

GROUP'S FORWARD23+ STRATEGIC THEMES

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

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

FORWARD23+ Strategic Themes

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

* not comprehensive

FORWARD 23+

VISION

To be the leading focused ASEAN bank

Strategic Themes

1 Delivering Sustainable Financial Returns	a) Reshape portfolio <ul style="list-style-type: none"> Accelerate profitable growth Fix and turnaround underperforming businesses 	b) Drive cost efficiency <ul style="list-style-type: none"> Reset cost base Tighten expense management Increase productivity 	c) Digitise for value <ul style="list-style-type: none"> Strengthen technology Digitise and automate front and back office Focus on data and analytics 	d) Focused investments <ul style="list-style-type: none"> Facilitate intra-ASEAN wholesale Preferred and Wealth CASA, fee income and transaction banking Islamic Finance Selective CIMB digital investments
	2 Disciplined Execution <ul style="list-style-type: none"> Performance culture Simplify corporate, oversight and management structure Regional operating model 	3 Customer Centricity <ul style="list-style-type: none"> Strengthen reliability Transform customer journeys Treat customers fairly 	4 Transform Fundamentals <ul style="list-style-type: none"> Risk management Capital optimisation Finance and Compliance 	
5 Purpose-driven organisation	a) Culture and Values	b) Human capital	c) Sustainability	

Priority Focus Areas (2021)

- Reshape portfolio to accelerate growth in focus areas by right-sizing Thailand Commercial and Singapore and deconsolidated TNGD
- Improve underperforming businesses by trimming Indonesia COMBA portfolio showing improved RAROC and exited Singapore commodity financing
- Acquire profitable growth through focused investments through optimising RAROC driven growth in Consumer and SME
- Tackle cost-efficiency by implementing stringent cost control framework, accelerated IA write-off and depreciation review
- Build a culture of clear transparency and accountability
- Simplify performance management and obtain buy-in from #teamCIMB on the enhanced KPI framework
- Link performance to rewards in new KPI and bonus framework, and Long Term Incentive Plan (LTIP)
- Recalibrate the Regional Operating Model framework
- Transform customer journeys by accelerating digitalisation efforts
- Implement a process design review to drive superior experiences and operational excellence
- Review and improve targets related to existing indicators on service level agreements (SLA) and channel reliability
- Re-evaluate credit cost efficiencies and risk management approach
- Deploy strategies to optimise capital
- Validate and enhance existing financial framework and governance to improve guidance on pricing and return
- Roll-out a group-wide finance transformation plan to be the single source of truth
- Drive cost efficiency by strengthening cost monitoring and controls and drive cost savings initiatives to ensure cost targets are met effectively and enhanced CAPEX prioritisation framework
- Strengthen environmental and social safeguards in financing, via enhancement of sector guides
- Develop and promote innovative sustainable financial products and services, including for financial inclusion
- Develop Net Zero strategies for our operational and financed emissions
- Perform Human Rights assessment on our Corporate Banking portfolio
- Assist customers impacted by the pandemic through financial relief measures
- Develop Diversity and Inclusion policy

Headline KPIs (2020-2024)*

- Leading ASEAN bank amongst top quartile by financial metrics
 - Top quartile ROE
 - CIR of $\leq 45\%$
 - CET1 of $> 13.5\%$
- Collective scorecards for bonus pool determination
- Streamlined management meetings
- Multi-country and multi-disciplined taskforce and introduction of the new Target Empowerment and Alignment Model (TEAM)
- Top quartile in NPS
- Capital Adequacy Ratio
- Best in Credit Cost
- CIR of $\leq 45\%$
- Top quartile on S&P Global Corporate Sustainability Assessment for DJSI inclusion
- Increase female representation in Board and leadership roles
- Close gender-based remuneration gaps
- Mobilise RM30 billion in sustainable finance
- Net zero GHG Scope 1 and 2 emissions in our operations by 2030
- Overall Net Zero GHG by 2050 (including Scope 3 and financed emissions)