

# CIMB GROUP HOLDINGS BERHAD

(Company No. 50841-W)

Minutes of the Sixtieth (60<sup>th</sup>) Annual General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) held at the Grand Ballroom, Level 3A, Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Friday, 28 April 2017 at 9.00 a.m.

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**Present** : Dato’ Sri Nazir Razak- **Chairman**  
Tengku Dato’ Zafrul bin Tengku Abdul Aziz  
Mr. Glenn Muhammad Surya Yusuf  
Mrs. Watanan Petersik  
Mr. Robert Neil Coombe  
Datuk Joseph Dominic Silva  
Ms. Teoh Su Yin  
Datuk Mohd Nasir Ahmad  
Dato’ Lee Kok Kwan  
Mr. Hiroaki Demizu  
Encik Mohamed Ross Bin Mohd Din

And 2,844 Shareholders attending in person or by proxy as per Attendance List

**In Attendance** : Datin Rossaya Mohd Nashir – **Group Company Secretary**

Representatives from Messrs PricewaterhouseCoopers

Dato’ Mohammad Faiz Azmi  
Mr. Sridharan Nair  
Mr. Ong Ching Chuan  
Mr. William Mah  
Mr. Yee Gah Hao  
Mr. Lee Shee Yan  
Ms. Stephanie Tang

## 1. CHAIRMAN OF THE MEETING

Dato’ Sri Nazir Razak took the Chair.

## 2. QUORUM

The Group Company Secretary confirmed that there was sufficient quorum in accordance with Article 58 of the Company’s Articles of Association, and the 60<sup>th</sup> Annual General Meeting (AGM) was duly convened.

## 3. NOTICE OF MEETING

The Notice convening the Meeting was tabled by the Chairman and shareholders present agreed unanimously that it be taken as read.

#### 4. CHAIRMAN'S OPENING REMARKS

The Chairman welcomed the shareholders to the 60<sup>th</sup> AGM of CIMB. The Chairman informed that CIMB's first AGM was held in 1957 when the company was then known as Bian Chiang Bank. Although founded in 1924, Bian Chiang Bank was formally incorporated in Sarawak only in 1956.

He added that it had been an amazing journey for CIMB, from its humble origin as a small bank in Kuching to ASEAN's fifth-largest banking group, integrating about 35 legacy financial institutions from across ASEAN into 1 along the journey. Some of the venerable names that make up CIMB today were Bank of Commerce, Ban Hin Lee Bank, Bank Bumiputra, United Asian Bank, Lippo Bank, Bank Niaga and Southern Bank.

The Chairman was pleased to inform that many of the shareholders had stayed with CIMB through its various incarnations. The Chairman further informed that this was his 28<sup>th</sup> year with the Group and he was pleased to see many familiar faces this morning.

The Chairman then proceeded to especially acknowledge Dato' Robert Cheim Dau Meng, who was a former Board member and was currently the Chairman of CIMB Investment Bank Berhad, who celebrated his 40<sup>th</sup> year with the Group, having joined United Asian Bank as a trainee in 1977.

The Chairman informed the meeting that representatives from the External Auditors, Messrs. PricewaterhouseCoopers, were also present, led by Dato' Mohd Faiz Azmi. Others in attendance included the Members of the Group Management Committee and Board Members from the Group's subsidiaries.

The Chairman further informed that Management had set up a helpdesk outside the hall to attend to queries on the operations of CIMB Bank Berhad (CIMB Bank) and CIMB officers would be pleased to attend to any queries on CIMB Bank.

The Chairman briefed the Members, Corporate Representatives and Proxies present of their right to speak and vote on the Resolutions set out in the Notice of the 60<sup>th</sup> AGM dated 31 March 2017.

In line with Bursa Malaysia's Listing Requirements, the voting at this AGM would be conducted on a poll. For expediency of the process, the Chairman exercised his rights as Chairman of the meeting to demand for a poll in accordance to Article 62 of the Company's Articles of Association in respect of all resolutions, Resolution 1 to Resolution 9, which would be put to vote at this Meeting.

The Chairman informed that the Share Registrar, Symphony Share Registrars Sdn Bhd, would act as a Poll Administrator to conduct the polling process and Messrs Ernst & Young as Scrutineers to verify the poll results. The polling process would be conducted upon the completion of the deliberation of all items, Resolution 1 to Resolution 9, in the Notice of AGM.

The Chairman further informed that the Company had sent to the shareholders a copy of the Annual Report and Financial Statement for 2016, which was dispatched together with the Notice of AGM. The Notice of AGM, was dispatched to the

shareholders, published in the Press and announced through Bursa Malaysia on 21 March 2017.

Management had also issued an Errata to the Annual Report in a similar way to the Notice of the AGM on 21 April 2017 to rectify the information under Directors' Interests in Shares, Share Options and Debentures on page 17 of the Financial Statements book in the Annual Report. The early delivery of the Annual Report was aimed to give ample time for shareholders to peruse the Financial Statements prior to the AGM.

The Chairman proceeded with summarising the achievements of the Group and several initiatives undertaken by the Group in the financial year ended 2016 (FYE 2016). He informed that CIMB had entered 2017 in a better shape as its multi-year recalibration since 2014 has begun to show in its performance. CIMB was leaner, better-capitalised, more resilient in its portfolio mix and re-energised. The revenue engine remains as strong as ever. The main disappointment of 2016 was asset quality in Indonesia and Thailand, which meant that record revenues did not translate into record profits. Having all things considered, however, it was a very commendable financial outcome. For long-term shareholders, this was reflected in higher dividend payout and dividend of PT CIMB Niaga Bank Tbk (CIMB Niaga) shares.

The progress of the T18 project in 2016 was good. CIMB was in full execution mode and Management pursued a long list of initiatives methodically, including the launch of CIMB's new brand position "Forward", which took over from "ASEAN for You".

The long-term strategic agenda of building a leading ASEAN universal bank continued to move forward with the opening of CIMB Bank (Vietnam) in December 2016. CIMB remain hopeful about starting afresh in the Philippines this year. At the same time, CIMB had reduced its presence ex-ASEAN, where CIMB had less competitive edge or had superior capital deployment options.

As to the future, Management had been advised to remain focused on T18. There was much more to do and execution sometimes gets harder because CIMB had tasted success. At the same time, Management had to be very mindful of the extraordinary times CIMB live in. On the one hand, global economic indicators were looking better than at any time since the Global Recession; yet the world felt riskier than ever, from global geopolitical events and domestic political events across ASEAN to disruptive technology and social changes. "Forwards and upwards, but always mind the drop" was how the Chairman would guide the team. The team should be more aware that while CIMB learnt from the past, CIMB live the future and in this era of accelerated change, forecasting was much more critical strategic tool.

The Chairman then extended his thanks to the members of the Board for their contributions and guidance to the Group.

The Chairman further thanked the stakeholders, including regulators, policy makers and non-governmental organisations that had shown long-term confidence in the Group. The Chairman expressed his thanks to the shareholders who had invested in the Group for several decades and that without their support, the expansion and success of CIMB would not have been possible.

The Chairman then ended his speech by calling on the Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, to give his presentation on the 2016 CIMB Group Overview and 2017 Plans.

## **5. GROUP CEO'S PRESENTATION**

Tengku Dato' Sri Zafrul thanked the shareholders for their presence and presented the Group's key financial performance which included CIMB today, 2016 Key Highlights, 2016 Performance and Other Highlights, Key Events, Corporate Responsibility, T18 Updates and Forward.

Tengku Dato' Sri Zafrul highlighted that CIMB today was the 5<sup>th</sup> largest ASEAN universal Bank, one of ASEAN's largest Retail Branch Network, among the largest Asia-based Investment Banks and world leader in Islamic Finance.

Tengku Dato' Sri Zafrul further highlighted the vision of the Group to be the leading ASEAN Company and the mission to provide universal banking services as high-performing, institutionalised and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world.

The shareholders were briefed on the Scale Transformation from 2005 to 2016 which included the market capitalisation, markets, Shareholders' funds, assets and staff strength. The shareholders were then updated on the market presence of the Group, as follows:

- (i) Market presence in 15 countries;
- (ii) 909 branches across ASEAN and other markets;
- (iii) Over 39,000 staffs; and
- (iv) Over 12 million customers.

Tengku Dato' Sri Zafrul then presented the 2016 Key Highlights which included the growth of the Record Operating Income in 2016 and the Targets for 2016 on Return of Equity (ROE), Dividend Payout Ratio, Total Loans Growth, Loan Loss Charge, CET1 and Cost to Income.

For the 2016 Performance, he informed that the Growth Domestic Product growth generally was steady by countries. Tengku Dato' Sri Zafrul informed on the Pre-Provision Operation Profit (PPOP) and Profit Before Tax (PBT) by segments including Consumer, Commercial, Wholesale and Group Asset Management and Investments (GAMI). For Year-on-Year (Y-o-Y), Consumer Banking operating income grew by 8% and had a good traction in Malaysia, Indonesia and Thailand. The costs remained well under control and with lower provisions levels. In Commercial Banking, the operating income grew by 5% and PBT was impacted by a high provision from Thailand, mainly from the rice and steel segments and Singapore from oil and gas. Wholesale Banking Y-o-Y operating income grew by 2% from Corporate Banking and an increased of Investment banking activity. The operating expenses were well managed and there was a lower provision in Corporate Banking. GAMI Y-o-Y operated in slower markets. Public Assets under Management grew by 8% and impacted by some investment impairments.

Tengku Dato' Sri Zafrul highlighted the 2016 gross loan growth by country whereby the contribution by Malaysia was 56%, Indonesia at 20%, Singapore at 10%, Thailand at 9% and Others including Labuan, London, Cambodia, Hong Kong and Shanghai at 5%. Tengku Dato' Sri Zafrul further highlighted the 2016 gross loans growth by segments including Consumer Banking, Commercial Banking and Wholesale Banking.

Tengku Dato' Sri Zafrul informed on the progress in operating cost management by reducing the Cost-to-Income Ratio (CIR) and with the second consecutive year of positive JAW. The initiatives by Management included the following:

- (i) Streamlining and optimising delivery channels;
- (ii) Introduce various spend disciplines; and
- (iii) Implementation of strategic procurement system

The shareholders were also highlighted on the CET1 (increased from 10.4bps to 11.3bps) capital optimisation initiatives, as follows:

- (i) Capital accumulation via profit generation.
- (ii) Capital preservation via Dividend Reinvestment Scheme (DRS).
- (iii) Risk-Weighted Assets reduction and optimisation via portfolio rebalancing and Risk enhancements.

Tengku Dato' Sri Zafrul informed the shareholders on Other Highlights of CIMB such as New Campaigns, Market positions in Malaysia, Growing Presence in ASEAN, Notable Awards, Key Collaborations and Partnerships, ASEAN footprint especially in Vietnam and the Philippines, Increased Dividend Payout to 50% for FYE 2016, Share Price Relative Performance and Key Events

In terms of Corporate Responsibility, the Group disbursed RM7.6 million through CIMB Foundation and RM5.4 million through initiatives in CIMB Islamic Bank Berhad, CIMB Bank Berhad, Indonesia and Thailand.

Tengku Dato' Sri Zafrul explained that T18 as the Group's long-term target and strategic approach in achieving the Group's ambition to be the leader in the home market, and to achieve deep presence in ASEAN with strategic links to Asia Pacific and beyond, details of which were duly noted by shareholders.

In conclusion, Tengku Dato' Sri Zafrul informed of CIMB's new brand position "Forward" by explaining the Brand Promise History from 2006 to 2017. "Forward" focused on providing solutions and support that empower the customers and stakeholders to advance towards their goals. "Forward" included the following initiatives by Management:

- (i) Anticipating customers' needs;
- (ii) Offering products that were innovative, simple to understand and competitively priced;
- (iii) Providing efficient and delightful customer experience (CX); and
- (iv) Empowering customers to advance towards their goals and dreams at every stage of their lives.

Tengku Dato' Sri Zafrul further informed the shareholders on the Forward Banking initiatives included CIMB Eva and CIMB FinTech to spearhead the new digital initiatives. Tengku Dato' Sri Zafrul also informed on the targeted marketing campaigns for Consumer Banking, Preferred and Islamic and Commercial Banking.

At this juncture, the shareholders were presented with the new "Forward" video.

In conclusion, Tengku Dato' Sri Zafrul informed of CIMB's targets for 2017 to achieve ROE of 9.5%, Dividend Payout Ratio of 40-60%, Total Loans Growth of 7%, Loan Loss Charge of 60-65 bps, CET1 of >11.5% and Cost to Income of <53%. Further, regional economies growth dependent on global growth which was expected to pick up over the next 2 years. These however, remained uncertain with policy and political developments globally. CIMB entered 2017 with better footing, to grow sustainably, keep a close eye on asset quality and continued cost management efforts. Tengku Dato' Sri Zafrul further informed that the focus for 2017 would be maintaining the T18 momentum and the 5C's - Customer, Culture, Compliance, Cost and Capital; and Fintech.

The Chairman informed that CIMB benefitted from the wisdom and counsel of its diverse Board. He added that CIMB was represented by proxies from the regional operations and invited them to provide their perspective of what was happening in the region. He then invited Mr. Glenn Muhammad Surya Yusuf and Mrs. Watanan Petersik to present their review of Indonesia and Thailand, respectively.

The shareholders' duly noted the presentation by Mr. Glenn Muhammad Surya and Mrs. Petersik on the review of Indonesia and Thailand, respectively.

In respect of Thailand's operation, the Chairman introduced and welcomed the new CEO of CIMB Thai Bank PCL (CIMB Thai), Mr. Kittiphun Anutarasoti.

## **6. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman tabled the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors.

The shareholders were informed CIMB had posted copies of the Annual Report and Accounts for 2016 on 31 March 2017 as well as the Errata to the Annual Report on 21 April 2017. The Errata issued was to update the Financial Statements with additional information pertaining to holding of shares by the Directors in CIMB Niaga and other capital instruments issued by CIMB.

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

The Chairman informed that letters and questions were received from various shareholders and invited Tengku Dato' Sri Zafrul to address them accordingly.

Tengku Dato' Sri Zafrul informed that CIMB had responded to the issues raised from the Minority Shareholder Watchdog Group (MSWG) for the 60<sup>th</sup> AGM. He then provided a summary of CIMB's written reply in response to the 5 questions raised by MSWG and a snapshot of the questions and responses was also projected for the benefit of shareholders present.

Amongst the questions raised by MSWG which had been addressed in the Group CEO's presentation included the two major developments seen during 2016 were the sale of its 19% stake in Bank of Yingkou (BOYK) and the opening of CIMB Bank (Vietnam). MSWG queried on the impact of these developments on T18 agenda and towards establishing a truly ASEAN universal bank in terms of cost impact and benefit analysis as to why BOYK was disposed being one of the most profitable investments to the Group. MSWG further queried on how much the Group achieved in its drive to gain traction in the digital banking space in Vietnam, the measurements and targets set for CIMB Vietnam.

Tengku Dato' Sri Zafrul explained that the investment in Vietnam was strategically in line with the Group's aspirations to be an ASEAN universal bank. As operations had only begun in December 2016, it would take some time to build the business before Vietnam made any meaningful contribution to the Group's earnings. The Group had derived good returns from BOYK investment since acquisition. The increasing capital requirements, however, for minority investments in other financial institutions had significantly raised the return threshold required to justify CIMB's continued investment in BOYK. Hence, the eventual sale of BOYK interest was expected to have a positive impact on the Group's capital ratios. Tengku Dato' Sri Zafrul further explained that CIMB Vietnam was launched in December 2016 and was only at the infancy stage of operations. CIMB was currently designing and building an innovative digital attacker consumer play and expected to launch the first phase by end of 2017.

MSWG also queried on page 2 of the Group CEO's statement that the Group's bottom line was affected by the elevated provisions from the Commercial Banking segment in Thailand and Singapore. MSWG sought an explanation on the exposure of the following areas:

- (i) Specific industry or market segment;
- (ii) Any key single or group's exposure and concentration;
- (iii) Further impact on provisioning/ impairments/ allowances under the MFRS 9 requirements in FY 2017; and
- (iv) Impact under Basel III capital requirements and IFRS 9 implementation effective 1 January 2018 on the Group.

Tengku Dato' Sri Zafrul responded to the queries as follows:

- (i) The elevated provisions in 2016 was largely driven by the Commercial Banking segment, namely the rice and steel sectors in Thailand, as well as, to a lesser extent, the oil and gas exposures in Singapore.
- (ii) These provisions did not represent any significant client concentration or key client exposures. The provision came from several rice millers in Thailand and several small oil and gas exposure in Singapore.
- (iii) There was no impact from MFRS9 in 2017 as the regulation only came into effect on 1 January 2018. At the current juncture, CIMB was in the process of refining the impact to provisions levels from FY2018 onwards. CIMB believed

- that the overall impact should be manageable within its stated financial plans and targets.
- (iv) The capital impact of MFRS9 would depend on the regulatory implementation with regard to prudential ratios. At this stage, Management foresees some capital impact but this should be manageable within its stated financial plans and targets.

MSWG also queried on the Group's efforts to further improve CASA ratio and lower operational costs and whether there would be any further restructuring exercises and costs for FYE 2017. Tengku Dato' Sri Zafrul informed that CASA strategies included the following:

- (i) Strengthening primary relationships with customers within the Consumer and Commercial Banking segments via increased cross-selling and data mining activities.
- (ii) Developing stronger products like "CIMB@Work", "Plug n Pay", "BizChannel", "CIMB Clicks", "CIMB Preferred", debit cards as well as the introduction of innovative deposit products and campaigns.
- (iii) Continually seek best-in-class partners or service providers to build strategic alliances with and create new value-added products and services.

Tengku Dato' Sri Zafrul further informed of the cost management initiatives, as follows:

- (i) Various branch-related initiatives such as deflecting high-volume over the counter transactions to alternate channels, optimising cash holdings to manage costs and continually reviewing locations of branches and self-service terminals.
- (ii) Initiating central budgeting on a number of key cost items for better optimisation.
- (iii) Introduce policies and processes to institutionalise financial discipline.
- (iv) Other initiatives like improving headcount budgeting, renegotiating/restructuring contracts, as well as office restacking and consolidation.

The Group also continued its business realignment strategies such as exiting the micro finance business in Indonesia, and restructuring the auto finance business in Thailand and Indonesia.

In its letter to the Board, MSWG highlighted that from the Group Financial Review, Consumer Banking Segment was the star performer with an 8.2% growth in revenue in FYE 2016 with strong performances registered in Malaysia, Indonesia and Thailand. MSWG then queried on the consumers' sentiments in Indonesia and Thailand and whether the Bank could be able to sustain the strong performances in FYE 2017. Tengku Dato' Sri Zafrul responded that in Indonesia, consumer loans and deposits growth were tracking the slower economy whilst in Thailand, it was seen to be a healthy growth attributed to CIMB's transformation efforts. Consumer Banking was expected to sustain its positive momentum in 2017. Growth would be driven by concerted focus on key areas such as digital banking, analytics, CX, branch productivity, cost management and partnerships. CIMB would continue to strengthen its digital and mobile platforms and leverage on advanced analytics to offer personalised products and increase cross-selling. Cost mitigating efforts would continue through expense discipline and enforced accountability.



To MSWG's query on the creation of CIMB FinTech, Group's total investment in CIMB FinTech, how it would provide the Group with the advantage in the technology sphere, the expected tangible benefits/results and the time frame to achieve the desired results, Tengku Dato' Sri Zafrul responded that CIMB FinTech was a standalone business unit that would develop, drive and test new innovative solutions, and foster collaborative partnerships with FinTechs. CIMB FinTech was meant to operate like a start-up. The operating model would be agile, dynamic and nimble – meant to provoke, incubate and execute ideas to redefine the future of Banking. CIMB FinTech would focus on innovative ideas and technologies. CIMB was expected to pilot and test ideas and prototypes, and the environment would enable the team to identify, validate and incubate ideas and continuously iterate on the journey of innovation. Tengku Dato' Sri Zafrul explained that the Group was in the process of determining the levels of investments required and was prepared to invest significantly in FinTech propositions that would add value and enhance CX for 12 million customers across the region.

The shareholders were informed that CIMB FinTech would provide the following:

- (i) Leverage new technology to catalyse ideas and develop new innovative ideas.
- (ii) Build digitally focused capabilities and skillsets to enable the Group to crystalise ideas further
- (iii) Build relationships with the digital ecosystem as well as explore potential partnerships with FinTechs to expedite new innovative solutions.
- (iv) Inculcate an agile and lean operating model which would lead to better efficiency and optimisation.

CIMB expected to see some positive traction on the capability development as well as the launch of the first digital attacker play by the end of the year.

Tengku Dato' Sri Zafrul also informed the shareholders that CIMB had received an email from Kumpulan Wang Persaraan (Diperbadankan) and Permodalan Nasional Berhad on their queries and had responded accordingly. He then provided a summary of CIMB's written reply in response to the questions raised, as presented.

Tengku Dato' Sri Zafrul also briefed the shareholders on the replies to the questions received earlier from several other Shareholders, namely Mr. Wan Heng Wah and Dato' Bhupinder Singh.

Mr. William Woon Peng Wah commended CIMB Group for organising a great 60<sup>th</sup> AGM for 2017 and also for its performance in 2016 and 2017 to-date. He thanked the Management and the Board of Directors of CIMB for their effort and support given to the Company. Mr. Woon then informed the Board that in ASEAN, CIMB was the 5<sup>th</sup> largest ASEAN universal Bank and this was something that shareholders were proud of. Hence, CIMB should maintain its performance and presence in ASEAN. Mr. Woon queried whether CIMB would have its operations in China and India as well.

The Chairman thanked Mr. Woon for his compliments on CIMB's performance and presence in ASEAN. The Chairman informed that CIMB focused its operations in ASEAN and had small operations in China and India where CIMB assisted ASEAN companies to operate businesses in those countries. CIMB's competitive edge however, still remained in ASEAN as its main business and operations.

Mr. Marcellinus Chua Zung-Jie congratulated the Board for its successful year. He noted that CIMB collaborated with AliPay to provide a payment platform in Malaysia. He also noted that overseas bank had invested a huge amount of money for block chain technology. He queried whether CIMB invested in block chain as well, as block chain extended beyond payment platform and it could be used for storage of any kind of data. He also informed that the global sentiments were moving towards de-regulation for banking sector and queried whether Malaysia would follow this trend of de-regulation.

The Chairman informed that CIMB did have a partnership with AliPay and the Group CEO had shared to the shareholders on the plans of FinTech moving forward. CIMB was currently looking for all opportunities to leverage on technology which included block chain technology. The Chairman opined that it was still in the early days for block chain and he noted that big companies were investing a huge amount of their resources in block chain. At this moment, it was a good moment for CIMB to see the developments of block chain since CIMB did not have a huge amount of resources to invest as yet. The Chairman then proceeded to introduce CIMB's new head of CIMB FinTech, Mr. Olivier Crespin. In terms of de-regulation, the Chairman reminded that CIMB was not a regulator and had not heard of any sign of sentiments from regulator on that trend. He opined that it might be too early for Malaysia but Management would monitor if the regulator would move towards this trend in the future.

Ms. Bhupinder Kaur posed few questions on behalf of his brother Dato' Bhupinder Singh, as follows:

- (i) Have the sum of about RM9.27 million from the sale of 18.2% stake in BOYK had been received by CIMB. If so, when was it received by CIMB and whether the amount from the sale of CIMB's stake in the BOYK had been accounted for in 2016 result.
- (ii) CIMB's CIR of 53.9% improved but still off target of 53% and the same target was set for 2017. When would CIMB be able to improve it to the banking industry's average of 47% and steps taken by CIMB.
- (iii) The reason of deposit growth slowed significantly to only 5.6%. Whether CIMB was competitive enough to attract more deposits which would help in further increasing loans to earn more interest income.
- (iv) The reason why the T18 programme did not highlight the introduction of new services for the convenience of customers such as paying of bills electronically mainly utility bills.
- (v) Impairment losses in 2016 deteriorated to 3.3% due to among other things to poor quality assets pledged for loans. What steps had been taken by CIMB to reduce them.
- (vi) The reason that the 4Q2016 net profit had decreased as compared to the previous 2 Quarters of 2016.

The Chairman thanked Ms. Bhupinder Kaur for her questions and requested her to send the Chairman's regards to Dato' Bhupinder Singh.

Tengku Dato' Sri Zafrul explained the answers to each of the questions posed by Ms. Bhupinder, as follows:

- (i) CIMB had equity accounted of about RM700 million over the period of ownership. CIMB expected to complete the sale and purchase agreement by 3Q 2017. This was a very strong Internal Rate of Return of 17.4% which

- translated into 3.3x money multiple and this was one of the best acquisition made by CIMB.
- (ii) The higher than expected CIR for 2016 was partially impacted by the lower capital market revenues in early 2016. CIMB improved steadily through the year and achieved CIR of 51.7% in 4Q2016. As mentioned in the presentation, the income grew 9% while expenses only increased 1%, giving CIMB its second consecutive year of positive JAW. Tengku Dato' Sri Zafrul had outlined in the response to MSWG earlier on the various cost management initiatives being undertaken across the Group. The CIR target for 2017 was <53% and CIMB aimed to get to 50% by 2018. If all CIMB's initiatives were successful and assuming the economy and markets maintain a steady growth trend, CIMB stood a good chance in improving the CIR to the industry average in the next few years.
  - (iii) The Group's deposit growth of 5.6% was partially affected by the slower growth in Indonesia of just 1.1% as CIMB Niaga shed higher cost deposits. For Malaysia alone, CIMB's deposits grew 8.5%, above the industry growth of 1.5% last year. The Group remains cautious on loans growth as CIMB was conscious of the quality of credit and margins. CIMB would grow deposits responsibly in line with its risk appetite to ensure optimal shareholder returns.
  - (iv) CX was a key focus of T18. CIMB had several initiatives under Digital Banking to improve the internet banking and mobile banking platform, including expanding the services available to the customers. By using the electronic platform, CIMB were able to fulfill customers' requests instantly and 24/7. In fact, CIMB already had this electronic bill payment facility under CIMB Clicks and CIMB EVA via JomPay. Shareholders would be glad to know that CIMB Bank won the award for Best JomPay Bank at the Malaysian e-Payments Excellence Awards last year.
  - (v) The higher Gross Impaired Loans ratio of 3.3% was attributed to rice and steel-related loans in Thailand and some Oil and Gas-related loans in Singapore. Indonesia was a little elevated due to the slower economic conditions. The Gross Impaired Loans in Malaysia remained very low. The Group had put in place a robust risk management framework over the past few years with greater oversight on credit and with increased focus on risk-adjusted returns. CIMB expected to see a material decline in the Gross Impaired Loans from 2017 onward.
  - (vi) The Group's 4Q2016 net profit was lower due to several reasons:
    - (a) Higher provisions from rice-related loans in Thailand and Oil and Gas-related loans in Singapore.
    - (b) Impairment of goodwill and investments in 4Q2016.
    - (c) A RM150 million gain from the sale of SunLife which was recognised in 3Q2016.

Mr. Lim Pin Yeong commended the CIMB Clicks application but he opined that there was one thing that was not available in CIMB Clicks which was right issues application. He informed that currently there were only 2 banks that offered online right issues applications, which was Public Bank, and Affin Bank. He queried as to when this application could be available to CIMB customers. He further informed of CitiGold, whereby CitiGold customer would receive a dedicated parking when customers went to their branch. Hence, CIMB should provide such benefits to CIMB Preferred customer especially at Mid Valley branch. He then queried on pages 123 and 125 of the Financial Statements, whereby he queried as to the small amount of goodwill of Touch 'n Go Sdn Bhd (TNG) and on intangible line where it was mention on customer relationship.

The Chairman thanked Mr. Lim Pin Yeong for his positive comments and support on CIMB Clicks. The Chairman informed that in term of the rights issues, Management would look at that moving forward. Secondly, in terms of the parking issue at Mid Valley branch, Management would also look into that issue depending on the availability and pricing. Thirdly, on the goodwill of the acquisition of TNG that CIMB did some time ago and also on the intangible item on customer relationship, the Chairman informed that this amount came with the acquisition from Southern Bank Berhad in 2006.

Ms. Loke Swan Yew suggested CIMB to absorb the land revenue stamp of RM10 on the conversion of dividend to shares especially to minority shareholders. She added that many shareholders opted for cash as the stamp duty was a lot for the minority shareholders to bear. She informed that some companies had recently absorbed the land revenue stamps of RM10 and minority shareholders subscribed for the shares. The Chairman responded that Management would look into this matter and also look at CIMB's CIR to balance the payment, if necessary.

Mr. Lee Hoe Choon congratulated CIMB because of the T18 programme and the 5C initiatives. He informed that, one of the 5C's was "Customer" and CIMB mentioned that customers would be put at the heart of its business. He noted however, there was something lacking in terms of its customers' experience. He informed of his personal experience in CIMB whereby due to a mistake of some of CIMB staff at the branch, he was punished for 1 year. When he appealed, it was rejected by CIMB. Finally, he told the officer that he would be coming to the AGM to inform his case 2 weeks ago and his application was immediately approved. He then requested the Board to introduce him to the Branch Manager. He also hoped that this issue would not happen again in the future to him or to any other customers. The Chairman conveyed his apologies to Mr. Lee on his experience and was glad to know that this issue had been resolved.

Mr. Wong Chau Khoon opined that FinTech was the way forward. Malaysia had been using smart phones earlier than China but now Malaysia was left behind in terms of FinTech. He requested the Board to comment on this. The Chairman informed that CIMB was already looking at developing micro payments through hand phones and added that this was a question of timing and ability of the retailer to have the systems to accept payments. CIMB had been facilitating the retailers and also finalising all regulatory approvals to ensure that it would be done safely for the customers. He informed that CIMB would look to implementing these solutions for customers as soon as practicable.

Mr. Lim Jit Thin informed that he used to be CIMB account holder and subsequently became a CIMB shareholder. He informed the Board that CIMB customer services were somewhat lacking as he had face difficulties when trying to purchase unit trust at a CIMB branch but the staff there had informed that there was no more unit trust and refused to entertain him. He requested the Board to inform the teller at Wisma Genting branch to be more courteous to customers and suspected that his behavior could also be due to teller's request for CIMB to increase their pay. He further informed that CIMB Bank always had the minimal number of counters opened compared to its competitors whose staff were more attentive to their customers. He requested Management to do something on this issue. The Chairman informed that Management would certainly engage with Mr. Lim Jit Thin to find out what actually transpired. The Chairman further informed that CIMB did provide variable

compensation even to the Unionised staff and that Management would certainly look at Mr. Lim case.

## 7. RE-ELECTION OF DIRECTORS

The Chairman informed the shareholders' that in line with Recommendation 3.1 of the Malaysian Code of Corporate Governance (MCCG) 2012, and Bank Negara Malaysia (BNM) Fit & proper Guidelines, the Group Nomination and Remuneration Committee (GNRC) had conducted an assessment of Directors retiring at the AGM under Article 76. The criteria for assessment included character, integrity, competence, experience and time towards determination of their ability to effectively discharge their respective roles as Directors.

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

- (i) The Chairman informed that for Agenda 2, Ordinary Resolution 1 was for the re-election of Mr. Robert Neil Coombe who retired under Article 76 of the Company's Articles of Association.

**Agenda 2, Ordinary Resolution 1** was duly proposed by Mr. Woon and seconded by Ms. Loke.

The Chairman informed the shareholders that the poll voting for Ordinary Resolution 1 would be conducted upon completion of the remaining business of the meeting.

- (ii) The Chairman proceeded with the Agenda 2, Ordinary Resolution 2 for the re-election of Datuk Joseph Dominic Silva who retired under Article 76 of the Company's Articles of Association.

**Agenda 2, Ordinary Resolution 2** was duly proposed by Ms. Loke and seconded by Mr. Chua.

The Chairman informed that the poll voting for Ordinary Resolution 2 would be conducted upon completion of the remaining business of the Meeting.

- (iii) The Chairman then proceeded with the Agenda 2, Ordinary Resolution 3 for the re-election of Ms. Teoh Su Yin who retired under Article 76 of the Company's Articles of Association.

**Agenda 2, Ordinary Resolution 3** was duly proposed by Mr. Woon and seconded by Ms. Loke.

The Chairman informed that the poll voting for Ordinary Resolution 3 would be conducted upon completion of the remaining business of the Meeting.

- (iv) The Chairman then proceeded with the Agenda 3, Ordinary Resolution 4 for the re-election of Encik Mohamed Ross Bin Mohd Din who retired under Article 83 of the Company's Articles of Association.

**Agenda 3, Ordinary Resolution 4** was duly proposed by Mr. Chua and seconded by Ms. Loke.

The Chairman informed that the poll voting for Ordinary Resolution 4 would be conducted upon completion of the remaining business of the Meeting.

## **8. APPROVAL ON PAYMENT OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

The Chairman informed that the next item was Agenda 4, Ordinary Resolution 5 on the proposed payment of Non-Executive Directors' Remuneration with effect from the 60th AGM until the next AGM of the Company, with or without modifications.

Being interested in Ordinary Resolution 5, the Chairman hand over the chair to the Group CEO to present Ordinary Resolution 5.

Tengku Dato' Sri Zafrul informed that the proposal was in line with the recommendation by BNM's Financial Institution Directors' Education (FIDE) Forum in its Directors' Remuneration Report 2015 and the new Companies Act, 2016. The recommendation was for Directors' fees and benefits to be paid on a timely and periodic basis and for CIMB to obtain approval from Shareholders on the payments.

The proposal, if approved by the Shareholders, would allow CIMB to remunerate Directors timely instead of in arrears. This ensures accountability while recognising the effort and contribution of the Non-Executive Directors by paying them in a timely manner for the time spent to attend meetings without having to wait for the next AGM.

The Board was recommending a new Non-Executive Directors remuneration framework which had been provided in the Notice.

**Agenda 4, Ordinary Resolution 5** was duly proposed by Mr. Woon and seconded by Ms. Chua.

Tengku Dato' Sri Zafrul proceeded to call upon the Chairman of the GNRC, Ms. Teoh Su Yin, to further explain the new Remuneration Framework in Ordinary Resolution 5.

Ms. Teoh informed that the proposed payment of Non-Executive Directors' Remuneration was based on a new Remuneration Framework for CIMB's Non-Executive Directors.

The GNRC had in October 2016, conducted a review on the Non-Executive Directors' Remuneration Framework of the Company. After several months of research, fact finding and long deliberations, in January 2017, the GNRC presented a proposal to the Board to recommend that the Non-Executive Directors' Remuneration Framework be revised and restructured.

In evaluating the new framework, the GNRC had recommended the proposal to the Board based on the following factors:

- (i) CIMB's directors' remuneration package had not been revised since its merger with Bumiputra-Commerce Holdings Berhad which was in 2005. CIMB

had since then grown from a local Malaysian bank to the 5th largest banking group in ASEAN, growing from a staff strength of over 1,000 to 39,000 staff in 2016 and from one market to 16 countries today across ASEAN, Asia and beyond. The Board of CIMB today had regional oversight and responsible for the activities of its subsidiaries all across its footprint.

- (ii) At the same time, BNM had recommended that a thorough review on CIMB's Non-Executive Directors' remuneration package framework be conducted, as CIMB's current framework did not reflect its position in the market.
- (iii) Study by the BNM FIDE Forum Directors' Remuneration in 2015 (FIDE Report 2015) highlighted that Financial Institution's Non-Executive Directors receive less fees per meeting compared to their peers in selected non-financial sectors.
- (iv) FIDE also recommended that Non-Executive Directors remuneration package be part of a holistic board talent management strategy to strengthen boardroom governance and effectiveness.
- (v) The current method of setting remuneration did not fairly reward Non-Executive Directors' contributions.
- (vi) CIMB had engaged an independent consultant (Egon Zehnder) to conduct a Board Effectiveness Assessment exercise, and based on the independent consultant's survey, the feedback was that they feel the current remuneration was low compared to CIMB's industry peers.

CIMB's current remuneration framework was determined through a general local Financial Institution peer comparative analysis, which involved analysing the fees paid by local Financial Institutions as reported in their latest Annual Report.

The new remuneration framework was an overhaul of the current remuneration framework as CIMB shifts its focus to the following, whereby:

- (i) 'Meeting' as an indicator of a Non-Executive Director's contributions that recognises the time commitment and effort by the Non-Executive Directors and they were compensated for the time spent in preparing to attend meetings;
- (ii) A meeting rate that was comparable to the market rate for a talent of a similar calibre and expected contributions. A comparative market hourly rate was determined after having considered the responsibilities and expected fiduciary, strategic and leadership value that a Non-Executive Director brings to the Board and what they or potential candidates might be earning in their respective executive or professional positions;
- (iii) Once the comparative market hourly rate was determined, the same rate was used to calculate the meeting and fixed fees for consistency and a standardised meeting fee for all Board and Board Committee meetings;
- (iv) An allowance for the Chairman of the Board and Board Committees to recognise their additional role and responsibilities which reflected the representation and different contribution levels of Non-Executive Directors in terms of time commitment, intensity of work and effort, resulting in a premium (allowance);
- (v) A framework that was targeted to attract and retain highly dedicated, competent, professional and independent leaders and recognise their contributions; and
- (vi) Remuneration that was paid on a timely and periodic basis.

In addition, the framework was also compared against CIMB's industry peers and the data was back tested against that of CIMB's closest peer.

Ms. Teoh briefed the shareholders that the major changes to the Non-Executive Directors Remuneration Framework were as follows, details of which were duly noted:

- (i) Removal of monthly fees for Chairman of the Board and Group Board Oversight Committee.
- (ii) Removal of Fees for all Committees.
- (iii) Annual retainer fees increased from RM90,000 per annum to RM170,000 per annum.
- (iv) A standardised Meeting Allowance of RM5,000 per meeting for the Board and Committees.
- (v) Introduction of Chairman's Allowance of RM510,000 per annum for Chairman of the Board and RM100,000 per annum for Chairman of Committees to replace monthly allowance. The introduction of the Chairman's Allowance for the Chairman of the Board and Board Committees was to take into account of the following:
  - (a) The significant leadership role and mentor role played by the Chairman on the Board and Committees, and in providing clear oversight and guidance to Management;
  - (b) The amount of time the Chairman of the Board spends on CIMB matters, including providing input and guidance on strategy, supporting Management in engaging with other stakeholders, as well as travelling to visit CIMB's key associates;
  - (c) CIMB's Chairman was the public face of CIMB and acts as spokesperson for the Board and the Company at meetings and events;
  - (d) Comparable benchmarks from other peer groups in the industry, as well as benchmarks from other regions where CIMB has its operations; and
  - (e) The Chairman's allowance for the Chairman of Committees was introduced to acknowledge that the points above were also applicable to a degree to the Chairman of the Board Committees.

Ms. Teoh informed that if shareholders approved Ordinary Resolution 5, it would result in an estimated increase in total remuneration of RM7.93 million in 2017. This was an increase of RM2.67 million from the total remuneration of RM5.26 million in 2016. The RM7.93 million was premised on the projected number of meetings in 2017 based on the exact number of meetings held in 2016 including the relevant subsidiary Boards where the Non-Executive Directors sit.

Mr. Raymond Soh commented that the performance of the directors was of utmost importance based on their respective KPIs. He added that as long as the directors performed well and the company's performance was good, the directors should be compensated well. He further suggested that the shareholders' dividend should also increase yearly if the company performed well. Ms. Teoh reiterated that the remuneration framework had not been revised since 2005 and there were also several economic downturns along the way. Ms. Teoh further informed that the Board would always ensure that the directors had the right skillsets and continued to represent the shareholders in its footprint across ASEAN.



Tengku Dato' Sri Zafrul informed the Shareholders that the poll voting for Ordinary Resolution 5 would be conducted upon completion of the remaining business of the meeting.

At this juncture, Tengku Dato' Sri Zafrul handed over the chairmanship to Dato' Sri Nazir for next agenda.

## **9. RE-APPOINTMENT OF AUDITORS**

The Chairman informed that Agenda 5, Ordinary Resolution 6 was on the proposed re-appointment of Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

The Chairman informed the present auditors; Messrs. PricewaterhouseCoopers had expressed their willingness to continue in office.

**Agenda 5, Ordinary Resolution 6** was duly proposed by Ms. Loke and seconded by Mr. Soh.

The Chairman informed that the poll voting for Ordinary Resolution 6 would be conducted upon completion of the remaining business of the Meeting.

## **SPECIAL BUSINESS**

### **10. AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES**

The Chairman informed the Meeting that the next item on the Agenda 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.

The Chairman explained that 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 was only valid up to the next AGM.

The Chairman informed that this authority 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 allowed the Company the flexibility to issue shares for purposes as the Directors deemed would be in the best interests of the Company and Shareholders.

**Agenda 1 of the Special Business, Ordinary Resolution 7** was duly proposed by Ms. Loke and seconded by Mr. Lim Pin Yeong.

Ms. Kok Fook Lian queried as to why the share price of CIMB was non-performing compared to its peers, to which the Chairman informed that the share price had been increasing and based on the presentation by the Group CEO previously, CIMB was one of the best performing stocks in the market this year.

The Chairman informed that the poll voting for Ordinary Resolution 7 would be conducted upon completion of the remaining business of the Meeting.

**11. RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY IN RELATION TO THE DIVIDEND REINVESTMENT SCHEME**

The Chairman proceeded to the next item of the Agenda, 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 of RM1.00 each 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.

**Agenda 2 of the Special Business, Ordinary Resolution 8** was duly proposed by Mr. Chua and seconded by Ms. Loke.

The Chairman informed that the poll voting for Ordinary Resolution 8 would be conducted upon completion of the remaining business of the Meeting.

**12. RENEWAL OF THE AUTHORITY TO PURCHASE OWN SHARES**

The Chairman informed the meeting that this item on the Agenda 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 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 was seeking the Shareholders' approval for a new mandate until the next AGM.

The details on the Proposed Share Buy-Back were as contained 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 Chairman informed that the purchased shares could be held as Treasury Shares and re-sold on the 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.

**Agenda 3 of the Special Business, Ordinary Resolution 9** was duly proposed by Mr. Lim Heng Keen and seconded by Mr. Lew Kheng Seng.

The Chairman informed that the poll voting for Ordinary Resolution 9 would be conducted upon completion of the remaining business of the Meeting.

### **13. ANY OTHER BUSINESS**

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

At this juncture, the Chairman invited the Group Company Secretary, Datin Rossaya Mohd Nashir to advice on the procedures for the conduct of e-polling at this Meeting.

### **14. POLLING PROCESS**

Datin Rossaya explained to the shareholders the e-polling procedures and instruction. The Shareholders were informed that CIMB was pleased to introduce the electronic poll voting method. The shareholders noted that the polling stations had been set-up in a room next to the Ballroom, where the registration was conducted.

Datin Rossaya informed that each shareholder had been given bar coded wristbands during registration. She then proceeded to explain the polling process to the shareholders, as follows:

- (i) At the polling station, the person eligible to vote would be required to scan the QR coded wristband to the barcode reader.
- (ii) Upon the scanning of the barcode, for the proxyholder, the name and shareholdings of the shareholder(s) who appointed the proxyholder as his/her proxy would appear on the screen.

For the proxies whose proxy forms had been indicated the manner the vote was to be cast for the resolution, the vote would be reflected on the screen and proxyholders needed to press the "VOTE" button followed by the "CONFIRM" button to submit the vote.

For proxyholders whose proxy forms had not indicated his/her voting instructions, proxyholders might exercise their discretion to vote in any manner as they think fit on the resolution.

Datin Rossaya informed all present to select one of the 3 buttons on the screen, this being “FOR” “AGAINST” or “ABSTAIN” and then press the “VOTE” button followed by the “CONFIRM” button to submit the vote.

All shareholders should follow the same procedures that were announced for proxyholders and vote in any manner the shareholders think fit.

The shareholder would be assisted in case of any questions by the HELPDESK officers.

- (iii) For both shareholders and proxyholders attending the AGM, the voting needed to be casted in the capacity as Shareholder first before proceeding to vote in the capacity as proxy. If this was so, votes would be cast twice.
- (iv) Shareholders and proxyholders were to note that no alterations or deletions could be made to the votes casted once the “CONFIRM” button was pressed.
- (v) Shareholders and proxyholders were requested to remain seated until being ushered by the Share Registrars to the polling station to cast votes.
- (vi) The representatives from Symphony Share Registrars would be present at each polling station to assist with the voting process and the Scrutineers would be present to monitor the e-polling process.
- (vii) The Scrutineers, Messrs. Ernst & Young, would give the results of the poll to the Chairman as soon as the compilation and counting process was completed.

The Chairman then declared the Meeting adjourned for the e-polling process.

## 15. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order for the declaration of poll results. The Chairman informed that he had received the poll results from the Scrutineers and would read out the poll results for the 60<sup>th</sup> AGM of the Company.

The poll results were as follows:

- (i) Ordinary Resolution 1: Re-election of Robert Neil Coombe as Director of the Company pursuant to Article 76 of the Company’s Articles of Association.

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

Poll Results	Number of Holdings	%
For	6,094,384,893	99.9284
Against	4,364,519	0.0716

The Chairman declared that Ordinary Resolution 1 was duly passed as follows:

“**THAT** Robert Neil Coombe, who retires pursuant to Article 76 of the Company’s Articles of Association, be re-elected as Director of the Company.”

- (ii) Ordinary Resolution 2: Re-election of Datuk Joseph Dominic Silva as Director of the Company pursuant to Article 76 of the Company’s Articles of Association.

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

Poll Results	Number of Holdings	%
For	6,055,393,017	99.2891
Against	43,356,395	0.7109

The Chairman declared that Ordinary Resolution 2 was duly passed as follows:

“**THAT** Datuk Joseph Dominic Silva, who retires pursuant to Article 76 of the Company’s Articles of Association, be re-elected as Director of the Company.”

- (iii) Ordinary Resolution 3: Re-election of Teoh Su Yin as Director of the Company pursuant to Article 76 of the Company’s Articles of Association.

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

Poll Results	Number of Holdings	%
For	6,078,296,943	99.6646
Against	20,452,469	0.3354

The Chairman declared that Ordinary Resolution 3 was duly passed as follows:

“**THAT** Teoh Su Yin, who retires pursuant to Article 76 of the Company’s Articles of Association, be re-elected as Director of the Company.”

- (iv) Ordinary Resolution 4: Re-election of Mohamed Ross Bin Mohd Din as Director of the Company pursuant to with Article 83 of the Company’s Articles of Association.

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

Poll Results	Number of Holdings	%
For	6,096,211,994	99.9039
Against	5,862,918	0.0961

The Chairman declared that Ordinary Resolution 4 was duly passed as follows:

“**THAT** Mohamed Ross Bin Mohd Din, who retires pursuant to Article 83 of the Company’s Articles of Association, be re-elected as Director of the Company.”

- (v) Ordinary Resolution 5: Approval of payment of Non-Executive Directors’ Remuneration.

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

<b>Poll Results</b>	<b>Number of Holdings</b>	<b>%</b>
For	5,378,008,416	82.7259
Against	1,122,990,762	17.2741

The Chairman declared that Ordinary Resolution 5 was duly passed as follows:

“**THAT** the payment of Non-Executive Directors’ Remuneration with effect from the 60th Annual General Meeting until the next Annual General Meeting of the Company be approved.”

- (vi) Ordinary Resolution 6: Appointment of Messrs. PricewaterhouseCoopers as Auditors of the Company and authorisation to the Board of Directors to determine their remuneration.

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

<b>Poll Results</b>	<b>Number of Holdings</b>	<b>%</b>
For	6,480,007,538	99.659
Against	22,171,240	0.341

The Chairman declared that Ordinary Resolution 6 was duly passed as follows:

“**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.”

- (vii) Ordinary Resolution 7: Renewal of the Authority for Directors to Allot and Issue Shares

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

<b>Poll Results</b>	<b>Number of Holdings</b>	<b>%</b>
For	5,484,497,005	97.3829
Against	147,392,340	2.6171

The Chairman declared that Ordinary Resolution 7 was duly passed as follows:

“**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.”

- (viii) Ordinary Resolution 8: Renewal of the Authority for Directors to Issue Shares in relation to the Dividend Reinvestment Scheme.

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

Poll Results	Number of Holdings	%
For	6,502,687,597	99.9998
Against	9,998	0.0002

The Chairman declared that Ordinary Resolution 8 was duly passed as follows:

“**THAT** pursuant to the Dividend Reinvestment Scheme approved at the Extraordinary General Meeting held on 25 February 2013 and renewed at the Annual General Meeting held on 18 April 2016, 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.”

- (ix) Ordinary Resolution 9: Renewal of the Authority for the Company to Purchase Own Shares.

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

Poll Results	Number of Holdings	%
For	6,499,182,285	99.9609
Against	2,540,119	0.0391

The Chairman declared that Ordinary Resolution 9 was duly passed as follows:

**“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 profits of approximately RM1,370 million and/or share premium account of approximately RM11,476 million of the Company based on the Audited Financial Statements for the financial year ended 31 December 2016 be allocated by the Company for the Proposed Shares Buy-Back **AND THAT** the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or retained as treasury shares and cancel the remainder of the shares **AND THAT** where such shares are held as treasury shares, the Directors of the Company may distribute the shares as dividends, re-sold on Bursa Securities, transfer the shares under the employees’ share scheme or as purchase consideration or otherwise use the shares for such other purposes as the Minister may by order prescribe **AND THAT** the Board of Directors of the Company be and are hereby given full authority generally to do all acts and things to give effect to the Proposed Shares Buy-Back with the full power to assent to any conditions, modifications, revaluations and/or amendments (if any) as may be imposed by the relevant authority with full power to do all such acts and things thereafter on any part of the shares bought back in accordance with the Companies Act, 2016, Company’s 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 2018 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.”

## **18. CLOSE OF MEETING**

The Chairman then declared the 60<sup>th</sup> AGM of the Company closed and thanked all members present for their participation. The Chairman also thanked the Management and everyone who worked hard to make this a successful 60<sup>th</sup> AGM for CIMB.

There being no other business, the Meeting concluded at 12.00 p.m. with a vote of thanks to the Chair.

Confirmed

**Dato' Sri Nazir Razak**  
Chairman