



Sustainable Business

As a financial intermediary, we have the power to create sustainable financial solutions and positive change. Our greatest impact lies in how we do business with our clients. This responsibility has been at the core of our sustainability priorities. As a responsible bank, we recognise our accountability for the activities that we enable through our financial services, as well as our influential role in requiring or encouraging our clients to minimise negative impacts from their activities. This is a key motivation for us to continue to transform our business towards becoming a sustainable banking leader.

A sustainable business model does not mean compromising on a healthy bottom line. On the contrary, aligning our strategy with the objectives of environmental well-being, social equity and economic prosperity is essential to our long-term success. There is increasing evidence that supports this. According to the Morningstar U.S. Sustainability Leaders Index, companies with the best sustainability scores performed 33.3% better in financial returns¹. Becoming a sustainable business means we are built to last, while enabling us to meet the evolving financial needs of our customers and society.



Positive Impact Through Finance

Deliver innovative, relevant and sustainable finance solutions that enable clients to create positive impacts



Empowerment Through Financial Inclusion

Provide accessible and affordable banking services and improve financial literacy for underserved communities



A Culture of Customer Excellence

Develop meaningful long-term customer relationships through seamless yet personalised experiences



Innovative and Technology-Driven

Leverage technologies to improve our processes and better serve our customers








Robust Cybersecurity and Privacy

Strengthen our security processes to protect stakeholder data and privacy

MATERIAL TOPICS

2022 ACHIEVEMENTS

 Sustainable and Responsible Finance: Creating Positive Impacts	<ul style="list-style-type: none"> Mobilised RM27.8 billion of sustainable finance in Green, Social, Sustainable Impact Products and Services Launched the first-of-its-kind Sustainability-Linked Treasury Programme in Malaysia Won 21 awards across the region for Sustainable Finance
 Financial Inclusion and Literacy	<ul style="list-style-type: none"> Distributed RM10.7 billion of financing to low-income individuals Provided RM3.6 billion of financing to micro and small enterprises in support of SDG 8: Decent work and economic growth Trained more than 11,000 youths under our financial literacy programmes
 Customer Experience	<ul style="list-style-type: none"> Achieved a Net Promoter Score (NPS) within 74% of the industry in our four key markets Rolled out a strategy to combat financial scams
 Digitisation and Innovation	<ul style="list-style-type: none"> Maintained 99.50% in CIMB Clicks uptime² Maintained 99.99% in BizChannel uptime²
 Cybersecurity and Data Privacy	<ul style="list-style-type: none"> Enhanced our Security Operation Centre and Threat Intelligence to address increasing cyber threats >100,000 cybersecurity and data privacy lessons completed by over 30,000 CIMBians Recorded zero major breaches

¹ Why Sustainable Strategies Outperformed in 2021, Lauren Solberg, Morningstar U.S., January 2022.

² Figure is calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance.



SUSTAINABLE AND RESPONSIBLE FINANCE: DRIVING POSITIVE IMPACTS

The financial services sector can play a critical role in driving the sustainability agenda and promoting a more just and sustainable future for all. By channelling funds towards responsible and sustainable projects, financial institutions can help create positive impacts and drive long-term economic growth while addressing some of the world's most pressing challenges.

At CIMB, we take pride in being a long-term partner to our clients, and we know that their future success is our success. Therefore, we are committed to actively supporting them in transitioning to more sustainable and resilient business models and practices. With our expertise and commitment, we are confident in our ability to help our clients future-proof their businesses and positively impact society and the environment.

OUR GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES FRAMEWORK

In September 2022, we announced a doubling of our sustainable finance target to RM60 billion by 2024 under our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. This new target reflects our previous success in mobilising RM30 billion of sustainable finance, which we achieved two years earlier than expected, prompting us to increase our efforts.

The Group's GSSIPS Framework provides a guide and an internal taxonomy for the Group to deliver impactful sustainable finance. It is a living document that allows for emerging sectors, technologies and financing instruments, where we can support our clients to transition to a low-carbon and sustainable future. The GSSIPS

framework is also aligned with industry-wide practice such as Value-based Intermediation (VBI).

VBI is defined as an intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact on the economy, community and environment, consistent with the shareholders' sustainable returns and long-term interests. Pursuing the underpinning thrusts of VBI which are good self-governance, best conduct, entrepreneurial mind-set and community environment through the GSSIPS framework has enabled us to facilitate RM3.8 billion of sustainable Sukuk in 2022. To guide the growth of sustainable financing in line with VBI, CIMB Islamic also served as the project manager, providing support for the development of VBI Financing and Investment Impact Assessment Framework Sectoral Guide for the oil and gas sector from 2021 to 2022.

As we continue to track our performance against our sustainable finance targets, we remain committed to being transparent on our definitions and scope, and to continuously align our approach to market best practices. We have developed Guiding Principles that complement our GSSIPS Framework, to further enhance our classification and reporting practices.

Sustainable Finance Classification Guiding Principles

1. Recognition framework and classification logic benchmarked against market best practice

Where available, the most up-to-date industry guidelines, principles and any accompanying guidance documents are to be taken as a first point of reference. These include:

- Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications and Trading Association Green, Social and/or Sustainability-Linked Loan Principles
- International Capital Markets Association Green, Social, Sustainability and/or Sustainability-Linked Bond Principles
- International Swaps and Derivatives Association Sustainability-Linked Derivatives: Key Performance Indicators (KPI) Guidelines.

2. No double counting

We only count a product's contribution to green, social, or sustainable impact once, even if it is included in multiple products. For example, where we accept funds such as Sustainable Term Investment Account-i, which are channelled towards SME financing given out by the Bank, we only count the achievement once, at the point of financing.

3. Priority towards direct end impact

We prioritise measuring our achievements based on the direct end positive impact whenever possible. For instance, we measure sustainability-linked financing achievements only after the customer has accepted the facility, not just upon approval.

4. Regular review of recognition framework, classification logic

We regularly review our approach to classifying GSSIPS to ensure alignment with the latest market standards. This is necessary because there are currently no standardised regulations for Sustainable Finance reporting, and there is an increasing risk of greenwashing due to rapid market developments.

A detailed breakdown on how the guiding principles and GSSIPS Framework are used in practice to classify our transactions as GSSIPS will be available in our Sustainable Finance Framework by June 2023




Sustainable Business

We have introduced a GSSIPS tool for our frontliners to promote the adoption and mainstreaming of sustainable finance. The tool guides our frontliners to identify clients, projects and transactions that support sustainable development in a consistent manner. It also helps Relationship Managers to track climate-supporting assets and report them in compliance with regulatory requirements such as Bank Negara Malaysia's Climate Change and Principle-Based Taxonomy (CCPT) and Indonesia Financial Services Authority's Green Taxonomy. This ensures that our approach to sustainable finance is transparent and mitigates the risk of greenwashing.

Following the first round of CCPT reporting for the first half of 2022, we have revamped the GSSIPS tool to closely align with regulatory submission requirements, and developed a Standard Operating Procedure for the end-to-end process flow for CCPT regulatory reporting.

WHOLESALE BANKING

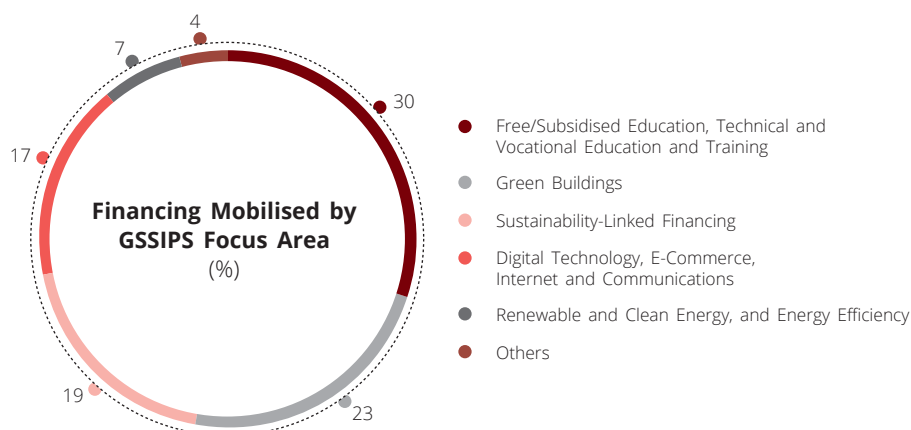
CIMB's Wholesale Banking teams have continued to ramp up their pursuit of sustainable business opportunities, proactively supporting our corporate and institutional clients at all stages of their transition process.

 | Read more about CIMB's Wholesale Banking offerings

Aside from maintaining strong delivery of mainstream sustainable finance products such as green, social and sustainable financing, where proceeds are channelled into eligible green, social and sustainable activities and sustainability-linked financing, our Wholesale Banking teams also focused on developing innovative solutions across the ASEAN market, as we work towards providing more comprehensive and integrated sustainable finance solutions to our clients.

CORPORATE BANKING SOLUTIONS

We scaled up sustainable financing through Corporate Banking in 2022, mobilising RM6.7 billion worth of GSSIPS financing to clients across the region. This represents 12.5% of the RM53.3 billion new financing approved by Corporate Banking.



Corporate Banking's sustainable financing transactions in 2022 amounted to RM6.7 billion, with approximately 60% coming from social and green financing. Sustainability-linked financing increased more than three-fold, reaching RM1.2 billion in 2022, compared to RM367 million in 2021. Notably, we see a stronger contribution from regional Corporate Banking teams, particularly CIMB Singapore and CIMB Thai.

Key deals this year included:

- **IJM Group:** A RM360 million green and sustainability-linked subscription agreement via its wholly-owned subsidiary Fairview Valley to refinance the construction of Menara Prudential – a LEED Gold-certified MSC Status office tower. The tower uses smart and sustainable designs with Artificial Intelligence to optimise energy consumption. The transaction was structured around performance indicators linked to energy and water efficiency, as well as increasing proportions of renewable energy used.
- **OUE Commercial REIT and OUE Hospitality Sub-Trust:** S\$978 million unsecured sustainability-linked financing was extended by a syndicate of lenders to refinance an existing secured facility. Sustainability performance targets were aligned with OUE C-REIT's commitment to improving its portfolio's energy efficiency and prudent water management to mitigate climate-related risks in line with TCFD recommendations. This was the largest Sustainability-Linked Loan in the Singapore Real Estate Sector in 2022. CIMB Bank Singapore was one of the four mandated lead arrangers and book runners.

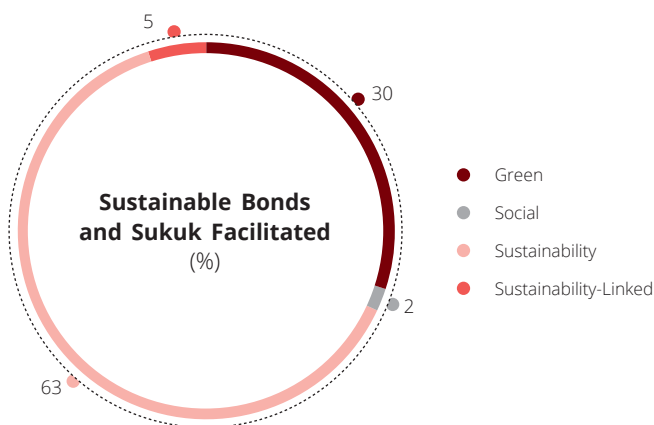
Group Corporate Banking has obtained the following aggregate limits for Sustainability-Linked Financing:



In general, Sustainability-Linked Financing provides customers with interest/profit rate rebates or discounts on the outstanding principal amount for the year if they meet pre-agreed Sustainability Performance Targets.

CAPITAL MARKET SOLUTIONS

Despite uncertain market conditions and external factors affecting global markets, our Debt Capital Markets team successfully facilitated RM5.1 billion^{1,2} worth of green, social, sustainability, sustainability-linked and transition (GSSST) bonds and Sukuk throughout the region. This represents around 9% of the total bonds and Sukuk issued by CIMB in 2022.



¹ Following the Group's new Sustainable Finance Classification Guiding Principles, we have revised our classification / recognition method for sustainable bonds and Sukuk, recognising the apportioned value of CIMB's participation in underwriting the transaction as accredited by Bloomberg's League Tables.

² This includes the amount credited for the issuance of CIMB's Reg S / 144A SDG Bond amounting to approximately RM523 million, which has not been counted towards achieving our overall RM60 billion target.

In 2022, the issuance volume of green, social, sustainability, sustainability-linked and transition bonds and Sukuk in the region decreased due to economic and market headwinds caused by central banks tightening interest rates. However, it is worth noting that new GSSST bonds and Sukuk deals by regional issuers, especially those from Malaysia, Indonesia, Singapore and Thailand, only saw a 1% decline in volume, compared to an 18% reduction in overall bonds and Sukuk issuance volume from those countries. Looking ahead, we anticipate an increase in GSSST issuances, driven by growing awareness and demand from investors in ASEAN, particularly in domestic markets.



Malaysia

Amanat Lebuhraya Rakyat Berhad

- RM5.5 billion Sustainability Sukuk Murabahah
- The first sustainability Sukuk from the highway sector in Malaysia
- The largest RM-denominated corporate sustainability Sukuk in Malaysia as of the issue date
- The Sustainability Sukuk Murabahah supports affordable basic infrastructure for the nation, climate change adaptation and socio-economic advancement and empowerment



Indonesia

Republic of Indonesia (RoI)

- US\$3.25 billion Global Trust Certificates due in 2027 and 2032 (Green)
- The largest ever Global Sukuk deal by the RoI as of the issue date
- The largest ever Green Sukuk tranche printed globally as of the issue date
- The largest USD bond/Sukuk issuance from Indonesia in 2022 as of the issue date
- Over US\$10.8 billion across more than 200 accounts in final orderbook (achieved circa 3.3x oversubscription rate)



Singapore

First Real Estate Investment Trust (First REIT)

- S\$100 million 3.25% CGIF-Guaranteed Bonds due in 2027
- Singapore's first healthcare social bond, aligned with First REIT's newly-established Social Finance Framework



Thailand

BTS Group Holdings Public Company Limited

- The first ever Public Offering in Thailand of ฿13.0 billion Unsubordinated and Unsecured Sustainability-linked Debentures KPIs linked to electricity and renewable energy consumption



Sustainable Business

TREASURY AND MARKETS SOLUTIONS

Following our landmark RM2.45 billion sustainability-linked derivative transaction in 2021, we successfully developed and launched the Sustainability-Linked Treasury Programme for our clients, the first of its kind in Malaysia.

The programme extends sustainability-linked features to treasury risk management solutions and was pioneered by Farm Fresh Berhad and Sunway Berhad.

In Indonesia, our treasury and markets team launched the Sustainability Market-linked Deposit, a structured product that deposits funds into sustainable assets aligned with CIMB's GSSIPS Framework and Financial Services Authority (OJK) Sustainable Finance Categories. As at December 2022, outstanding deposits reached Rp1.2 trillion.

ADVISORY

We are committed to expanding our product innovation to cater to the sustainability and financial strategies of our clients. CIMB Bank Singapore won its first sustainability advisory mandate in November 2022 as the lead financial sustainability advisor for Elite Commercial REIT (Elite). We advised Elite on their Sustainable and Sustainability-Linked Finance Framework, and they subsequently obtained their maiden green revolving credit facility of £15 million raised under the newly-established framework.

INTERNAL FUNDING

As we work towards our aspiration of becoming an ASEAN sustainability leader, innovation remains at the heart of what we do. In addition to the GSSIPS we offer our clients, we proactively involve ourselves in new sustainable market solutions for our own funding needs.

We started the year by becoming the first Malaysian bank to price a US\$500 million RegS/144A Sustainable Development Goals bond in the international capital markets. This was then followed by CIMB Islamic Bank Berhad entering into the world's first Sustainable Collateralised Commodity Murabahah (CCM) transaction with an Islamic bank counterparty in Malaysia in June 2022.

All proceeds from the SDG bond and Sustainable CCM are earmarked to eligible assets set out in the Group's SDG Bond and Sukuk Framework. This framework follows market standards issued by the International Capital Market Association and ASEAN Capital Markets Forum and has been reviewed by Sustainalytics as the second-party opinion provider. The investments will focus on projects that have positive social impacts on vulnerable groups, such as affordable housing, start-ups and small businesses, public schools and projects that have positive environmental impacts, such as green mass transit, climate-resilient buildings and infrastructure, sustainable forestry and wildlife conservation.

| Read more about the latest use of proceeds and resultant impacts of CIMB's sustainable bonds and Sukuk issued

COMMERCIAL BANKING

CIMB GREENBIZREADY™

CIMB GreenBizReady™ Advantage



Access financing for the sustainability transition



Connect with sustainability service providers and associates



Receive training and capacity building



Link up with sustainability certification and advisory services



Participate in business matching services

In 2021, CIMB and CIMB Islamic launched GreenBizReady, an innovative sustainability solution for small and medium-sized enterprises (SMEs) who want to embark on or advance their sustainability journey. This solution is available at no cost to both financing and non-financing SME customers, and provides a structured approach to help them progress on their sustainability journey.

Through GreenBizReady, SMEs can access sustainability-related financing solutions and incentives, service providers, business matching opportunities with industry leaders and government agencies, as well as training, capacity building, certification and advisory services to help them progress on their sustainability journey.

GreenBizReady won the "Best SME Solution - Malaysia" at The Asset Triple A Islamic Finance Awards 2022.

With an increasing focus on sustainable supply chains involving SMEs, CIMB will continue to build out our GreenBizReady proposition to assist our customers in their sustainability journey.

CIMB ESG-SME PITCH CHALLENGE

As part of our SME empowerment efforts and to encourage sustainability innovation amongst ASEAN entrepreneurs, CIMB Islamic initiated the CIMB ESG-SME Pitch Challenge, in collaboration with pitchIN, the Private Financing Advisory Network and PwC Malaysia. More than 50 sustainability-focused SMEs applied to the challenge, all of which aligned with CIMB's GSSIPs Framework.

The challenge provided a platform for these SMEs to showcase their work to prospective investors and business partners, enabling them to scale their business and plan their next phase of growth. After going through preparatory workshops and virtual pitches, the top three winners received cash prizes. In addition, one-on-one sessions were held for selected businesses from the top 20 SMEs with prospective investors and business partners, including venture capital firms, impact investors and government-linked investment companies.

LOW CARBON TRANSITION FACILITY

In January 2022, Bank Negara Malaysia established the Low Carbon Transition Facility (LCTF) financing scheme, under which CIMB has committed RM100 million to finance SMEs' capital expenditure or working capital for the adoption of sustainable and low-carbon practices. Through CIMB's LCTF, SMEs can benefit from collateral-free financing of up to RM10 million, with a repayment period of up to ten years at a low financing rate capped at 5% per annum.

Since its inception, CIMB received over RM50 million worth of LCTF applications from various sectors such as plantations, real estate, agriculture, services, and manufacturing. As of December 2022, CIMB had approved around RM40 million in financing under the scheme. The funding has been utilised for diverse purposes, including the installation of solar PV systems, green buildings, reduction of harmful emissions and process improvement for waste reduction, among others.

ENTERPRISE FINANCING SCHEME

CIMB Singapore is one of the Partner Financial Institutions for Enterprise Singapore's Enterprise Financing Scheme – Green (EFS-Green). EFS-Green enables better access to green financing for enterprises that are Project Developers, System Integrators and Technology and Solution Enablers who develop enabling technologies and solutions to reduce waste, resource use or greenhouse gas emissions, especially in Clean Energy, Circular Economy, Green Infrastructure and Clean Transportation. Under this scheme, Enterprise SG will provide 70% risk-share to catalyse financing from partner financial institutions.

SUSTAINABLE TERM INVESTMENT ACCOUNT-I

CIMB Islamic Malaysia's Sustainable Term Investment Account-i (Sustainable TIA-i) for businesses was launched in August 2022 and is the first-of-its-kind in ASEAN. The Sustainable TIA-i offers customers competitive profit rates with an investment lock in of six or 12 months.

The Sustainable TIA-i focuses primarily on financing assets linked to SDG 8 which promotes decent work and economic growth, with particular emphasis on assets that are aligned to micro, small and medium enterprises (MSMEs) as defined by Bank Negara Malaysia. These assets include the financing of activities that spur sustainable job creation, entrepreneurship and productivity in the Malaysian economy.

As of end 2022, Sustainable TIA-i balances stood at RM523 million, exceeding our initial target of RM300 million.

GIRO KARTINI

CIMB Niaga has launched Giro Kartini , a sustainability-themed current account that is the first of its kind in Indonesia. This account aims to support women entrepreneurs in the Small and Medium Enterprise and Emerging Business Banking segments.

Giro Kartini is a fully paperless current account that offers preferential demand deposit rates, specifically for individual female entrepreneurs as well as women-led small businesses. In addition, CIMB Niaga will donate Rp25,000 every time a Giro Kartini account is opened, with donations channelled to support training on traditional weaving for women with disabilities in Sulawesi.

Giro Kartini aligns with CIMB Niaga's commitment to advancing the women empowerment agenda and reducing inequality, in support of SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequalities.



Sustainable Business

CONSUMER BANKING

In 2022, CIMB's Consumer Banking teams made significant strides towards advancing the bank's sustainability agenda by offering a range of sustainable finance products and solutions. For customers looking to incorporate sustainability into their lives, we offer environmental-focused savings accounts such as Ecosave-i, ESG investment solutions, as well as preferential rates for green home financing, green auto financing and solar financing.

 | Read more about CIMB's Consumer Banking GSSIPS offerings in Malaysia

GREEN MORTGAGES AND VEHICLE FINANCING

CIMB Group provides preferential rates on green mortgages in Malaysia and Indonesia, encouraging potential homebuyers to consider green homes that meet sustainability standards such as Green Building Index, GreenRE, LEED, Building and Construction Authority Green Mark, and Greenship Standard.

Eligible residential projects available for financing in Malaysia include Utropolis Batu Kawan, Eco Ardence, Almas @ Puteri Harbour, and many more completed and under-construction projects. Customers can simply apply for home financing and automatically enjoy a preferential rate for eligible projects.

In 2022, we saw encouraging demand from our customers in Malaysia and Indonesia for green home financing, recording over RM350 million in financing under conventional and Islamic financing, a 39% increase compared to 2021.

In addition, we continue to offer preferential financing rates in Malaysia for hybrid or electric vehicles for up to 90% margin of financing and a nine-year repayment period. Malaysia's electric vehicle (EV) tax incentives have contributed to the growth in green auto take-up, both for imported and locally assembled EVs.

In Indonesia, we launched a digital acquisition platform named CNAF Virtual Auto Show, where financing applications are fully processed online. This digital event, held twice in 2022, was a collaboration between CIMB Niaga and BMW Indonesia. The platform received a favourable response, with 187 financing applications submitted.

Green auto financing has seen an increase of RM184 million disbursed across Malaysia and Indonesia, a 380% increase year-on-year, as customers increasingly opt for hybrid or electric vehicles to reduce their carbon footprint. Overall, green mortgages and vehicle financing represented circa 2% of our new financing in 2022.

SOLAR PV SYSTEM FINANCING

With the cost of solar panels continuing to decrease, installing solar PV systems in residential properties is becoming more accessible. CIMB Malaysia offers 0% interest instalment plans for up to 36 months, coupled with CIMB Deals partner discounts with 15 solar panel partners. CIMB Niaga has also been promoting green financing through a partnership with SUNTerra, a solar panel provider for both homes and offices.


ECOSAVE-I SAVINGS ACCOUNT

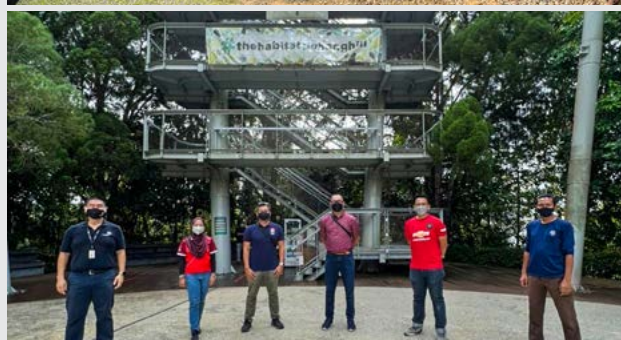
Ecosave-i is a CIMB Islamic environmental-focused savings account, where the Bank contributes the equivalent of 0.2% of the total average portfolio balance towards environmental conservation. This means the more our customers put into this savings account, the more is contributed towards supporting environmental initiatives. The account is entirely paperless, with no passbooks, mailers or physical statements.

Since the inception of Ecosave-i in Malaysia, RM5.5 million has been channelled towards supporting 17 environmental projects.

In 2022, we committed additional funding to the following:

- Caring for Kota Kinabalu's Water Catchment area in partnership with Forever Sabah and Land Empowerment Animals People
- Strengthening Environmental Conservation in Penang in partnership with The Habitat Foundation
- River Restoration and Rehabilitation of the Klang River Basin through Biodiversity Enhancement in partnership with Global Environment Centre

 | Read more about CIMB Ecosave



Environmental conservation in Penang in partnership with The Habitat Foundation



Restoration and rehabilitation of the Klang River Basin



WWF-CIMB Islamic Partnership to inventurise and catalogue the botanical treasures of the Fraser's Hill Forest Complex under its Peninsular Malaysia Terrestrial Conservation Programme, to increase public awareness of the importance of floral diversity in conservation

SUSTAINABILITY WAQF SAVINGS PROGRAMME

CIMB Niaga Sustainability Waqf is a unique form of endowment under the Mudharabah principle. It offers a direct gift by CIMB Niaga to customers transferred to the Waqf foundation in the form of a Waqf programme. The goal is to promote sustainability and generate continuous benefits for the community through programmes in education, healthcare, environment and community empowerment. In 2022, CIMB Niaga gifted Rp5.2 billion towards the Waqf institution based on a total portfolio savings of Rp70.4 billion.

ESG INVESTMENTS

We increased our sustainability-themed investment offerings to enable our customers to invest in funds that promote environmental or social objectives, whilst generating longer-term sustainable returns for themselves. In 2022, both CIMB Preferred and mass customers across Group Consumer Banking have shown better reception towards ESG funds. We expanded our Malaysian ESG-themed offerings to include Life Insurance and Family Takaful investment-linked products through our Banca partner, Sun Life Malaysia, offering the Sun Life Malaysia Islamic Global Sustainable fund, the first Shariah-compliant ESG fund in the Malaysian Takaful market. These offerings provide protection and investment opportunities for customers interested in sustainability considerations.

In Thailand, we introduced new funds and structured product offerings such as Principal Global Clean Energy Fund and Maxi Flexi ESG, which have contributed to new fund sales of ฿4.5 billion to Consumer Banking clients in 2022. In Singapore, investments by Consumer Banking clients into funds with a Morningstar ESG rating of at least a four or five globes grew significantly to S\$1.3 million in 2022 compared to S\$20,000 in 2021.

Within Private Banking, we continued to offer a variety of ESG-themed funds, expanding our offerings to include the ASEAN Equity Fund, a qualified Sustainable and Responsible Investment (SRI) fund. However, we saw a 60% drop in new ESG fund sales to Private Banking clients across Malaysia and Singapore to RM31.4 million in 2022 due to market conditions.

To raise awareness of ESG investing, CIMB organised various engagement sessions in collaboration with fund managers, including Principal Asset Management. These sessions provided clients with an interactive platform to learn about ESG investing principles, benefits and outlooks directly from investment managers.



Sustainable Business



FINANCIAL INCLUSION AND LITERACY

Financial inclusion and literacy are key drivers in reducing poverty and boosting shared prosperity, and have been identified as enablers for seven of the 17 SDGs. By increasing access to affordable financial services, we are able to facilitate the day-to-day activities and livelihoods of individuals and businesses. Financial literacy enables people and companies to better plan and manage their finances and financial well-being, to meet long-term goals and to be able to weather unexpected emergencies.

According to an article by World Economic Forum, over six out of ten South-East Asians remain underbanked or unbanked today.¹ Therefore, we are actively rolling out accessible financial products and services to those in underserved communities.

From a business perspective, financial inclusion and literacy allow us to tap into new markets. By serving unbanked and underbanked individuals and businesses in emerging markets, we can help drive inclusive growth, build trust and enable sustainable economic growth and development.

ENABLING FINANCIAL INCLUSION AND ACCESS TO AFFORDABLE BANKING PRODUCTS AND SERVICES

Financially enabling individuals through accessible and affordable banking services creates a ripple effect that drives improvements across local society and the economy. With our presence in a region where a significant population remains unbanked and underbanked, CIMB plays an important role in bringing financial services and solutions to local communities. We are actively working to bridge the financial access and inclusion gap by innovating and creating partnerships to provide financial services that address real pain points for underserved communities.

ACCESS TO AFFORDABLE FINANCING

In 2022, CIMB Bank in Malaysia extended more than RM5.6 billion in home and vehicle financing for the lower-income community, offering affordable pricing and active participation in BNM's My First Home scheme, PR1MA and other government schemes. We assisted first-time home buyers via FlexiOwn, which provides lower monthly instalments for the first five years to reduce the cash flow burden.

We increasingly leverage on digital financial platforms to offer our accessible financing. In March 2022, we partnered with Touch 'n Go to launch "e-Zi Tunai", which aims to provide flexible financing from as low as RM100 to customers with a gross monthly income of at least RM800. In total, our flexible financing portfolio for B40 customers recorded RM539 million in financing disbursed, a 140% growth from 2021. CIMB Niaga in Indonesia extended more than Rp5.7 trillion under its inclusive financing scheme for low-income individuals as defined by the Financial Services Authority's Macroprudential Inclusive Financing Ratio, comprising mortgages, personal financing and auto financing.

In 2022, CIMB Thai disbursed ฿272 million of financing towards customers with income of less than ฿15,000, largely via our motorcycle financing business.

ACCESS TO INVESTMENTS

CIMB offers financing for Amanah Saham Bumiputera (ASB) investments in Malaysia, helping customers access affordable funds that can be applied towards purchasing ASB. Our total ASB financing for the underprivileged B40 communities amounted to RM2.9 billion in 2022, making up more than 70% of all ASB financing extended.

GOinvest, deployed via the Touch 'n Go eWallet is designed to be accessible to everyday Malaysians by offering easy-to-understand investment products with a simplified investment process. The innovative technology behind the Touch 'n Go eWallet provides Malaysians with the flexibility to invest anytime and anywhere. The first product offering on this platform is the Principal Islamic Money Market Fund, which is developed and managed by Principal Asset Management Berhad. Touch 'n Go eWallet users aged 18 years and above can invest as little as RM10 in this Shariah-compliant fund. Launched in August 2022, GOinvest had 102,037 investors by the end of the year.

BANKING THE UNBANKED IN THE PHILIPPINES

In the Philippines, where almost half of the population remains unbanked, CIMB Bank Philippines has made savings more accessible via the CIMB Bank PH app. This allows customers to open a savings account entirely through their phones in under ten minutes, as long as they have a valid identification card. Any fees that may be traditionally incurred for the opening and maintenance of such an account, as well as for digital interbank transfers nationwide are also waived.

According to the Bangko Sentral ng Pilipinas, 50% of adults in the Philippines perceived that borrowing from formal financial institutions was difficult. To address this issue, we have improved access to formal credit in the Philippines through our range of lending products offered to the market.

Customers can apply for financing of up to ₱1,000,000 through CIMB Bank PH, with an identification card and an income document. We have eliminated the need to prepare other documents typically required by banks, by using alternative data to assess credit. With this, we can instantly score even previously unbanked customers, who often lack sufficient credit bureau data. Customers can also apply for revolving credit products such as GCredit and REVI Credit, which can be approved within five minutes, enabling accessible credit lines for daily needs and emergencies.

¹ World Economic Forum, 7 February 2022.

To further reduce the financial access gap, we have partnered with GCash, the Philippines' largest e-wallet, to offer CIMB GCredit and GSave.

We also formed a partnership with Pru Life UK to make insurance products more accessible in the country, and recently, we partnered with SeaMoney to power Shopee SPayLater in the Philippines.

In the four years since our launch, CIMB Bank Philippines has helped drive financial inclusion in the country. Based on a study conducted at the end of 2021, 20% of our depositors said that CIMB was their first bank account, while more than 50% of our loan customers are first-time bank loan customers.

Currently, CIMB Bank Philippines serves 6.5 million depositors and more than two million financing customers.

ENHANCED ACCESSIBILITY TO BANKING SERVICES

In 2022, we placed wheelchairs in 160 branches in Malaysia to make it easier for our customers to access services at branches. We are committed to ensuring that every CIMB branch in Malaysia has at least one wheelchair on the premise by 2023.

We have also improved the account opening and debit card application process for customers who are print-disabled, blind, or visually impaired. We revamped our processes, as well as terms and conditions, so that visually impaired customers can complete the application using their own mobile device without requiring a witness. Additionally, we have started absorbing the RM10 stamp duty charges for these customers.

PROMOTING FINANCIAL LITERACY

Across the region, we support financial literacy programmes that empower vulnerable segments such as youths and entrepreneurs from lower-income backgrounds. These programmes are essential to help them take control of their financial future and build long-term wealth. By learning about financial concepts and strategies, people can make smarter decisions with their money, avoid financial pitfalls, and achieve their financial goals.

MALAYSIA



Be\$mart is CIMB Foundation's flagship financial literacy programme. Launched in 2016, it targets students from underserved backgrounds (B40 group) studying in public universities and colleges across Malaysia. The Be\$mart Alumni platform allows for continuous learning and impact assessment for the programme, where the alumni are engaged through articles on topics such as sound financial habits and investment tips for young adults, one-to-one interviews with financial experts, and education on financial tools available in the market to help achieve their financial goals.

Highlights:

- 771 students reached in 2022, with over 25,000 students having benefited since inception
- 177% average improvement in financial literacy awareness

INDONESIA



CIMB Niaga continues to be a strong supporter of the Financial Services Authority (OJK) in improving the financial literacy and inclusion of Indonesian students. In 2022, CIMB Niaga carried out online financial literacy programmes with 10,252 students from 146 schools in 50 cities.

The Tour de Bank (TDB) programme introduces banking functions and savings benefits to elementary school students, while the Let's Save and Share (Ayo Tabungan dan Berbagi or AMDB) programme is targeted at middle and high school students, introducing them to financial planning. CIMB Niaga has also extended financial management training to teachers from schools participating in the TDB and AMDB programmes, with 128 educators trained in 2022.

CAMBODIA



In Cambodia, US\$3,000 was contributed to the Association of Banks in Cambodia to support the production of financial literacy comic books "Let's Talk About Money". These were designed to deliver financial education to children aged 8 to 12, with six storylines, each accompanied by question-and-answer sheets that can be used in self-guided learning with their families.



Sustainable Business



CUSTOMER EXPERIENCE

Customers are at the heart of our business. Their trust, support and loyalty underpin our long-term success as a financial institution. However, customer demands constantly evolve as new solutions and technological improvements arise. These changing expectations mean that we have to continue evolving alongside our customers to deliver convenient yet meaningful experiences. It is reported that investing in customer experience can enhance customer lifetime value by 2.3 times. Strong customer experience not only promotes customer retention but also allows us to attract new customers.

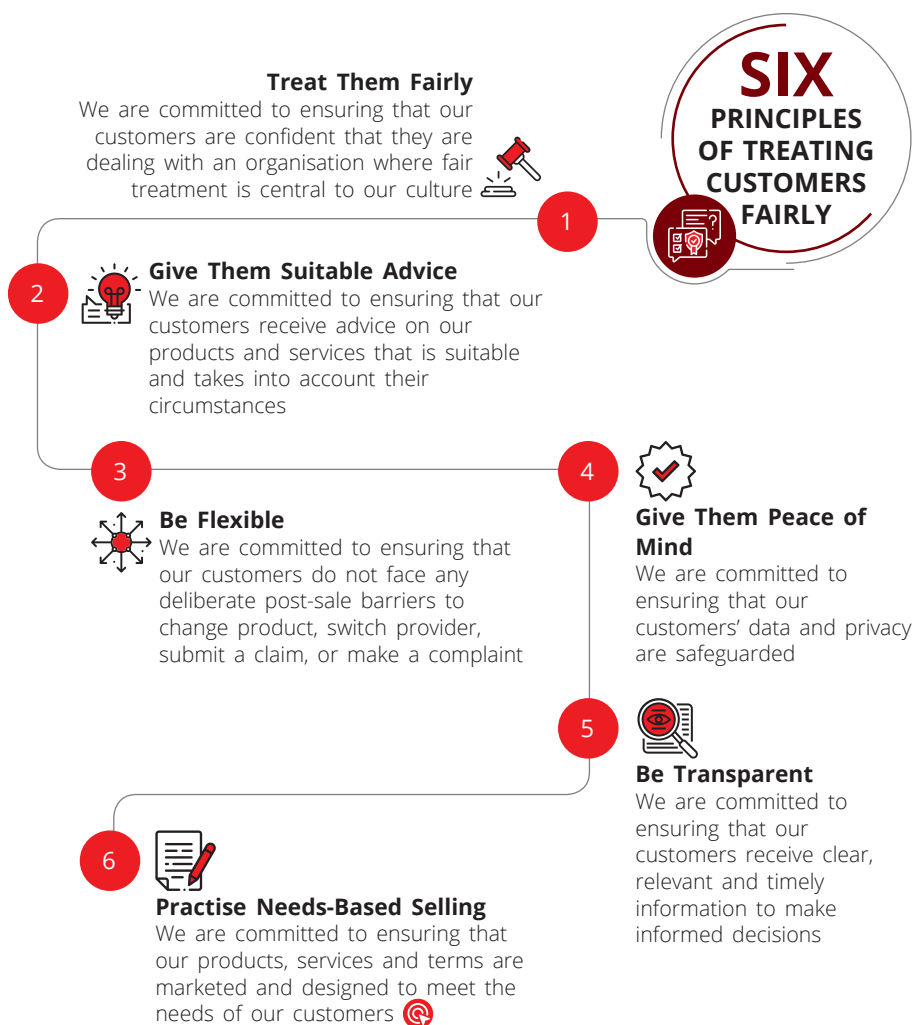
With over 20 million customers in ASEAN, we are committed to delivering on our promise of fair and transparent treatment and providing end-to-end customer care. Our focus is to provide crucial support in helping our customers reach their personal and business goals through reliable and personalised services. This is executed through a robust Customer Experience (CX) governance system.

CUSTOMER EXPERIENCE GOVERNANCE

The CX team is an independent unit within Group Strategy and Group CEO's Office. The Group CX Management department recalibrates the customer experience agenda to meet changing needs, while following Group CX Policies and our regional operating model. The Group Transformation Committee, chaired by the Group Chief Executive Officer, provides regional oversight and strategic direction, and helps to strengthen CX through internal synergies and best-in-class practices. CX Oversight Meetings are co-chaired by Business and CX Heads to drive the implementation of CX priorities, programmes, and improvement across the region.

COMMITTED TO TREATING CUSTOMERS FAIRLY

We value the relationships we have with our customers, and are committed to strengthening our connection on the basis of trust. We embed six Treating Customers Fairly outcomes in our processes and through our actions.



STRENGTHENED COMPLAINTS HANDLING POLICY

We strengthened various processes in handling customer complaints, via a review of the Group Complaints Handling Policy and Procedure, and implementation of internal service level agreements that were above regulatory requirements. Complaints handling Standard Operating Procedures within respective business units were also strengthened.

We focused on resolving complaints at the first point of contact, with action plans to ensure that we provide fast and accurate resolution to customers. We have now reclassified repeated cases for better focus and resolution. More than 40% of complaints in 2022 were resolved at the first point of contact.

RESPONSIBLE MARKETING

In 2022, we rolled out the CIMB Group Customer Communication Policy and Procedures to ensure that our written communication is effective, easily understood, and protects our customers. The policy sets minimum standards that must be adhered to when engaging with our customers in any form of written communication. The policy also takes into account the standards imposed by regulators across the region.

STRENGTHENED GOVERNANCE ON MIS-SELLING

We have zero tolerance for mis-selling. In 2022, we reviewed and improved our customer complaints flow by training staff on how to manage complaints on mis-selling. We improved our investigation process and trained our investigators to have a more holistic lens in their investigations. We added an additional process upon closing of cases that were invalid to be deliberated at the Staff Conduct Review Task Force chaired by the Group Head of Customer Experience. This enables us to improve our investigation processes, to help ensure outcomes that are fair to both customers and staff.

In 2022, we recorded 20% fewer allegations and a drop of over 90% in confirmed cases of mis-selling in Malaysia.

REDUCING BARRIERS AND MAKING IT EASY

We listen to the Voice of Customers to understand customer needs, wants, expectations and preferences, as excellent customer experience is a key differentiating factor. In Malaysia for 2022, we made a number of enhancements to make the process easier and more seamless for customers.



Introduced “Every Branch is Home Branch”, which now allows customers to perform seven common transaction, such as debit card replacement, standing instructions, interbank transfer, and dormant account activation, at any branch.

Revamped our process to enable visually impaired customers in obtaining a debit card or savings account independently. Terms and conditions were changed to allow them to complete the process using their own device. We also removed the RM10 stamp duty charge imposed on the indemnity document.

Placed wheelchairs in 160 branches, with a commitment to have wheelchairs at all branches in Malaysia by 2023.

TACKLING FINANCIAL SCAMS

Financial crimes continue to escalate in the digital age. In 2021, over RM600 million was lost due to scams and other cybercrimes in Malaysia. In 2022, an industry task force was set up to ensure progressive implementation of key measures mandated by Bank Negara Malaysia to combat financial scams. The financial industry also launched a National Scam Awareness Campaign to inform and empower customers to adopt good online practices and create awareness of the types of scams.

In 2022, we established a multi-divisional programme to strengthen our fraud control measures in fighting scams. Chaired by the CEO of Consumer Banking, the programme has rolled out 15 initiatives that focused on enhancing applications, improving processes and communicating with customers.




Control Upgrades	Customer Engagements	Prevention Measures
<ul style="list-style-type: none"> Introduced First-Time Activation call-back for new app installation Enforced single registered device authentication Installed a “Kill Switch” for our mobile apps 	<ul style="list-style-type: none"> Established a dedicated fraud call centre Improved communications to customers on how to identify and avoid scams Alerted customers on suspicious transactions 	<ul style="list-style-type: none"> Removed clickable links in SMS messages to customers Enhanced fraud detection rules Established process to report phishing and fraudulent sites to relevant authorities



Sustainable Business

MEASURING CUSTOMER EXPERIENCE

We strive to be a leader in customer service and experience among ASEAN financial institutions, and use multiple channels and touchpoints to gather customer interaction and experience data across our value chain. Collectively, the insights are used to design initiatives that drive positive customer outcomes and create stronger brand affinity.

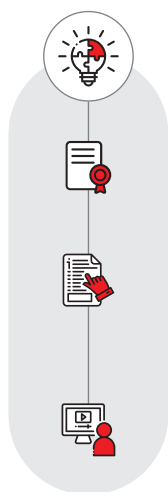
	What we measure	How we measure	How we performed
Operational	 <p>Service Level Agreement (SLA) performance</p>	<p>A consolidated dashboard of more than 100 vital indicators encompassing fulfilment levels across key channels, products and systems, tracked on a monthly basis to ensure we meet basic customer expectations.</p> <p>Examples include customer's time spent at branches and our call centre, product application turnaround time and digital uptime.</p>	<p>85% of our core CX indicators met their respective targets.</p> <p>In 2022, we reviewed and expanded tracking of channel and product metrics across both the retail and non-retail customer segments.</p>
Transactional	 <p>Customer Satisfaction Score</p>	<p>An in-house platform to track service experience and perform recovery across key physical, voice and digital customer interaction channels, supplemented with ad-hoc research or surveys to facilitate business decision making.</p>	<p>We met Customer Satisfaction targets in 11 out of 16 core channels tracked.</p> <p>Conducted over 30 surveys to gain customer insights, where the outcomes were used to improve our channel, product and segment, proposition design and delivery implementation.</p>
Strategic	 <p>Net Promoter Score (NPS)</p>	<p>An annual Group-wide Customer Engagement Survey to gauge where we stand relative to our key competitors from a total banking relationship standpoint.</p>	<p>Combined NPS score for general banking across the four core markets is within 74% of the industry. The NPS Score for Malaysia declined amongst retail customer and stayed flat for non-retail customers. Indonesia and Singapore maintained or improved their positions for both customer segments. NPS performance in Thailand improved for retail customers but lost some edge amongst non-retail customers.</p>

EMPOWERING EMPLOYEES TO MAKE A DIFFERENCE

We provide platforms for employees to make a difference towards customer experience. Everyone is empowered to highlight challenges and propose ways to improve the experiences of customers. We also seek to make banking easier for our customers and for our services to be more efficient. We always seek to go the extra mile for our customers, by proactively listening and understanding, anticipating their needs and providing tailored services for them.

CAPABILITY BUILDING

Building capability for #teamCIMB to deliver and transform customer experience is a key priority under our Forward23+ strategy. In 2022, over 10,000 CIMBians have been empowered and trained through various platforms to better deliver our services in a customer-centric way, and to embed a customer-centric culture as part of their day-to-day work:



24 employees from Malaysia and Singapore completed the **Green Belt Lean Six Sigma** certification

Gametize modules have been created to deliver **CIMB BEATS**, a five-step guide to providing better CX, Treating Customers Fairly, and Clear Written Communications

We also revised the **Introduction to CX** module on Gametize. We took a multi-channel approach to broadcast bite-sized video training, to engage CIMBians and drive awareness on CX

CIMB INNOVATOR

Every employee has the power to improve customer experience. CX Innovator is an employee empowerment platform designed to drive agile mindsets across the Group. By implementing a design-thinking process, employees seek to understand the user experience, relook existing services, challenge assumptions and redefine problems to identify alternative strategies and solutions. Employees are empowered to rapidly rollout prototypes to test and implement their ideas.

In 2022, #teamCIMB identified and completed 29 projects, with ten winners selected for their significant impact on improving customer experience. For example:

- Group Legal and Compliance simplified their tracking and monitoring tools for increased efficiency and reduced cycle time (the actual time spent working on a particular process) by 56%
- Group Operations automated multiple reports using Python, and managed to reduce cycle time by over 84%
- Group Transaction Banking created a platform for four internal stakeholders with customised views based on different functionalities, along with real-time updates

TALK TO CX

Talk to CX is an ongoing closed-loop process where we encourage #teamCIMB to raise ideas to fix issues faced by customers and employees. In 2022, we received a total of 69 ideas that contributed towards becoming more customer-centric. Winning ideas that are being implemented include:

- Using mobile biometric machines to allow staff to visit customers with special needs at home to meet their banking requests.
- Shortening turnaround time to complete customers' requests and improving customer experience through e-forms

REWARDS AND RECOGNITION: EPICC CX

The EPICC CX Star Awards 2022 is a regional rewards and recognition programme for our employees. The programme gives #teamCIMB the opportunity to nominate colleagues who have consistently shown outstanding EPICC values in their day-to-day job. Award categories include the CX Star, EPICC and Safeguarding the Bank. In March 2023, we will host 130 regional finalists in Kuala Lumpur to award our top 50 winners.



Sustainable Business

CIMB WOWEEK!

In line with our Forward23+ Customer Centricity strategy, and to build trust and advance long-term relationships with our customers and society, the CIMB WoWeek! 2022 celebration was dedicated to engaging and strengthening our relationships with customers and more importantly, express our gratitude to our customers for placing their trust in CIMB.

Across the region, the week-long event, with online and in-person activities, allowed us to recognise and thank our customers. We offered rewards and campaigns with loyal retail and non-retail customers, showcased our latest CIMB digital platform enhancements, and featured inspiring success stories from regional homegrown entrepreneurs.





DIGITALISATION AND INNOVATION

The future operating model for banks will rely on digital technology that will make banking services more efficient, convenient and accessible. As more digital banks and other digital financial services players are established across the region, existing players will have to compete effectively in a more crowded, competitive and innovative marketplace. Banks will need to focus on customer experience, be more agile and open to innovation, and provide more tailored products and services to meet customers' changing needs.

We are accelerating our digital agenda, and our focus on creating new business models built around digital customer engagement. This will allow us to serve our customers better, operate more efficiently, and improve our competitiveness. By leveraging the abundance of data, we also deliver more personalised engagements and value-added services to help customers meet their financial goals.

TECHNOLOGY AND DATA GOVERNANCE

Our digital agenda is led and enabled by the Group Technology and Data Division, with oversight from the Group Transformation Committee on strategic initiatives, and the Board on key strategic matters. The Group Technology and Data teams also provide quarterly updates to the Group Operational and Resiliency Risk Committee and bi-monthly updates to the Board Risk and Compliance Committee. We also hold monthly meetings for the Regional Technology Risk Committee.

At the operational level, technology governance focuses on delivering governance capabilities such as Policy and Guidelines, Risk Control and Assurance, Quality Assurance and Audit Management, while ensuring compliance with policies and procedures. We adhere to Financial Services Industry Standards, as well as the local regulatory policies and procedures in the regions we operate in, including technology risk management requirements.

BUILDING OUR TECHNOLOGY INFRASTRUCTURE

We are on a multi-year technology transformation programme to enhance our technology infrastructure capability and maturity across the Group, with the aim of building a reliable, resilient and secure digital environment to meet evolving business and customer needs. This includes core systems development to support the transformation of our customer journeys, rolling out public and private cloud-based products, implementing agile methodologies, and training to upskill our teams.

FUTURE OPERATING MODEL

To manage the growing volume of digital transactions and customer interactions, we continuously prioritise, upgrade and monitor our IT infrastructure. Our aim is to maintain system resiliency and ensure high service levels for our customers and internal users. We are building a technology DNA that operates in the new decision-making environment, with a focus on building more cost-effective infrastructure. Our next-generation infrastructure will move away from monolithic systems towards cloud-based collaborative computing.

Agility in Transforming Customer Journey

Our Journey Transformation and Digitisation (JTD) adopts an agile methodology for managing our applications, which allows for the rapid release of tools and processes. The programme was created to make our processes faster, simpler and better for our customers and employees. The team's goal is to quickly unlock productivity and improve efficiency to provide a superior customer and employee experience. In our product development cycle, we will be incorporating a "Measure and Learn" loop approach to learn, build and measure our customers' needs and experiences more quickly.



CX Buddy

A new CX Buddy ChatBot to receive, track and respond to queries and complaints for CIMBians, to support them in helping our customers



Online Debit Card Renewal

Online debit card renewal submission, with customers receiving their debit card within 14 days



Quality Assurance Automation

Automation of files to perform data transformation, resulting in a 90% reduction in report generation time

Tech Talent

Talent development and building a culture of "digital first" remains a key focus to drive technology transformation. Talents in emerging fields such as Artificial Intelligence, Machine Learning, Big Data and Data Science, Cloud Computing, and Cybersecurity are in high demand.

To address this, we have a comprehensive training programme to continuously upskill and reskill our staff. We invest in our talents to drive the adoption of new technology aligned to business demands, as well as enable agile ways of working. We also have developed tailored tech career pathways in order to recruit and retain talent. The TCB Digital programme ensures a talent pipeline of top graduates to support the Bank. We also have developed a Digital Academy which ensures that digital mindsets are embedded across functions.

RESILIENT AND NEXT GEN TECH

As technology transforms financial services, we strive to develop and deliver improved products and services for our customers. We continue to invest in digital infrastructure such as mobile banking, digital payments and cloud-based services, to better meet customer expectations.



Sustainable Business

Network Resilience

We have established a network of data centres to provide seamless workload distribution backed up by a redundant communications system, which is spread across strategic locations to support our business. Our data centres combine traditional information technology systems with the capabilities supplied by an on-premise private cloud, enabling integrated management of the business areas' technology, accelerating digital transformation and saving significant cost.

To ensure resilience in our network, we progressively update our data centres to increase network connectivity and bandwidth, while reducing latency. We retrofit existing data centre infrastructure and integrate it with new hybrid cloud platforms in co-location data centres. Additionally, we are building an on-premise in-house managed Platform as a Service (PaaS) that allows for higher performance, better reliability, and is future-proof and tailor-made for CIMB.

We also have established plans to enhance energy efficiency in our managed Data Centres, and continue to convey our expectations to our service providers, including cloud-based technologies. We continually work with our colleagues and partners to improve our understanding and options for sourcing solutions and services that provide better efficiency and a lower carbon footprint.

New Platforms and Next Gen Cloud Migration

We are currently in the initial phase of migrating our technology infrastructure to the cloud. The cloud ecosystem enables us to improve processes, innovate swiftly and enhance service quality. In line with this migration, we have strengthened our Cloud Governance, Cloud Standard, and Policy and Procedure. We have developed the Cloud Foundation Design and Reference and established a Cloud Operations Model to address organisation structure, job architecture, skill sets, and training.

The future of banking will focus on offering customers more personalised services, leveraging data and analytics to better understand customer needs and preferences. To achieve this, we deploy data analytics capabilities and artificial intelligence to generate insights, enabling our customers and their businesses to fully harness the power of data and make data-driven decisions.

Some of these outcomes include:

Better Client Protection

We have enhanced our machine learning models by expanding data points, resulting in up to 15% improved accuracy in fraud detection. Additionally, we developed a model that resulted in a 7% increase in detection effectiveness among new and existing accounts used by criminal syndicates as mule accounts.

Personalisation of Services

Based on pre-identified criteria such as demographics, lifecycle stage and customers' interests, we design our outreach programmes to match specific products to customers' needs. We also use analytics to foster social and financial inclusion by identifying early risk indicators to detect potential defaulters, as well as extending credit to those with little credit bureau information by understanding the digital and social behaviours of customers to form an alternative credit score. We also help our Relationship Managers re-engage customers by detecting significant fund outflow on a daily basis.

Optimisation of Services

We use geo-spatial analytics to plan our current and future customer touchpoints to improve customers' accessibility. By identifying underserved areas, we optimise the branch network and fine-tune the distribution of self-service terminals by applying revenue, maintenance cost, usage and competitor intelligence data in our data models. This helps us to optimise cash holdings in our branches, reducing cash runs, improving customer experience and lowering costs.

DIFFERENTIATED CUSTOMER EXPERIENCE

We continue to enhance CIMB Clicks, our digital platform with 5.9 million registered digital users. In addition to transactions and payment, customers can complete end-to-end customer journeys digitally, including card management 'on-the-go' and 'in-app support' for credit card repayments.

We also rolled out a new mobile banking platform built on a new microservices architecture. This technology allows us to add value through digitalisation and improve the technological reliability of our digital platforms across the region.

CIMB BizChannel is our platform for wholesale and commercial clients to allow them to manage their accounts, payments and financials anywhere, anytime. The platform experienced significant year-on-year growth with 10.6% more users and 35.6% increase in transaction volume.

We conducted a technology refresh in 2022, which enabled us to handle the increased volume while maintaining 99.99% uptime reliability¹. We also accelerated digital adoption by providing New-to-Bank business customers with access to BizChannel. We are developing the Next Generation BizChannel, which will accelerate the digitalisation journey of businesses, and spur growth through a connected ecosystem of customers and business partners.

Customer Segmentation

Through the use of design thinking and data analytics, we are able to rapidly develop and rollout tools and services to support our Relationship Managers to offer clients a comprehensive user experience.

Wealth Management	Retail Financing	Commercial Financing
<ul style="list-style-type: none"> Deliver personalised products and information accessible anytime, anywhere Relay transparent and competitive pricing to aid purchase decisions Offer personalised service and recommendations based the customer's portfolio Offer seamless customer experience with quick turnaround time 	<ul style="list-style-type: none"> Reduce paperwork and digitise credit proposal form Enable digital consent from customers Support Relationship Managers' decision-making process by providing credible systems to screen, process and convert leads 	<ul style="list-style-type: none"> Build digital unsecured SME financing and self-assisted financing products Develop tools to enhance credit approvals for targeted segments Develop state-of-the-art credit underwriting model to help improve Risk-Weighted Assets

Facilitating Regional Payments

As digital transactions continue to rise across the region, we are integrating ISO20022 to facilitate seamless cross-border transactions. The industry-wide initiative aims to modernise payment transactions and increase transparency to prevent money laundering. In 2022, we established the CIMB Payment Hub to enhance our payment coverage and integration with ecosystem partners, enabling us to offer faster time-to-market.

¹ This excludes planned down time.



Sustainable Business



CYBERSECURITY AND DATA PRIVACY

Due to the vast amount of customer data and financial assets held by banks, financial services providers are particularly susceptible to cyber-attacks and other online threats. Globally, the financial sector experienced the second-highest number of online and data breaches in 2022. Major breaches can lead to severe losses for customers and the wider financial system. With this in mind, we strive to continuously strengthen the credibility and integrity of our online systems. This help to ensure that we operate efficiently and securely, and that customers can bank with confidence.

CIMB's culture of enablement, passion and collaboration creates an environment where our customer data is handled with integrity and accountability. We implement best-in-class systems and processes to enable a robust and secure environment to secure the trust of our customers and other stakeholders.

DATA AND INFORMATION GOVERNANCE

CIMB's Privacy Policy sets out our commitment to collect, use and protect customer and stakeholder data to a consistent standard. Group Technology and Data's governance and risk reporting and escalation adhere to the Group's framework, whereby the strategy and plans, as well as the issues and risks are reported and approved by the respective Board nominated committees.

At the tactical and operational level, the Group Technology Steering Committee and Group Risk and Compliance Committee provide guidance and management decision-making, including monitoring outsourced service providers. In addition, given the role of technology in supporting the Group's transformation and business plans, the Group Transformation Committee monitors the technology and data plans, as well as the implementation progress and alignment to business plans.

All CIMBians are responsible for the management of data and information risk, with oversight through appropriate governance forums. Data and security management is incorporated within CIMB's risk and control framework, and as part of this framework, we conduct regular reviews to ensure our data, privacy and security controls and processes are operating effectively. The framework covering the risk-controls self assessment gap analyses and controls effectiveness testing is guided by the Group's Risk and Compliance Divisions, with onward reporting to the Group Risk-Compliance Committee.

Data Protection Officers are appointed in applicable countries to monitor and enforce the organisation's processes for personal data in accordance with the applicable laws and the Group's policy and procedures. Their scope includes the design and implementation of Data Protection policies and procedures, as well as periodic assessments and updates to align with emerging regulatory requirements.

As per our Code of Conduct, all employees are constantly reminded of the consequences of breaching customer privacy and confidentiality of customer information. Any employees found in breach of these laws will be subject to disciplinary action, which may include dismissal.

PRINCIPLES OF PRIVACY AND RESPONSIBLE USE OF DATA

CIMB operates in a highly regulated and digital environment. We seek to maintain and continuously improve on ethical, responsible and consistent approaches to managing data and systems, as well as their corresponding risks, be it privacy, quality or security. The core tenets of our approach are:



Purpose/Consent

Protects a data subject by requiring consent and purpose for any processing



Retention

Data is not stored longer than required



Disclosure

Prohibits disclosure without consent or appropriate purpose



Access

Right of access and correction by the data subject



Security

Levels of security to protect from unauthorised or accidental loss or misuse



Notice and Choice

Transparency and choice given to the data subject on the nature of processing



Integrity/Quality

Data is accurate, not misleading and kept up to date, for the purpose it was processed

We are completing a multi-year data transformation and management programme under the Forward23+ strategy to further strengthen our data management, privacy and security capabilities.

Our teams in various countries engage independent assessors to assess our readiness when new laws or material changes occur. In 2022, CIMB Thai completed the assessment and preparation as Thailand enacted its Personal Data Protection Act on 1 June 2022. CIMB Niaga has commenced its assessment and preparation in readiness for the anticipated effective date by 2024.

Read more about our policies of public listed entities below. Entities within the Group may publish separate policies, if required by local law.

Malaysia  | Indonesia  | Thailand 

RESPONSIBLE AND FAIR USE OF DATA

CIMB's philosophy of ethical and responsible use of data means that we are respectful and empathetic to our data subjects in our management and use of data. Our privacy policy and notices communicate the fundamental way we collect, use and care for personal data, as well as address services from new technologies such as cloud and Artificial Intelligence (AI). In addition to privacy principles, our obligations as a regulated financial institution require us to also safeguard customer confidentiality and ensure the secure use of customer data.

In 2022, CIMB Malaysia successfully deployed its Country Customer Information Profile which serves as the central profile for data quality/integrity and metadata management. CIMB also continually monitors customer complaints and possible regulatory data breaches. There have been no major "data" breaches in 2022, and we continue to see a positive and continued reduction in complaints and operational lapses of 20% from the previous year.

UPHOLDING TRUST IN PRIVACY AND CONFIDENTIALITY

We foster trust by upholding Data Protection (Privacy) principles and standards across the region to ensure that our data subjects, products and services are managed in a confidential and secure manner. We embed security, privacy and confidentiality considerations within the design and operations of our systems, products and services to keep our data and stakeholders safe.

The Group's governance includes appropriate due diligence and service agreements, including intra-group services and centralised systems. Where the regulations differ, the Group or its licensed financial institution will adopt the stricter requirements.

Our policies, procedures and control measures for safeguarding customer information are subject to an independent review at least once every two years. This is reflected in our Management of Customer Information and Permitted Disclosures audit, which aims to assess the adequacy and effectiveness of key controls in safeguarding customer information. The audit covers our relevant framework, governance structure, information and communication technology (ICT) controls, access controls, handling data privacy incidents, controls over permitted disclosures and management oversight on outsourced service providers. Our most recent audit was conducted in 2021, and the upcoming audit is planned for the first half of 2023.

PRUDENT AND CAUTIOUS ADOPTION OF NEW TECHNOLOGIES

CIMB has articulated its updated "Journey to the Cloud" as a strategic roadmap and risk management plan. This phased approach has taken into consideration the successful pilot and early adoption of cloud platforms and services for non-customer/personal data and non-critical systems. We have now embarked on several projects to deploy services and products via cloud-based solutions in an incremental manner. This will

ensure that our data and systems are ready for customers to continue enjoying our services in a safe and secure manner.

CIMB also continues to progress in developing our approach to ethical AI adoption. Our overall approach and progress evolve and align with emerging regulatory guidelines. In Malaysia, we have responded to various surveys and drafts from both financial and communications authorities. Our controls and governance approach assesses and tests models which are aligned with the industry. We currently do not permit analytical and operational AI models to function without human oversight and intervention.

PERMITTED DATA DISCLOSURES AND TRANSFERS

The continued digitalisation and physical constraints of the COVID-19 pandemic have led to greater adoption of remote-digital banking, assisted by AI-driven solutions, cloud connectivity and increased data sharing between entities. The principles of trust, ethics and fair dealing are fundamental expectations of society, governments and industry.

The financial services industry, as well as its regulators and industry partners, have established various approaches, guidelines and methodologies, and principles, with only a moderate level of convergence. As such, we continue to take incremental measured steps to manage our disclosures and transfers. We adopt key principles of:



Transparency:

We will be clear and transparent about how we use customers' information.



Lawful and regulatory bases:

We will only use customers' information in accordance with relevant laws, and where we have a legal basis for doing so. Where disclosures to law enforcement or other regulatory authorities are required, we will assess and verify these requests, as well as the scope and veracity of data that we are permitted to disclose.



Purpose limitation and data minimisation:

We will only use customers' information for specific purposes and not more widely for unrelated purposes. We only use and disclose the data necessary for that purpose.



Data transfer:

Where we need to transfer customers' information to another CIMB entity, a third party or another jurisdiction, we will assess whether the transfer is allowed under relevant laws, and whether the receiving party commits to use and protect the data under the same laws.



Third parties:

If we use a third-party provider or agent, we will undertake due diligence, monitoring and assurance to ensure our customers' information is appropriately protected, and that the data is processed to CIMB's standards and requirements.



Sustainable Business

CYBERSECURITY

Information Security not only safeguards our data subjects and their data, but is also a cornerstone of our risk management, as well as fraud and financial crime prevention programmes. The pervasiveness of the digital economy has resulted in CIMB increasing our efforts on continuous assessment, monitoring and strengthening of cybersecurity protection and access controls.

CYBERSECURITY GOVERNANCE

Cybersecurity is a key component of technology risk, which is comprehensively managed under the Enterprise-wide Risk Management Framework. The Board of Directors oversees technology and cybersecurity risks and strategy, together with a number of Independent Directors with relevant technology backgrounds. The Chief Information Security Officer has oversight of technology and cybersecurity risks, and regularly reports to Group Chief Risk Officer.

Our people, processes and technology are benchmarked against the best in the industry. We adhere to Financial Services Industry Best Security Standards, as well as the local regulatory policy and procedure requirements where we operate.

We maintain a suite of policies that articulate our approach to security, including the Group Technology Risk Management Framework and the Group IT Security Policy, developed and certified in alignment with the US National Institute of Standards and Technology Cybersecurity Framework (NIST) and ISO27001. We are members of the Bank Negara Malaysia Financial Threat Intelligence Platform (FIN-TIP), BNM Cyber Working Group (CWG) and the Financial Services Information Sharing and Analysis Center (FS-ISAC), a global cyber-intelligence sharing community focused on financial services.

Three-Lines of Defense in Managing Technology and Cybersecurity Risk

First Line of Defense	Second Line of Defense	Third Line of Defense
Group Information and Cyber Security teams, and Designated Compliance and Risk Officers, are responsible for the adoption and operationalisation of cybersecurity controls and monitoring to ensure the Group's IT Network and ecosystem are secured from internal and external cyber threats.	<p>The Chief Information Security Officer oversees Technology and Cyber Risks, reporting regularly to Group Risk.</p> <p>The Data Protection Office serves as an advisor on the Privacy Principle of Security and liaison with the Privacy/ Data Protection regulator in countries that have such laws.</p>	The Group Corporate Assurance Division provides independent assurance on the effectiveness of cyber security controls and risk management activities.

Profiles of Encik Afzal Abdul Rahman  and Mr. Chu Hong Keong , Independent Board of Directors overseeing cybersecurity strategy.

CYBERSECURITY OPERATIONS

The Cyber Security Defense team is responsible for providing continuous monitoring via its Security Operation Centre (SOC), which processes thousands of early warning indicators of possible compromises, keeping our network secure. They work together with Cyber Threat Intelligence and Computer Emergency Response teams to prevent intrusions; detect and monitor security alerts and anomalies; perform impact assessments; develop containment and remediation strategies, and perform forensic investigations on internal and external threats.

As part of the Group Information and Cyber Security department, the team conducts periodic proactive security assessments and reviews by external third parties, such as Penetration Tests, Vulnerability Assessments, Patch Assessments and Risk and Impact Analysis, to verify the effectiveness of IT security controls. The teams also conduct cyber drill simulations, business continuity exercises and security awareness and training, alongside the provision of security tools, maintenance and support, as well as management of third-party, physical and network security. In 2022, there were no major data breaches, despite an exponential increase in the number of attempts.

This year, we further enhanced our Security Operation Centre and Threat Intelligence activities to address increasing cyber threats. We successfully expanded our legacy Security Information and Event Management system with analytics-driven tools to collect, analyse and inspect higher volumes of network and other machine data in real-time. The Group Technology and Data Division also continued to strengthen its environmental controls by enhancing CIMB's access, segregation and encryption standards and technologies.

As part of our commitment to trust and security, CIMB Group's Information and Cyber Security department continues to maintain international security standards, with ISO27001 independent certification for our security operations. We encourage our employees to use the whistleblowing channel to report and escalate any suspicious activities related to information security or cybersecurity.

SYSTEM READINESS AND TESTING

Our Group Technology Disaster Recovery Policy outlines our readiness, resilience and ability to provide critical information technology capabilities and services after an incident, emergency or disaster. The policy was developed in alignment with internationally recognised best practice disaster recovery controls and procedures. The policy provides the standards for IT disaster recovery planning, execution and sustainable business continuity across CIMB Group, consistent with internal and external stakeholder expectations in the event of a disaster or disruptive incident. We conduct multiple business continuity and disaster recovery tests annually, covering live, simulation and industry-wide exercises, in accordance with regulatory as well as Group's requirements.



Sustainable Business

DRIVING A PRIVACY AND SECURITY CULTURE

Our corporate culture, including raising awareness among CIMBians, is key to cultivating better governance and responsible data usage. To ensure our employees and senior management are aware of and fully understand the risks associated with data privacy, the policies related to data privacy and cybersecurity are made available to all our employees. We conduct annual training and various additional education sessions to help them keep abreast of key developments and requirements. We continue to invest in training, driving bank-wide awareness, while broadening our community of risk, compliance and data stewards.

TRAINING AND AWARENESS

Our e-learning curriculum covers a broad spectrum of information and technology governance topics, ranging from data management and privacy security to business continuity. This is complemented by the Digital and Data Academy and external trainers, which focus on developing specific skills and enabling key roles. In 2022, approximately 100,000 lessons were successfully completed by over 30,000 CIMBians. We continue to train and onboard data stewards and data protection officers in the various Business Units and Enablers in the entities and countries that require additional monitoring and support.

USER ACCOUNTABILITY AND RESPONSIBILITY

We conduct tests and simulation exercises to test the level of awareness among #teamCIMB. Employees who fail must go through additional online training to strengthen their knowledge of such threats.

With remote working being part of the new normal, more confidential systems are made available for remote access. We perform monitoring and surveillance of both access and unusual behaviour, and continue to add security threat scenarios that identify potential unusual behaviour or access. To address any residual risks, we also deploy key end-user controls and user awareness to encourage accountability and minimise unintentional access and data sharing.

CIMB also adopts the philosophy of data minimisation and “need-to-know” to limit the information displayed and to minimise potential data misuse.

Data integrity and availability, including user readiness, is also a key objective of the various business continuity and data recovery tests performed. Critical and key systems are tested at least annually, often more frequently as part of regulatory and industry-wide readiness testing.

IMPROVING CONTROLS AND PROCESSES

We continually assess, test and audit our controls and practices. In addition to controls testing and audits, we appoint independent assessors, security teams and testers to test, challenge and/or evaluate our security, project readiness and governance controls.

In order to improve our awareness and responsiveness, our SOC and Cyber Threat Intelligence continually monitor, analyse and co-relate anomalies and external intelligence for potential threats. Counter-measures range from blocking high-threat addresses and connections to legal action to “take-down” phishing or bogus websites.

For our business units, various complaints, incidents are analysed for potential risks, threats or vulnerabilities. The events are categorised by severity and escalated for appropriate responses and actions. Where necessary, regulatory notification and/or corrective actions are also reported to the appropriate management and Board committees.