

HOW DO WE CREATE SHARED VALUE?

FOR CIMB AND #teamCIMB*

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

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



What Matters

Risk, Governance and Culture

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

Talent, Diversity, Inclusion, Health, Safety and Well-being

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



How We Create Value

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



Key Drivers of Shared Value

- Group Enterprise-Wide Risk Management Framework
- Group Dividend Policy
- Group Human Resources Policies and Procedures: Code of Conduct; Code of Ethics; Human Rights Guidelines; Employee Engagement and Inclusiveness; Recruitment and Remuneration Policy
- CIMB Group Employee Diversity and Inclusion Policy: Board Diversity and Inclusion
- Performance Management Framework and Learning and Development Policy
- Group Occupational Safety and Health Policy and Procedures
- Group Procurement Policy: Vendor Code of Conduct



2021 Highlights



48.3%
Cost to Income or Efficiency Ratio



7.5%
Return on Equity



75/100
Organisational Health Index score



30% female representation on Board of Directors



RM1.9 billion
Procurement Spend towards Suppliers/Vendors

* Investors, Shareholders, Employees, Suppliers

FOR CUSTOMERS AND CLIENTS

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



What Matters

Customer Centricity, enabled by Technology

- Cultivate a 'customer-first' mindset
- Transform customer journeys to create consistently excellent experience
- Design and deliver financial and digital solutions that contribute to well-being and welfare
- Protect customers' data and safeguard customers against cyber-crimes and scams through enhanced safety checks and awareness
- Offer bespoke products, services, and advisory to empower businesses for achieving growth ambitions
- Establish partnerships to raise awareness and build capacity to drive responsible and competitive businesses of the future
- Encourage and enable individuals and businesses to manage their finances better, improving their well-being and quality of life

Sustainable Finance

- Mobilise capital flows for greater good, while meeting business motives
- Establish policies and guidelines to manage exposure to various sustainability risks
- Create positive impacts, and reduce potential negative impacts through products and proactive engagement

Financial Inclusion

- Contribute to socio-economic development by creating banking opportunities for the underserved and disadvantaged communities and demographics, towards building a more resilient and financially secure population



How We Create Value

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



Key Drivers of Shared Value

- Customer Experience (CX) Policy: Treating Customer Fairly
- Group Sustainable Financing Policy (GSFP) and Sector Guides
- IT Security Policy and Group Personal Data Protection Policy



2021 Highlights


NPS score within **54%** of the industry in four markets


6 million CIMB Digital Users


417 Financing and Capital Raising Facilities with in depth Due Diligence on E&S risks


1:29,660 Customer to Branch Ratio or Physical touchpoint per customer

HOW DO WE CREATE SHARED VALUE?

FOR SOCIETY AND COMMUNITY

We champion purposeful programmes to help communities prosper, and to shape a better planet. From financial literacy to community empowerment, and entrepreneurship to environmental stewardship, we identify issues that impede socio-economic development of communities who matter to us.



What Matters

Corporate Citizenship	Sustainability/Climate Change	Social Equality
<ul style="list-style-type: none"> Understand the needs and expectations of communities Instill a sense of social responsibility and community stewardship amongst employees Encourage partnerships with grassroots organisations, lead NGOs and community groups for greater impact 	<ul style="list-style-type: none"> Minimise negative impact of our operations and financed activities on the environment and communities Manage our direct carbon footprint by monitoring and reducing emissions and waste from our operations Work with industry peers and stakeholders to raise awareness and mobilise action on climate resilience in the financial services sector and beyond 	<ul style="list-style-type: none"> Establish safeguards to mitigate social inequalities and injustices in communities that matter to us Empower communities by equipping them with skills, resources, and opportunities that will advance their welfare and well-being Integrate community members into the mainstream marketplace by promoting entrepreneurial and education programmes



How We Create Value

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



Key Drivers of Shared Value

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

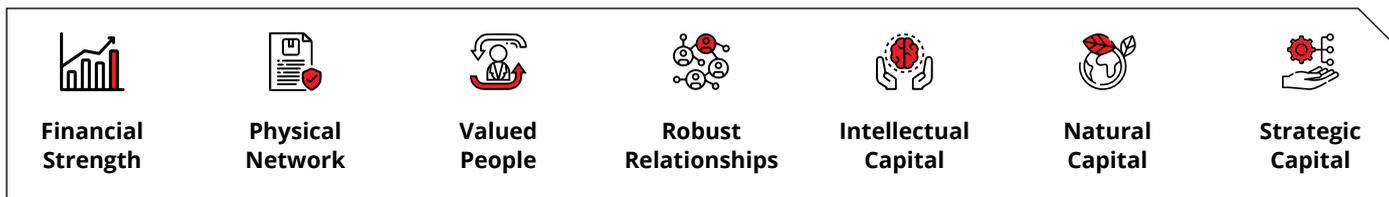


2021 Highlights

 <p>79th Percentile in the S&P Global Corporate Sustainability Assessment</p>	 <p>24.1% Reduction in Scope 1 and Scope 2 GHG Emissions (vs. 2019 baseline)</p>
 <p>RM28.7 million and 67,278 volunteer hours invested towards communities</p>	

CIMB'S VALUE CREATION MODEL

In keeping with our efforts to adopt Integrated Reporting <IR> principles, we made significant progress in 2021. Our cross-functional teams examined the prescribed value creation business model to recalibrate it in a manner that it reflects CIMB's continuing aspiration as a focused ASEAN bank to advance customers and society. CIMB Group's recalibrated Value Creation Business Model demonstrates our unique disposition towards various resource inputs, deployed strategies, stakeholder inclusion, purpose and propositions, accountability, tangible outcomes and positive impact. In the process, we also reviewed how we name and define various Capitals, making them relatable as well as meaningful for our stakeholders.



Please refer to the section, Our Integrated Approach to Managing and Driving Performance on page 11 of this report for CIMB's scope/definitions of the Capitals.



The new model clearly reflects the systemic nature of critical aspects of business and how they interact with each other towards creating opportunities to fulfil CIMB's seven priority sustainable development goals or SDGs, which form the corner stone of our sustainability programmes and initiatives alongside business priorities and stakeholders' expectations.

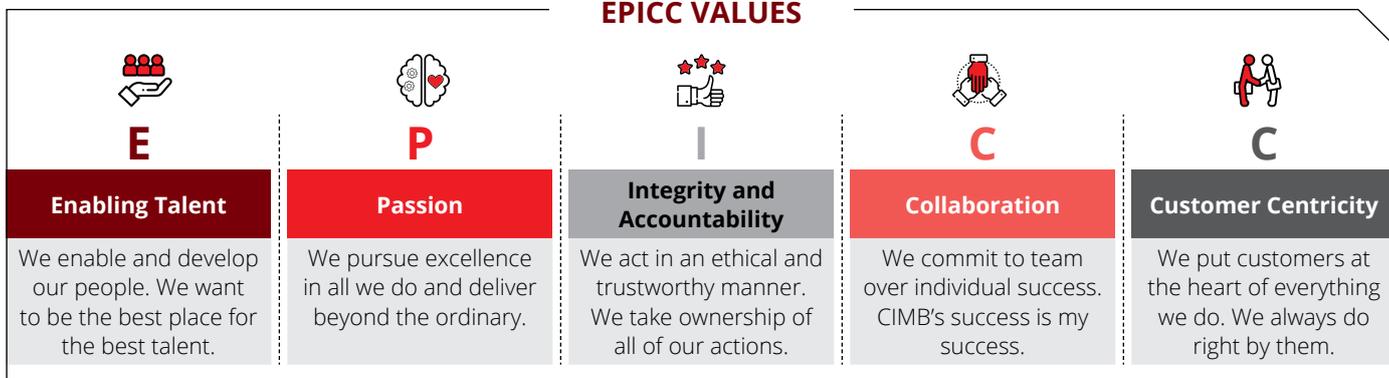


Please refer to the section, Sustainability Principles for our Scorecards and how we meet our priority SDGs on pages 20-22 in CIMB Group Sustainability Report 2021.



Through our Value Creation Business Model, we reinforce our commitment to create value for both shareholders and stakeholders, underpinned by EPICC values, robust risk mechanisms (Enterprise-Wide Risk Management and Sustainability Risk Management Frameworks) and principles of good corporate governance.

EPICC VALUES



Please refer to the section, Our Integrated Approach to Managing and Driving Performance for various value creation and impact/performance indicators on pages 8-10 of this report, mapped against our Forward23+ strategic themes, our material matters and capitals.



CIMB'S VALUE CREATION MODEL

INPUTS

OUR RESOURCES AND RELATIONSHIPS

FINANCIAL STRENGTH

Strong balance sheet with invested capital and total assets valued at RM621.9 billion and market capitalisation at RM55.3 billion

PHYSICAL NETWORK

630 retail branches, 7,652 self-service customer access points

VALUED PEOPLE

Around 33,000 workforce across 10 ASEAN countries

ROBUST RELATIONSHIPS

>18 million customers and >2,000 registered suppliers, 67,278 hours employee volunteerism

INTELLECTUAL CAPITAL

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

NATURAL CAPITAL

Five (5) sector guides including environmental criteria and RM527 million in renewable energy financing

STRATEGIC CAPITAL

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

BUSINESS

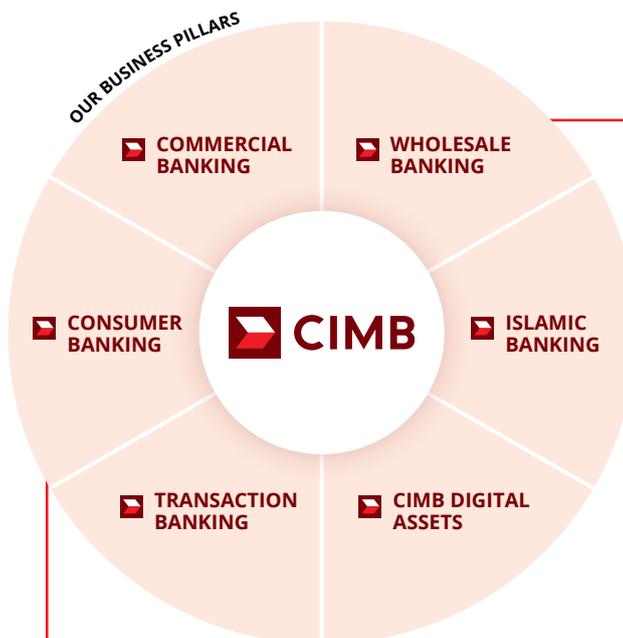
OUR STRATEGY AND FOCUS AREAS

OUR VISION

To be the leading focused ASEAN bank

OUR PURPOSE

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



FORWARD 23+

STRATEGIC THEMES

Delivering Sustainable Financial Returns

Customer Centricity

Disciplined Execution

Transfer Fundamentals

Purpose-driven Organisation

MATERIAL ESG MATTERS

Highly Material Topics

- Technology
- Governance
- Customer Experience
- Sustainable Finance
- Financial Literacy, Inclusion and Well-being
- Health, Safety and Well-being
- Climate Change
- Talent Attraction, Growth and Retention

Important Topics

- Diversity and Inclusion
- Corporate Culture
- Sustainable Supply Chain
- Sustainability Awareness and Participation
- Corporate Citizenship and Volunteerism

OUR KPIs (2024)

CIR

≤45%

ROE

TOP QUARTILE

CET1

>13.5%

NPS and S&P Global Corporate Sustainability Assessment

TOP QUARTILE

GHG Scope 1 and 2

NET ZERO EMISSIONS IN OUR OPERATIONS BY 2030

Overall Net Zero GHG by 2050

INCLUDING SCOPE 3 AND FINANCED EMISSIONS

PURPOSE

OUR STAKEHOLDER PROPOSITIONS



CUSTOMER VALUE PROPOSITION

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

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

EMPLOYEE VALUE PROPOSITION

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

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

SUPPLIER VALUE PROPOSITION

We forge partnerships that advance mutual interests and aspirations through:

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

INVESTOR VALUE PROPOSITION

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

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

COMMUNITY VALUE PROPOSITION

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

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

ACCOUNTABILITY

OUR INTERNAL CONTROLS

GOVERNANCE AND LEADERSHIP

Focus

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

Accountability

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

Controls

Internal and External Independent Audits and Assurance

GROUP KPIs AND SCORECARDS

Focus

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

Accountability

BOD, Special Purpose Committees and Group CEO

Controls

Group Nomination and Remuneration Committee, BOD

CORE VALUES

Focus

EPICC Values to deliver impact the right way across CIMB

Accountability

Group Chief People Officer and Functional Heads

Controls

Organisational Health Index (OHI); People Engagement/Enculturation

KEY POLICIES

Focus

Progressive and inclusive policies that address material matters in addition to driving operational efficiencies and beyond-compliance motives lues to deliver impact the right way across CIMB

Accountability

GCRO, GLC and Functional Heads

Controls

Board Risk and Compliance Committee, Group Risk and Compliance Committee, Group Policy and Procedure Oversight Committee, Internal and External Audits

IMPACT

OUR VALUE CREATION 2021

CIMB AND #teamCIMB*



75/100 Group Organisational Health Index

30% Female Directors on the Board

7.5% Return on Equity

RM25.9 billion of Sustainable Finance in Green, Social, Sustainable Impact Products and Services

CUSTOMERS AND CLIENTS



54% Customer Satisfaction Score/ NPS Score, relative to peers

6 million CIMB Digital Users

417 Clients undergoing Enhanced Sustainability Due Diligence

1:29,660 Customer to Branch Ratio

SOCIETY AND COMMUNITY



79th percentile S&P Global Corporate Sustainability Assessment

24.1% Reduction in Scope 1 and Scope 2 GHG Emissions (vs. 2019 baseline)

RM28.7 million Investment in community

12 of 13 Material issues supported by policy commitments

* Investors, Shareholders, Employees, Suppliers