segment to prioritise and how the Bank would digitise the banking process.

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Dato' Abdul Rahman responded that CIMB believed the underlying asset quality was resilient and comparative to other financial institutions. Asset quality however, was also a function of the existing economic environment. Accordingly, as economies that CIMB operated in recovered, CIMB expected the asset quality outlook to improve. Management had taken numerous measures which amongst others included de-risking the book, reducing exposure to directly impacted sectors and ensuring that new credits were of higher quality. As such, the credit cost was expected to range between 80-90bps for 2021, a marked improvement from the 146bps in 2020.

As per the Strategic Plan, CIMB would be prioritising growth areas such as Wealth Management, Transaction Banking, Wholesale ASEAN-networked business and Treasury & Markets going forward. On digitalisation, CIMB had embarked on Transforming Customer Journey (TCJ) to enhance the CX across the Bank. Management was also digitising the internal processes to improve operational efficiency and to operate the Bank better.

- (iii) Ms. Foong Siew Chui informed that the Bank was emphasising and leveraging on technology for business operation and therefore, had closed down branches. No doubt, upskilling of staff was in the process but ultimately technology would replace human workforce. She queried whether the existing staff employment would be affected or were there plans for laying off employees. She also queried whether CIMB had been recruiting new staff for the past year.

Dato' Abdul Rahman responded that given the evolution of the banking landscape and commoditisation of financial products over the years, technology was a key enabler for CIMB to be able to stand out amongst the competition. CIMB had actively deployed the 3D academy to upskill all staff on digital, data and disruption.

There were no immediate plans for layoffs but CIMB was cognisant of the need for the right skills within an optimal organisation to operate efficiently and effectively. CIMB had been recruiting new staff as CIMB continued to invest in people in necessary areas.

- (iv) Mr. Koh Kar Kiat queried on the online service for the Dividend Reinvestment Plan. He highlighted that other Banks had offered the service to apply for the DRP online and this would help shareholders to avoid the hassle for the application. He then requested Management to look into this matter so that more shareholders opted for the DRP.

Dato' Abdul Rahman informed that shareholders could apply for the DRS online via the Boardroom portal, at <https://boardroomlimited.my/>. The details were stated in section 6 of the DRS statement.

- (v) Mr. Teo Cher Ming posed 5 questions, as follows:
- (a) In one of the analyst briefing, it was mentioned that Management was looking at writing off legacy goodwill to improve ROE. He requested Management to update the shareholders on this matter.
 - (b) Noted that CIMB Group had a subsidiary known as "bad bank" SEASAM. He requested Management to provide an update and also the function of this entity in view of the extremely huge Loan Loss Charge (LLC) in FYE 2020.

- (c) From the FYE 2020 Annual Report, it was noted that under Touch 'n Go, there was a RM40 million share of profit from an associate company. He queried whether TNGD was already profitable and requested Management to update shareholders on the financial performance of TNGD in FYE 2020.
- (d) It was noted that FYE 2020 LLC was around RM5 billion and RM1 billion was attributed to certain O&G accounts. Mr. Teo requested Management to share the breakdown of LLC and how much it was attributed to management overlay and macroeconomic factors, MFRS9 and provision related to specific accounts, amongst others.
- (e) From the Annual Report, he noted that CIMB Group was also considering some corporate exercises for TNGD to bring more value

The Chairman and the Group CEO responded to the above questions. Details were as follows:

- (a) The writing off of legacy goodwill was one of the options under evaluation to address the ROE drag from goodwill and intangible assets. A thorough assessment was being conducted and any decision would be made in consultation with CIMB's auditors.
 - (b) SEASAM had historically acquired some impaired loans within CIMB Group, but had not done so in recent years. It remained a very small entity and there were no immediate plans to acquire any further impaired loans from the Group.
 - (c) The RM40 million on page 123 of the Financial Statements referred to CIMB Niaga's profit allocated to non-controlling interest, and was not referring to TNG Group. TNGD remained in investment phase. Its underlying growth matrix were positive especially with the strong growth in number of registered users on the TNG eWallet to 15.2 million in 2020 compared to 6.8 million in 2019 (123% YoY). Its merchant base had also grown from 118,000 to 293,000 (150% YoY) over the past year.
 - (d) CIMB had total provisions of almost RM6.8 billion in 2020. The RM5.342 billion mentioned was just the provisions for the loans. This could be broken down as follows:
 - Management overlay and macroeconomic factor adjustments of RM1.0 billion;
 - Credit-related provisions (including specific accounts) of RM3.6 billion;
 - Covid-19-related provisions of RM741 million.
 - (e) TNGD was currently undergoing a fundraising exercise which was expected to be completed by the middle of 2021. As the exercise was still ongoing, Management was unable to divulge additional information at this juncture. CIMB would make the necessary disclosures once completed.
- (vi) Ms. Lee Soo Kuan enquired on how to justify the Chairperson's premium of RM510,000 compared to other Directors. She informed that Datuk Mohd Nasir sits in all the Board committees and further enquired on how Management could justify a separation in the respective roles he played.

Ms. Teoh Su Yin informed that the Chairperson's Premium was a separate allowance granted to the Chairperson of the Board and this was consistent with the recommendations under FIDE Forum Directors' Remuneration Report 2015 and was allowed by BNM. The Board had earlier noted that the Chairperson's Premium was a common practice in other similar Financial Institutions in Malaysia. The Chairperson's Premium aimed to recognise the specific and

additional responsibility as well as additional time required in order to carry out the duties of a Chairperson, both formally and informally.

The role of a member of Board Committee was different from a member of the Board. The discussion and deliberation at the Board Committees were much more detailed and operational as compared to the strategic matters covered at Board meetings.

As an Independent Director, the Chairperson also provided the relevant check and balance at each Board and Committee meeting. As Chair of the Board, the Chairperson acted as the Company's leading representative and ensured effective communication with shareholders and, where appropriate, the stakeholders.

17. ONLINE QUESTIONS FROM SHAREHOLDERS DURING THE AGM

The Chairman then opened the Questions and Answers (Q&A) session and invited shareholders to submit questions online for the Board/Management's response. The Chairman informed that the Board would endeavour to respond to these questions. The questions posed online would be reviewed to avoid repetition of questions of similar in nature, and if they were lengthy the Board would summarise them.

The Chairman further informed that CIMB had appointed the Independent Scrutineers, Messrs. Deloitte, to verify and oversee the Q&A process.

The Board/Management then addressed questions from the shareholders, as follows:

- (i) Mr. Yap Yik Yong informed that the net profit for the Group in FYE 2020 was only 25% of FYE 2019. He then enquired on the Board's view for the FYE 2021's performance and the Board's strategies moving forward.

Dato' Abdul Rahman informed that CIMB anticipated significantly better financial performance in 2021 on the back of economic growth, with expected lower provisions and better top-line performance. The Group would be guided by the Forward23+ strategy, which would reshape the portfolio, investing in key growth areas and transforming the business digitally. Enhanced risk management, prudent cost optimisation and targeted investments across the business would remain priorities as Management drove efficient growth and productivity.

- (ii) Mr. Chan Shee Keong queried whether CIMB expected its loan quality to further deteriorate and would require more provision in the coming few quarters, considering the country went into lockdown again at the beginning of this year.

Dato' Abdul Rahman responded that CIMB was cautiously optimistic in view of the recovering economy and vaccination roll-out. CIMB expected lower loan loss provisions of 80-90bps for 2021, a marked improvement from the 146bps in 2020 but this remained elevated compared to normalised level. The Group would manage the balance between providing assistance to the customers and managing the asset quality.

- (iii) Mr. Chan Shee Keong further queried as to how CIMB would anticipate the Malaysian economy in the current year and whether it could improve the Bank

and the Group's performance. He also queried whether the Non-Performing Loans (NPL) were at the acceptable level.

The meeting was informed that CIMB expected an improved economy in 2021 and an anticipated GDP growth of 5.4% in line with the gradual easing of lockdowns and vaccination roll-out. As highlighted, CIMB had embarked upon a recalibrated Forward 23+ Strategic Plan which aimed to significantly improve the ROE going forward. Dato' Abdul Rahman highlighted that the 2021 financial performance would be underpinned by revenue growth and lower provisions. CIMB expected the NPLs to stay at a reasonable level with expected marginal increase as CIMB anticipated exposures on relief programs to reach maturity.

- (iv) Mr. Chua Song Yun enquired on the loans under the targeted assistance programs and whether these loans were considered impaired. Mr. Chua then queried whether the Bank was expecting to provide more provisions when the moratorium ended in June 2021.

Dato' Abdul Rahman informed that as previously mentioned, around 15% of the loan portfolio was under the targeted assistance programs. CIMB expected this to be lower when the economy continued to recover. The loans were not considered as impaired under the current BNM rules. Management however, had undertaken provision overlays to factor in the risk attributed to the targeted assistance programs. Management was confident that with the overlays in 2020, the increased in provision would be manageable.

- (v) Mrs. Law Kung Hoo referred to Page 13 of the 2020 Annual Report and enquired on the reason for the increase in the expenses for Group procurement (from vendors or suppliers) from RM945 million to RM1.2 billion.

In response, Dato' Abdul Rahman informed that these payments were channelled to investment in technology and BAU purposes like operations and property administration. Management was committed to invest in technology to strengthen the technology infrastructure, moving forward.

- (vi) Mr. Lim Jit Thin enquired on the number of shares purchased in the FYE 2020 and at what price (or average price) were the purchases made. In addition, he also enquired on the company's plan in relation to the treasury shares.

Dato' Abdul Rahman explained that the treasury shares were purchased between 2010 - 2016 but none in 2020. CIMB had no immediate plans for the treasury shares, but it could be sold on Bursa Securities or distributed as share dividend in the best interest of the Company and shareholders.

- (vii) Dato' Abdul Rahman informed that the Board received a few questions on Tough 'n Go Group plans and performance. He explained that TNGD remained in an investment phase. Its underlying growth matrix were positive especially with the strong growth in number of registered users on the TNG eWallet to 15.2 million in 2020 compared to 6.8 million in 2019 (123% YoY). Its merchant base had also grown from 118,000 to 293,000 (150% YoY) over the past year. TNGD was currently undergoing a fundraising exercise which was expected to be completed by the middle of 2021. Management would make the necessary disclosures once completed.

- (viii) Mr. Chua Song Yun queried whether the Bank needed to recognise any additional modification loss for FYE 2021

Encik Khairul Rifaie, the Group Chief Financial Officer, responded that Management had undertaken significant modification losses in 2020 as part of the blanket moratorium. For 2021, CIMB would continue to assess and recognise modification losses as required by the accounting standards. Management however, expected it to be significantly lower than 2020.

- (ix) Ms. Koh Chooi Peng informed that the proposal to issue new shares under Resolution 10 would have a material dilution if issued at current market price. Based on the book value per share of RM5.64, the current market price was trading at a discount of about 24% to its book value. Ms. Koh sought assurance from the Board that they would not issue new shares at a huge discount as what was done by AMMB Holdings Berhad recently.

Dato' Abdul Rahman responded that there was no current plan to issue new shares under Ordinary Resolution 10. For any issuance of new shares, this would take into account any dilution to book value per share and returns to shareholders.

- (x) Mr. Gan Wei Fong asked the Board if there was any further expected credit loss (bad debit) for the FYE 2021.

Dato' Abdul Rahman responded that it was too early to determine if there would be specific provisions this year. Management was cautiously optimistic in view of the recovering economy and vaccination roll out. As previously mentioned, CIMB expected lower loan loss provisions of 80-90bps for 2021, a marked improvement from the 146bps in 2020 but this remained elevated compared to normalised level.

- (xi) Mr. Yap Yik Yong queried whether there was any salary cut for CIMB's employees and the rationale for having a separate loan moratorium to the employees. He queried whether this was an additional employee benefit.

There was no salary cut for the employees as CIMB believed that livelihood for the employees were important in these times of need. Dato' Abdul Rahman informed that the bonus pool for the whole organisation however, had been substantially reduced. Bigger bonus cut was executed for the Senior Management in comparison to the lower level employees due to the weak financial performance. In relation to the staff loan moratorium, this was provided to staff as part of the blanket moratorium provided to the customers. This loan moratorium for staff however, was only limited to the lower level of staff whose salary was relatively low.

- (xii) Mr. Chua Song Yun commented that given that the digital front would be a key focus and new battleground for the banking industry, banks needed to increase efforts in coming up with solutions that were reliable and able to provide good user experiences. CIMB BizChannel received many negative online reviews. He suggested that the Bank should really look into this issue and improve accordingly.

Dato' Abdul Rahman thanked Mr. Chua for his comment on BizChannel and informed CIMB emphasised on the importance of digital services in today's

environment. Management had been actively working on CX for CIMB BizChannel, as well as for other digital channels and enhancements would continue taking place in stages. Management had embarked on RTB1.5 to have immediate improvement to address the issues faced on BizChannel. The bigger UI/UX improvement would be under RTB2.0 which would be underway. Management noted higher reliability of digitalisation for 2021, and would continue to ensure that stability, resiliency and CX remained as the main focus.

- (xiii) Mr. Lee Chee Hoe queried on the improvements made in terms of CIMB's digitalisation module for the corporate customers. He further enquired on the next phase of CIMB's strategy to improve on its online banking services.

Dato' Abdul Rahman responded that Management had been working on a holistic program to enhance and digitalise the services to the corporate customers, including a journey towards a paperless initiative. The program started in 2020 with SME Digital Loan Applications and would continue to be introduced in stages to the corporate customers.

On the second question, Dato' Abdul Rahman reiterated that CIMB had performed various system enhancements, especially in the area of stability and resiliency for the past year. All causes of glitches had been carefully analysed, and enhancements were completed accordingly. 2020 was markedly better, and CIMB expected 2021 to improve further. Additionally, CIMB had commenced a 3-year program to further increase the resiliency and stability of the services, as well as to provide better CX. CIMB had also embarked on the Next Gen Clicks to improve CIMB Clicks architecture to ensure resiliency and stability moving forward.

- (xiv) Ms. Tan Lee Siam commented that the 2020 Annual Report was too verbose. She suggested for CIMB to make it concise and precise and at the same time, this could reduce cost.

Dato' Abdul Rahman thanked Ms. Tan for her comment and positive suggestion. Management had taken conscious efforts to manage and minimise the environmental impact of the 2020 Annual Report and the related processes. Some of the efforts were as follows:

- (a) The 2020 Annual Report was printed with eco ink, thus causing less pollution.
- (b) The 2020 Annual Report was printed with carbon neutral press machines, eco materials and managed under and certified with ISO.
- (c) Paper was sourced from responsibly managed forest that provided environmental benefits.

Dato' Abdul Rahman explained that it was important for CIMB to disclose some of the information as per the regulatory requirements. Management however, noted that it should be concise as long as it fulfilled the regulatory requirements.

- (xv) Mr. Lee Choon Meng informed that CIMB was known as a GLC. He queried whether CIMB practised diversity and inclusiveness when hiring staff and Board members regardless of gender, race, religion and capabilities.

The Chairman informed that the Board had established the Board Diversity Framework that was applicable to all Directors of CIMB Group. The Framework

sets out the principles on diversity that could be considered in determining the optimum composition of the Board with five key principles of independence, skills and experience, gender, cultural background and age. Similarly, with regard to employees, the same principles would be applicable as well with job experience, capabilities and performance being the key factors in employing and progressing CIMB's employees.

- (xvi) Ms. Tan Hui Shim commended CIMB given that sustainability was a key pillar in Forward23+ and requested Management to share CIMB's commitments under UNEP FI Principle of Responsible Banking (PRB).

Dato' Abdul Rahman explained that CIMB was highly committed to UNEP FI PRB, as founding member and signatory. CIMB committed to a coal phase-out target by 2040, and had undertaken a qualitative assessment on CIMB's climate-related risks, piloting transition risk assessments on selected carbon-intensive sectors and aligning its disclosures based on Task Force on Climate-Related Financial Disclosures.

- (xvii) Ms. Koh Chooi Peng commented that BNM had announced that 5 Digital Banking Licenses would be issued in 2022. She queried whether CIMB had conducted any study on the impact of these new digital banking licenses on the existing banking operations in Malaysia

In terms of disrupting the core banking business, Management believed that disruption was imminent regardless of whether CIMB participated in acquiring a license. If the business model and economics were right for CIMB to participate, Management believed the option value and having a play in this space would far outweigh any cannibalisation, especially if the digital bank could allow CIMB to penetrate new markets or segments that CIMB had traditionally might not have focused on.

- (xviii) Ms. Koh Chooi Peng then referred to the FYE 2021 target KPI of ROE to achieve 6% to 7%. She queried whether this ROE target was inclusive of artificial ROE improvement from possible writing-off of goodwill and intangible asset.

Dato' Abdul Rahman responded in the negative and informed that the KPI ROE was CIMB's core ROE target.

- (xix) Ms. Tan Hui Shim queried on the plans in increasing gender equality in Senior Management and Board level.

Dato' Abdul Rahman informed that the Board currently comprised ten Directors, three of whom were women Directors, which met the recommended 30% ratio specified under the Malaysian Code on Corporate Governance.

In terms of diversity at the management level, CIMB was developing a clear and holistic Diversity and Inclusion Policy. Specifically, in terms of gender balance at the management level, approximately 43% of the GCEO-1 and GCEO-2 level were women. Notwithstanding that, more effort was being put in place to provide a conclusive and enabling environment for all employees, to progress and be successful in their careers with CIMB.

- (xx) The Chairman informed of another question received from a shareholder who queried whether CIMB was the only local Bank to cut board fees

Ms. Teoh informed that based on comparison to similar-sized banks in Malaysia, CIMB was the only Bank that had introduced temporary measures to reduce the remuneration of Non-Executive Directors with effect from 1 June 2020. The Board was not aware of similar board-cost reduction exercise introduced by similar-sized Banks in Malaysia.

The Chairman thanked shareholders for all questions and reiterated that if there were questions yet to be answered, Management would revert to shareholders via email soonest possible.

With that, the Chairman declared that the Q&A session closed.

The Chairman then declared that the Audited Financial Statements together with the Directors and Auditors Reports for the FYE 31 December 2020 were deemed received.

18. POLLING AND CLOSE OF POLLING

The Chairman informed that additional 10 minutes would be provided for all resolutions to be voted on by poll and another 10 minutes for the Independent Scrutineers to verify the results. In the meantime, the Corporate Videos would be shown on screen and the Chairman declared that the Meeting would resume in 20 minutes.

19. ANNOUNCEMENT OF POLL RESULTS

The Chairman resumed the Meeting at 12.05 pm for the declaration of results. He informed that he had received the poll results from Boardroom and Deloitte and proceeded to read out the poll results, as follows:

- (i) Re-election of Datuk Mohd Nasir Ahmad who retired pursuant to Article 81 of the Company's Constitution

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

Poll Results	Number of Shareholdings	%
For	7,178,258,958	99.8942
Against	7,600,909	0.1058

“THAT Datuk Mohd Nasir Ahmad, who retired pursuant to Article 81 of the Company's Constitution, be re-elected as Director of the Company.”

- (ii) Re-election of Mr. Robert Neil Coombe who retired pursuant to Article 81 of the Company's Constitution

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

Poll Results	Number of Shareholdings	%
For	7,168,948,867	99.7650
Against	16,889,600	0.2350

“**THAT** Mr. Robert Neil Coombe, who retired pursuant to Article 81 of the Company’s Constitution, be re-elected as Director of the Company.”

- (iii) Re-election of Encik Afzal Abdul Rahim who retired pursuant to Article 81 of the Company’s Constitution

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

Poll Results	Number of Shareholdings	%
For	7,015,925,851	97.6985
Against	165,272,718	2.3015

“**THAT** Encik Afzal Abdul Rahim, who retired pursuant to Article 81 of the Company’s Constitution, be re-elected as Director of the Company.”

- (iv) Re-election of Dato’ Abdul Rahman Ahmad who retired pursuant to Article 88 of the Company’s Constitution

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

Poll Results	Number of Shareholdings	%
For	7,173,583,908	99.7869
Against	15,320,862	0.2131

“**THAT** Dato’ Abdul Rahman Ahmad, who retired pursuant to Article 88 of the Company’s Constitution, be re-elected as Director of the Company.”

- (v) Re-election of Ms. Serena Tan Mei Shwen who retired pursuant to Article 88 of the Company’s Constitution

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

Poll Results	Number of Shareholdings	%
For	7,109,300,705	98.8932
Against	79,563,629	1.1068

“**THAT** Ms. Serena Tan Mei Shwen, who retired pursuant to Article 88 of the Company’s Constitution, be re-elected as Director of the Company.”

- (vi) Approval on Payment of Non-Executive Directors' fees

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

Poll Results	Number of Shareholdings	%
For	7,191,536,085	99.9451
Against	3,951,648	0.0549

“THAT the payment of Non-Executive Directors' Remuneration with effect from the 64th Annual General Meeting until the next Annual General Meeting of the Company be approved.”

- (vii) Approval on Payment of Allowances and Benefits Payable to Non-Executive Directors

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

Poll Results	Number of Shareholdings	%
For	7,059,958,687	98.2253
Against	127,555,977	1.7747

“THAT the payment of Allowances and Benefits payable to Non-Executive Directors' of the Company up to an amount of RM3,895,000 from the 64th Annual General Meeting until the next Annual General Meeting of the Company be approved.”

- (viii) Reappointment of Auditors

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

Poll Results	Number of Shareholdings	%
For	7,168,049,939	99.6079
Against	28,214,197	0.3921

“THAT Messrs. PricewaterhouseCoopers be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Board of Directors be authorised to fix their remuneration.”

- (ix) Renewal of the Authority for Directors to Allot and Issue Shares

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

Poll Results	Number of Shareholdings	%
For	7,042,506,601	97.8538
Against	154,463,587	2.1462

“**THAT** pursuant to Section 76 of the Companies Act, 2016, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act, 2016, whichever is the earlier.”

- (x) Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company in Relation to the Dividend Reinvestment Scheme

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

Poll Results	Number of Shareholdings	%
For	7,195,960,121	99.9857
Against	1,031,270	0.0143

“**THAT** pursuant to the Dividend Reinvestment Scheme (DRS) approved at the Extraordinary General Meeting held on 25 February 2013 and renewed at the Annual General Meeting held on 30 June 2020, approval be and is hereby given to the Company to allot and issue such number of new CIMB Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new CIMB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted 5-day volume weighted average market price (VWAMP) of CIMB Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of CIMB Shares at the material time;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation

of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.”

(xi) Renewal of the Authority to Purchase Own Shares

The Chairman announced the poll result in respect of **Ordinary Resolution 11** which was carried as follows:

Poll Results	Number of Shareholdings	%
For	7,189,844,700	99.9085
Against	6,584,177	0.0915

“**THAT**, subject to the Companies Act, 2016 (as may be amended, modified or re-enacted from time to time), the Company’s Articles of Association and the requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) and approvals of all the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (Proposed Shares Buy-Back) as may be determined by the Board of Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained earnings of approximately RM1.399 billion based on the Audited Financial Statements for the financial year ended 31 December 2020 be allocated by the Company for the Proposed Shares Buy-Back **AND THAT** the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and cancel the remainder of the shares **AND THAT** where such shares are held as treasury shares, the Directors of the Company may distribute the shares as dividends, re-sold on Bursa Securities, transfer the shares under the employees’ share scheme or as purchase consideration or otherwise use the shares for such other purposes as the Minister may by order prescribe **AND THAT** the Board of Directors of the Company be and are hereby given full authority generally to do all acts and things to give effect to the Proposed Shares Buy-Back with the full power to assent to any conditions, modifications, revaluations and/or amendments (if any) as may be imposed by the relevant authority with full power to do all such acts and things thereafter on any part of the shares bought back in accordance with the Companies Act, 2016, Company’s Articles of Association, Main Market Listing Requirements of Bursa Securities and any other rules and regulations that may be in force from time to time **AND THAT** such authority shall commence immediately upon passing of this ordinary resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company in 2022 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the Shareholders of the Company in a general meeting;

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and/or any other relevant authorities.”

20. ANY OTHER BUSINESS

The Chairman had been duly advised by the Group Company Secretary that the Company had not received any notice of any other business. Therefore, there was no other business to be transacted of which due notice had been given in accordance with the Companies Act, 2016.

21. CLOSE OF MEETING

The Chairman declared the 64th AGM of the Company closed and thanked all members present for their participation.

The Chairman reminded shareholders to log out from the AGM portal and log in using the login details to participate in the Extraordinary General Meeting (EGM) which would commence in 15 minutes' time.

There being no other business, the Meeting concluded at 12.15 p.m. with a vote of thanks to the Chair.

Confirmed

Datuk Mohd Nasir Ahmad
Chairman

Date : 30 April 2021

CHAIRMAN'S
INITIALS