

CIMB GROUP HOLDINGS BERHAD

Company No. 195601000197 (50841-W)

Minutes of the Sixty-Third (63rd) 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 Tuesday, 30 June 2020 at 10.00 a.m.

Present at Broadcast Venue : Datuk Mohd Nasir Ahmad - **Chairman**
Dato’ Abdul Rahman Ahmad

Ms. Teoh Su Yin
Mr. Robert Neil Coombe
Dato’ Lee Kok Kwan
Dato’ Mohamed Ross Bin Mohd Din
Encik Ahmad Zulqarnain Che On
Encik Didi Syafruddin Yahya

Present remotely via Tele-presence : Encik Afzal Abdul Rahim
Mr. Robert Neil Coombe
Ms. Shulamite N K Khoo

And 516 Shareholders or by proxy attending 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

Mr. Sridharan Nair
Mr. Ong Ching Chuan
Mr. Soo Hoo Khoon Yean
Ms. Elaine Ng

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 63rd 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

The Chairman welcomed the Shareholders to the 63rd AGM of CIMB which was held fully virtual for the first time. Given this challenging time, 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 for the safety and health of the shareholders and employees during this COVID-19 Recovery Movement Control Order period.

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

The Chairman informed that two Directors had stepped down from the Board after last year's AGM; Ms. Tongurai Limpiti who resigned in December 2019 and Tengku Dato' Sri Zafrul Tengku Abdul Aziz, the former Group CEO and Executive Director, who left the Group to take up the call to serve in the Government. On behalf of the Board, he recorded his deepest gratitude to them for their contribution to CIMB Group. As for the former Group CEO, Tengku Dato' Sri Zafrul, the Board wished him every success in his new role as Malaysia's Finance Minister.

He also welcomed the new Independent Director, Ms. Shulamite Khoo, who was appointed on 15 May 2020 and the new Group CEO and Executive Director, Dato' Abdul Rahman Ahmad, who joined CIMB on 10 June 2020.

The Chairman further informed that Dato' Abdul Rahman was no stranger to Corporate Malaysia. With more than 20 years' experience in leadership roles across several industries, Dato' Abdul Rahman had demonstrated a strong track record in initiating and leading change, driving results, strengthening operational risk and compliance, and innovating amid a rapidly evolving landscape. As the banking industry undergoes fundamental changes, Dato' Abdul Rahman would bring a fresh perspective to lead CIMB's continued transformation and build upon its successful ASEAN franchise. The Board welcome Dato' Abdul Rahman to #teamCIMB and looked forward to his leadership.

The Chairman also introduced the representatives from the PricewaterhouseCoopers, the External Auditors, Mr. Sridharan Nair, Mr. Ong Ching Chuan, Mr. Soo Hoo Khoon Yean and Ms. Elaine Ng who were also present at the broadcast venue.

The Chairman then informed that 2019 marked the completion of his one-full financial year as Chairman of CIMB Group. It was momentous for two reasons. First, the operating environment only grew more challenging, with evolving policy focus, regulations, socio-economic trends and global trade relations. Recent events had given the Board and Management a new impetus and motivation to innovate and look at banking of the future. Second, it was the beginning of CIMB's five-year (mid-term) strategic roadmap, Forward23. The task at hand was not just to devise a game-plan to remain relevant and profitable, but to demonstrate greater responsibility towards managing and growing out of the emerging risks in the coming years.

In 2019, CIMB demonstrated leadership by making global commitments to sustainable development and sustainable banking. The Fourth Industrial Revolution and Sustainability Leadership were the two recurring themes that necessitated the need to future-proof banks and the communities that depended on them, by optimising their potential and reinventing their business models.

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

In our home market, Bank Negara Malaysia (BNM) issued the exposure draft for the licensing framework for virtual banks. It had set a minimum capital fund unimpaired by losses of RM100 million, which would be gradually increased to RM300 million. The new-age digital banks were expected to increase access to convenient and affordable financial solutions.

He added that moving forward, stakeholders would witness a sea of change. The banking sector would evolve and the operating landscape would present huge opportunities, but not without new risks. Responsible banking practices would become a norm and the future of banking would take a new form and shape.

As a big brand, CIMB must be prepared to face all challenges in the future. The Chairman emphasised how serious CIMB was in upholding integrity which was the pillar of good governance. Business success was very much dependent on good corporate governance and the Board was very mindful of the need to consistently ensure that overall best practices were in place.

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

The Chairman informed that the COVID-19 outbreak had created a healthcare crisis and a growing impact on the global economy. Its effect rippled across industries and had sparked discussions as how CIMB should behave and run the businesses. The Board saw this as an opportunity to be more innovative and creative in how CIMB operated. He advised that Management should take this time to reflect and as a reminder that CIMB could make it through this challenge together.

In addition, CIMB had expanded its financial relief programmes for customers that had been impacted by the COVID-19 pandemic. The extension of the financial relief programme included a moratorium on loan repayments for up to 6 months to affected customers in the hardest hit sectors by the pandemic. Many other initiatives had been put forward for customers in order to assist them in this current environment. Management had no doubt that this situation would pass, the economies would endure, and so would CIMB.

Before concluding his speech, the Chairman took the opportunity to express his gratitude to his colleagues on the Board and the subsidiary Boards, and thanked them for their invaluable guidance and contribution to the Group.

On behalf of the Board, the Chairman also recorded his appreciation to the stakeholders, business partners, customers, suppliers, and regulators for the unshaken confidence and support over the years. He also thanked #teamCIMB for

their tireless commitment and hard work, and CIMB's Management led by the former Group CEO, Tengku Dato' Sri Zafrul for their work in 2019. The Chairman also wished the best for the new Group CEO in his current role.

The Chairman ended his speech by inviting the Group CEO to give his presentation on the 2019 CIMB Group Overview and 2020 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, 2019 Performance, Progress Updates, Impact of COVID-19 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 his inaugural CIMB AGM and also, the first-ever virtual AGM in CIMB's history. 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 informed that he felt very honoured to be given the opportunity to lead CIMB Group and valued enormously the trust that had been placed on him. He was fully committed to deliver the mandate given and hoped to leverage on his past experience of leading organisations such as Permodalan Nasional Berhad, Ekuiti Nasional Berhad and Media Prima Berhad to help create value for all of CIMB's shareholders.

Dato' Abdul Rahman informed that his presentation would cover 5 key areas, as follows:

(i) CIMB Today

CIMB Group today remained the fifth largest bank in ASEAN with a total asset size of RM586 billion. CIMB's footprint spanned across 15 countries with nearly 700 branches across the region, employing more than 35,000 talents. CIMB was also amongst the largest Asian Investment Bank and remained at the forefront of global Islamic Finance.

(ii) FYE 2019 Performance

CIMB performed creditably in FYE 2019.

Reported net profit declined to RM4.56 billion, due to one-off transformation costs, impairment and write-off of intangible assets totalling RM455 million as well as the absence of gain recorded from the asset management stake sale in 2018. Excluding these items, CIMB's core net profit improved by 7.7% year-on-year to RM5.01 billion, delivering Return of Equity (ROE) of 9.3%.

This was commendable and achieved on the back of higher operating income despite margin compression and other macro headwinds. Further, the capital position strengthened with the CET1 ratio at 12.9% reflecting the continuous capital optimisation efforts. The Cost-to-Income (CIR) however, rose to 53.4%

given the investments that the Group chose to make to future proof the business. Dato' Abdul Rahman, however, recognised that this was one area that Management had to review going forward.

In terms of asset growth, loans grew positively at 6.7% year-on-year, above the target of 6% for the year. Malaysia loans grew 6% ahead of the industry's growth of 3.9% as CIMB achieved market share gains in mortgages and auto financing as well as drawdowns of some sizeable corporate loans at the end of 2019. Thailand and Singapore also grew above market, with loan growth rate of 6.1% and 3.7% respectively. Indonesia however, grew slightly below industry at 3% year-on-year as CIMB ran down its auto financing book and remained cautious in the commercial segment.

Dato' Abdul Rahman informed that the positive loan growth coupled with stronger trading and Foreign Exchange (FX) income provided the platform for the Group's operating income to grow positively at 8.2% year-on-year despite the uncertain economic environment across the markets.

The Group's BAU operating expenses however, was 9.8% higher year-on-year. If excluding FX effects, the Operational Expenses (OPEX) increased by 7.8% only. The higher BAU costs were mainly due to investments across all businesses as planned under the Forward23 Strategic Plan, which included investments in Touch 'n Go Group and the digital platforms in Philippines and Vietnam. If these investments were excluded, the underlying CIR ratio would have been only 50.3%. Nonetheless, given the impact of COVID-19, Dato' Abdul Rahman assured shareholders that cost optimisation would be a key area of focus moving forward.

From a business perspective, the Consumer Banking Profit Before Tax (PBT) declined from a combination of the Overnight Policy Rate (OPR) cut in Malaysia which impacted Net Interest Income (NII), MFRS 9 adjustments and elevated provisions, as well as lower banca insurance-related revenues. Excluding these, the underlying Consumer Banking business remained strong with loans growth in this segment at 9% year-on-year.

Commercial Banking continued to perform strongly with its PBT growing at 87% from revenue growth and benefited from lower provisions and write-backs. Wholesale Banking business also had a good year with healthy improvement in trading income although this was partly offset by increased provisions within Corporate Banking in Indonesia. Group Ventures & Partnerships and Group Funding PBT grew 22%, benefitting from higher returns from the Group's fixed income portfolio as well as a higher gain from the sale of the Malaysian equity business.

In terms of country profitability, CIMB Malaysia's PBT grew 8% year-on-year, driven by loan growth and stronger trading income. CIMB Malaysia contributed to 69% of total Group PBT compared to 64% in 2018. CIMB Indonesia's PBT was 20.2% lower year-on-year due to the higher corporate provisions despite improvements in Consumer Banking and some off-setting gain from Non-Performing Loan (NPL) sale. CIMB Thai's Fast Forward initiative showed positive results with 24.1% year-on-year PBT growth, underpinned by loans expansion, mainly from the consumer business and declining provisions.

CIMB's capital position was strong with CET1 at 12.9%, a 30 bps increase from last year, meeting the FYE 2019 target. In view of this, CIMB announced a second interim dividend of 12 sen per share in cash, without a dividend reinvestment option. CIMB's Total Capital Ratio (TCR) declined slightly as part of the capital optimisation plan to allow some of the existing capital instruments to mature without replacement. Notwithstanding this, TCR remains at a comfortable level at 16.8%, well above the regulatory minimum of 10.5%.

In terms of dividends, CIMB issued its highest dividend payout ratio of 56% of reported net profit, which translated to 26 sen per share or a total of RM2.55 billion. On a core profit basis however, the FYE 2019 payout ratio was at 50.9%.

Despite the challenging macro environment, Dato' Abdul Rahman was pleased to report that the Group met all its financial targets in 2019 except the CIR, as explained. With this, Dato' Abdul Rahman then proceeded to run through the progress updates for 2019.

(iii) Forward 23 Progress

With the completion of the previous strategic Plan - T18, the former CEO had launched a new 5-year Strategic Plan entitled Forward23 in February 2019 to accelerate growth and future proof the Group amidst the imminent disruptive technological trends.

Forward23 generally covered 3 core themes which were Scale and Accelerate Malaysia and Indonesia operations, Reposition and Grow Thailand, Singapore and Cambodia and Incubate and Invest in Vietnam, Philippines and new ventures. These would be delivered through 5 key Strategic Pivots which were Enhancing Customer Centricity, Investment across Technology and Data, Human Capital and Ventures and Partnerships, as well as a growing focus on Sustainability.

Forward23 has had a positive strong start, with over 500 projects approved and 300 projects completed within the same year. With that, Management had seen significant progress made across all markets. Details were as follows:

- (a) Transformation was in full swing in our key markets, Indonesia and Malaysia, with encouraging results from piloted projects.
- (b) In particular, CIMB Thai delivered strong progress in transformation and contributed record profits to the Group.
- (c) Review of operations commenced in Singapore and CIMB intended to accelerate the strategic initiatives there.
- (d) Cambodia was tracking well, with actual achievements exceeding targets.

CIMB was also making strong progress across 5 strategic pivots, as follows:

(a) Customer Centricity

Transformation of key customer journeys had started in the core markets, Malaysia and Indonesia. Highlights included launching a new digital platform for commercial lending and Retail Current Account Saving

Account (CASA) in Malaysia as well as for Auto Finance and SME lending in Indonesia.

CIMB had seen immediate results especially in Indonesia where CIMB recorded strong Net Promoter Score (NPS) improvement (a key measure of customers' satisfaction). CIMB Niaga was now ranked top 3 in Indonesia for NPS. CIMB however, needed to work hard to improve its position in Malaysia, where its NPS score was affected by the technology issues faced last year.

CIMB had also successfully launched multiple Customer Experience culture campaigns covering customer appreciation day, internal rewards as well as training programmes to ensure customer was at the forefront in the minds of CIMB's employees.

(b) Technology and Data

Management recognised that there would be extensive work to be done to enhance its technology capabilities. As such, CIMB had completed the technology and data baselining exercise and developed a clear technology and data transformation roadmap, focusing initially on technology resiliency and security, which were now being fully implemented. Other areas of focus included governance, infrastructure, security, digital and data enablement and business applications.

In 2019, CIMB had also set up the Group Data Office which aimed to drive the enterprise-wide data transformation. Since then, CIMB had managed to enhance the Group's Data Governance, putting in place the relevant data committees and appointing customer data domain owners across the organisation.

(c) Our People

In terms of human capital, CIMB had put in place an ambitious plan to re-skill talents and source externally better in certain areas, to ensure we had the necessary 3D talents – 3D being Digital, Data and Design. In this context, the Group had recalibrated the 3D talent headline target from 15% to 30%, with more than 2,200 employees being trained in 2019 under the 3D Academy.

As part of CIMB's talent retention initiatives, Management had revamped the compensation paradigm to better align rewards to performance and to provide more flexible rewards to employees. This was to ensure that CIMB could attract, develop and retain talent while progressing amidst the Fourth Industrial Revolution.

(d) Ventures & Partnerships

CIMB had made considerable progress on ventures and partnership strategy. Touch 'n Go Digital (TNGD) had a successful 2019 with multiple growth initiatives, becoming the #1 e-wallet operator in Malaysia by active users and merchants. The TNG e-wallet had increasingly become the public's e-wallet of choice. This was validated during the Government's

eTunai initiative early in 2020, where TNGD acquired 67% share of disbursements nationwide. To-date, TNGD had 10.8 million registered users and 180,000 merchants.

In addition, TNG had been making a good progress as it redefined its business model, with more than 1.1 million RFID fitments to date. Moving ahead through 2020, TNGD's plans were underway as they began looking into monetisation strategies of user base, including proliferating financial services.

CIMB Philippines initiated its business in December 2018, and was scaling fast with 2.5 million customers acquired to-date. It was estimated that one-third of the customers were new to banking, which presented significant opportunities for CIMB to address financial inclusion innovatively as a digital franchise.

(e) Sustainability

CIMB recognised its accountability to all its key stakeholders, and it was imperative that its own activities and those that CIMB facilitated, did not have negative impact on future generations. Sustainability was institutionalised as one of the five key pivots under the Forward23 Strategy. CIMB had made significant progress and its Environmental, Social and Governance ranking increased from 19th to 51st percentile under the Dow Jones Sustainability Index.

In 2019, CIMB launched the first Sustainable Development Goals Bond by an ASEAN issuer in the Formosa Market, which would fund positive impact projects such as affordable housing and energy efficiency. CIMB had also allocated RM3 billion for Sustainability Linked Loans for corporates, where the interest rebates were linked to the borrower's sustainability performance. For individuals, CIMB offered preferential rates on loans for green homes and hybrid/electric cars to encourage customers to embrace a more sustainable lifestyle.

CIMB had also rolled out the Group Sustainable Policy and Group Sustainable Financing Policy to ensure that it had a clear process to operate the business sustainably.

CIMB was also one of the founding banks that helped develop the United Nations Environment Programme Finance Initiatives Principles for Responsible Banking. Going forward, sustainability would continue to be an area of focus and as a responsible corporate citizen, CIMB would ensure to strike the right balance between People, Planet and Profits.

To take the lead in Sustainability, CIMB had also organised the Cooler Earth Summit, which garnered over 1200 participants in October 2019. CIMB planned to host a fully virtual second Summit later in the year.

In Malaysia, CIMB also had a day dedicated to the staff to express their gratitude to CIMB's greatest assets.

Dato' Abdul Rahman then assured the shareholders that Forward23 was progressing well, but there was a long way before CIMB could achieve the

Forward23 target. A clear focus would be to drive down the CIR ratio as that was the biggest single driver towards hitting the ROE target of between 12 to 13%.

On Corporate Responsibility, CIMB had extended RM45.8 million in 2019 to various communities as well as education and sports-related causes across the region. This was done through CIMB Foundation and the wider Group initiatives. CIMB was also committed to the regional communities with almost 72,000 beneficiaries across 264 projects.

Dato' Abdul Rahman further informed that CIMB continued to garner many prestigious awards in 2019 such as Best Digital Bank in Malaysia and Philippines and the Best International Bank in Cambodia. The one that he was particularly pleased about was the Most Outstanding Annual Report of the Year from NACRA, which reflected CIMB's strong focus towards transparency in the reporting to all shareholders.

In terms of key events conducted throughout the year, the Customer Day Campaign in September and October 2019 involved partnerships across all functions within the organisation, mainly to establish ways to build connections with customers across various channels. The campaign had been pivotal in shaping CIMB's priorities and commitment to drive the concept of #cxmywayoflife in CIMB. The ultimate objective was to empower staff on the ground to please the customers (such as, by giving away rewards, gifts or thank you notes) and proactively gather candid feedback on improvement areas.

In addition, CIMB had celebrated CIMB Bank Philippines' 500,000th customer milestone back in August 2019 and as mentioned earlier, there were now 2.5 million customers strong.

(iv) COVID-19 Impact

Given the far reaching implications of COVID-19 pandemic, Dato' Abdul Rahman believed that it was important to update shareholders on how CIMB Group was affected and action plans to address and mitigate its consequences. The primary focus for CIMB were as follows:

(a) People

CIMB's primary focus in facing the COVID-19 pandemic was the people which were employees, customers and community at large whereby CIMB had to ensure the safety of its employees and customers.

At the outset of the pandemic in February 2020, CIMB had mobilised split operations to enable staff to work from home. This had continued until today, with only 35% of employees being back at office. Further, CIMB had provided financial assistance to staff directly affected by the pandemic, and also raised allowances and provided online learning.

For the community, CIMB Foundation undertook various CSR initiatives to contribute funds and supplies to front liners, underserved communities and daily wage earners. For the physical well-being of customers, CIMB ensured that social distancing was maintained in the branches, limiting

the numbers allowed in the branches at any one time and temperatures were taken at the entrance. CIMB intensified its digital push, resulting in a 29% increase in utilisation of CIMB Clicks to more than 10 million registered users.

(b) Customers

The other focus was the customers' financial well-being. The 6-month moratorium in Malaysia had provided significant relief to the customers, particularly within the B40 segment and SMEs. As at the end of May 2020, the moratorium had benefitted over 1.3 million retail customers and over 16,000 SME's and corporate clients in terms of cash flow alleviation to face the challenging environment. The waiver of interest for Hire Purchase and Islamic financing had also provided significant financial relief, albeit at a negative impact directly to the financials.

CIMB was determined to play the part in helping the economy turn around and would support all government assistance and stimulus programs. In Malaysia, CIMB had approved over RM1 billion of the Special Relief Funds to SMEs and had committed fully to the RM1 billion PENJANA SME Retail scheme that was announced and launched yesterday. Similarly, CIMB was doing its part in all the other countries where CIMB had operations.

Moving forward, the Group had commenced to proactively engage customers to assist and negotiate restructuring and repayment reliefs where necessary. CIMB's approach going forward would be more targeted as Management was expected to engage the high-risk customers such as customers that had been severely affected by the economic crisis prior to the end of the moratorium period to ensure a minimal number of defaults post moratorium.

(c) Financials

Internally, CIMB would focus on 3 main areas, as follows:

- To enhance risk management by tightening credit and perform regular stress testing.
- Ensure that the liquidity ratios remain at a comfortable level and focus on expanding the CASA base.
- To focus on improving cost efficiency and delay non-essential expenditures for the time being. CIMB was looking to deliver a cost saving of RM700 million from budget or approximately RM400 million lower OPEX than last year.

(v) CIMB Moving Forward

Dato' Abdul Rahman informed that the economic outlook both globally and in Malaysia would be uncertain and challenging for 2020. It was expected to record quarterly decline in second quarter GDP across the world, but whilst it was uncertain, Management was hopeful that the shape of the recovery in ASEAN will be a V-curve or a short U-curve. He was of the view that growth

should be strongly positive in 2021, but Management would only expect GDP per capita to return to 2019 levels in 2022.

Dato' Abdul Rahman further informed that this challenging landscape would inevitably affect CIMB's FYE 2020 targets which was announced early this year and Management had to be transparent that these targets were no longer deliverable. This uncertain period, however, provided Management with the opportunity to undertake a comprehensive review of the strategy in line with the changing environment. Management intended to perform this as swiftly as possible and planned to announce the recalibrated Forward23 strategy once finalised.

In summary, FYE 2019 was a good year in terms of business growth. It was however, also a year of investments for the future. Similar to all companies globally, this year, financial performance would be drastically impacted by the effects of the Covid-19 pandemic. CIMB's key focus currently was to ensure the Group's employees' physical and customers' financial well-being were looked after, while Management undertook a comprehensive review of the strategy.

Dato' Abdul Rahman then expressed his deepest gratitude to his predecessor YB Senator Tengku Dato' Sri Zafrul Aziz on behalf of #teamCIMB, for his years of service and immense contribution to the Group. He wished him all the best in navigating the country during these uncertain and challenging times and CIMB was ready to provide him with its full support and assistance.

Dato' Abdul Rahman also expressed his appreciation to the Chairman and the Board for their confidence and faith in Management and thanked all in #teamCIMB who had been truly motivating with their invaluable guidance, dedication, hard work and commitment. Dato' Abdul Rahman further expressed his appreciation to #teamCIMB for their kind understanding and perseverance during the difficult pandemic period. He then thanked the customers, partners and shareholders for their kind support and trust. He looked forward to navigate this challenging times and hoped that the shareholders could also move 'Forward' together with CIMB.

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 63rd AGM dated 2 June 2020.

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.

7. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman tabled the Audited Financial Statements for the financial year ended 31 December 2019 and the Reports of the Directors and Auditors.

The Chairman informed that CIMB had announced to Bursa Malaysia the Annual Report (AR) and Accounts for 2019 on 9 April 2020 and subsequently uploaded to CIMB's Website on the same day.

The Audited Financial Statements for the financial year ended 31 December 2019 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.

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 Group Nomination and Remuneration Committee (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.

The Chairman 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 Ms. Teoh Su Yin who retired under Article 81 of the Company's Constitution;
- (ii) Agenda 2 on Ordinary Resolution 2 is for the proposed re-election of Dato' Lee Kok Kwan 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 Dato' Mohamed Ross Mohd Din who retired under Article 81 of the Company's Constitution.

The Chairman further informed of the following Resolutions for Directors who retired pursuant to Article 88 of the Company's Constitution:

- (i) Agenda 3 on Ordinary Resolution 4 for the proposed re-election of Encik Didi Syafruddin Yahya 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. Shulamite Khoo 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 on the proposed payment of Non-Executive Directors' Remuneration with effect from the 63rd AGM until the next AGM of the Company.

Being interested in Ordinary Resolution 6 and 7, the Chairman handed the chair to the Group CEO to present Ordinary Resolution 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 63rd 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 63rd 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.

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

The GNRC recognised the escalating costs incurred across the Group included Board-related costs and had undertaken a review on the remuneration framework of CIMB Group and the three key subsidiaries namely CIMB Bank Berhad, CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad.

The CIMB Group Directors' Remuneration Policy comprised two main components, these being:

- (i) Fixed benefits comprising Retainer Fees and Chairperson's Premium; and
- (ii) Variable benefits comprising Meeting Allowance and Benefits-in-kind.

Pursuant to the review and given the challenging environment, the Board had agreed, 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. Thereafter, the Board would reassess the effectiveness of these temporary measures at the end of FYE 2020. The proposal should result in overall cost savings of approximately RM1.5 million or 15%.

Annual Cap

In conjunction with the proposal to reduce Board-related costs, the GNRC also considered the recommendation by Permodalan Nasional Berhad to introduce an Annual Cap to the variable benefits payable to Non-Executive Directors. The Annual Cap calculations were based on the highest hypothetical number of Board and Board Committee meetings and maximum hypothetical number of future Non-Executive Directors (11).

The Board proposed to set an Annual Cap of RM3.895 million for variable benefits payable to the Non-Executive Directors from the 63rd AGM until the next AGM of the Company for approval by the Shareholders as specified under Ordinary Resolution 5.

In light of the voluntary reduction of Board-related costs initiated by the Board, the Board expected 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 as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Board of Directors to fix their remuneration.

The Chairman further informed that the present auditors, Messrs. PricewaterhouseCoopers, 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 has 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

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 63rd AGM. He then provided CIMB's written replies in response to the 5 questions raised by MSWG and a snapshot of the questions and responses were also provided online for the benefits of the Shareholders.

Question 1:

The COVID-19 outbreak had caused slowdown in global economy. In anticipation of economic slowdown that consequently translated to slower loan growth and domestic consumption, BNM had cut OPR thrice since beginning of the year to 2% currently. Further rate cut would also be expected which would surely cause a contraction in Net Interest Margins (NIM).

- (a) Based on assessment done by the Group, how would the above affect performance of CIMB Group in FYE 2020? Were the targets set by the Group (on page 22 of AR2019) intact?

Response: The impact of COVID-19 on the global economy was unprecedented and would negatively impact the Group's 2020 financial performance in terms of loan growth, NIM contraction, weaker NII and higher Loan Loss Provisions. In view of this, the FYE 2020 targets set in February 2020 were clearly no longer deliverable. To mitigate this, Management kept operating costs under strict control. Overall, however, CIMB expected significantly weaker financial performance compared to last year.

- (b) What were the Group's views on the operations in the other countries where CIMB had presence?

Response: Other operating countries and economies faced similar challenges. CIMB expected the operations in Indonesia, Thailand and Singapore to similarly experience slow loan growth, NIM compression and higher Loan Loss Provisions. Nevertheless, the impact for each country would differ due to differing stimulus measures, extent and timing of the Covid-19 situation, and each country's respective growth stage. CIMB Philippines continued to grow at a healthy rate and CIMB expected the franchise to benefit given its digital-only model.

- (c) What were the countries (where CIMB Group had presence) that expected to rebound stronger than others once the crisis was over?

Response: The outlook was difficult to predict and the timing of each country's recovery was also subjected to many variables. Indonesia's economy was not expected to contract as materially as others, given the government did not impose a strict lockdown, while Singapore's recovery was more dependent on the pace of the regional and global economic uptick. Malaysia and Thailand would likely recover at a moderate pace. Overall, the pace of recovery in all countries would be dependent on how successful the governments were in curbing the pandemic.

Question 2:

Local banks had granted an automatic six-month moratorium for all their individual and SMEs customers starting from 1 April 2020 to help relieve clients' financial burden.

- (a) What was the size of the loan involved under the six-month moratorium to Group's total loans, financing and advances (LAF)?

Response: The 6-month automatic moratorium for the consumer (except credit cards) and SME applies only to Malaysia. The moratorium programmes differs from one country to the other. In Malaysia, the amount of moratorium and restructured loans comprised approximately 67% of the Malaysia's loan book. As a proportion of the Group's total loan book, this comprised approximately 44%.

- (b) What was the likelihood of increases in provision of 12-month and lifetime Expected Credit Losses (ECL) due to the loan-moratorium and the challenging economic outlook?

Response: CIMB would continue to focus on managing the asset quality and to take a proactive stance in managing the credit risk. Due to the unprecedented nature of the economic downturn however, CIMB expected provisions to increase in 2020. Part of that increase was due to the forward looking nature of FRS9 which took into account macroeconomic forecasts in calculating provisions. CIMB

believed however, given the strong risk management the increase would remain manageable.

- (c) How well CIMB Group prepared to deal with expected rising insolvency and liquidation among firms across the operating countries post COVID-19?

Response: The Group had proactively engaged its customers to assist with their financial challenges, and negotiate terms where necessary. This included engaging customers currently under the moratorium to provide the necessary support and to ensure that they would be able to withstand challenges even after the moratorium. CIMB remained well prepared with strong risk management and capitalisation levels.

- (d) How had CIMB Group's asset quality change before and after the outbreak?

Response: As mentioned above, CIMB expected provisions to increase in 2020 given the unprecedented nature of the economic downturn. CIMB believe that the proactive and pre-emptive measures placed the Group in a strong position to weather the challenging environment.

- (e) As of FYE 31 December 2019, CIMB Group's Gross Impaired Loans (GIL) ratio was 3.1%, a level that was twice of industry average of 1.5% in December 2019 (page 39, Financial Stability Review - Second Half 2019). CIMB Group's GIL ratio further increased to 3.4% as at end of March 2020.

Response: CIMB Group's GIL ratio was above the Malaysian banking industry average due to the Group's more prominent regional presence, particularly in Indonesia, where credit risks were inherently higher, in line with the higher returns. The rise in the 1Q 2020 GIL was largely attributed to one commercial impairment in Singapore.

To what extent CIMB Group's GIL would be expected to rise further after taking into latest development? Was the significant higher than industry average GIL ratio a concern for the Group?

Response: The present economic turbulence was expected to translate to a higher GIL in 2020. Directly impacted sectors such as retail and travel would likely experience more pressure on asset quality. It however remains uncertain as to how much the GIL would rise as it was largely dependent on how quickly the economy recovers in the respective key operating markets. Nevertheless, the Group was monitoring the situation closely and had taken pre-emptive measures to minimise the impact. CIMB have employed specific and targeted strategies for the customers who were directly impacted by the COVID-19 pandemic. As mentioned, the Group's above-industry GIL was not exceptional given CIMB's exposure to higher-risk and higher-return markets like Indonesia.

Question 3:

CIMB Group had been identified as one of the Domestic Systemically Important Banks (D-SIB) in Malaysia.

- (a) What was the significance of such categorisation to CIMB Group?

Response: CIMB was among 3 banks in Malaysia identified as D-SIB, signifying its importance to the Malaysian banking system. Based on regulatory requirements, such banks were expected to maintain an additional D-SIB buffer on top of other capital buffers, to ensure that systematically important banks maintain a stronger capital position.

- (b) Was the Group prepared to meet the Higher Loss Absorbency (HLA) requirement which would come effect on 31 January 2021?

Response: CIMB Group had already met the HLA requirement which requires an additional 1% capital buffer. CIMB Group had been building up its capital position to include this capital buffer since 2013 through its capital target setting framework.

Question 4:

BNM had issued the Exposure Draft on Licensing Framework for Digital Banks (Exposure Draft) on 27 December 2019 to encourage innovative application of technology in the financial sector.

- (a) Did CIMB Group foresee the necessity to acquire a digital banking license to complement operation of CIMB Bank in Malaysia?

Response: Digital bank models were attractive and if done well, could be a very strong value-add to the CIMB stable. CIMB was studying all options available in this space. If CIMB decided to participate, it would most definitely be done in an equity partnership with an ecosystem/technology player to leverage on joint strengths for success. The study was currently on-going and CIMB was expecting to have a clearer picture in 3Q 2020.

- (b) Digital banks were expected to offer products and services that could help to address market gap in the underserved and unserved segment which might include micro, small and medium enterprises in a sustainable manner (page 6 of the Exposure Draft). Were the underserved and unserved segments worthwhile for CIMB Bank to address as these segments were generally perceived to incur high servicing cost and low revenue potential?

Response: CIMB was still examining the business model viability of digital banks. As mentioned, it provided the opportunity to address the underserved and unserved segments of the market. The use of technology, captive bases, data and platform-based propositions offer potential to serve these markets but CIMB would still need to study their risk return profiles.

- (c) Did CIMB foresee digital banks would possess formidable challenges to conventional banks like CIMB Bank in years to come?

Response: Digital banks could pose formidable challenges to conventional banks if they were able to leverage on the right cost structure and tap into technology to address market demand. Conventional banks such as CIMB however, could address these challenges by digitising aggressively and leverage on its customer base and existing distribution platforms. Further, conventional banks also have the option to participate in a digital banks' play through partnerships, should it prove to be viable.

Question 5:

CIMB Philippines grew to 1.7 million customers in its first year of operation, driven by a platform-centric operating model and a pure digital infrastructure (page 64 of AR2019).

- (a) How was a digital bank model (in Philippines) different from a conventional brick and mortar banking business model (in Malaysia)?

Response: In addition to serving and fulfilling customers 100% digitally, the business model revolved around alignment with at-scale digital platforms and having the ability to operate within third party ecosystems. In the case of CIMB Philippines, CIMB started off with a partnership with GCash, the largest e-wallet in the country with over 20 million users, through which CIMB had been co-developing financial services that were distributed through their platform. CIMB was currently actively pursuing multiple partners through which CIMB hoped to scale new products and offerings in the market.

As a bank, CIMB continued to bring its balance sheet, product expertise and risk management experience to the table. Coupled with platform-based avenues of distribution, CIMB essentially embedded its offerings within the value chain of an ecosystem, allowing CIMB to acquire captive audiences with little reliance on traditional or organic acquisition. In addition, keeping credit costs at an optimised level was also crucial to ensure that CIMB could deliver overall banking services in the most efficient form and this was of course driven by rich data and alternative credit models that were becoming more prevalent in the digital space.

- (b) How would the digital franchises in Philippines and Vietnam help CIMB Group to better position itself in other operating countries?

Response: Philippines and Vietnam were two of the Group's newest markets. The advantage of proliferating a digital model was that it could allow us to quickly advance market share and 'compete' with local incumbents with differentiated propositions and faster adoption.

In the case of Philippines, CIMB had successfully acquired 2.5 million customers after 18 months, and it was estimated that one-third of CIMB's base were new to banking. Penetration of the underbanked and/or underserved segment in this case presents an immense opportunity for CIMB to address the market differently from other players, and in time CIMB hoped to grow and define the digital franchises in ways that deliver value, innovation and market relevance.

CIMB's presence in these two markets however, were still at infancy stage. CIMB needed to examine further on how to scale up and drive towards the path to sustainability.

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 endeavor 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 filtration process.

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

- (i) Mr. Lee Choon Meng enquired on welfare of staff given the COVID-19 pandemic.

Dato' Abdul Rahman informed that the welfare of staff was the utmost priority to CIMB. At the start of the COVID-19 pandemic, CIMB had activated its business continuity plan and ensured that the necessary steps for the safety and well-being of the staff were duly implemented. A majority of the workforce continued to work from home and those required to be in the office would strictly follow the Standard Operating Procedures set by the regulators.

- (ii) Mr. Sze Kok Sing @ See requested CIMB to display the Board's replies to questions raised by MSWG in text form to enable shareholders to understand better

The Chairman responded that the MSWG's queries and answers were displayed on screen when the Group CEO responded to the questions earlier. He further informed that the questions and answers would also be minuted and uploaded onto CIMB's website, accordingly.

- (iii) Mr. Lee Mun Hoe suggested that moving forward CIMB should do a physical AGM given that virtual AGM did not promote two-way communication and shareholders' participation were challenging, given that it was online and depended on internet access.

The Chairman informed that CIMB had studied this and it had shown that the market was moving towards having virtual AGM as the norm for future AGMs. This was also in line with the recommendation under the Malaysian Code of Corporate Governance issued by the Securities Commission for companies to leverage technology for AGMs. Virtual AGM was also more convenient and comfortable for shareholders, given that:

- (a) There would be no queuing, as registration would be done online.
- (b) Shareholders could access the AGM from the comfort of their own homes.
- (c) Virtual AGMs promote more efficient use of resources.

In the long-run, the Chairman informed that CIMB would find a way to increase participation and communication with the shareholders by leveraging on technology.

- (iv) Mr. Teo Cher Ming queried whether CIMB would be maintaining its 40-60% dividend policy for FYE 2020.

Encik Khairul Rifaie, the Group Chief Financial Officer, informed that the Group had a dividend payout policy of between 40%-60% and would continue to assess its earnings distribution capabilities, taking into account its financial and capital levels. Given the very nascent stage of economic recovery, visibility remained low on the revenue and asset quality outlook. As such, it might be fair to take a prudent stance on capital retention.

- (v) There were several questions from shareholders requesting for e-vouchers and door gifts.

The Chairman informed that CIMB received many questions on this topic, and therefore, the Chairman would answer once for all shareholders.

He informed that there would be no vouchers or door gifts, as this was a virtual AGM where no physical attendance by shareholders were required. This was similar with majority of the public listed companies which have held their AGMs virtually. CIMB, however, would review and look into this matter for future AGMs.

- (vi) Mr. Yeap Boon Tat queried whether CIMB would extend the moratorium period after September 2020.

In response, Dato' Abdul Rahman informed that moving towards the end of the moratorium period, the focus for CIMB as well as other financial institutions, was to move towards a more targeted assistance approach where CIMB would engage borrowers from the hardest hit sectors to extend support and restructure terms, where necessary. Dato' Abdul Rahman opined that the targeted approach would be more useful for optimal use of resources.

- (vii) Mr. Kok Wai Keat enquired on technology issues faced by CIMB for the past 1 year and whether CIMB had found out the root cause leading to such issues.

Dato' Abdul Rahman explained that CIMB had performed various system upgrades in 2019 with a few teething problems, affecting certain functions. Management was aware of the specific issues and had addressed them accordingly. Further, CIMB had undertaken a complete baselining exercise for this purpose. Management assured all stakeholders' that CIMB's core banking system remained intact at all times. 2020 had been a better year for CIMB and any technology issues were rectified swiftly. CIMB had planned for a better implementation of technology Group-wide in its Forward23 strategies.

- (viii) Mr. Phua Leong Kui enquired on CIMB's plan to increase profitability in this challenging time.

Dato' Abdul Rahman informed that the Group would continue to be cautious in its underwriting processes and would take proactive measures to address concerns on productivity and costs. As mentioned previously, CIMB targeted to reduce the costs by RM700 million in 2020 against budget and RM400 million in comparison to last year. Management would also continue to manage the asset quality with increased monitoring of credit to ensure the credit would not deteriorate in these trying times. Therefore, it was important for CIMB to engage with customers proactively.

- (ix) Mr. Au Yong Chee Hong enquired on how Management would further reduce the CIR in line with other leading banks in Malaysia and which strategy in the transformation plan that would address this matter.

Dato' Abdul Rahman informed of the short-term rationalisation initiatives being undertaken included holding back discretionary expenditures like marketing and events, as well as the implementation of a Group-wide hiring freeze.

Currently, Management had also taken a holistic view on capital expenditures, and had either suspended or deferred non-critical investments, particularly in IT. Tactical investments would continue to be made for essential technology improvements for future competitive advantage and operational efficiency. Nevertheless, the Group's 2020 CIR was expected to be higher than 2019 largely due to lower revenue.

- (x) Mr. Teh Seng Kong noted that CIMB invested in one of Singapore's Oil & Gas (O&G) company, and the company had filed for liquidation. He queried as to the impairment cost and when it would be reflected fully in the Financial Statements.

Dato' Abdul Rahman responded that as a matter of regulation and policy, he was not able to comment on individual clients' names. As a matter of disclosure, CIMB had provided for a single Commercial Banking O&G client in Singapore in 1Q 2020 amounting to RM430 million. Management, however, expected a provision to be made in 2Q 2020 for an O&G client in Singapore. CIMB would disclose the amount in 2Q 2020 results and would provide for 100% of the exposure. It was however, unfortunate that both cases appeared to have involved alleged misconduct by the borrower.

Dato' Abdul Rahman assured that CIMB's risk management and controls was sound and CIMB maintained rigorous risk assessments and monitoring on all of CIMB's exposures. The recovery efforts on both clients were currently on-going.

- (xi) Mr. Teh Peng Tin enquired on CIMB's spend on the virtual AGM

In response, Dato' Abdul Rahman informed that for this virtual AGM, CIMB utilised about 10% of its usual spend on physical AGM held before this. This was part of CIMB's cost optimisation plan.

- (xii) Mr. Chua Song Yun referred to banks waiving the accrued interest in Hire Purchase loans during moratorium period and enquired on the bank's Day-1 modification loss. He further informed that many Malaysians were the direct or indirect shareholders of banks, and it would be unfair to use shareholders' fund to subsidise a group of borrowers. It was not fair for Ministry of Finance (MOF) to request banks to shoulder this cost. He then queried as to the reasons for the Board and Management to succumb to MOF pressures.

Dato' Abdul Rahman explained that as part of the accounting requirements, CIMB would have to book a Day-1 modification loss as a result of the waiver of accrued interest. Management had quantified the impact, which was being verified by PwC as part of its interim audit. The impact would be lower for CIMB given that CIMB had a proportionately lower Hire Purchase book as a percentage of assets. Management would share the specific amount during the 2Q 2020 results announcement. As a bank, CIMB had to play its part in supporting the Government initiatives and ensuring that the economy recovered as soon as practicable. CIMB also played its part in supporting customers in going through this difficult period.

- (xiii) Mr. Chua further informed that the news reported on the hit by two big O&G accounts, where the provision could amount to around RM1 billion, with half

already provided for in 1Q 2020. He enquired on the size of the total O&G loans portfolio and the GIL ratio for this loan portfolio.

Encik Khairul informed that Dato' Abdul Rahman had responded to an earlier question on the O&G provisions. As at March 2020, O&G loans comprised 2.4% of the Group's total loan book. The GIL ratio for the portfolio stands at 34% with an impairment coverage ratio of about 80% as at March 2020.

- (xiv) To another query by Mr. Chua on the proactive provision set aside to prepare for COVID-19 and Movement Control Order impact, Encik Khairul responded that Management expected to make some adjustments to the forward looking macro-economic forecast from 2Q 2020 onwards, which might have some impact on provision levels in the medium term.
- (xv) Mr. Loh Mun Seong informed that CIMB was one of the banks (out of five) which attempted to be involved in digital bank proposed by BNM. He queried as to CIMB's forward looking plans on this matter.

Dato' Abdul Rahman informed that Management was currently evaluating all options available for CIMB in this space. There were growth opportunities to tap in the digital space and could be attractive with the right digital banking model. Dato' Abdul Rahman added that if CIMB were to do it, CIMB would likely enter into a partnership with other technology/ecosystem players as CIMB needed the joint strength of the partner to ensure success.

- (xvi) Ms. Law Kung Hoo referred to transformational cost on page 16 of the AR 2019 and posed the following questions:
 - (a) Why there were different pages reported on different figures on transformational cost (page 16: RM270 million and page 35: RM266 million).
 - (b) Could Management share the details of the staff transformational expenses i.e. the purpose, how it would benefit the bank and whether these expenses were one-off or an on-going basis.
 - (c) CIMB had in the past years incurred multiple transformational related expenses such as Mutual Separation Scheme (MSS). The operating metrics however, such as Cost-to-Income seemed to have significant improvement. Mr. Law sought for clarification based on his observation.

In response, Encik Khairul provided the following clarification:

- (a) Encik Khairul referred to page 35 of the AR and highlighted that Ms. Law meant RM366 million instead of RM266 million. On page 16 of the AR, the RM270 million displayed transformational cost net of tax. Page 35 of RM366 million represented the same cost before taxes.
- (b) The transformation initiative expenses comprised FlexMyCareer (FMC) from Malaysia and MSS from CIMB Niaga which would be a one-off cost. The annualised cost saving would be about RM 200 million a year.
- (c) This was due to investment undertaken under Forward23. In view thereof, there would be some gestation period required for the Group to undergo a 2-3-year transformation. Moving forward, the key area of priority would be how Management could reduce the Cost-to-Income ratio.

- (xvii) Mr. Phua Leong Kui enquired on the fair value of the stock price, to which Dato' Abdul Rahman responded that Management was not in a position to outline the fair value of the stock, as it was determined by market forces. Dato' Abdul Rahman, however, informed that CIMB's book value currently stood at RM5.51/share as at 1Q 2020, with the current share price translated to a price to book value of 0.68x.
- (xviii) Mr. Chua further informed that as at the end March 2020, the Group's GIL ratio stood at 3.4%, which was one of the highest in the industry and queried as to the reason for this.

Dato' Abdul Rahman responded that the Group's GIL ratio was above the Malaysian banking industry average given its exposure to higher-risk and higher-return markets like Indonesia. The rise in 1Q 2020 GIL was largely attributed to one commercial impairment in Singapore. The present economic turbulence was expected to translate to a higher GIL in 2020 and it remained uncertain as to how much the GIL would rise as it was largely dependent on how quickly the economy in key operating markets recovers. Nevertheless, the Group was monitoring the situation, taking pre-emptive measures to minimise the impact from the pandemic whilst assisting customers directly affected by the pandemic.

- (xix) Mr. Chua then informed that as at the end March 2020, the group's Allowance Coverage ratio stood at 75.9% and queried whether this figure indicated that CIMB did not make enough provision for the worse to come.

Encik Khairul explained that the Group employed strong risk management methods in managing its credit risk and asset quality. The Group provided provisions based on the expected losses on its assets, taking into consideration risk profile, security coverage and macroeconomic forecasts. Therefore, the allowance coverage ratio of the Group was deemed sufficient to withstand any financial shock to the Group's books.

- (xx) Mr. Lee Siu Ming enquired whether CIMB planned to list (IPO) Touch 'n Go (TNG).

Dato' Abdul Rahman informed The Group viewed both TNG and TNG Digital as strategic and key components of CIMB given the Group's digital aspirations as the nation moved towards a more financially inclusive and digitised Malaysia.

The Group intended to build sufficient value within the TNG Group ahead of any potential monetisation event and was cognisant in realising value ahead of time. Any corporate exercises such as IPO would be looked at and it must be value accretive to the Group and complementary to the Group's longer term strategy.

- (xxi) In relation to many repeated questions on the request of Annual Reports of CIMB, the Chairman responded that shareholders may request the Annual Report from CIMB's Share Registrar by submitting a request form to them. The request form could be downloaded from CIMB's website at www.cimb.com.

- (xxii) To another query by Mr. Chua on the total stake of CIMB in TNG, Dato' Abdul Rahman responded that TNG was wholly-owned by CIMB.
- (xxiii) Mr. Chua further informed on the number of banks which had been reporting much higher "Gain on financial investments at FVOCI" in their P&L during year 2019 and 1Q 2020, due to BNM OPR cut. CIMB however, did not seem to benefit from it. He queried as to how CIMB was operating differently in fixed asset investments in comparison to its peers.

Encik Khairul stressed that different banks deployed different investment strategies and they had different portfolios in their respective books. CIMB had improved its market position in 2019 compared to 2018. CIMB's FVOCI book had also improved in 2Q 2019. CIMB, however, was unable to comment on the strategies of its competitors.

- (xxiv) Mr. Ngu Chie Kieng queried as to when CIMB would expect to see the full impact of the moratorium to the bank's Profit and Balance Sheet. He then further queried as to the additional provisions the Bank was expected to make in view of the deteriorating economic environment and whether the Bank expected to make fresh capital call over the next one to two years.

Dato' Abdul Rahman informed that the pandemic did not provide a direct impact to the P&L. Provisions, however, would be elevated as the provision would take into account the macroeconomic factors. Given the lessons learnt from previous crisis and the reforms put in place, the Bank was resilient and well capitalised with sufficient buffers to be able to withstand the shocks of COVID-19.

- (xxv) Ms. Law referred to FYE 2019 KPI target stated on Page 16 of the AR and queried whether these KPIs were met and why was the loan quality or GIL ratio was not part of the KPI.

Dato' Abdul Rahman informed that the KPI target on Page 16 were the headline KPIs set on a Business-As-Usual (BAU) basis and excluded the one-off items such as transformation cost and intangible assets write-off. Hence, a fair evaluation of KPI would require these one-offs to be excluded. On the second part of the question, the ROE target had taken into account the provision level which was part and parcel of the ROE target. The dividend payout ratio, the total loan growth and loan loss charge were met even if included the additional items.

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 financial year ended 31st December 2019 were deemed received.

16. 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.

17. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order 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) Reelection of Ms. Teoh Su Yin who retire 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	7,843,429,423	98.859
Against	90,473,795	1.140

"THAT Ms. Teoh Su Yin, who retired pursuant to Article 81 of the Company's Constitution, be re-elected as Director of the Company."

- (ii) Reelection of Dato' Lee Kok Kwan who retire 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	7,937,470,311	99.997
Against	178,737	0.002

"THAT Dato' Lee Kok Kwan, who retired pursuant to Article 81 of the Company's Constitution, be re-elected as Director of the Company."

- (iii) Reelection of Dato' Mohamed Ross Mohd Din who retire 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	7,934,925,908	99.965
Against	2,720,719	0.034

“**THAT** Dato’ Mohamed Ross Mohd Din, who retired pursuant to Article 81 of the Company’s Constitution, be re-elected as Director of the Company.”

- (iv) Reelection of Encik Didi Syafruddin Yahya who retire 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	7,934,888,399	99.965
Against	2,749,719	0.034

“**THAT** Encik Didi Syafruddin Yahya, who retired pursuant to Article 88 of the Company’s Constitution, be re-elected as Director of the Company.”

- (v) Reelection of Ms. Shulamite N K Khoo who retire 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	7,936,933,206	99.998
Against	153,857	0.001

“**THAT** Ms. Shulamite N K Khoo, 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	8,018,895,939	99.956
Against	3,508,077	0.043

“**THAT** the payment of Non-Executive Directors’ Remuneration with effect from the 63rd 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	7,924,278,116	98.823
Against	94,336,943	1.176

“**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 63rd 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	8,043,311,557	99.846
Against	12,370,757	0.153

“**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	6,705,425,780	83.236
Against	1,350,407,410	16.763

“**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	8,053,752,408	99.973
Against	2,101,836	0.026

“**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 22 April 2019, 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	8,047,040,140	99.892
Against	8,637,485	0.107

“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 RM1.042 billion based on the Audited Financial Statements for the financial year ended 31 December 2019 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 2021 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. 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.

19. CLOSE OF MEETING

Before the close of Meeting, the Chairman informed that one of the Board members, Encik Ahmad Zulqarnain Che On, had given notice of his resignation, which would take effect at the conclusion of the AGM.

The Chairman informed that Encik Ahmad Zulqarnain was appointed to the Board in November 2017 and was a nominee director representing the substantial shareholder, Khazanah Nasional Berhad (Khazanah). CIMB would be engaging Khazanah soonest to identify a replacement on the Board.

The Chairman then thanked Encik Ahmad Zulqarnain for his contributions and wished him all the best in his new role at Permodalan Nasional Berhad.

The Chairman then declared the 63rd AGM of the Company closed and thanked all members present for their participation. The Chairman also thanked Management and everyone involved in making this virtual AGM a successful event.

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

Confirmed

Datuk Mohd Nasir Ahmad
Chairman