



# Group's **FORWARD23+** Strategic Themes

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

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

## FORWARD23+

### Strategic Themes

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

\* not comprehensive

# FORWARD 23+

## VISION

To be the leading focused ASEAN bank

### Strategic Themes

<b>1 Delivering Sustainable Financial Returns</b>	<b>a) Reshape portfolio &amp; Focused investments</b> <ul style="list-style-type: none"> <li>Accelerate loan growth in profitable segments (Consumer, Commercial MY &amp; selected Wholesale)</li> <li>Expand CASA franchise growth</li> <li>Address MOCA and commercial ecosystem</li> <li>Rejuvenate NOII growth</li> <li>Execute Affluent strategy</li> </ul>	<b>b) Digitise for value</b> <ul style="list-style-type: none"> <li>Implement IT Blueprint</li> <li>Roll out Next Gen Clicks</li> <li>Commence BizChannel 2.0</li> <li>Roll out Wealth &amp; RM portal</li> <li>Develop individual BU Technology strategic plan/roadmap</li> <li>Develop Data &amp; analytics strategic plan</li> </ul>	<b>c) Drive cost efficiency</b> <ul style="list-style-type: none"> <li>Technology CAPEX and OPEX optimisation review</li> <li>Canvas execution</li> <li>[Digital branch visualisation]</li> </ul>
<b>2 Disciplined Execution</b> <ul style="list-style-type: none"> <li>Roll out New Operating model (TEAM)</li> <li>Change management programme</li> </ul>	<b>3 Customer Centricity</b> <ul style="list-style-type: none"> <li>Double down on CX transformation</li> <li>End-to-end Production Transformation</li> <li>Journey Transformation &amp; Digitisation</li> </ul>	<b>4 Transform Fundamentals</b> <ul style="list-style-type: none"> <li>Risk management</li> <li>BSM, FTP, EXCO Book Risk Appetite and Portfolio Strategy</li> <li>Capital optimisation &amp; RWA dynamic asset allocation framework</li> <li>Group Ops transformation</li> <li>Enhancing operational resilience</li> </ul>	
<b>5 Purpose-driven organisation</b>	<b>a) Culture and Values</b> <ul style="list-style-type: none"> <li>EPICC roll out</li> </ul>	<b>b) Human Capital</b> <ul style="list-style-type: none"> <li>Talent management</li> <li>Employee experience</li> <li>HR operating model and blueprint</li> </ul>	<b>c) Sustainability</b> <ul style="list-style-type: none"> <li>Climate change</li> <li>Responsible banking</li> <li>Communities</li> </ul>

### Priority Focus Areas (2022)

- Complete portfolio reshaping by exiting Thailand Commercial, right-sizing Singapore business, reforming Indonesia COMBA, and deconsolidating TNGD
- Accelerate profitability through optimising RAROC-driven growth in Consumer and SME
- Execute implementation of Wealth and Affluent strategies
- Tackle cost-efficiency by continued implementation of cost control framework and optimisation of tech projects' cost of execution
- Launch of Octo, CIMB Malaysia's next-generation consumer banking mobile application with enhanced functionalities and improved user experience
- Develop Digital Blueprints for business units and execute key technology modernisation programmes in order to future-proof the bank's digital capabilities
- Build a culture of risk and compliance awareness and responsibility as part of "Safeguarding the Bank" campaign
- Improve the performance management and KPI framework continuously
- Link performance to rewards in new KPI and bonus framework, and Long Term Incentive Plan (LTIP)
- Implement the Target Empowerment and Alignment Model (TEAM)
- Transform customer journeys by accelerating digitalisation efforts
- Implement process reengineering and digitisation initiatives to drive superior customer experience and operational excellence
- Review and improve targets related to existing indicators on service level agreements (SLA), channel reliability and customer touchpoints' uptime
- Review bank-wide operations comprehensively to remediate gaps and strengthen operational resiliency
- Deploy strategies to optimise capital, asset allocation and balance sheet management
- Validate and enhance existing financial framework and governance to improve guidance on pricing and return
- Roll out group-wide finance transformation plan to be the single source of truth
- Drive cost efficiency by strengthening cost monitoring and controls and drive cost savings initiatives to ensure cost targets are met effectively by enhancing the CAPEX prioritisation framework
- Strengthen environmental and social safeguards in financing, via enhancement of sector guides, including implementation of NDPE commitments
- Develop and promote innovative sustainable financial products and services, including for financial inclusion
- Develop and implement strategies to achieve Net Zero for our operational and financed emissions
- Channel impactful investments and interventions in local communities
- Establish a Group Human Rights Policy
- Implement an integrated sustainability operating model to accelerate sustainability integration

### Headline KPIs (2020-2024)\*

- To become a leading ASEAN banks (top quartile) when measured by financial metrics
- Top quartile ROE
- CIR of ≤45%
- CET1 of >13.5%
- Collective scorecards for bonus pool determination
- Implementation of initiatives to embed Target Empowerment and Alignment Model (TEAM)
- Top quartile in NPS
- Capital Adequacy Ratio
- Best in Credit Cost
- CIR of ≤45%
- Top quartile on S&P Global Corporate Sustainability Assessment
- Increase female representation in Board and leadership roles
- Close gender-based remuneration gaps
- Mobilise RM60 billion in sustainable finance by 2024
- Invest RM150 million over 5 years and 100,000 hours a year in employee volunteerism by 2024
- Net zero GHG Scope 1 and 2 emissions in our operations by 2030
- Overall Net Zero GHG by 2050 (including Scope 3 financed emissions)