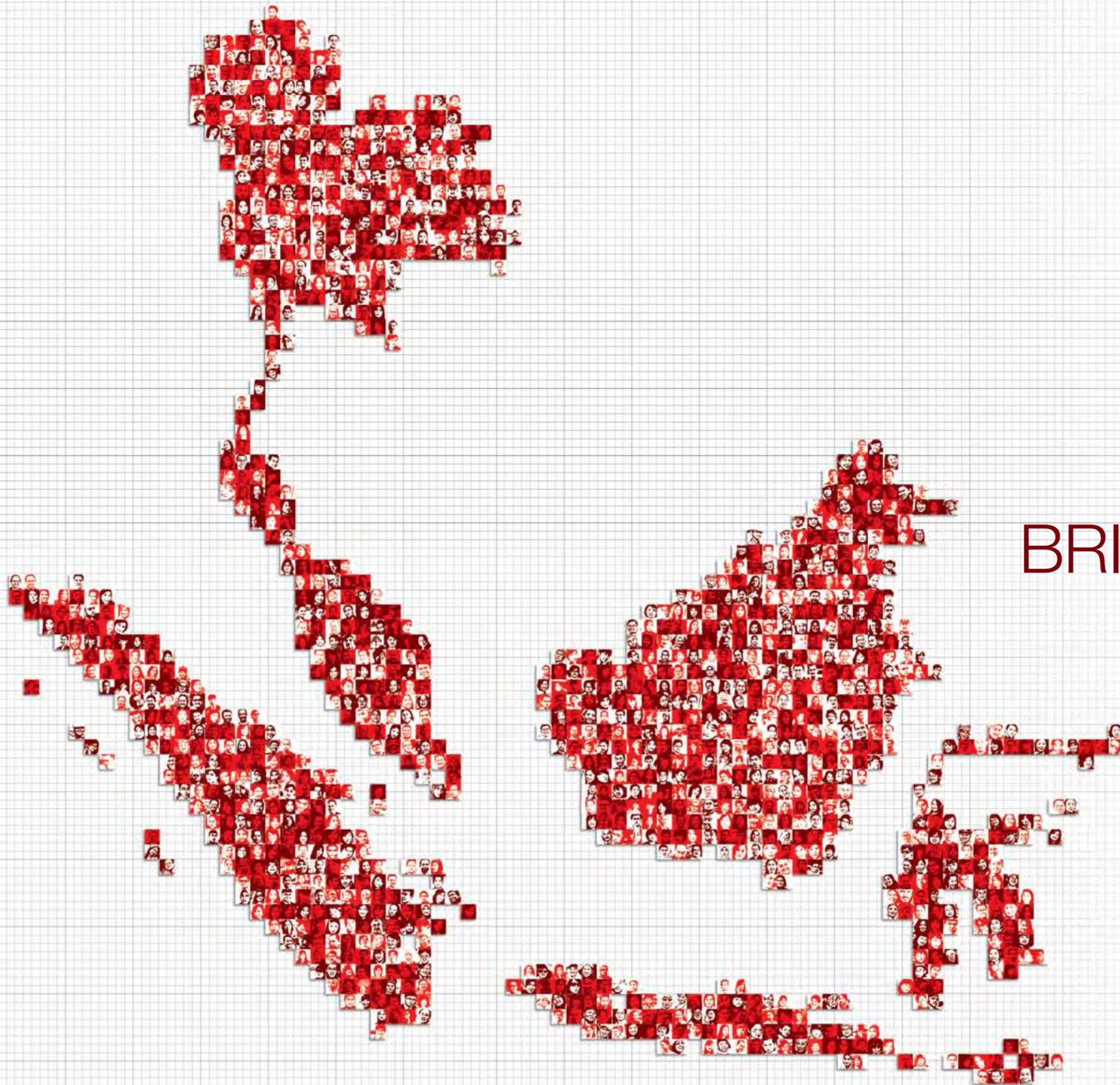






**CLOSER**

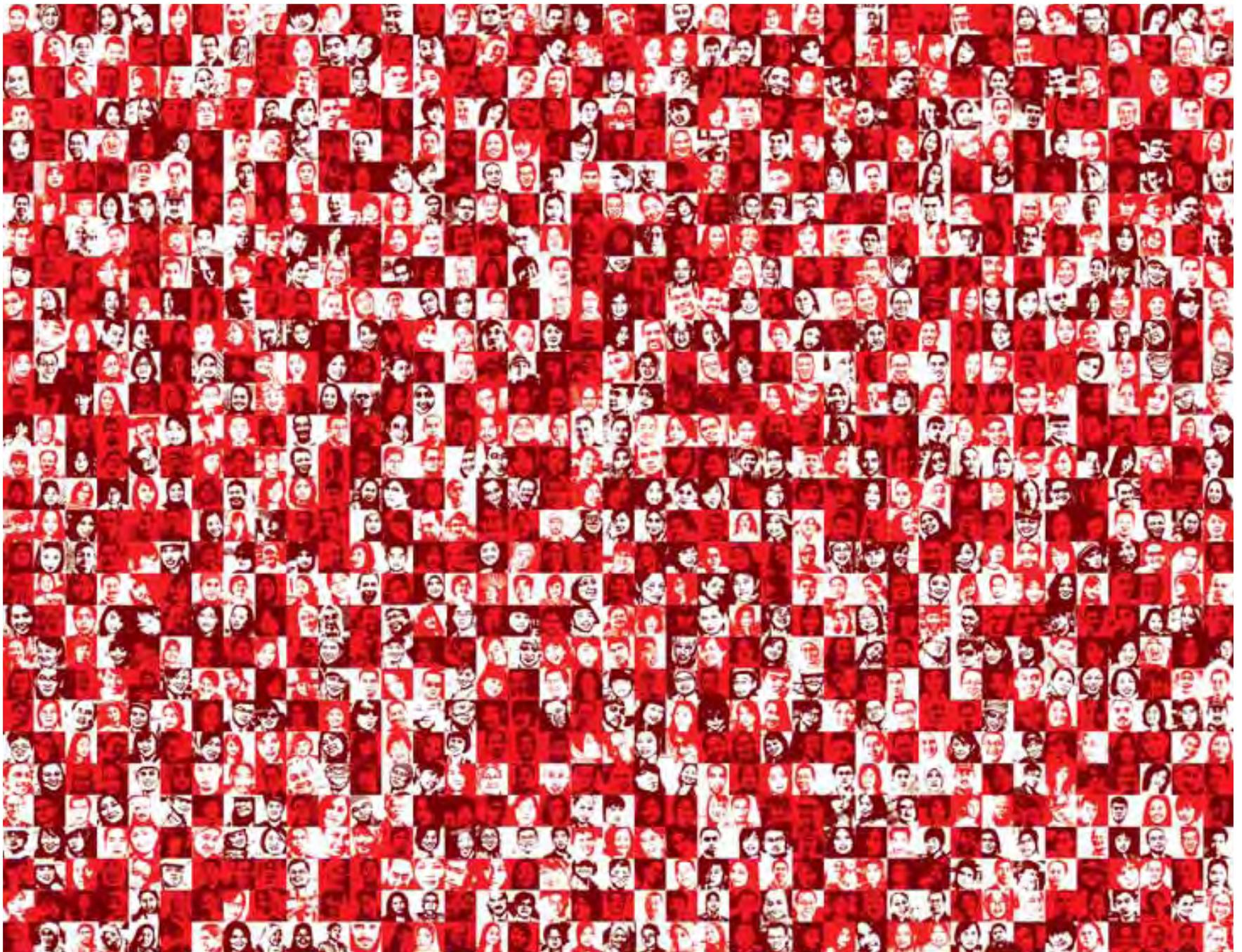


# BRINGING THE REGION

**Our Vision**

To be Southeast Asia's  
Most Valued Universal Bank

**CLOSER**



# CLOSER

## Cover Rationale

CIMB Group is today closer to our vision of being Southeast Asia's most valued universal bank. Our regional business proposition which leverages on the region's largest branch network of over 1,000 branches, a strong regional staff force of 37,000 people as well as regional products and services, facilitates the convergence of people, goods, services and capital in the region.

The cover this year also reveals our decision to harmonise the colours of our brands. CIMB brands turning red across the region reflects the momentum of our businesses growing in tandem with our aspiration to become a truly unified franchise across ASEAN, playing a pivotal role in bringing people, businesses and communities closer together throughout the ASEAN region.



# Contents

## 54th Annual General Meeting

of CIMB Group Holdings Berhad

**Ballroom 3, 1st Floor,  
Sime Darby Convention Centre,  
1A Jalan Bukit Kiara 1,  
60000 Kuala Lumpur.  
Friday, 22 April 2011 at 9.30 a.m.**

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## Dear Shareholders,

This is the 5th annual report in which we are reporting to shareholders about CIMB Group's transformation programme since September 2006 when we rebranded and relaunched CIMB Group as a universal bank with a regional footprint. Those were the early days in our transformation journey which we had started in mid-2005 with the merger of CIMB and Bumiputra-Commerce Bank (BCB), and the subsequent merger with Southern Bank Berhad (SBB).

CIMB Group needs to have a clear direction to propel us towards achieving our vision. A **“Think ASEAN”** mindset is a powerful driver to enable the Group to lay claim as **the leading ASEAN franchise** supporting the region's aspirations.

Since then, the transformation of the Group has been breathtaking. In 5 years, we had transformed ourselves from a Malaysian-centric banking group into a regional universal banking franchise. In Indonesia, we merged Bank Niaga and Bank Lippo and rebranded the merged entity as CIMB Niaga. We bought a controlling stake in BankThai and rebranded it as CIMB Thai. We launched our consumer banking franchise in Singapore and Cambodia. We revamped our corporate structure to benefit from cross-border and cross-divisional synergies. We turned around the performance of our Malaysian consumer bank to become one of the fastest growing consumer banking franchises in the region in addition to being the leading indigenous investment bank.

Today, we are ASEAN's leading universal banking franchise with a network of over 1,000 branches, the largest in the region. We have 37,000 staff in 13 countries, and we serve over 11 million customers, from the largest corporations to the smallest retail customers, catering to all their financial needs from cradle to retirement.

With these achievements, we have clearly made good progress in pursuit of our corporate vision of being Southeast Asia's most valued universal bank. But we are also well aware that what

got us here will not get us there. This means that CIMB Group needs to evolve further and to strengthen ourselves for the journey ahead. Undoubtedly, as we evolve, there will be many challenges, some tribulations and perhaps, even surprises, that we will have to contend with.

What is important therefore is that CIMB Group needs to have a clear direction and a strong driver to propel us towards achieving our vision. For this, our clarion call to our staff is “Think ASEAN”. And we believe that once this mindset is embedded in our staff throughout the region, it will act as a powerful driver to steer the Group from the regional operating franchise it is today towards laying claim as the leading ASEAN franchise supporting the region's aspirations.

Although ASEAN is an association of nations born out of a common political understanding, it is no longer confined to the political sphere. The region's policy makers have already set the stage for the advent of an ASEAN Community by 2015, with a broad and ambitious agenda covering political, social and economic collaboration. This includes increasing their efforts to promote interconnectivity within the region as the emergence of a competitive and resilient ASEAN Community depends very much on the convergence of people, goods, services, and capital.

We have clearly made **good progress** in pursuit of our corporate vision of being Southeast Asia's most valued universal bank. But we are also well aware that **what got us here will not get us there.**

In this regard, to bring the ASEAN Community to fruition, to complement the policy makers' efforts, I believe that the business people in the region will provide the actual impetus for regional connectivity. The ASEAN Community is underpinned by sound economics. It is a market of 600 million consumers with a combined GDP that ranks among the top 10 in the world. ASEAN also has a young and educated population, and a strategic geographical location between China and India, the emerging Asian economic powerhouses. However, we believe that ASEAN's true economic potential lies in the synergies it holds as an integrated economic community.

This is a huge business opportunity for the Group, but to capitalise on it, we need to be a prime mover and forge ahead now, with the confidence that the ASEAN marketplace will evolve and follow and that the eventual connectivity will be a reality. In the history of CIMB, through bold strategic moves such as this, we have achieved much as a group, and I am confident that by embracing "Think ASEAN", this will bring us closer to our goal of being Southeast Asia's most valued universal bank. And shareholders can rest assured that the Group is well ahead in terms of preparing for this bold regional thrust.

In terms of people, we have built a strong and resilient workforce which is able to harness the diverse skills and talents needed to serve the region. The scale of CIMB's transformation to date, the pace at which we moved, the intensity of the programmes, the sheer size of the geographical area covered and the number of people involved have brought gains to the organisation which go beyond the tangibles. We may have been severely tested at times,

but by facing and overcoming challenges and adversity, we have gained strength. We may have struggled initially to communicate with colleagues of different nationalities, but by working together, we have gained a better understanding of the multi-cultural environment in which we operate. We may have had to make a conscious effort to work alongside colleagues of different ages, but by sharing a common goal, we have learnt to bridge the generation gap.

The Group's execution and implementation capabilities are also well established. In 2010, the Group achieved record profit before tax of RM3.52 billion, translating into return on equity of 16.3%. In the course of the year, we also undertook large projects including sponsorship of the CIMB Asia Pacific Classic, Malaysia, the first PGA TOUR-sanctioned annual golf tournament in the region. Despite this being our first foray into golf, we leveraged on our strengths in branding, public and media relations, communications and events management to enhance the CIMB brand through the sponsorship.

We are already very much a part of the community in the region, having formally recognised the community as one of our stakeholders. In 2010 also, we rolled out Community Link, our flagship corporate social responsibility (CSR) programme, to the region. Through Community Link, our consumer bank network works with local community organisations to implement programmes within the communities in which they operate to deliver long-term sustainable benefits to those communities. The programmes are focused in three areas – Community Development, Sports and Education. Funding for the programmes is provided by CIMB Foundation while the branches of CIMB Bank, CIMB Niaga, CIMB Thai as well

- 1 *At the PINTAR Gala Night, a yearly event to celebrate the achievements of the students and teachers of the 10 rural schools sponsored by CIMB Foundation.*
- 2 *At the ceremony where Tan Sri Siti Norma and I announced the award of the CIMB Regional Scholarship to the 5 recipients.*
- 3 *Speaking at the ProAm tournament of the CIMB Asia Pacific Classic where our clients, partners and other stakeholders played alongside the TOUR players.*
- 4 *At the CIMB SEA Games with my colleagues from Indonesia.*
- 5 *Our yearly Annual Management Dialogue is also a good chance for me to catch up with my fellow directors. Khun Watanan always brings interesting perspectives to issues discussed at the Board.*
- 6 *It was an honour to be recognised for the good work that we do. I was at the MSWG Awards Ceremony with my fellow board members and colleagues to receive the 3 awards we won.*
- 7 *The Group's Annual General Meeting is also an opportunity for me to speak with our shareholders. Mr Mahadevan, shown here with me, has been our shareholder for over 50 years.*



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as CIMB Bank in Singapore and Cambodia implement these projects. In total, we have funded over 500 Community Link projects with total funding of RM23.5 million.

As a group, we understand inter-connectivity very well, in terms of the traditional sense, as well as that spawned by technology. In terms of traditional modes of business connectivity, such as bricks and mortar, telecommunications, transport and shipping and the like, our strength as the region's leading investment bank has equipped us with a strong understanding of the needs of the relevant industries in the region.

In addition, CIMB Group has one of the most extensive social media platforms among banks in the region. Our Facebook page which was launched in 2010 has over 130,000 fans, the largest fan base among regional banks in ASEAN. We were also the first to set up a regional customer support function on Twitter, CIMB\_Assists, which helps resolve customer issues speedily.

In 2010 also, our Group Chief Executive, Dato' Sri Nazir Razak, began connecting with staff through an internal blog which he writes himself every week. The blog is interactive and staff can post comments to his blog. This has enabled all staff to share the perspective of the Group Chief Executive on developments within the firm as well as external events which have a bearing on our business.



We have already begun to promote cross-border activity and connectivity. Notable launches in 2010 include the roll out of our regional ATM proposition to customers across the region. This enables our customers to withdraw money using their CIMB ATM cards at all our 3,878 ATMs in Malaysia, Indonesia, Singapore and Thailand, without any charges. This provides a new level of convenience for customers throughout the 4 countries, in particular those who travel widely.

Our offering to upper mass market customers in the 4 countries was also rebranded in 2009 to CIMB Preferred, which provides reciprocal benefits to all Preferred customers throughout our regional network of over 1,000 branches.

As a performance-based organisation, CIMB firmly believes that the best performers are those who have a passion for their work. We took this belief to the ASEAN marketplace and introduced the CIMB Regional Scholarship.

The scholarship is unique and innovative in a number of ways. First, it is open to citizens of all ASEAN countries and funds post-graduate studies in areas which we believe are important to the development of ASEAN, but remain underfunded such as maritime studies, environmental studies, astronomy, genetics, design and fashion, performing arts, sports science and nutrition. In this regard, we had excluded areas of study associated with financial institutions such as business and

finance. Secondly, the scholarship does not bond scholars to CIMB Group, but instead requires scholars to serve in the ASEAN region for 3 years after completing their studies. Thirdly, we award the scholarships primarily on the consideration of the contribution that the applicant is able to make towards the development of the region.

I am pleased that the first batch of scholars have shown tremendous passion for their work, and are involved in fields as diverse as the convergence of ASEAN financial markets, the use of dance therapy to assist children with learning disabilities, and improving the safety of houses in earthquake zones in the region through architectural design.

These are maiden initiatives introduced in 2010, but with the organisation embracing "Think ASEAN", I am certain that there will be many more initiatives to support the ASEAN proposition. We are also heartened by the positive reaction of the market and its receptiveness towards these regional initiatives, and this reinforces our gut feel that our intuition to move strongly in this direction is indeed a pivotal move that will provide the next leap forward for the Group.

In terms of leadership and governance, I am confident that the diversity of the Board of Directors, with one-third of the Board today made up of non-Malaysians, enhances the Group's stature as a regional franchise. Our



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discussions are very lively, and we have the benefit of the different perspectives of the Board members. I was pleased when the Malaysian Minority Shareholders Watchdog Group (MSWG) recognised this as a strength, and presented the Group with the “Most Diverse Board” award as part of its Malaysian Corporate Governance Index Awards 2010.

I would like to thank my fellow directors on the CIMB Group Board and my fellow trustees on the Board of Trustees of CIMB Foundation for their contribution, services and guidance to the Group, as well as the members of our International Advisory Panel in helping the Group formulate the roadmap for its ASEAN journey. A special thanks also goes to our partners in our strategic alliances for their continued commitment and efforts towards making our alliances a success.

The changes that we had undertaken Group-wide and our successes to date were made possible by the collective efforts of our 37,000 people working in tandem. I would like to thank them for their dedication and commitment, for their many sacrifices in prioritising the interests of the Group. I am constantly inspired by them and urge them to continue to work together towards achieving our corporate vision.

It was a great pleasure for me in 2010 to present our Group Chief Executive, Dato’ Sri Nazir Razak, with CIMB Group’s “long service award” for his



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two decades of service with the Group. Many shareholders may not know that Dato’ Sri Nazir is technically still in his first job as he has spent his entire working life with CIMB. I would like to congratulate Dato’ Sri Nazir on a job well done, leading the Group through its transformation journey to become a regional icon, and inspiring our people to great achievements despite some difficult and challenging times.

Finally, and not least, I would like to take this opportunity to thank you, our shareholders, as well as other stakeholders including regulators and policy makers, for your continuous support of the Group throughout 2010.

**Md Nor Yusof**

- 1 During the CIMB Asia Pacific Classic, I met up with my old friend, Dr Rozali Mohamed Ali, who used to be the CEO of CIMB Group and CIMB Bank in their former incarnations.
- 2 Thinking ASEAN and beyond, with Dato’ Sri Nazir Razak, Arwin Rasyid, Catherine Hadiman, Pariya Junhasavasdikul of Thailand and Ben Crane, the winner of the inaugural CIMB Asia Pacific Classic.
- 3 At the closing ceremony of our own regional sporting event, the CIMB SEA Games, where I handed over the flag for the next Games to Subhak.
- 4 Two CIMB “old timers”; I had just presented Dato’ Sri Nazir with his long service award.



Performance Review by  
**Group Chief Executive**

Dear Shareholders,

**Achievements vs Targets for 2010**

	<b>FY2010</b>	<b>2010 Targets</b>	<b>Status</b>
<b>ROE</b>	16.3%	16.0%	✓
<b>TSR</b>	+13.3% above KLCI	> KLCI	✓
<b>Dividend</b>	26.08 sen	9.25 sen	✓

**Our Regional Journey From 2005 to 2010**

	<b>June 2005 The journey begins</b>	<b>end-2007 V10 Launched</b>	<b>end-2010 V10 Achieved</b>
<b>Assets</b>	RM117 billion	RM183 billion	RM269 billion
<b>Staff Strength</b>	12,000	25,000	37,000
<b>Branch Network</b>	230	620	1,092
<b>Market Capitalisation</b>	RM13.7 billion	RM37.1 billion	RM63.2 billion

We began 2010 with renewed optimism, after a solid 2009, and on the back of resurgent regional economies.

We set ourselves ambitious targets for the year – 16.0% Return on Equity (ROE), 9.25 sen dividend payout and FBM-KLCI outperformance. Our corporate theme for the year was “Unifying CIMB”, emphasising our drive for deeper integration across our national entities and to derive greater synergies between various business lines.

I am delighted to be able to report that 2010 was a year of record profits, and we exceeded the three primary targets set. Equally important, we took large strides towards becoming one integrated franchise across ASEAN.

2010 was also the final year of our Vision 2010, or as we call it, V10. Indeed, when V10 was first mooted in 2007, it was very optimistic, given our fledgling Malaysian consumer bank transformation programme and the infancy of our regional platform. And looking back, the regional journey that followed seems almost surreal – we have, in three short years, made acquisitions in Indonesia and Thailand, and launched our retail

presence in Singapore and Cambodia. Today we can proudly say that we have achieved V10, except for our readiness to set an ROE target of 18-20%, which is because we have had to retain a much larger capital base post-global financial crisis.

**SHARE PRICE PERFORMANCE AND SHAREHOLDER RETURN**

In 2010, CIMB Group’s share price increased by 32.4% from RM6.42 on 1 January 2010 to RM8.50 on 31 December 2010, outperforming the KLCI and KL Financial Index (KLFIN) by 13.1% and 7.0% respectively. In terms of total shareholder returns (TSR), we outperformed the KLCI benchmark by 13.3%, delivering a return of 37.1% for shareholders who stayed with us throughout the year. This includes two dividend payouts i.e. the first interim dividend of 4.625 sen per share and a special dividend of 13.45 sen, but excludes the second interim dividend of 8.0 sen.

CIMB Group continues to create long-term value for its shareholders. Since the announcement of the CIMB-BCB merger in June 2005 to end-2010, investors have enjoyed a TSR of 317.1%,

I am delighted to be able to report that 2010 was a year of **record profits**, and we exceeded the three primary targets set. Equally important, we took large strides towards becoming **one integrated franchise across ASEAN**.

representing a stellar 57.7% average return per annum. And as the chart on the following page shows, we have been the fastest growing ASEAN bank by market capitalisation over the past 5½ years.

**V10 Is Achieved**

<b>V10 Broad Objectives and Targets</b>	<b>Status</b>
Leading Banking Group in ASEAN by asset size	✓
Strong universal banking foothold and presence in at least 4 core markets	✓
Over 1/3 non-Malaysian: Assets Revenues	✓ ✓
Sustainable ROE of 18-20%	17.0% (2011)
Integrated ASEAN Universal Bank	✓

## Performance Review by Group Chief Executive

### CIMB Group vs KLCI and KLFIN from 1 January 2010 to 31 December 2010



Risk Management in Singapore, and Regional Transaction Banking in Jakarta.

#### Regional products and services

The successful regionalisation of our products and services is fundamental to our business model which is premised on creating value from economies of scale across markets. Despite legacy system and process constraints, we launched several regional propositions including the AirAsia Savers account; CIMB@Work, our corporate employees scheme; CIMB Junior, our children's banking account; the CIMB Preferred franchise; and CIMB Clicks, our internet banking portal. Our customers now enjoy better access to our regional resources, and greater consistency in our services across our ASEAN platform. We are also beginning to see tangible savings in R&D and operating costs from cross-border synergies.

#### KEY ACCOMPLISHMENTS

In 2010, the Group focused on its financial targets, further regional integration of its businesses as well as building a stronger sense of unity amongst staff across the region.

I describe below some of the key accomplishments of 2010. Further details on initiatives by specific components of CIMB Group can be found in the Business Review on pages 018 to 033.

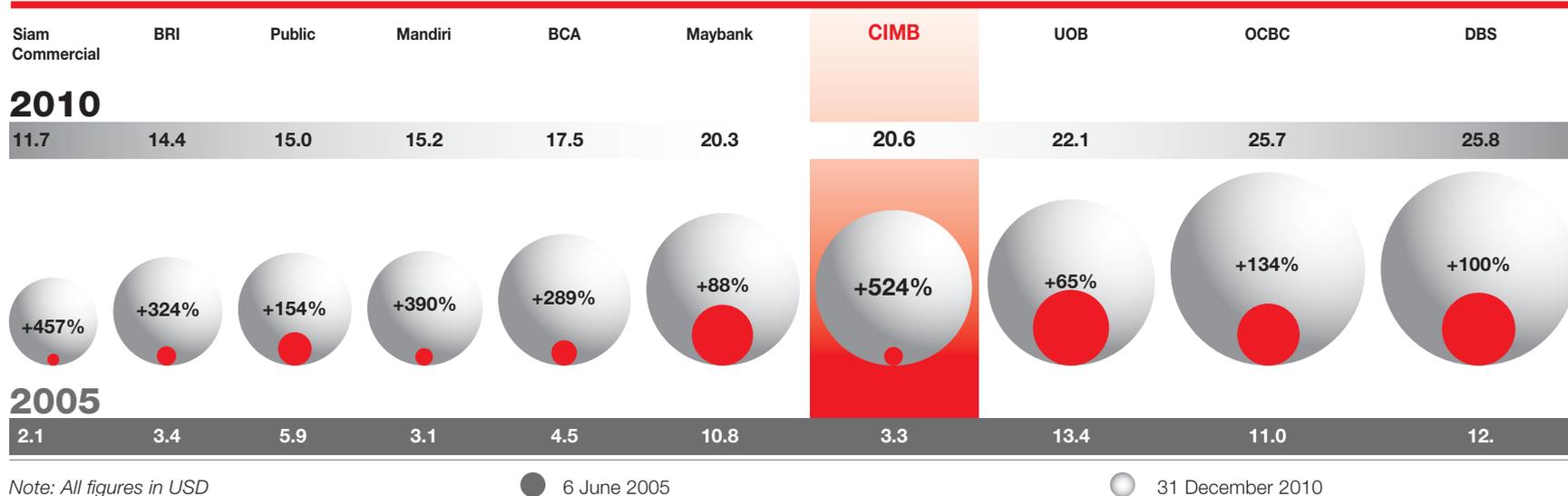
#### Regional integration

To optimise regional client coverage and to drive greater cross-border collaboration and sharing of best practices, we regionalised certain departments such as Corporate Clients Solutions, Equity Capital Markets, Global Corporate Banking, and Cards & Personal Financing. We also increased the number of non-Malaysian headquarters for our businesses, namely, Regional Private Banking, Wholesale Banknotes and Regional Credit

#### Landmark capital market transactions

We defended our position as ASEAN's No.1 indigenous investment bank by winning most of the largest deals in the region. We had lead roles in the RM14.8 billion Petronas Chemicals Group IPO, the largest ASEAN IPO ever, and the USD20.5 billion AIA Group Ltd IPO, Asia's 2nd largest in 2010. We also demonstrated our cross-border capabilities with transactions such as the IDR7.7 trillion acquisition of PT Matahari Departmental Store Tbk by CVC Capital Partners

### Comparison of Market Capitalisation of Regional Banks in June 2005 and end-2010



Source: Bloomberg



Staff from across the region at the CIMB SEA Games

Ltd; and the Trans Thai Malaysia (Thailand) Ltd RM600 million sukuk issuance, the first sukuk issuance by a Thai entity out of Malaysia's Islamic capital market.

### Retail deposit drive

We did very well in our efforts to grow retail deposits in 2010. Despite setting very aggressive growth targets at the beginning of the year, our consumer banking teams across the region rallied to meet them. We exceeded our targets comfortably in both Indonesia and Singapore and fell just shy in Malaysia. Overall, our current account and saving account deposits (CASA) growth was a highly commendable 17%, just short of our 18% goal. Going forwards, our ability to "win" in this space is absolutely crucial, hence the importance of the advances we made in 2010.

### Malaysia SME Banking revamp

During the year we re-examined our Malaysian business banking franchise and decided that a comprehensive revamp of our business model was necessary. We established two separate departments to better cater for the differentiated needs of our business customers – "Enterprise Banking", a newly created segment comprising small business customers, was merged into Retail Financial Services and employs the branch distribution model; "Commercial Banking" replaced Business Banking with a fresh mandate to target larger businesses and mid-corporate customers, offering them more tailored products and services.

### Staff unity enhanced

With over 37,000 staff operating in eight ASEAN nations, organisational unity is a constant priority for the Group. In 2010, we made significant headway in embedding a set of common values amongst our people, and amplifying a shared sense of belonging to a single regional organisation. While there were many employee engagement programmes which included regional leadership training and cross-border team-building events, the highlight was the CIMB SEA Games. First initiated in 2009, the Games in 2010 brought together numerous participants, supporters and volunteers from Malaysia, Indonesia, Singapore and Thailand, serving as an ideal platform to build friendships and to foster regional camaraderie.

### CIMB Niaga transformation

In August 2010, we acquired an additional 19.67% stake in CIMB Niaga from Khazanah Nasional Bhd, increasing our shareholding from 78.26% to 97.93%. This move underlined our optimism for Indonesia and the CIMB Niaga franchise. Although financially CIMB Niaga had an outstanding year, this was strongly aided by the favourable operating environment. Going forwards we believe that the many organisational changes and new business initiatives we put in place last year will enable us to excel relative to the competition.

### CIMB Thai transformation

CIMB Thai remains in the early stages of its transformation programme which only began in 2009. In 2010, CIMB Thai raised a further THB3 billion in equity to strengthen its capital base and



CIMB Cambodia's first branch in Phnom Penh

transferred legacy non-performing loans (NPLs) with a net book value of THB2.9 billion to CIMB Group. As a result, CIMB Thai's balance sheet is today on firm footing. We have also begun to realise substantial cross-border synergies, enabling CIMB Thai and CIMB Securities (Thailand) to win several notable capital markets deals. With its foundations strengthened, CIMB Thai is set for strong growth in the next few years.

### CIMB Cambodia launched

We established our presence in our 8th ASEAN market with the launch of our first retail branch in Phnom Penh in November 2010. We have been encouraged by the response to our new franchise and are excited about growth prospects in this underbanked market.

### 1View

Our investment in a comprehensive retail sales and service platform, 1View, has seen early success in Malaysia where its basic release has been installed in all branches as at March 2011. We have seen noticeable uplift in sales, as well as positive customer feedback in branches equipped with 1View. Due to the scale and complexity of this systems transformation, the full implementation of 1View in Malaysia will take several years to complete, but we expect to enjoy progressive improvements in the performance of our branches. We are now evaluating the merits of implementing 1View in our other markets. The success of 1View has been a timely confidence boost as we commence our 1Platform project – our regional core banking system which will be implemented over the next four years.



### CIMB Asia Pacific Classic

Our maiden foray into golf was a resounding success. The CIMB Asia Pacific Classic, the first ever PGA TOUR-sanctioned annual event in ASEAN attracted a world class field of 40 top players and was broadcast to over 400 million homes in over 70 countries. There was great enthusiasm and support from all components of CIMB Group as staff volunteers turned up in numbers and worked in concert to ensure that we delivered a world-class event.

### Capital Management

One of the biggest challenges facing banks today is managing capital in the face of rapidly changing regulations, accounting standards, and investor sentiment. CIMB Group was extremely active in capital management initiatives across all its entities. As a result of our efforts, we have been able to pleasantly surprise shareholders this year with a total dividend equivalent to 55% of our earnings while keeping capital ratios at all our major entities at very comfortable levels.

### Group awards and accolades

While the Group won numerous awards in 2010, our proudest moment was undoubtedly winning The Banker's top investment banking award for Asia "The Most Innovative Investment Bank from Asia". We were also acknowledged by the same publication as Malaysia's "Bank of the Year", and by Asiamoney as "Best Regional Islamic Bank in Asia". A complete list of 2010 awards and accolades can be found on pages 084 to 093.

### KEY BOARD AND MANAGEMENT CHANGES

In October 2010, the Group appointed the Board of our Cambodian operations with Dato' Shaarani Ibrahim as its Chairman.

We also made several management changes throughout the year. Key new appointments include Mr Ooi Say Teng as Head of Group Insurance, Ibu Megawati Sutanto as Credit



*"The Most Innovative Investment Bank from Asia" award from The Banker*

Director at CIMB Niaga, Pak Samir Gupta as Head of Consumer Sales and Distribution at CIMB Niaga, Khun Thanachai Thanachaiary as Head of Consumer Sales and Distribution at CIMB Thai, Khun Pimonphan Tiyaprasertkul as Head of Cards and Unsecured Loans at CIMB Thai, Khun Dusanee Klewpatinontha as Head of Retail Banking Products at CIMB Thai, and Mr John Pang as CEO of CIMB ASEAN Research Institute (CARI).

A number of senior executives within the Group took on new responsibilities. They include En Ahmad Shazli Kamarulzaman as Head of Commercial Banking, Ms Wong Sook Peng as Head of Group Risk and Mr Peter Miller as CEO of Tune Money Sdn. Bhd.

### FINANCIAL PERFORMANCE

CIMB Group made a record net profit of RM3.52 billion, representing an increase of 25.4% from the previous year and equivalent to net earnings per share (EPS) of 49.0 sen. Revenue and profit before tax (PBT) surged 12.7% and 21.9% from the year before, hitting new highs of RM11.81 billion and RM4.65 billion respectively. Net ROE was 16.3%, above our full year target of 16.0%, and a significant improvement from 15.0% in 2009.

Corporate & Investment Banking PBT jumped 71.2% to RM1.15 billion as regional equity capital markets and corporate banking conditions

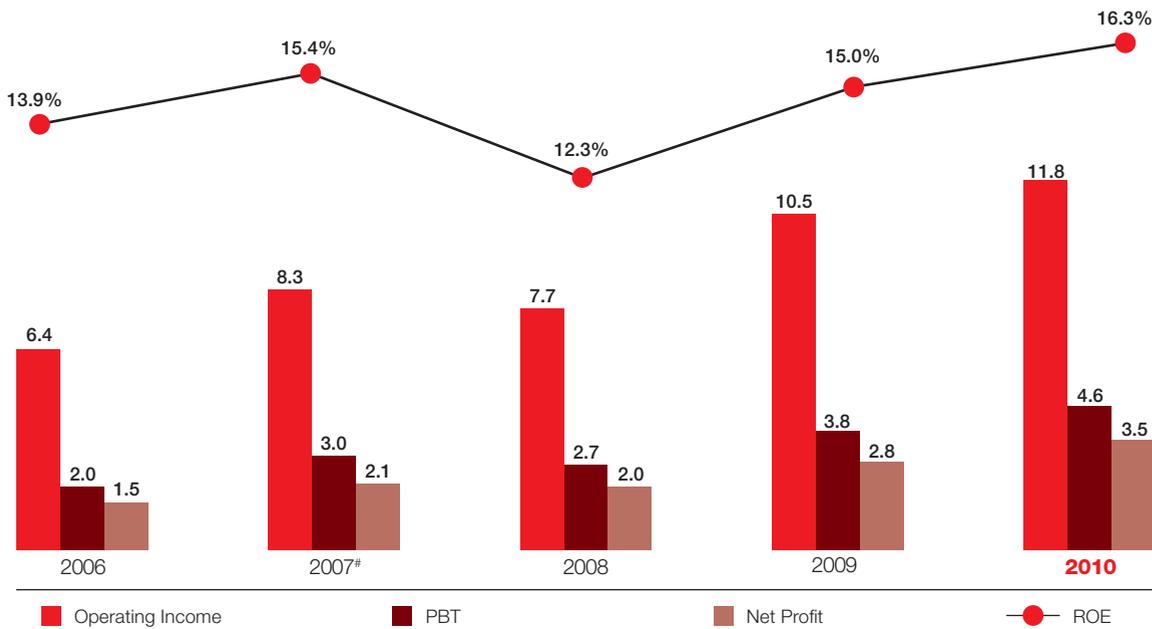
improved. PBT for Treasury & Investments was 17.5% lower at RM1.22 billion largely due to lower investment profits. The Group's Malaysia and Singapore consumer bank PBT declined by 16.9% from the previous year to RM575 million. However, excluding the one-off General Provision write-back in 2009 ahead of FRS139 implementation, the consumer bank's 2010 performance was comparable to the previous year. CIMB Niaga's PBT jumped 99.7% to RM1.57 billion due to operational improvements and the favourable macroeconomic environment in Indonesia. CIMB Thai's PBT was flat Y-o-Y at RM47 million. Asset Management & Insurance PBT was 38.3% lower at RM87 million mainly due to the non-recurrence of one-off gains arising from the change in accounting standards at CIMB Aviva in 2009. Total non-Malaysian PBT contribution surged to a new high of 48% in 2010 from 25% in 2009.

The Group's total gross loans expanded 12.4% from the previous year, mainly driven by the loan growth at CIMB Niaga (in RM terms) of 18.0% and the expansion in Malaysian and Singaporean consumer loans of 15.3%. The Group's overall net interest margins (NIM) improved to 3.32% from 3.28% in 2009.

Total Group deposits grew by 11.6%, underpinned by a 28.5% surge at CIMB Niaga as its deposit accumulation initiatives gained traction. CIMB Bank's consumer account balances grew 16.0% as both its Malaysian and Singaporean current and savings account balances grew strongly while CIMB Thai's deposits grew by 6.0%.

The total impairment charge (under FRS139 accounting standards) for the Group was RM607 million for 2010 while total credit charge was 0.36% compared to our forecast of 0.60%. The Group's gross impaired loans ratio was 6.1% for 2010, an improvement from 7.6% from the beginning of the year, with an impairment allowance coverage of 81.1%. The Group's cost to income ratio in 2010 rose slightly to 55.3% compared to 52.8% in 2009.

**CIMB Group – 5 Year Earnings History**



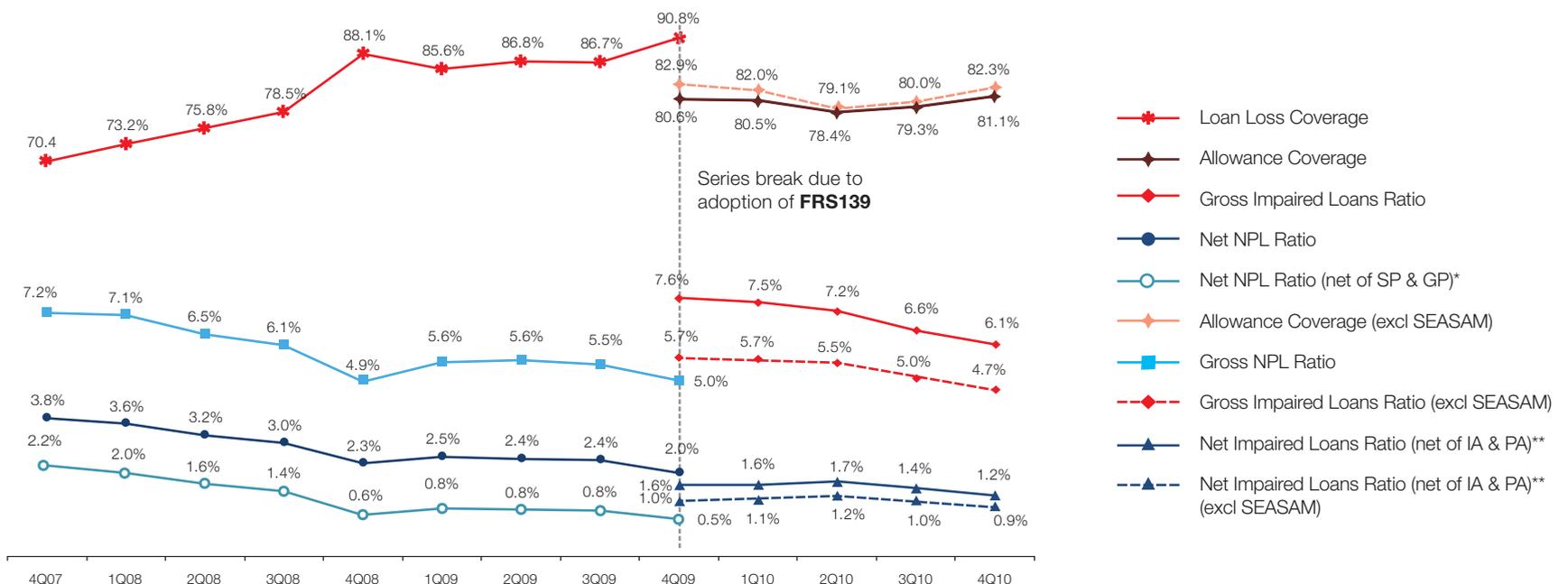
Notes:  
Amounts denoted in RM 'bil  
# Based on core figures

**CIMB Group Credit Ratings**

Rating Agency	Issuer Rating
<b>Domestic</b>	
<b>RAM</b>	
CIMB Group Holdings	AA1
CIMB Bank	AAA
CIMB Investment Bank	AAA
<b>MARC</b>	
CIMB Bank	AAA
<b>Fitch</b>	
CIMB Niaga	AAA
CIMB Thai	A+
<b>International</b>	
<b>S&amp;P</b>	
CIMB Group Holdings	BBB-
CIMB Bank	BBB+
CIMB Investment Bank	BBB
<b>Fitch</b>	
CIMB Bank	BBB+
CIMB Investment Bank	BBB+
<b>Moody's</b>	
CIMB Bank	A3
CIMB Investment Bank	Baa1

As at 14 March 2011

**Asset Quality Ratios Since 4th Quarter 2007**



Notes:  
\* SP refers to specific provisions  
GP refers to general provisions  
\*\* IA refers to individual impairment allowance  
PA refers to portfolio impairment allowance

## Performance Review by Group Chief Executive

### Earnings Summary

(RM 'mil)	FY10 (FRS139)	FY09 (GP3)	Y-o-Y
Net interest income	7,647	6,739	13.5%
Non interest income	4,164	3,744	11.2%
<b>Operating income</b>	<b>11,811</b>	<b>10,483</b>	<b>12.7%</b>
Loan impairment	(607)	(1,023)	(40.7%)
- Individual impairment	209	-	n.a.
- Portfolio impairment	(816)	-	n.a.
- Specific allowance	-	(916)	n.a.
- General allowance	-	(107)	n.a.
Other provisions	(127)	(151)	(15.9%)
Overhead expenses	(6,526)	(5,531)	18.0%
Share of JV / Associates	96	34	182.4%
<b>PBT</b>	<b>4,647</b>	<b>3,812</b>	<b>21.9%</b>
<b>Net profit</b>	<b>3,521</b>	<b>2,807</b>	<b>25.4%</b>
<b>EPS (sen)</b>	<b>49.0</b>	<b>39.8</b>	<b>23.2%</b>
<b>ROE</b>	<b>16.3%</b>	<b>15.0%</b>	<b>8.6%</b>

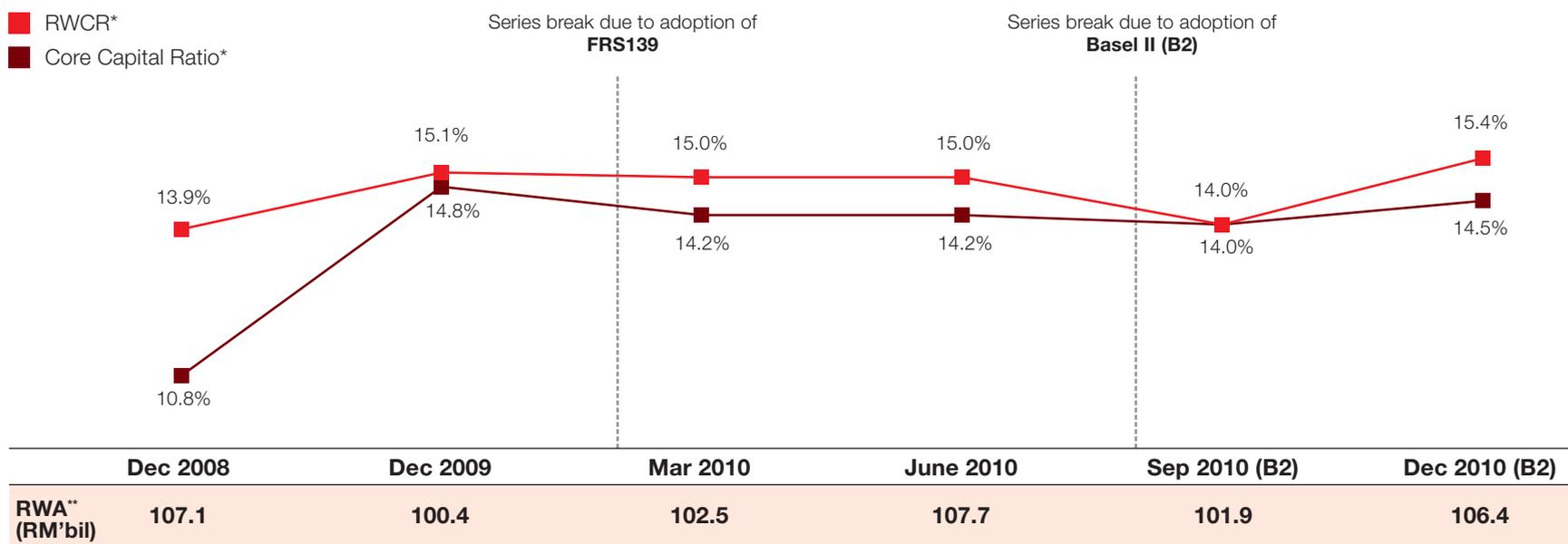
Note:  
FRS139 only applies for 2010. Retrospective financials remain GP3.

### Estimated PBT By Segment

PBT (after HOCA)* RM 'mil	FY10 (FRS139)	FY09 (GP3)	Y-o-Y %
Consumer Banking**			
- Good Bank	465	612	(24.0%)
- Bad Bank (including SEASAM)	110	80	37.5%
	<b>575</b>	<b>692</b>	<b>(16.9%)</b>
Corporate & Investment Banking	1,149	671	71.2%
Treasury & Investments	1,217	1,475	(17.5%)
GAM & Insurance	87	141	(38.3%)
CIMB Niaga	1,572	787	99.7%
CIMB Thai (after GAAP adjustments)	47	47	-
<b>PBT ***</b>	<b>4,647</b>	<b>3,812</b>	<b>21.9%</b>
<b>Net profit</b>	<b>3,521</b>	<b>2,807</b>	<b>25.4%</b>

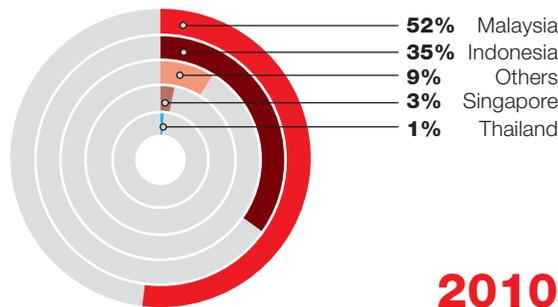
Notes:  
FRS139 only applies for 2010. Retrospective financials remain GP3.  
\* HOCA refers to Head Office Cost Allocation  
\*\* Includes Malaysia, Singapore and Cambodia  
\*\*\* Includes share of results of associates & jointly controlled entities

### Capital Management – CIMB Bank

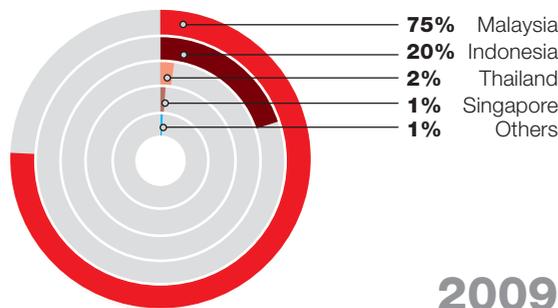


Notes:  
\* RWCR and Core Capital Ratios are calculated after dividends except for Dec 2010. For Dec 2010 after proposed dividends, RWCR = 14.8%, Core Capital Ratio = 13.9%  
\*\* Risk Weighted Assets

Contribution by Geography

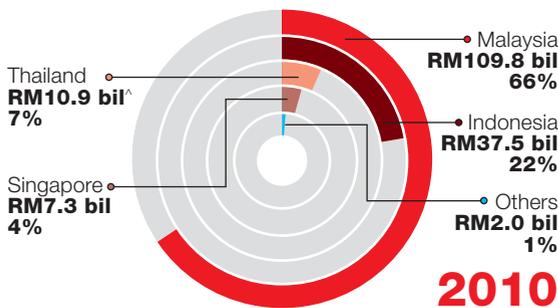


2010

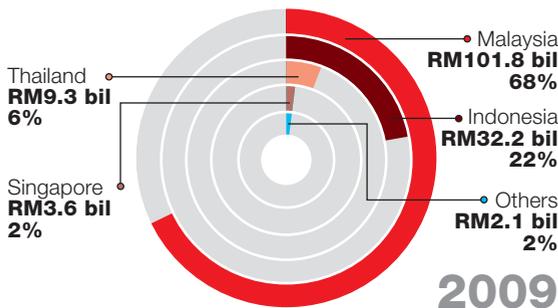


2009

Loan Assets by Geography



2010



2009

Notes:  
Others include overseas branches and Labuan  
<sup>^</sup> Includes STAMC

Gross Loans Growth

Divisions / Products	31 Dec 10 (RM 'bil)	31 Dec 09 (RM 'bil)**	Y-o-Y
<b>Consumer Banking (47.8%)*</b>	<b>80.1</b>	<b>69.5</b>	<b>15.3%</b>
Mortgages	35.4	29.4	20.7%
HP	10.6	9.6***	10.6%
OD and TL	15.7	13.4	17.8%
Credit cards	4.3	3.0	40.6%
CIMB Express	1.8	1.6	13.6%
Commercial	11.5	11.6	(1.1%)
Others	0.8	0.9	(17.0%)
<b>Corporate &amp; Investment (23.8%)</b>	<b>39.9</b>	<b>39.2</b>	<b>1.8%</b>
<b>CIMB Niaga (21.8%)</b>	<b>36.6</b>	<b>31.0</b>	<b>18.0%</b>
<b>CIMB Thai (6.6%)<sup>^</sup></b>	<b>10.9</b>	<b>9.3</b>	<b>17.1%<sup>#</sup></b>
<b>Total</b>	<b>167.5</b>	<b>149.0</b>	<b>12.4%</b>

Notes:

\* Includes Malaysia, Singapore and Cambodia

\*\* FRS139 adjusted – Gross up IIS

\*\*\* Exclude loans of PCSB which were derecognised in 31 Dec 2010

<sup>^</sup> With effect from 28 Dec 2010, the bad bank of CIMB Thai, STAMC was transferred to an indirect wholly-owned subsidiary of CIMB Group. Total loans that were transferred amounted to THB2.9 bil. Only for this table and for comparison purposes, these loans will be shown under the loan books of CIMB Thai.

<sup>#</sup> Excluding STAMC, Y-o-Y change is 10.8%

Deposits Growth

Divisions / Products	31 Dec 10 (RM 'bil)	31 Dec 09 (RM 'bil)	Y-o-Y
<b>Consumer Banking (37.1%)*</b>	<b>74.1</b>	<b>63.9</b>	<b>16.0%**</b>
- Current (Retail) <sup>^</sup>	15.2	11.3	34.5%
- Savings (Retail) <sup>^</sup>	11.5	10.3	11.7%
- Fixed & structured deposits (Retail) <sup>^</sup>	29.8	26.7	11.6%
- Commercial	17.6	15.6	13.1%
<b>Corporate &amp; Treasury (37.8%)</b>	<b>75.5</b>	<b>74.5</b>	<b>1.3%</b>
<b>CIMB Niaga (20.2%)</b>	<b>40.3</b>	<b>31.4</b>	<b>28.5%</b>
<b>CIMB Thai (4.9%)</b>	<b>9.7</b>	<b>9.1</b>	<b>6.0%</b>
<b>Total</b>	<b>199.6<sup>#</sup></b>	<b>178.9</b>	<b>11.6%</b>

Notes:

\* Includes Malaysia, Singapore and Cambodia

\*\* Consumer Banking excluding Singapore was +14.1% Y-o-Y

<sup>^</sup> Includes Enterprise Banking

<sup>#</sup> Excluding interest payable of deposits

### Key Ratios

(%)	FY10	FY09
Net interest margin	3.32	3.28
Non-interest income / total income	35.3	35.7
Cost / income	55.3	52.8
Allowance coverage / Loan loss coverage	81.1	90.8
Loan loss charge	0.36	0.69
Gross impaired loans ratio / Gross NPL ratio	6.1	5.0
Gross impaired loans ratio / Gross NPL ratio (excluding SEASAM)	4.7	3.4
Net impaired loans ratio / Net NPL ratio	1.2	0.5
Average shareholders' funds (RM 'mil)	21,617	18,722
ROA	1.4	1.3
Book value per share (RM)	3.13	2.88 <sup>^</sup>

Notes:

FRS139 only applies for 2010. Retrospective financials remain GP3 unless otherwise stated.

<sup>^</sup> Adjusted for bonus issue

CIMB Bank's risk weighted capital ratio (RWCR) stood at 15.4% while its Core Tier-1 capital ratio was 14.5% as at 31 December 2010, before the proposed second interim dividend. At the same time, CIMB Group's double leverage and gearing stood at 113.8% and 17.8% respectively, both within our targeted range.

### PROSPECTS FOR 2011

#### Global Economy

The global economy entered a second year of recovery with renewed growth momentum on the back of positive indicators in the US and to a lesser extent, Europe. Emerging markets on the other hand seemed set to maintain good, albeit slower, growth rates as exports moderate but with mounting inflationary pressures. There were concerns that tensions around currency values would escalate and dampen trade and economic growth but it was remote.

This relatively favourable outlook for the year was suddenly shaken by the recent turn of events, in the geopolitics of the Middle East and in Japan with the massive natural disaster shock. The implications on oil prices, investment and trade

flows etc are difficult to predict at this time but it seems certain that in 2011, financial markets will be more volatile than initially forecast and that original global and regional economic growth estimates will have to be revised once potential outcomes have narrowed.

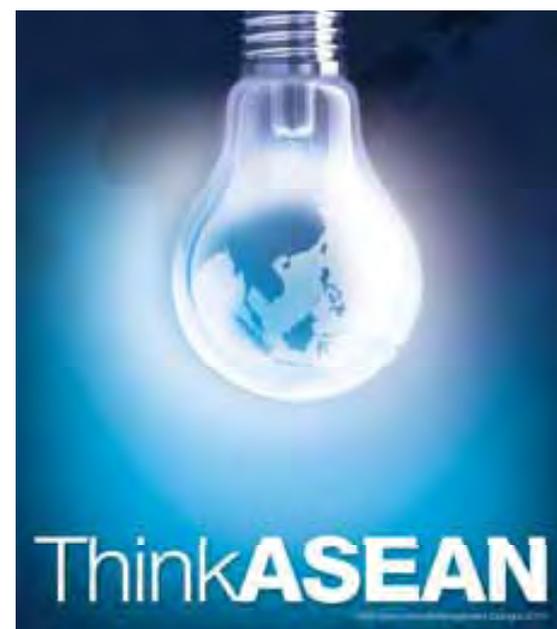
#### Regional Economies

Before factoring the above-mentioned events, we had forecast the Singapore economy to grow by 6% (2010: 14.5%) in 2011 with continued buoyancy in the services sector but moderating export growth. Indonesia was forecast to grow faster at 6.4% (2010: 6.1%) on the back of strong growth of domestic demand and investments while Thailand GDP growth was expected to slow to 5.0% (2010: 7.8%). Malaysia's GDP growth was forecast to moderate to 5.5% (2010: 7.2%) with the expansion in domestic demand slated to mitigate the slower exports environment. The various Government initiated plans to boost economic activity, namely the Economic Transformation Plan and 10th Malaysia Plan, could bring some further upside to growth via a surge in private investments.

Recent events have now cast a shadow over the course of this year and relatedly, policy actions are impossible to sensibly predict at this time. Vigilance will therefore be the order of the day, as we must be cautious in uncertainty but ever-ready to quickly mobilise and seize opportunities.

### STRATEGIES AND PRIORITIES

Our corporate theme for 2011 is "Think ASEAN", reflecting our commitment to the region, and our desire to excel across its economies. We have, over the past five years, built a formidable ASEAN universal banking franchise; and we have a potent mix of human capital, diverse in our cultural origin and multi-faceted in our respective competencies. We have ASEAN's largest retail network, its most accomplished indigenous investment bank, and I daresay, its most integrated regional platform. The task of combining these intrinsic advantages is full of challenges, but also abound with opportunities. In 2011 we will collectively place ASEAN at the forefront of our agenda. We will make our inherent diversity work in our favour; we will harness our ASEAN platform and our regional capabilities to deliver unique value propositions to our customers; and above all, we will project our ASEAN identity in how we act and all that we do.



The Group's corporate theme for 2011



We have, in March 2011, embarked on a brand harmonisation exercise to migrate to a single colour platform. Targeted to be fully implemented by May 2011, we will unify all existing brands under the “CIMB red”, dispensing with our paradigm of using colour coordination to differentiate our consumer banking, investment banking and Islamic banking propositions. The single colour scheme furthers our integration agenda by ensuring greater consistency across our respective brand entities, and amplifying the overarching CIMB brand to all audiences.

We have identified several priority areas for 2011. To continue to match our propensity to lend, we will have to rapidly accumulate customer deposits. We recognise that our cost to income ratio remains high relative to our regional peers, so we must accelerate top-line growth and contain our costs. We will look for high growth from areas which we have recently revamped,

namely CIMB Thai, Malaysian enterprise and commercial banking as well as regional transaction banking. And in line with the brand harmonisation exercise, during the year we will look to “refresh” some of the more established businesses to sharpen their competitive edge.

After five years of truly breathtaking growth, we think it is timely to place greater emphasis on ensuring that our accomplishments thus far are translated into long-term success. We are now devoting more resources towards “institutionalising” our core values and organisational ideals amongst our people, and developing a cadre of future leaders that will one day lead the firm.

In 2011, we want to do more to advance the ASEAN economic agenda. We will step-up our efforts to drive regional integration by catalysing cross-border economic activity, and by facilitating regional linkages. ASEAN’s time has come, and we are in a prime position to simultaneously champion, and benefit from, its ascension. We must seize the moment.

**TARGETS FOR 2011**

We have set ambitious targets for 2011, based on our original expectations of the year’s operating environment. It is still early days, so we keep our sights on these targets and will strive to achieve them. Shareholders should rest assured however that management is extremely conscious that sustaining long-term value creation has precedence over short-term targets – if the road turns treacherous we will step-off the pedal and re-accelerate later.

**Targets for 2011**

ROE	17%
TSR	>FBM KLCI
Dividend	40% - 60%
Group loans growth	18%
Group deposits growth	20%
Loan loss charge	0.4%
Tier-1 (at CIMB Bank) (Basel II)	>10%
RWCR (at CIMB Bank) (Basel II)	>12%

**ACKNOWLEDGEMENTS**

On behalf of Management, I would like to express our gratitude to all our stakeholders – Governments, regulators, investors, customers, partners and friends – for their invaluable support throughout 2010. I also thank our Board, and members of our International Advisory Panel for their leadership and guidance in setting the strategic direction of the Group.

An organisation is only as good as the people who populate it. In this respect, I feel exceedingly fortunate to be surrounded by many individuals of outstanding calibre. My heartfelt thanks goes to my fellow colleagues for the unwavering professionalism, commitment and enthusiasm which they exhibit in their daily duties. And whenever I receive accolades such as The Edge’s award for Value Creator: Malaysia’s Outstanding CEO, I am in no doubt that I am recognised because of the fabulous efforts and achievements of all CIMB Group staff and hence I am in their debt.

**Nazir Razak**  
14 March 2011



My wife Azlina and I with The Edge’s award for Value Creator: Malaysia’s Outstanding CEO

# Business Review

## **020** Consumer Banking

- Malaysia
- Indonesia
- Singapore
- Thailand
- Regionally

## **024** Corporate & Institutional Banking & Markets

- Corporate Clients Solutions
- Corporate & Investment Banking
- Treasury & Investments

## **027** Group Asset Management & Insurance

## **029** CIMB Islamic

## **030** Support Divisions

- Group Corporate Resources
- Group Strategy and Finance
- Group Risk Management
- Group Information and Operations
- Group Marketing and Communications

CIMB Group today operates across ASEAN under several corporate entities including CIMB Investment Bank, CIMB Bank, CIMB Islamic, CIMB Niaga, CIMB Securities International and CIMB Thai. Our business lines in our main markets of Malaysia, Indonesia, Singapore and Thailand are organised primarily across the following areas: **Consumer Banking, Corporate & Institutional Banking & Markets and Group Asset Management & Insurance.**

CIMB Islamic operates in parallel with these businesses, in line with CIMB Group's dual banking model, but we will reserve a special section in this review to highlight their notable achievements.

In the 2010 Business Review, we have decided to devote more attention to our regional operations, to reflect CIMB Group's increasingly regional identity and composition.

#### CIMB Group's Regional Universal Banking Capabilities

				
Corporate & Investment Banking	✓	✓	✓	✓
Treasury	✓	✓	✓	✓
Retail Banking	✓	✓	✓	✓
Credit Cards	✓	✓	✓	2011
Business Banking	✓	✓	✓	✓
Islamic Banking	✓	✓	✓ <small>limited</small>	✗
Private Banking	✓	✓	2011	✓
Insurance	✓	✓	✓	✓

## Consumer Banking

CIMB Group has full-fledged consumer banking services across our main operating markets of Malaysia, Indonesia, Singapore and Thailand. The divisions which comprise Consumer Banking are **Consumer Sales and Distribution**, which oversees our sales network including branches and mobile sales teams; **Retail Financial Services**, which is responsible for most of our retail banking as well as enterprise banking products; **Commercial Banking**, which is responsible for SME and mid-sized corporates; and **Group Cards and Personal Financing**, which is responsible for our credit cards business and personal loans portfolio.

2010 was a good year for most of our consumer franchises across the region. In Malaysia we maintained or improved on our market shares in most key products areas, as we rode on the momentum of our multi-year transformation which began in 2006. One area where we were less successful was SMEs and mid-sized corporates – in 2010 we made further provisions on legacy (pre-2006) loans and saw another year of asset shrinkage.

In Indonesia, the favourable economic environment translated into strong demand for consumer loan and saving products. We were pleased to make good progress in deposit gathering, a traditionally weak area for us. In Singapore, our retail franchise, which was only launched in September 2009, had another year of high growth especially in deposits, mortgages and credit cards. And in Thailand, the transformation of CIMB Thai's consumer franchise is in an early phase but we have momentum in auto loans, mortgages and SME loans.

Overall we are pleased with the performance of our consumer franchise in 2010. We are mindful of intensifying competition across all regional markets as others step-up their product offerings and service levels. We are, however, encouraged

at the current momentum of improvements and transformation. And we will continue to find ways to improve; for instance, we will also be embarking on a “refresh” of the Malaysian consumer banking franchise to evolve its business model to sharpen its competitive edge.

### Malaysian Consumer Banking Market Shares

	Dec 2009	Dec 2010	Rank (Note 3)
<b>Mortgages</b>			
Residential	13.5%	13.9%	2
Non-Residential	13.0%	12.7%	
<b>Hire Purchase</b>	9.4%	8.1%	4
<b>Credit Cards</b>			
Loan Base	11.2%	12.9%	3
Card Base	10.6%	9.7%	
<b>Retail Deposits</b>	9.1%	10.1%	3
<b>SME Loans</b>	8.9%	8.4%	4

Notes:

1. Exclude Overseas Branches w.e.f Dec 2009
2. Exclude SEASAM base w.e.f. Dec 2009
3. Market position as at Sep 2010
4. The market share calculations are restated per the restated industry statistics in the revised BNM Monthly Bulletin
5. Industry figures for retail deposits include Repo, NQID and FCY in the market share calculation

## Malaysia

We continued to enhance our sales capabilities at our branches, and focused on delivering innovative products to our customers to complement our traditional suite of products and services. Our investment in the 1View sales and service platform has seen early success, with the first phase deployed in all branches by March 2011. In the near future, our customers will enjoy more personalised service at our branches, which will have the ability to track customer product holdings and their requests in real-time, allowing our sales personnel to offer more customised financial advice.

We also introduced ASEAN's first ever foreign currency ATMs which translate the savings from the overhead costs of operating Bureau de Change outlets into more competitive exchange rates for our customers. We were the first in the market to launch a banking application or "app" for iPhones, iPads and Android system users, reflecting our desire to constantly reinvent and to

stay on the cutting edge. Our innovative deposit campaign, "2 Good 2 be True" which offered deposit customers the chance to win pairs of prizes, was very well-received, garnering over RM1.95 billion in deposits.

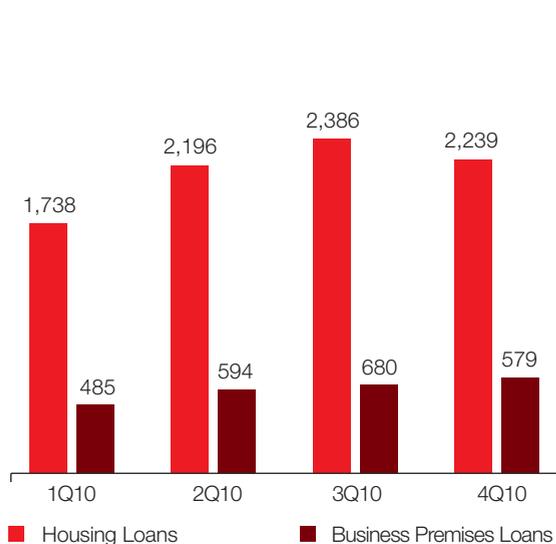
Our credit cards loan base grew 40.6%, despite the continued drop in number of cards issued (post-GST introduction), reflecting our success in retaining customers with improved product offerings, vendor alliances, and more cross-border benefits. Key product launches included the CIMB Touch 'n Go Visa Card which combines a credit card with Touch 'n Go functionality, a first in Malaysia.

We created a new segment, "Enterprise Banking" to better serve the needs of our small business customers i.e. those with annual turnovers of RM10 million or less. We introduced more straightforward products, with simpler and faster application and approval processes, and

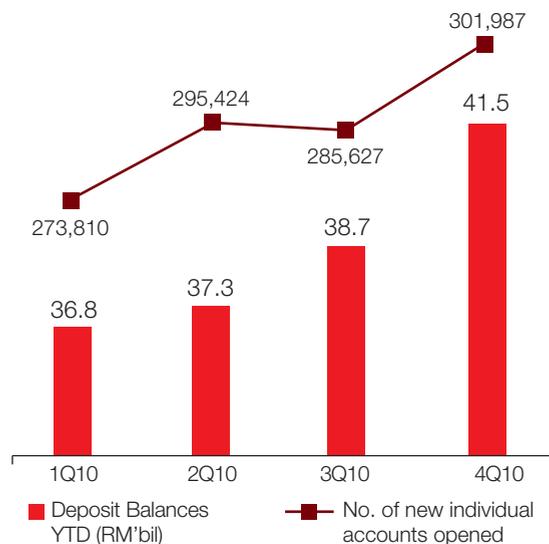
offered them at all our branches thereby greatly improving accessibility for this target segment. We also established a "Mid-Corp" segment to provide more personalised services to our mid-sized corporate clients aside from offering advisory services and more sophisticated financial solutions.

Our internal "bad bank", Group Special Asset Management (GSAM), which manages the Group's legacy NPLs, had another excellent year. In 2010, gross loan recovery improved by 37% from the previous year to RM853 million. This strong performance was also partly attributed to a substantial improvement in auction sales by CIMB Property Mart amounting to RM481 million, a 31% increase from the previous year.

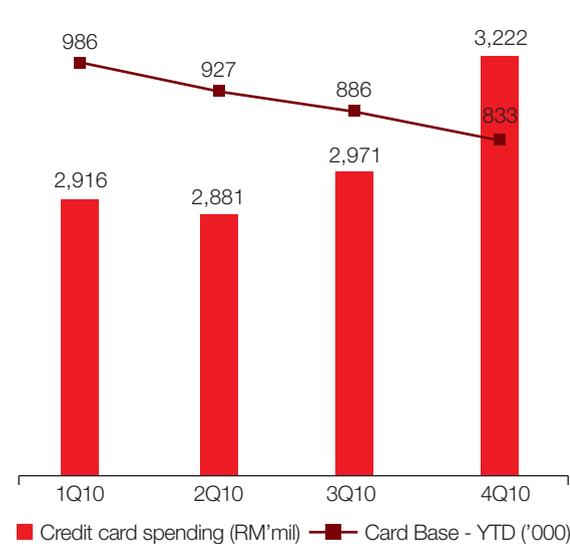
### Malaysian Housing Loans and Business Premises Loans Acceptances (RM'mil)



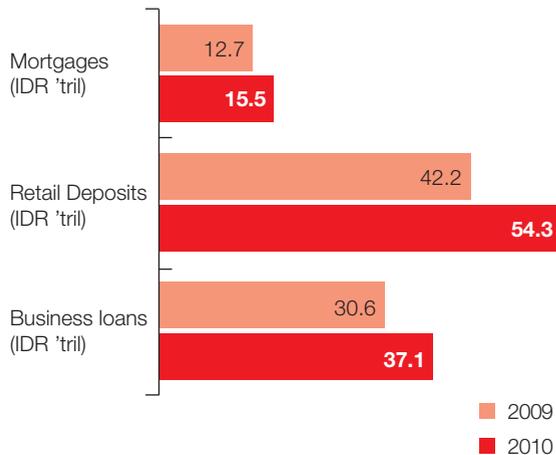
### Retail Deposits Growth



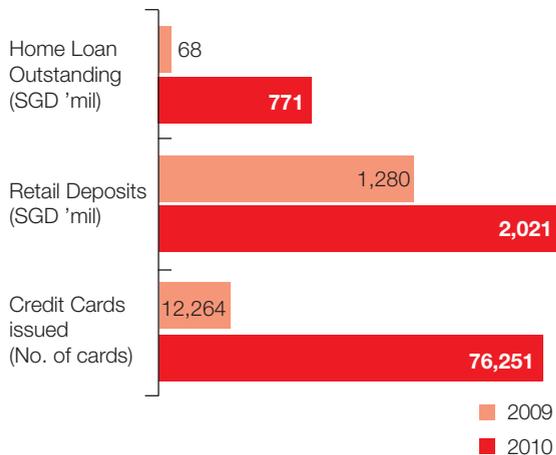
### Credit Cards Growth



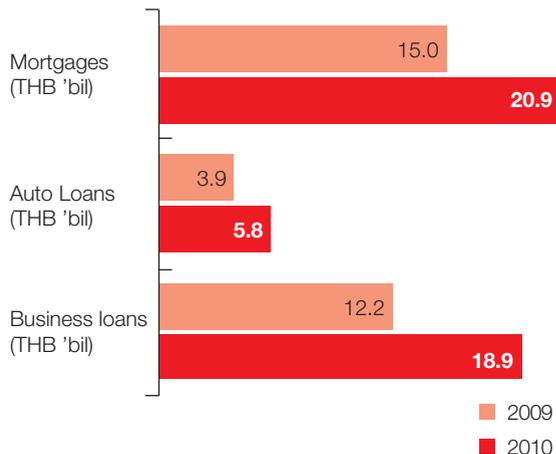
**Indonesian Consumer Banking Indicators**



**Singapore Consumer Banking Indicators**



**Thailand Consumer Banking Indicators**



**Indonesia**

Our key focus in 2010 was to improve sales productivity and service standards. We further expanded our retail network to 615 branches with the addition of 14 new branches, and increased the number of weekend banking branches to 32 from 24 the year before. We also launched several new products, including our first Shariah-compliant credit card in November 2010. Buoyed by the resurgent economy, we did particularly well in Auto Loans and Credit Card loans which grew 55% and 44% respectively from the year before. Our business start-up loan or Mikro Laju proposition really took off in 2010, growing its portfolio by more than ten-fold, albeit from a low base of only IDR24.3 billion at the start of the year. We launched new retail deposit products for example, Deposito X-Tra, a fixed deposit account which pays interest upfront, and actively pursued deposits across other segments. Our combined efforts resulted in encouraging deposits growth all round, with retail and business deposits growing 29% and 31% respectively.

**Singapore**

Our Singapore consumer franchise saw its first full year of operations since its launch in September 2009. Despite being a late entrant into the Singapore retail banking market, and starting off with only one branch, our strategy of translating infrastructure cost savings into more competitive rates for customers has been remarkably successful. Retail deposits have crossed the SGD2 billion mark, our housing loan base has grown more than 11-fold year on year, while our credit card base has grown to 76,000 cards. Our product suite was also expanded to include more investment and bancassurance solutions to meet increasing demand from our growing customer base. Aside from this, we embarked on innovative advertisement and awareness campaigns to further cement our presence.

In September 2010 we launched our 2nd branch in the Knightsbridge shopping mall. Strategically located on Orchard road, our new branch opens from 10am to 10pm, seven days a week, offering our Singaporean and regional customers access to the full complement of banking services, and a comfortable and well-equipped Preferred lounge. We also launched two Bureau de Change outlets at Resorts World Sentosa, coinciding with the opening of the Integrated Resort.



CIMB Niaga's "Deposito X-Tra" advertisement



CIMB Bank Singapore's "Money Man" advertisement

## Thailand

In 2010, we focused primarily on our transformation agenda, and the realignment of our business model to target upper mass affluent retail customers, provincial SMEs and corporate customers in selected industries. We opened two new branches and established four more Preferred centres, bringing our branch network to 149 branches and our Preferred network to 12 centres. We launched a series of new products, achieving significant growth in fee-income based propositions. And despite the distractions in the operating environment arising from political unrest, and our continued emphasis on asset quality, we achieved commendable results with retail and business loans growing by 26% and 56% respectively from the previous year. CIMB Thai's deposits acquisition efforts were impacted by legacy systems limitations with retail deposits shrinking 5% year on year. Business deposits, however, grew 76% from the previous year. We are working on critical system upgrades which will address these shortcomings, and allow us to launch new products such as credit cards in the near future.



CIMB Thai's "Extra Cash" advertisement

## Regionally

In line with the Group's overarching goal of integrating our ASEAN universal banking platform, we have, in 2010, achieved substantial cross-border synergies across our regional consumer franchise. We successfully proliferated a number of product and service offerings across the region, realising significant economies of scale. We have fully regionalised our Preferred proposition – our customers now enjoy instant recognition and priority access to banking services and at any of our 90 Preferred centres across the region. In addition to this, we established regional SME desks in Malaysia, Indonesia, Singapore and Thailand to assist our business customers who have existing operations within, or who are interested in exploring these markets.



CIMB Group's regional advertisement

## Products and Services Regionalised

### ATM Link

Free of charge withdrawals across the Group's regional network of 3,878 ATMs



### CIMB AirAsia Savers

Strategic alliance with AirAsia with preferential interest rates and opportunities to redeem free flights



### CIMB@Work

Corporate employees scheme



### CIMB Junior

Children's banking proposition



### CIMB Clicks

Internet banking portal



# Corporate & Institutional Banking & Markets

The Group's Corporate & Institutional Banking & Markets business comprises **Corporate Clients Solutions**, our sales and marketing team for corporate and institutional clients; **Corporate & Investment Banking**, which encompasses corporate lending, and our equities and advisory products and services; and **Treasury & Investments**, which is responsible for the Group's treasury and debt capital markets activities as well as managing all our balance sheets.

Our investment banking leadership and our pioneering roles in innovative deals were once again reflected in an impressive haul of awards and accolades in 2010. We won The Banker's top investment banking award in Asia, "The Most Innovative Investment Bank from Asia", arguably the most prestigious recognition to have ever been given to an ASEAN investment bank. We were also named "Best Malaysian Investment Bank" for the 10th consecutive year by The Asset. A full list of major awards and accolades can be found on pages 084 to 093.

## Corporate Clients Solutions

Corporate Clients Solutions (CCS) is responsible for marketing and delivering complete universal banking solutions to our corporate and institutional clients by coordinating and packaging the Group's entire suite of products and capabilities. CCS is fully operational in Malaysia, Indonesia, Singapore and Thailand as well as the Middle East and Hong Kong.

CCS was instrumental in landing several of the region's largest investment banking deals. We also saw a significant increase in cross-border transactions, a key testament to the progress we have made in improving our coverage of ASEAN super-national companies.

## Corporate & Investment Banking

After a difficult 2009, regional economies and capital markets rebounded in 2010, resulting in a resurgence in deal activity throughout the region. We won a number of landmark deals across ASEAN and emerged, once again, as the clear leader in Malaysia and improved on our rankings in Indonesia, Singapore and Thailand, thus defending our position as ASEAN's largest indigenous investment bank.

In Malaysia, we were No.1 in stockbroking, initial public offerings (IPOs), mergers and acquisitions (M&As) and syndication. In Indonesia, we were No.2 in stockbroking and M&As, No.3 in syndication and No.4 in IPOs. We are still sub-scale in Thailand, but managed to improve to No.2 in IPOs. And in Singapore, we rose to No.3 in stockbroking and M&As. Globally, the Group ranked No.16 in IPOs, a remarkable leap from No.26 the year before.

While we managed many memorable transactions in 2010, there were several deals which truly cemented CIMB Group's regional investment banking credentials, and demonstrated the full extent of our ability to leverage resources across departments in-country and across borders. The USD20.5 billion AIA Group Ltd IPO was one such deal; CIMB Group was the only ASEAN bank, and only one of two Asian banks to be selected as a joint bookrunner of Asia's 2nd largest IPO in 2010. We were also the lead advisor and joint global

## CIMB Group's Rankings Across Regional Capital Markets

Countries	Rank
 <b>MALAYSIA</b>	
Stockbroking	1
IPO	1
ECM	1
M&A	1
Syndication	1
Bonds	
- Domestic	1
- Islamic	2
 <b>INDONESIA</b>	
Stockbroking	2
IPO	4
ECM	8
M&A	2
Syndication	3
Bonds	5
 <b>SINGAPORE</b>	
Stockbroking	3
IPO	16
ECM	10
M&A*	3
Syndication	-
Bonds	7
 <b>THAILAND</b>	
Stockbroking	29
IPO	2
ECM	8
M&A	12
Bonds	9
 <b>ASEAN</b>	
IPO	1
ECM	1
M&A	2
Syndication	4
Bonds	
- Domestic Currency	1
- USD	10

Sources: Dealogic, Bloomberg, Thomson Reuters, Local Stock Exchanges and internal data  
\* Values up to USD500 million

coordinator for the Petronas Chemicals Group IPO which raised RM14.8 billion, and was the largest ever in ASEAN, and the 5th largest in the world for 2010. We represented CVC Capital Partners Ltd in the IDR7.7 trillion acquisition of PT Matahari Department Store Tbk and syndicated the first ever Rupiah denominated leveraged buy-out loan on behalf of the acquirer, a multi-faceted deal made possible by the seamless coordination between our Malaysian and Indonesian investment banking franchises.

Aside from these deals, we were the joint bookrunner for the 2nd largest IPO in Indonesia; the joint bookrunner and joint lead manager for the 2nd largest IPO in Thailand in 2010; and we advised on the three largest M&A deals of the year in Malaysia. More details on these, and other notable deals can be found on the table on this page, and on pages 078 to 083.

In 2010, our corporate lending business enhanced its regional capabilities with the formation of the Global Corporates unit to cater to needs of our transnational clients. Our corporate loan book in Malaysia only grew 2.5% from the year before, due to large repayments from corporates able to refinance in the bond market; Indonesian corporate loans grew 22%, underpinned by strong economic growth while Thai corporate loans grew 9.7%. In Singapore, we grew 59% year on year as we were able to deploy the funds raised by our new retail banking franchise.

We established a Regional Transaction Banking unit, headquartered in Jakarta, to better align our regional capabilities in cash management and trade finance. We had an encouraging start, launching 22 new products in 2010 and we look forward to strong growth in this highly promising area in the near future.

We continued to dominate the structured warrants market in Malaysia; our equity derivatives unit issued a total of 93 structured warrants and 949 equity-linked investments, representing a growth of 33% and 115% respectively from the year before. We also became the first in ASEAN to issue Callable Bull/Bear Certificates.

We further harmonised our retail equities franchise across the region, rebranding it as “CIMB Securities” in Malaysia, Indonesia, Singapore and Thailand. In conjunction with this, we launched its new flagship branch at Tropicana City, Petaling Jaya.

Our Malaysian equities franchise emerged, once again, with most of the year’s top accolades, winning The Asset’s “Best Malaysian Equity House” for the 8th year in a row. And we swept the Asiamoney 2010 Brokers Poll in Malaysia for the 4th year running, ranking No.1 in 13 out of 19 categories, including Best Research, Best Sales, Best Execution and Best Local Broker.

#### Treasury & Investments

The Treasury & Investments division (Treasury) is responsible for the Group’s trading, market-making and sales businesses in interest rates, credit, foreign exchange, corporate bonds and commodities, in addition to the Group’s debt capital market bond origination franchise. Treasury is also responsible for the management of the interest rate risk and return profile of the Group’s banks’ loan and deposit balance sheets. Aside from this, Treasury is in charge of the investment of the Group’s shareholders’ funds and capital management for CIMB Group.

Treasury continued to capitalise on its regional platform as well as the regional economic recovery to post another very profitable year in 2010. We successfully closed a number of cross-border deals within the region and further cemented CIMB Group’s presence in ASEAN local currency markets.

In 2010, CIMB Group retained the No.1 position in ASEAN local currency bond markets (excluding self-led deals) with a market share of 12.2%. CIMB also defended its No.1 position in the global sukuk market, with a market share of 20.9%. We continued to be recognised as the premier bond house in ASEAN with bond house and bond deal awards from Finance Asia, Asiamoney, Euromoney, Alpha South East Asia and Islamic Finance Asia .

#### Notable IPOs Across the Region



##### AIA Group Ltd 2nd largest IPO in Asia in 2010

USD20.5 billion IPO on the Hong Kong Stock Exchange



##### Petronas Chemicals Group Bhd Largest ever IPO in ASEAN

RM14.8 billion IPO on Bursa Malaysia



##### PT Borneo Lumbung Energi & Metal Tbk 2nd largest IPO in Indonesia in 2010

IDR5.2 trillion IPO on the Indonesia Stock Exchange



##### Dusit Thani Freehold & Leasehold Property Fund 2nd largest IPO in Thailand in 2010

THB4.1 billion Property Fund IPO on the Stock Exchange of Thailand

### Notable Debt Transactions Across the Region



#### Government of Malaysia

##### Largest ever global sovereign sukuk

USD1.25 billion Trust Certificates issued via 1Malaysia Sukuk Global Bhd



#### Khazanah Nasional Bhd

##### Inaugural SGD sukuk issuance

SGD1.5 billion Trust Certificates issued via Danga Capital Bhd



#### Trans Thai Malaysia (Thailand) Ltd

##### First sukuk issuance by a Thai entity out of Malaysia's Islamic capital market

RM600 million Sukuk issued via TTM Sukuk Bhd

The foreign exchange (FX) sales department managed to take advantage of the regional economic boom, with our sales teams across the region reporting a significant increase in sales volume and market share. In 2010, Malaysia's FX sales volume increased by 72%, while Singapore reported a three-fold increase in sales. Similarly, sales turnover was up 48% and 33% in Indonesia and Thailand respectively.

Our outperformance was further reflected by a clean sweep of top honours in Asiamoney's Foreign Exchange Poll 2010, including "Best Domestic Provider of FX Services in Malaysia" for the 4th consecutive year and "Best for innovative FX products and structured ideas in Malaysia". We also defended our reigning title as "Best Foreign Exchange Bank in Malaysia" in FinanceAsia's Country Awards for Achievement 2010.

We deepened interest rates market-making capabilities across the region, catering for the hedging and transactional requirements of the entire Group's client base, from consumer customers to high-end institutional investors. We continued to sweep all the Asia Risk Interdealer Awards for Malaysia, and were particularly pleased when CIMB Niaga was recognised for its IDR capability for the very first time.

Our structured investment business faced a challenging year on the regulatory front. Despite this, we saw the business in Malaysia rebound significantly from 2009, where continued product innovation and client customisations have enabled CIMB to maintain its market-leader position. 2010 has also witnessed a dramatic increase in business-as-usual flow products in foreign exchange and interest rates.

We made great strides in Net Interest Income (NII) and Net Interest Margin (NIM) management as our capabilities in modeling and projection return sensitivities to risks were rolled-out across the region. This provided the Group with synchronised technology to manage risk, hedge, and optimise the NIIs / NIMs of the Group. Despite intense competition, the Group increased its NIM to 3.32% in 2010 from 3.28% in 2009 while growing its balance sheet by 12.0%.

Our active risk management and hedging also shield the Group from dramatic fluctuations in NIMs due to interest rate risk exposure. This is crucial in the volatile interest rate environment we are presently seeing across the region and globally.

In capital management, various steps were undertaken to strengthen the capital position of CIMB Group. CIMB Bank ended the year with Tier-1 ratio and RWCR of 14.5% and 15.4% respectively. The Tier-1 ratio and RWCR for CIMB Niaga as at end-2010 were 9.5% and 13.2% respectively and for CIMB Thai, 9.0% and 14.7% respectively. Key capital exercises included the issuance of RM750 million hybrid capital by CIMB Group, RM2 billion subordinated debt by CIMB Bank and two issues totalling IDR2.98 trillion of subordinated debts by CIMB Niaga. Double leverage and gearing of CIMB Group were maintained within our target range, at 113.8% and 17.8% respectively.

# Group Asset Management & Insurance

Group Asset Management (GAM) is responsible for the Group's fund management business. GAM manages both conventional and Shariah-compliant institutional and retail funds over a wide range of asset classes and geographies. Meanwhile, Group Insurance manages all our insurance joint ventures across the region and the development of bancassurance within our various consumer banking businesses.

## GAM's major fund management subsidiaries

CIMB-Principal Asset Management Bhd (CIMB-Principal)	60:40 fund management joint venture between CIMB Group and the Principal Financial Group
CIMB-Principal Islamic Asset Management Sdn Bhd (CIMB-Principal Islamic)	50:50 global Islamic investment management joint venture between CIMB Group and the Principal Financial Group
CIMB Private Equity and Venture Capital (CPE)	CIMB Group's wholly owned private equity and venture capital arm which provides equity capital to companies in a wide range of industries
Capital Advisors Partners Asia (CapAsia)	60:40 joint venture private equity firm between CIMB Group and South Africa's Standard Bank Group specialising in mid-cap infrastructure investments in ASEAN and Central Asia
CIMB-Mapletree Management Sdn Bhd	60:40 fund management joint venture between CIMB Group and Singapore's Mapletree Investments Pte Ltd which focuses on Malaysian real estate
CIMB TrustCapital Advisors Singapore Pte Ltd (CIMB-TCA)	70:30 fund management joint venture between CIMB Real Estate Sdn Bhd and TrustCapital Advisors Pte Ltd which looks at selected Australian real estate markets.

GAM had a satisfactory year in most business areas. We were pleased with the growth of assets under management (AUM) at CIMB-Principal, and at the profitable divestments across our private equity funds. We also further regionalised our asset management franchise with the acquisition of BT Asset Management in Thailand and the launch of CapAsia's new office in Jakarta.

We were, however, disappointed with further writedowns of our legacy investments at Private Equity and Venture Capital, but having concluded our valuation assessments, we do not anticipate major writedowns arising from legacy issues going forwards.

### CIMB-Principal's Top 5 Performing Funds in 2010

Fund	Return (1-year)	Average Return in Fund's Category (1-year)
<b>CIMB Islamic Small Cap</b>	+30.04%	+23.03%
<b>CIMB-Principal Equity 2</b>	+28.48%	+20.19%
<b>CIMB-Principal Equity</b>	+27.55%	+20.19%
<b>CIMB-Principal Wholesale Equity</b>	+27.11%	+20.19%
<b>CIMB-Principal Equity Aggressive 1</b>	+24.64%	+20.19%

Source : Lipper Hindsight

CIMB-Principal had a busy year in 2010 with its AUM growing by 23.6% from RM22.76 billion to RM28.14 billion, reflecting increased client confidence and greater demand for its new funds. CIMB-Principal also marked a significant milestone by launching Malaysia's first offshore exchange traded funds (ETFs), the CIMB FTSE ASEAN 40 Malaysia and the CIMB FTSE China 25 (formerly "CIMB FTSE Xinhua China 25"). CIMB-Principal Islamic had another quiet year but is steadily gaining traction with over RM1.40 billion in AUM as at end-2010.

We garnered a number of awards in 2010, in recognition for our achievements in fund management. Notable accolades include "Best Asset Manager in Southeast Asia" by Alpha Southeast Asia, validating our efforts to transform CIMB-Principal into an ASEAN investment manager with regional reach and expertise, "Best Institutional House (Malaysia)" and "CEO of the Year (Malaysia)" from Asia Asset Management for CIMB-Principal, and "Best Islamic Wealth Management Provider" by Islamic Finance News for CIMB-Principal Islamic. Our Shariah-compliant funds were particularly well-received in 2010; with the CIMB Islamic Equity Aggressive Fund, the CIMB Islamic Equity Fund, the CIMB Islamic Asia

Pacific Equity Fund, the CIMB Islamic DALI Equity Fund, and the CIMB Islamic Balanced Fund all receiving awards.

We continued to build on the success of our partnership with Standard Bank Group. We rebranded CIMB Standard, our fund management joint venture, to "Capital Advisors Partners Asia" (CapAsia), reflecting our collective desire to enhance its profile as a leading emerging markets infrastructure investor.

In 2010, GAM successfully launched and closed two private equity funds. In July, CPE was selected as one of three private equity fund managers for the Ekuiti Nasional Bhd's Outsourced Fund Management Programme with a mandate of RM125 million while in November, CIMB-TCA closed its maiden fund, CIMB-TrustCapital Australian Office Fund No 1 (AOF 1) with capital commitments of AUD162 million.

Several funds under GAM had also made distributions to their investors following successful disposals. CapAsia's maiden fund, SEASAF, made a distribution of USD21.1 million in 2010 after successfully exiting from International Medical University, realising a gross internal rate of return of 37% over the life of the investment. CIMB-Mapletree's maiden fund, CMREF 1, which is currently in active divestment mode successfully returned RM45.2 million of capital and RM8.04 million in profit during the year. As a result of the 2010 distributions, CMREF 1 has cumulatively distributed RM45.2 million of capital and RM46.0 million in profit since 2007. CPE restarted its divestment efforts, distributing RM37.1 million to investors in 2010.

Group Insurance operates on country-specific models in each of its key markets in the region, based on in-country capabilities and needs. Our joint ventures, CIMB Aviva in Malaysia and CIMB Sun Life in Indonesia, manufacture life insurance products for distribution at our branches in their respective markets. We also have partnerships with insurance providers such as Allianz in Malaysia and several major insurers in Indonesia to proliferate non-life insurance products. We do not develop insurance products in Singapore and Thailand as we do not possess the requisite scale,

but we have strategic alliances which enable us to distribute a comprehensive suite of insurance offerings at our branches.

In Malaysia, CIMB Aviva continued its transformation programme while continuing to be profitable. Embedded value (EV), the present value of expected future profits from existing policies plus market-adjusted net asset value, grew by 18% to RM460 million, compared to RM388 million the year before. Having been comprehensively restructured over the past three years, CIMB Aviva is today on much stronger footing and will forge ahead with renewed confidence. Our distribution partnership with Allianz did well, growing fee-income by 17% from the year before.

In Indonesia, we saw strong demand for insurance products across the board, in particular non-life products such as motor insurance which recorded 364% growth in fee based income. CIMB Sun Life, in its 2nd full year of operations, is on track to achieve greater economic scale with EV growing significantly from IDR45 billion in 2009 to IDR133 billion in 2010. Our insurance business in Singapore, although still in its early stages, saw encouraging growth in fee-income, aside from substantially widening its product suite. And we are excited about growth prospects in Thailand after sealing new exclusive distribution partnerships with Thai Life in life insurance and Ayudha Insurance in non-life products in 2010.

# CIMB Islamic

CIMB Islamic is the Group's global Islamic banking and finance franchise. It offers the full complement of Shariah-compliant financial solutions, operating in parallel with the Group's universal banking franchise.

2010 was certainly a defining year for CIMB Islamic as the franchise's revenue crossed the RM1 billion mark for the very first time. This is by all accounts remarkable given that we only initiated our Islamic balance sheet business five years ago.

The Group's total Islamic banking assets grew significantly from RM31.8 billion in 2009 to RM39.1 billion in 2010, representing a growth of 22.9% despite the increasingly competitive operating environment. The Group's total Islamic deposits surged 23.5% to RM24.9 billion from the year before.

We defended our position as the 2nd largest Islamic bank in Malaysia with our market share of total Islamic banking assets growing to 14.6% in 2010, an increase from 13.6% in 2009. Our Malaysian Islamic consuming banking business continued to show strong growth with retail financing assets and commercial financing assets surging 58.2% and 45.1% from the year before to RM11.7 billion and RM1.8 billion respectively. Retail and commercial deposits grew 39.1% and 122.0% from the previous year to RM2.5 billion and RM4.2 billion respectively. We also did well in Islamic corporate banking in 2010 with corporate financing assets expanding 18.6% to RM7.3 billion while corporate deposits grew 19.2% to RM2.2 billion.

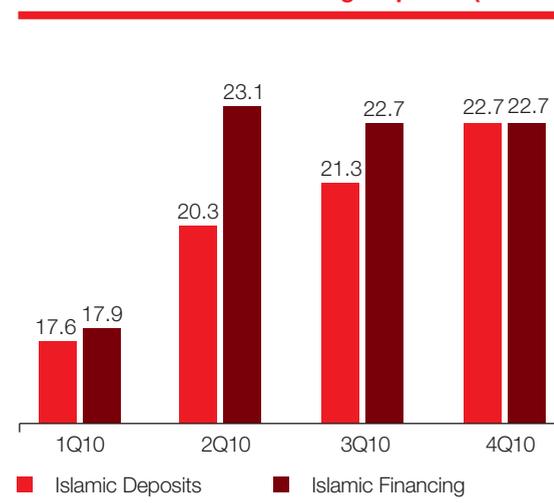
Our Islamic consumer franchise outside Malaysia has been slow to gain traction. Despite strong overall performance of our conventional consumer franchise in Indonesia, we still have not seen our

in-country Shariah banking proposition fully take-off. We will step-up our efforts to strengthen our capabilities and engage regulators and consumers to improve general acceptance for Islamic banking products and services.

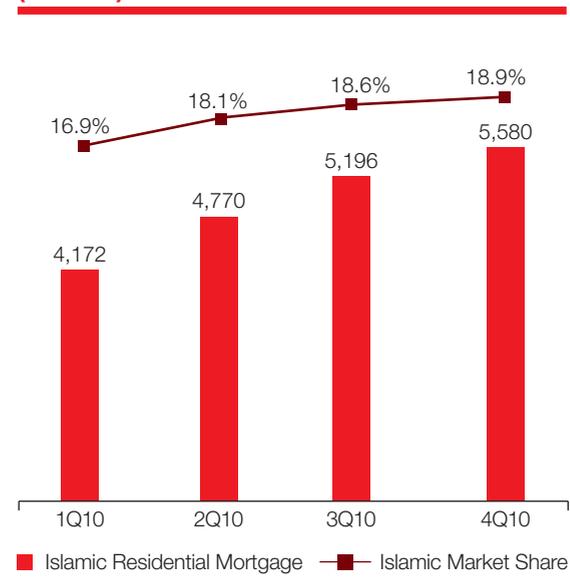
On the investment banking front, CIMB Islamic maintained its global leadership in sukuk issuance, accounting for 21% of the world's global sukuk market share. In Malaysia, we were the No.2 sukuk arranger with a market share of 29% in 2010. We continued to dominate in the Islamic IPO realm in 2010, leading major transactions such as the RM14.8 billion Petronas Chemical deal. Other notable capital markets deals include the Government of Malaysia's US\$1.25 billion 1Malaysia Global Sukuk Al Ijarah issue which was voted as Sovereign Deal of the Year by Islamic Finance News; the SGD1.5 billion Singapore Danga Capital Khazanah Malaysia Multi-Currency Program; and the RM600 million cross-border Sukuk Murabahah for Trans-Thai Malaysia (Thailand) Ltd.

CIMB Islamic's continued ascendancy in the region was reflected by its dominance in industry awards in 2010 which includes the coveted "Best Islamic Bank in Asia" award from most publications, namely, Euromoney, Islamic Finance News, The Asset, Asiamoney and Global Finance. While we are certainly proud of these, and numerous other awards, the highlight of the year was undoubtedly being recognised as "The Best Islamic Bank in Indonesia" by Asiamoney, our best ever accolade in Indonesia.

CIMB Islamic Bank Financing/Deposits (RM 'bil)



Islamic Residential Mortgage & Market Share (RM 'mil)



## Support Divisions

### Group Corporate Resources

Group Corporate Resources (GCR) is responsible for human resource management, administration & property management, and sports & recreation.

2010 was a watershed year for GCR as we accelerated efforts to drive regional integration of our staff, in line with our 2010 corporate theme “Unifying CIMB”. For example, we made very good headway in bringing people together and establishing intra-organisational camaraderie and *esprit de corps* with the CIMB SEA Games. In its 2nd year, the Games, held in Kuala Lumpur, involved numerous participants, volunteers and supporters from Malaysia, Indonesia, Singapore and Thailand across six sporting events. In the process, we witnessed the building and reinforcement of new and existing relationships across countries, departments and cultures.

We also regionalised team-building and leadership development programmes to ensure that our corporate culture and management ideals are cascaded consistently across the region. Inter alia, we partnered INSEAD, a leading global business

school, to establish the CIMB-INSEAD Leadership Programme (CLP) to develop and broaden the leadership perspectives of our next generation of regional leaders. Current senior management are actively involved in the CLP, where they play the roles of teachers, mentors and guides, helping to build a strong cadre of future leaders. Over 60 senior executives participated in the CLP in its first year in 2010. We also partnered other leading talent development providers such as the Center for Creative Leadership to jointly develop regional coaching and other mid-level management programmes for our pool of in-house talents.

Our much sought-after management trainee programme continues to redefine benchmarks in the financial industry. In 2010 we trademarked our The Complete Banker programme “TCB™”, further institutionalising our commitment to provide young graduates well-rounded training in the fundamentals of universal banking. We accepted 130 TCBs in 2010, and were pleased with the increasingly regional composition of our trainees. More importantly, we have introduced the novel element of regional postings for the trainees

after their second year, to familiarise them with the intricacies of operating across different business and cultural environments.

Indeed, we were pleased that our commitment to be an employer of choice was once again recognised, when CIMB Group was voted the No.1 preferred employer for fresh graduates at Malaysia’s 100 Leading Graduate Employers Award under the Banking/Investment/Financial Services/Regulatory sector for the 2nd consecutive year, aside from winning other awards and accolades.

To stay abreast of current recruitment trends, we developed a platform to leverage on the increasing emphasis in the use of online channels to attract new hires – we launched the Virtual Career Fair (VCF), an online portal to showcase our businesses and advertise the Group’s regional employee opportunities. Offering a differentiated proposition from other recruitment sites, the VCF allows visitors to interact with our recruiters in real time via live online chat, with the convenience of doing so anytime, anywhere. The VCF has been very well-received by the public, garnering over 6,000 registrants from over 40 countries in one month since its inception in November 2010.

Capacity building continues to be a major priority for the Group, and we invested further in 2010 to address the challenges of providing innovative, consistent and cost-effective training to our staff across the region. We accelerated our e-learning programme, launching 16 new learning modules in 2010, a significant increase from only two in the year before. E-learning has been very popular amongst staff, allowing them to learn effectively at their own pace, at their own convenience. We will further enhance this learning channel, and step-up the addition of new content going forwards. The e-learning modules will be incorporated as a core feature of our HR Information System (HRIS) which was implemented in July 2010. Once the HRIS is fully regionalised, it will provide a powerful platform from which we will be able to harmonise HR administration as well as talent development and management across the Group.



CIMB Virtual Career Fair

### Group Strategy and Finance

Group Strategy and Finance (GSF) is responsible for developing, executing and managing the Group's strategic initiatives as well as financial measurement and reporting.

In 2010, GSF focused largely on the tracking and implementation of various transformation initiatives to accelerate their progress and to deepen integration of new components into our regional model.

In CIMB Niaga, we launched "Transformation 2" (T2), a continuation of the transformation agenda which was initiated after the Niaga-Lippo merger in 2008. T2 is a multi-year programme which will sharpen CIMB Niaga's focus in high-margin lending, diversify its revenue stream, improve cost efficiencies, and strengthen its human capital base. 2010 was also the 2nd year of CIMB Thai's transformation agenda, and highlights include the restructuring of its businesses to streamline reporting structures aside from creating better regional alignment; revamping its insurance business with the signing of strategic partnerships,

and the disposal of non-core operations; and the sale of NPLs with a net book value of THB2.9 billion to CIMB Group.

It was a relatively quiet year on the acquisitions front for the Group. In March 2010, we completed the purchase of a majority stake in Touch 'n Go Sdn Bhd (TnG), raising our shareholding in the company from 20.0% to 52.22%. TnG's e-payments platform, as well as its strong brand, complements our existing Malaysian retail payment solutions very well. In August 2010, we acquired an additional 19.67% stake in CIMB Niaga from Khazanah Nasional Bhd, raising our shareholding to 97.93%.

Our proposed dual listing on the Stock Exchange of Thailand (SET) did not go through in 2010 as we are still awaiting resolution on the double-taxation issue where under present regulations, Thai investors would be taxed by both Thai and Malaysian authorities on distributions. We remain committed to this dual listing exercise, as it will further expand and diversify our shareholder base while enhancing our visibility in Thailand.

We made great strides in our annual Blue Ocean Strategy (BOS) competition in 2010. For the first time, since its inception in 2007, we extended the competition across our key markets of Malaysia, Indonesia, Singapore and Thailand. We were once again overwhelmed by the number of submissions, which totalled 5,188 entries, a significant increase from 3,300 the year before. The BOS competition continues to be an innovative way to encourage and reward creative thinking amongst our people, irrespective of age, experience or seniority.

In Finance, we achieved a significant milestone in 2010 when we became the first ASEAN bank to fully implement FRS139 across all regional subsidiaries. One of the significant changes which came with this new accounting standard is the way we administer provisions. FRS139 provides a more reflective view of our loan loss exposures based on more comprehensive assessment criteria which include both individual capability to service debt, and historical considerations. Overall, with the implementation of FRS139, we have improved the Group's ability to proactively detect and provide for impaired loans.



2010 Blue Ocean Competition winners

### Group Risk Management

Group Risk Management (GRM) is responsible for identifying, monitoring, analysing and reporting the principle risks to which the Group is exposed to. It employs independent credit evaluation, using forward-looking risk methodologies to comprehensively assess and manage risk exposures.

The risk environment continued to be challenging in 2010 as quantitative easing in developed economies provided impetus for asset price inflation, especially in Asia, leading to heightened credit risk. Additionally, the growing inter-connectivity of global markets and industries increases the likelihood of rapid risk transmission across asset classes.

The Group constantly reviews its risk profile taking into account market dynamics and our business strategies. We met the Group's loans growth target of 12.0% for 2010 while simultaneously improving asset quality, validating our risk-reward paradigm. We also continued to be forward-looking in building our risk infrastructure, laying the foundations which will enable us to grow with confidence.

We achieved a significant milestone when we received Bank Negara approval for full migration to the Internal Rating-Based (IRB) approach under the Basel II Capital accord, one of the first banks in Malaysia to do so. With further regulatory tightening on the near horizon, we have also proactively taken steps to incorporate Basel 3 requirements into the Group's framework for capital management and liquidity risk management.

A comprehensive review of our risk management policies and initiatives can be found on pages 134 to 141.

### Group Information and Operations

Group Information and Operations (GIOD) is the operations and technology hub of the Group. GIOD operates across the Group's divisions and departments, enabling their operation systems, and information technology (IT) processes. GIOD is also responsible for the back office operations



*A Tele-Presence meeting in session*

of the Group, as well as our operational risk monitoring and compliance framework.

2010 was an eventful year for GIOD which managed over 200 projects across the region to enhance the Group's operations. We made good progress in rolling-out 1View, our new sales and service platform. Launched in 2009, we expect to take several years to fully implement 1View due to the scale and complexity of the required IT and systems transformation. We rolled-out the first phase of 1View across all Malaysian branches by March 2011 and were encouraged by early signs of success where 1View-equipped branches reported a noticeable uplift in sales. We anticipate even better results going forwards as subsequent phases of 1View are progressively implemented.

Our 1Platform core banking project remains on schedule. We have selected CIMB Thai as the first component of CIMB Group to implement 1Platform, and have based our entire 300-member project team in Bangkok to develop its first release, targeted for the first quarter of 2012.

2010 also saw the regionalisation DOME (Developing Operations Management Excellence), our operations management framework which combines industry best practices and continuous improvements to drive better productivity and cost efficiencies. First launched in Malaysia in 2009, we extended it across Indonesia, Singapore and Thailand in 2010 to create a regional culture of operational excellence.

While most IT projects take years to realise their full benefits, we were pleased when we achieved near-instant results with the launch of our Tele-Presence (TP) system. Vastly superior to video conferencing, TP allows our people to have face to face conversations in almost real-time, greatly increasing productivity, and reducing travelling costs, even as the Group becomes more and more regional.

### Group Marketing and Communications

Group Marketing and Communications (GMCD) continued to bring the CIMB brand forward in 2010. Leveraging on the rebranding efforts throughout Indonesia, Singapore and Thailand in 2009, we continued to portray CIMB as an ASEAN champion, one with great depth in the local markets we operate in, and at the same time a franchise with a full suite of regional capabilities.

2010 was also the year where we made the decision to harmonise the colours of our brands. Whilst our multi-colour brand strategy has worked tremendously well for us, it is time for a refresh in line with how our businesses have grown, and our aspirations for the future. As such, we have begun an effort that will see all CIMB brands turning red across the region. We hope this will bring about greater togetherness in our people, and at the same time build a singular and strong CIMB brand that will be well-recognised across the region.

The internet has truly changed the way we communicate, and as a sign of moving with the times, we were one of the first regional banks to put in place a social media strategy, to connect to consumers through various social media channels. Launched in 2010, our Facebook page today has over 130,000 fans, the largest fan base among regional banks. CIMB Group also resolves customer issues via Twitter, enabling customers and us to communicate with each other in a manner which is informal, yet effective.

The Group also took on large, ambitious and prestigious projects, such as the title sponsorship of the CIMB Asia Pacific Classic tournament, the first PGA TOUR-sanctioned annual tournament in ASEAN. This was one of the top 10 tournaments in the world by prize purse outside of the Majors and the World Golf Championships, and also the largest event sponsorship which the Group had undertaken. We leveraged on the PGA TOUR brand, and showcased CIMB Group on a global stage with widespread media coverage reaching 400 million households. The Group also took this opportunity build closer ties with its clients and other key stakeholders through the tournament and other satellite events associated with the tournament. Staff engagement was also a key



*The CIMB Asia-Pacific Classic advertisement*

factor as 200 staff from all across the Group's network worked throughout the tournament week to make it a success.

In terms of corporate social responsibility (CSR) in 2010, CIMB Group disbursed a total of RM22 million in the three focus areas of Community Development, Sports and Education, in addition to donations for humanitarian relief. CIMB Foundation's flagship programme, Community Link, which is underpinned by the consumer banking network of CIMB Group, went regional, with 22 pilot projects in Indonesia, Singapore and Thailand.

We also held a launch ceremony for the seven schools built under the CIMB-The Star Padang Relief Fund on 6 January 2011, officiated by the Governor of West Sumatra, Irwan Prayitno, the Mayor of Padang, Fauzi Bahar, and other dignitaries, including representatives of the Fund's corporate donors. We were proud to have been able to manage the Fund, and to ensure that the monies were well-spent for the projects. This was the result of the combined efforts of various divisions of the Group in Indonesia and Malaysia, including the Marketing and Communications teams of both CIMB Group and CIMB Niaga, and the property management arm of CIMB Niaga as well as CIMB Niaga's branches in Padang.

We were gratified that our CSR efforts were recognised when we won the Prime Minister's CSR Awards 2010 for two categories – Community & Social Welfare, and Culture & Heritage in Malaysia. This was a big boost for the Group, particularly for the thousands of CIMB Bank and CIMB Islamic staff who form the backbone of our Community Link programmes. We also won the "Best CSR Award" from the Minority Shareholders Watchdog Group, and were shortlisted as a finalist in the StarBiz-ICR Malaysia Corporate Responsibility Awards 2010.



Bringing the region



# CLOSER

across ASEAN

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This year we entered our 8th ASEAN market in Cambodia and CIMB is today ASEAN's leading universal banking franchise providing the region's widest network of over 1,000 branches. Our regional scale and network enable us to access the vast untapped opportunities within ASEAN and contribute towards enriching the region's resources. Initiatives such as the CIMB Regional Scholarship provide an impetus for ASEAN's economic, cultural and social integration by producing shared regional resources, encouraging intra-ASEAN linkages and promoting an ASEAN marketplace.

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# Investor Relations

2010 was an eventful year for the Group's Investor Relations (IR) as stakeholder interest escalated in line with the resurgence in regional economies, bringing about increased awareness from the global investment community. The Group's IR unit intensified its efforts to optimise shareholder communication to cater to the Group's elevated visibility.



In 2010, the Group IR unit established a regional operating platform with the inclusion of CIMB Niaga and CIMB Thai's IR teams. This standardised and coordinated the Group's IR messaging across all entities to ensure a high standard of investor communication and corporate governance across the Group's regional footprint.

As the post-economic crisis environment entailed heightened investor awareness on financial institutions globally, the IR team was constantly updated on regulatory issues and changes within the industry and across Asean. Developments on the implementation of FRS139 and Basel II over 2010, and even new Basel 3 proposals, were communicated to uphold transparency, ensuring that all stakeholders are informed at all times.

With a strong domestic and foreign institutional shareholder base, it was imperative that stakeholder interests were met through solid corporate governance policies with timely

dissemination of accurate information with high levels of disclosure and accountability. IR activities were predominantly conducted by the most experienced members of senior management, namely the Group CEO and Group Deputy CEOs, along with the Head of Investor Relations. These are supplemented by the Group CFO, the CIMB Niaga CEO and CFO, CIMB Thai CEO and CFO as well as selected division heads to allow the investment community greater access to senior management.

Engagement with the institutional investment community was conducted regularly. The Group conducted 3 analyst briefings and a conference call for the quarterly results announcements in 2010, with the Group CEO presenting the financial performance, providing clarity on the effects of FRS139 and Basel II as well as updating on the Group's key performance indicators and prospects.

Although the number of in-house one-on-one and teleconference meetings remained relatively unchanged at 125 for the year, the number of research analysts and fund managers met rose by a significant 50% to 256. This translated to more efficient use of senior management's time whilst reaching out to a larger investor audience.

CIMB Group's commitment to IR extended beyond Malaysian borders with participation in regional and global conferences around the world namely, the BNP Paribas ASEAN conference in Singapore, the Credit Suisse Asian Investment Conference in Hong Kong, the UBS ASEAN and India conference in Singapore and the Nomura Invest Malaysia conference in Tokyo. On the domestic front, the Group participated in the Nomura/Maybank Invest Malaysia 2010 conference. In total, a further 158 fund managers were engaged with at these roadshows.



Research analysts at CIMB Group's First Quarter 2010 Financial Results analyst briefing on 20 May 2010



Steven Tan presenting to research analysts from Thailand on 30 April 2010



The Group's 53rd Annual General Meeting on 7 May 2010

Commencement of a comprehensive shareholder analysis allowed the IR unit to better coordinate and customise meetings with the right people at the right times. The Group's foreign shareholding edged up to 42.6% as at end-2010 compared to 40.8% a year ago. The consistent IR undertakings coupled with strong investor interest in Malaysia was reflected in strong coverage by 28 equity research analysts in 2010.

Senior management were able to connect with retail shareholders at the Group's 53rd Annual General Meeting (AGM) in May 2010 and the Extraordinary General Meeting (EGM) in July 2010 where the Group sought shareholders' approval for the acquisition of the additional 19.7%-stake in CIMB Niaga. At both forums, retail investors were able to voice their opinions, queries and views to management and the board of directors, and receive immediate feedback.

The Group further expanded usage of online channels to deliver the IR message and engage both retail and institutional stakeholders. The IR webpage was the principal avenue with increased hits and queries. Communication with the retail investors were significantly enhanced via the Group's Facebook and Twitter initiatives.

The Group's IR initiatives continue to be recognised, winning Best Investor Relations in Malaysia from FinanceAsia and IR Magazine Southeast Asia.

The Investor Relations unit of the Group is headed by Steven Tan Chek Chye, Group Strategy and Finance, CIMB Group.

Investor queries may be addressed to the Investor Relations unit through the following contact person:

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**Steven Tan Chek Chye**

Head of Investor Relations  
Group Strategy and Finance

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Steven obtained his bachelor's degree in business and majoring in accountancy from RMIT University of Melbourne, Australia. He had accumulated 15 years of experience as a sell-side equity research analyst in several firms including BNP Paribas (Malaysia) and Kim Eng Securities before joining CIMB Securities in May 2003 as a senior research analyst. He transferred to the Group Strategy division in September 2008 and was appointed to his current position in January 2009.

Tel : 603 2084 9696  
E-mail : [steven.tan@cimb.com](mailto:steven.tan@cimb.com)

# International Advisory Panel

CIMB Group established an International Advisory Panel (IAP) in 2006 to assist the Board and top management in formulating strategies and generating ideas in its efforts to expand the Group's business operations internationally.



## Tun Musa Hitam:

“Over the past 5 years, CIMB has grown from a grouping of newly acquired banks to become the **integrated regional franchise** that it is today. It should fully leverage its ASEAN underpinnings, and its regional expertise to become the banking partner of choice for the region's people and their businesses.”

Led by its Chairman, Tun Musa Hitam, the IAP members comprise a range of nationalities whose collective experience spans a broad spectrum of markets and industries - domestic, regional and international - in various leadership capacities including policy formulation and academia. In 2010 the Group welcomed Tan Sri Rainer Althoff onboard as a member as the IAP. As current Chairman of Nokia Siemens Networks Malaysia, and former President and CEO of Siemens Malaysia, Tan Sri Rainer brings with him a wealth of experience from the corporate sector, as well as his global perspectives and network.

The IAP meets every year before the Group's Annual Management Dialogue so that the views of the IAP members are incorporated into the Group's business plans and strategies for the coming year. Meetings are held in countries in which the Group has operations, and in previous years, IAP meetings have been hosted in Malaysia, Singapore, Indonesia and Thailand.

In 2010, the 5th IAP meeting was held in Phnom Penh, to coincide with the launch of CIMB Bank in Cambodia. In addition to the launch ceremony, the IAP members also joined a reception and dinner in the evening which was attended by the Governor of the National Bank of Cambodia, other Cambodian regulators and officials, as well as the customers and staff of our fledgling branch.

The IAP discussion this year focused on the different aspects of CIMB Group's regional proposition to various customer segments and stakeholders. The panel also looked into the resources which support the regional agenda of the Group, including human resources, risk

management, information technology (IT) and branding. In addition, the Group's community engagement activities by way of corporate social responsibility was discussed.

The panel members voiced their optimism for the economic prospects of ASEAN, the Group's core operating market. They opined that ASEAN's time has come, being strategically located at the geographical and cultural crossroads of the larger Asian region, against the backdrop of the ascension of China and India. There was broad agreement on the opportunities which lay before the Group, namely the dramatic expansion of trade and investment flows, and the rise of Asian corporates and consequently the increase in demand for the services of banks which are intricately familiar with the region. The panel members urged the Group to capitalise on its position as a leading ASEAN bank, and to entrench itself as the region's financial intermediary of choice for domestic as well as global clientele.



## Tan Sri Rainer Althoff:

“It is important for any **transnational organisation** to ensure that its management acquires adequate exposure to its **cross-border operations** - well exposed managers make the best leaders.”

# Our Alliances

As at 31 March 2011

**CIMB Group's geographical reach and its products and services are complemented by smart partnerships.**



Bank of Tokyo-Mitsubishi UFJ





**CIMB**



**ASIA PACIFIC  
CLASSIC *MALAYSIA***

A large, dark blue silhouette of a golfer in the middle of a golf swing, set against a lighter blue background. The golfer is positioned on the left side of the frame, with the club head extending towards the right. The silhouette captures the dynamic movement of the swing, from the backswing down to the follow-through.

“With the CIMB Asia Pacific Classic, we bring world-class golf to ASEAN and associate our brand with the sport at the very highest level. Our inaugural tournament was a resounding success and we will build on this with the usual determination that has become a hallmark of the CIMB DNA.”

*Dato' Sri Nazir Razak, Group CEO*







# CIMB ASIA PACIFIC CLASSIC

M A L A Y S I A

Golf is a sport that has huge appeal among CIMB Group's key customer segments across the region. As such, in 2010, the Group was pleased to partner with the world's most prestigious golf tour – the PGA TOUR – to jointly create the “CIMB Asia Pacific Classic, Malaysia” a new annual TOUR-sanctioned tournament, the first in the ASEAN region.

By far the biggest professional golf tournament ever hosted in Malaysia and one of the most significant sporting events in the region, the CIMB Asia Pacific Classic's USD6 million prize purse ranks it among the top 10 tournaments in the world in terms of prize purse (apart from the World Golf Championships and Majors), in the same league as top regular season tournaments on the PGA TOUR sponsored by some of the world's biggest companies.

With a field comprising the top 25 available players off the final FedExCup rankings, the top 10 available players off the Asian Tour order of merit and five sponsor's exemptions, the CIMB Asia Pacific Classic played host to the strongest field the region has ever seen with the collective presence of star players such as Ernie Els, Luke Donald, Rickie Fowler, Adam Scott, Y.E. Yang and Noh Seung-yul.

The Group used two sponsor's exemption slots to enable Shaaban Hussin of Malaysia and Lam Chih Beng of Singapore to join the field through the Malaysian and Regional qualifying tournaments respectively.

Throughout 2010, the Group invested in a range of run-up tournaments and customer events to ensure that this sponsorship significantly enhanced our customer relationships, staff engagement and the international recognition of the CIMB brand. Judging from the enthusiastic response from golf fans as well as our customers and staff volunteers from around the region and across the world, we have successfully fulfilled the region's growing interest in world-class professional golf.

#### The final scoreboard

Player	Today	Rank	Total
Ben Crane	-2	1	-18
Brian Davis	-5	2	-17
Martin Laird	-5	T3	-16
Luke Donald	-4	T3	-16
Robert Allenby	-7	T5	-14





# The Launch of Retail

25 Au

In 2010, there were over 200 CIMB Group events involving the full range of our business. The events featured in the following pages are only a selection of the highlights of the year from across the region.

(USD)

64

Launches of campaigns, products and services



**MB BANK**

Corporate Event Highlights

**Forex Foreign Cash ATM**

**August 2010**



## Corporate Event Highlights

### Launches of campaigns, products and services

## January

- 01** Dato' Mohd Shukri Hussin and Tan Beng Wah at the launch of CIMB Wealth Advisors' new logo.
- 02** Badlisyah Abdul Ghani and Muhammad Fikri Mohamad Rawi jointly launching the EasyLife Takaful Series which comprises 5 key products: EasyLife Takaful Men, Women, Kids, Retirement and Health.
- 03** Dato' Sulaiman Mohd Tahir, Campbell Tupling and Raymond Tang at the launch of CIMB-Principal China-India-Indonesia Equity Fund.
- 04** Chu Kok Wei briefing the press at the launch of Best of Asian Giants Access NID-i, an investment product that maximises the potential of investing in China, India and commodities.



01



02



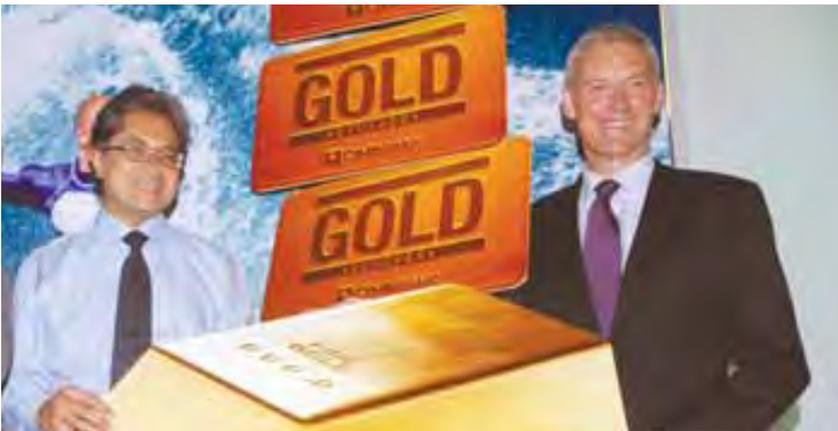
03



04

## February

- 05** Dato' Sulaiman Mohd Tahir and Peter England jointly launch the "Go For Gold" campaign, a nationwide deposit campaign.
- 06** Ong Keat Seang, the Grand Prize winner of the CIMB Bank's e-Debit Use & Win campaign, stands next to his newly won Perodua Viva Elite. With him are Basharuddin Abdul Wahid and Mohd Hamizan Abdul Hamid, Manager, Smart Card Services of Meps.



05



06

## March

- 07** Subhak Siwaraksa and Tassapon Bijleveld, Chief Executive Officer, AirAsia Thailand, jointly launch the new online savings account "CIMB Thai AirAsia Savers Account". Looking on is Surachai Chitratsenee.



07

## April

- 08** Tan Sri Muhyiddin Hj. Mohd Yassin, Deputy Prime Minister of Malaysia, launching the CIMB Clicks ASNB funds top-up facility. The online facility allows all ASNB investors to purchase additional units via CIMB Clicks.



08

## Corporate Event Highlights

### Launches of campaigns, products and services

## May

- 09** Ibu Ani Yudhoyono, First Lady of Indonesia, Puan Sri Idayu Lianti, Sranya Marti Natalegawa and Dotty Suraida Rasyid at the launching ceremony of “Rumah Kita”, a shelter for Indonesian domestic workers in Kuala Lumpur. Also with them are the first batch of residents of Rumah Kita.
- 10** Dato’ Sri Nazir Razak, Peter England and Datuk Dr Sheikh Muszaphar Shukor Sheikh Mustapha, Malaysia’s first astronaut, at the launch of CIMB Junior, an integrated value-added product proposition exclusively designed for children aged 12 years and below.
- 11** The grand prize winners of CIMB Prime Plan American Idol Challenge, Jacob Samuel and Wan Faziatul Amira, receiving their prizes - an all-expense-paid trip to Los Angeles - from Peter England.



09



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11

## June

- 12** Dato' Sri Nazir Razak, Raja Noorma Othman, Graham Thomas, Global Head of Standard Bank Principal Investment Management, and Dr Johan Bastin at the rebranding of CIMB Standard to CapAsia.



12

## July

- 13** Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia, Dato' Charon Wardini Mokhzani and Lim Jong Hau at the launch of Callable Bull/Bear Certificates, an alternative and cost-effective option for investors to gain from the performance of companies listed on Bursa Malaysia.
- 14** Dato' Charon Wardini Mokhzani and Paul Gui at the launch of iTradePro, an online share trading service by CIMB Securities.



13



14

## Corporate Event Highlights

### Launches of campaigns, products and services

## August

**15** Dato' Sri Nazir Razak, Arwin Rasyid, Ilias Ridwan and Susanto Chandra from PT Aprimas Indonesia at the launch of a strategic partnership to roll-out BizChannel in Malaysia, Indonesia, Singapore and Thailand.



15

**16** Dato' Sri Nazir Razak and Iswaraan Suppiah together with the representatives of the key partners for 1 Platform: Thean Nam Yew, Managing Director (ASEAN) Acenture Solutions Sdn Bhd, Goh Peng Ooi, Chairman of Silverlake Axis, Ramanathan Sathiamutty, Managing Director, IBM Malaysia Sdn Bhd and Lars Bengtsson, Managing Director (ASEAN) IDS Scheer. 1 Platform is a regional IT and operations framework which unifies CIMB Group, enabling the Group to compete as a truly regional bank.



16

**17** Dato' Lee Kok Kwan launches CIMB Max InvestSave Structured Deposit in Singapore, a long-term investment product that offers local investors maximum flexibility and returns. Looking on is Mak Lye Mun.



17

**18** Dato' Sri Nazir Razak and Peter England jointly launch the Retail Forex for Foreign Cash ATM, making CIMB Bank the first bank in the region to offer customers the convenience of withdrawing foreign currency through ATMs.



18

## September

- 19** James Rompas and Dharmadi, President Director of PT Indonesia AirAsia, at the launch of CIMB Niaga AirAsia Savers Account.
- 20** Dato' Sri Nazir Razak, Peter England and Badlisyah Abdul Ghani at the launch of the "2 Good 2 be True" deposit campaign.



19



20

## November

- 21** Peter England together with Johan Aris, AirAsia's Regional Head of Financial Services and Loyalty, reward the 100,000th CIMB Bank AirAsia Savers account holder, Ashraf Waleed Ahmad Shilbaya, with two return tickets to Hong Kong and a RM5,000 travel allowance.



21

## December

- 22** Tan Sri Dato' Md Nor Yusof, Dato' Sri Nazir Razak and Jean Yap at the launch of the CIMB Bank-Eraman Duty Free Extravaganza. Together with them are Tan Sri Datuk Dr Aris Othman and Tan Sri Bashir Ahmad, Chairman and Chief Executive Officer of Malaysia Airports Holdings Berhad respectively. Also with them is Umar Bustaman, Chief Executive Officer of Eraman Malaysia.



22

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Deal-related events



บริษัท ซีไอเอ็มบี ไทย จำกัด  
ต่อ...ได้ม  
ธุรกิจของ  
ด้วยเงินทุน...และทีมงาน



CIMB INNOVATION CENTER

novation  
Center

(บริษัท)

การ  
ร่วมมือ



## Corporate Event Highlights

### Deal-related events

#### March

- 01** Ryuichi Kaga, Resident Executive Officer for Asia and Oceania, Japan Bank for International Cooperation (JBIC), and Dato' Sri Nazir Razak, exchange documents after signing an agreement formalising a long-term USD300 million facility by JBIC for businesses across ASEAN to be disbursed through CIMB Group in the region. Together with them are H.E. Masahiko Horie, the Japanese Ambassador to Malaysia, Tan Sri Dato' Md Nor Yusof, Arwin Rasyid and Subhak Siwaraksa.



01

#### April

- 02** Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education Malaysia, launching Masterskill University College's prospectus for its IPO. Looking on are YTM Raja Dato' Seri Azureen binti Sultan Azlan Shah, Chancellor of Masterskill University College, Dato' Sri Edmund Santhara, Chief Executive Officer, Masterskill Education Group Berhad and Dato' Charon Wardini Mokhzani.



02

## May

- 03** Dato' Charon Wardini Mokhzani, Datuk Amar Awang Tengah Ali Hassan, Second Minister of Planning and Resource Management and Minister of Public Utilities of Sarawak, Datuk Seri Mahmud Abu Bekir Taib and Tun Chee Ching of Sarawak Cable Berhad at the company's IPO prospectus launch.
- 04** Dato' Sri Mohd Najib Tun Abdul Razak, the Prime Minister of Malaysia, Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor Bank Negara Malaysia, Tan Sri Dr Wan Abdul Aziz bin Wan Abdullah, Secretary-General of Treasury, Ministry of Finance and Dato' Sri Nazir Razak at the official launch of the Government of Malaysia US Dollar Benchmark Global Sukuk Offering.



03



04

## June

- 05** Sharon Lim, Chief Executive Officer, CapitaMalls Malaysia Trust and Dato' Sri Nazir Razak during the CapitaMalls Malaysia Trust prospectus launch in conjunction with its listing on the Main Market of Bursa Malaysia Securities Berhad. The launch was officiated by H.E. Mr. T Jasudasan, High Commissioner of Singapore. Together with them is Jennie Chua, Chief Corporate Officer, CapitaLand Limited.
- 06** Surachai Chitratsenee and Preeda Klinted, Managing Director of Homemart Home Solutions Co. Ltd., Home Renovation Center, seal the deal for CIMB Thai to provide SME customers with business premises loans up to THB20 million per customer for renovation purposes while Home Renovation Centre will provide professional renovation services.



05



06

## August

**07** KC Kok and Zainal Abidin Ahmad, Executive Director of Perodua Auto Corporation Sdn Bhd, exchanging documents after signing the memorandum of understanding to provide companies in Perodua's supply chain with better financing packages. Looking on are Dato' Charon Wardini Mokhzani, Badlisyah Abdul Ghani, Aminar Rashid Salleh and Osamu Oaki from Perodua.



07

**08** Dato' Charon Wardini Mokhzani exchanging documents with Azhar Othman, Chief Financial Officer of Proton after formalising Shariah-compliant chain financing solutions for all Proton vendors. It was witnessed by Dato' Sri Nazir Razak and Dato' Hj Syed Zainal Abidin Syed Mohamed Tahir, Group Managing Director of Proton. Looking on are Badlisyah Abdul Ghani and Klaus E. Liske Director of Group Procurement, Proton.



08

**09** Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor of Bank Negara Malaysia, at the launch of the Islamic Development Bank's RM1 billion Sukuk Medium Term Notes Programme on Bursa Malaysia. Also present are Badlisyah Abdul Ghani, Dr. Abdul Aziz Al-Hinai, Vice President of Finance in IDB, Tun Mohamed Dzaiddin Abdullah and Datuk Yusli Mohamed Yusuff, Chief Executive Officer of Bursa Malaysia Berhad.



09

## October

- 10** Dato' Sri Nazir Razak exchanging documents with Kevin Jones, Senior Vice-President for Asia Pacific and Japan, Hewlett Packard Malaysia Sdn Bhd, formalising HP's Shariah term financing facility. The event was witnessed by Datuk Badlisham Ghazali, Chief Executive Officer, Multimedia Development Corporation (MDeC).



10

## November

- 11** Tan Sri Muhyiddin Hj. Mohd Yassin, Deputy Prime Minister of Malaysia, Datuk Wan Zulkiflee Wan Ariffin, Chairman, Petronas Chemicals Group Bhd and Tan Sri Dato' Md Nor Yusof at the launch of Petronas Chemicals Group's prospectus for IPO.



11

## December

- 12** Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia, at the listing of the IDB Sukuk on Bursa Malaysia. Looking on are Tun Muhammad Dzaiddin Haji Abdullah, Chairman of Bursa Malaysia, Datuk Dr Syed Muhamad Syed Abdul Kadir and Dr Ahmed Mohamed Ali, President of IDB.



12



36

Branch openings



## Corporate Event Highlights

### Branch openings

#### February

- 01** Bernard Thien and Wan Wei Yong, Director of Trading and Controlling of Exchange Members, PT Indonesia Stock Exchange, jointly launch the CIMB Securities branch in Semarang, Indonesia.



01

#### March

- 02** Paul Gui hitting the gong to signify the opening of CIMB Investment Bank's Sibu branch. Together with him are Elango Kuppusamy, Peter Tan and Ken Wong.



02

#### May

- 03** Herman Abdullah, Mayor of Pekanbaru, declares open the CIMB Niaga Syariah branch in the city. Looking on is U. Saefudin Noer.



03

#### June

- 04** Dato' Sri Nazir Razak and Dato' Charon Wardini Mokhzani launching CIMB Securities' flagship branch at Tropicana City. The launch also marked the use of "CIMB Securities" as a single brand to represent the Group's retail securities services across the region.



04

## September

- 05** Dato' Sri Nazir Razak and Mak Lye Mun answering questions at the press conference for the launch of CIMB Bank Singapore's Orchard branch.



05

## October

- 06** Pian Keesin, Mayor of Phuket, Supunnee Ukkachatkul, President of Rayaburi Hotel and Subhak Siwaraksa, launching CIMB Thai's Patong branch in Phuket. Together with them are Kowit Nualrod and Prayoon Tanthawaruk.



06

## November

- 07** H.E. Chea Chanto, Governor of the National Bank of Cambodia, Tan Sri Dato' Md Nor Yusof and Dato' Sri Nazir Razak cutting the ribbon to signify the launch of CIMB Bank Plc in Phnom Penh, Cambodia.



07

resentation

h 2010



46

Seminars and briefings



Dato' Sri Nazir Razak  
Group Chief Executive  
CIMB Group

## March

- 01** Dato' Sri Nazir Razak addressing the crowd during the Group's investor presentation on Fixed Income. With him is Dato' Lee Kok Kwan.



01

## April

- 02** Dato' Sri Nazir Razak announcing the formation of the CIMB ASEAN Research Institute (CARI) which will focus on promoting ASEAN integration. Also present is John Pang, Chief Executive Officer of CARI.
- 03** Dato' Sri Nazir Razak addressing the audience during the 7th ASEAN Leadership Forum. Also on the panel are Dato' Mohamed Iqbal Rawther, Secretary-General, ASEAN Business Forum, Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata Group Berhad and Dato' Dr Jannie Tay, President, ASEAN Business Forum.
- 04** Darawati Hussain addressing investors during CIMB Private Equity's 4th Annual Investor Conference.
- 05** Dato' Sri Nazir Razak answering a question from the floor during the announcement of CIMB Group's planned dual listing on the Stock Exchange of Thailand. With him on the panel are Dato' Lee Kok Kwan, Subhak Siwaraksa, Kenny Kim and Peter England.



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## May

- 06 Vijay Sethu reporting on the performance of the Islamic Infrastructure Fund LP to the investors at its first annual meeting.
- 07 Peter England answering questions at the analysts briefing on CIMB Group's 1st Quarter 2010 results. Also present are Dato' Lee Kok Kwan and Arwin Rasyid.
- 08 Shareholders registering their attendance at CIMB Group's 53rd Annual General Meeting.



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## July

- 09** Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister's Department, delivering his keynote address during a CIMB Malaysia Luncheon Series event. Also on stage is Dato' Charon Wardini Mokhzani.
- 10** Tan Sri Dato' Md Nor Yusof, Tan Sri Dato' Seri Haidar Mohamed Nor, Dato' Sri Nazir Razak and Dato' Mohd Shukri Hussin on the panel of speakers at the CIMB Group's Extraordinary General Meeting.



09



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## September

- 11** Dato' Sri Nazir Razak together with John Laker, Chairman, Australian Prudential Regulation Authority, Nabuo Kuroyagi, Chairman, Bank of Tokyo-Mitsubishi UFJ, Ltd, Charles Dallara, Managing Director of IIF, Julie Dickson, Superintendent, Office of the Superintendent of Financial Institutions, Canada, and Lyn Kok, President and Chief Executive Officer, Standard Chartered Bank, Thailand, speaking at 2010 IIF Asia CEO Summit in Kuala Lumpur. The event was hosted by CIMB Group.
- 12** Dato' Charon Wardini Mokhzani presenting a token of appreciation to Santosa, Finance Director of Astra Agro Lestari, one of the speakers at CIMB Group and CIMB Niaga's joint regional conference on the palm oil and agribusiness industry.



11



12



27

Sponsorships and other  
event highlights



## February

- 01 Subhak Siwaraksa addressing the Thai media during their media visit to Kuala Lumpur.
- 02 Dato' Mohd Shukri Hussin awarding the contract for the production of CIMB Foundation's premium items to two NGOs, Asia Community Service and Pertubuhan Ibu Tunggal Desa Keda, Teluk Beremban, Pulau Tuba. Representing the NGOs are Khor Ai-Na and Ropian Musa.



01



02

March

- 03 Tan Sri Dato' Md Nor Yusof, Dato' Sri Nazir Razak and Effendy Shahul Hamid after announcing CIMB Group's sponsorship of Daim Hishammudin, an 11 year old go-kart driver. Together with them is Hishammudin Hasan, Daim's father.
- 04 Datuk Nicol David and Ramy Ashour with their trophies after winning the CIMB KL Open Squash Championships.



03



04

## July

- 05** Datuk Nicol David and Mohd Azlan Iskandar congratulating each other as champions of CIMB Malaysian Open Squash Championships.
- 06** Datuk Nicol David playing against Kasey Brown during the CIMB Singapore Women's Squash Masters Championship at Leisure Park Kallang. She later claimed her fourth straight title in the championship after beating Alison Waters.



05



06

## August

- 07** Datuk Rohani Abdul Karim, Deputy Minister of Domestic Trade, Cooperative and Consumerism Malaysia, Dato' Sri Nazir Razak and William Ng, Group Publisher and Editor-in-Chief of Business Media International at the launch of the SME Solutions Expo 2010 in Kuala Lumpur.



07

## October

- 08** Tan Sri Dato' Md Nor Yusof, Tan Sri Dato' Seri Siti Norma Yaakob, Dato' Mohd Shukri Hussin, Hamidah Naziadin and the recipients of the CIMB Regional Scholarship.



08

## December

- 09** Tan Sri Nor Mohamed Yakcop, Minister in Prime Minister's Department, Malaysia, and Dato' Mohd Shukri Hussin with Khamis Rasat, principal of SK Ayer Puteh. The school won the "Best School Achievement" award from among 10 rural schools sponsored by CIMB Foundation.



09

# Media Highlights

## CGC teams up with CIMB to promote green tech financing

Green Technology Finance... CGC teams up with CIMB to promote green tech financing... The partnership aims to support sustainable development through innovative financing solutions.



## and Joint Lead Managers



GLOBAL SUKUK: Prime Minister Datuk Seri Najib Razak (centre) officiating at the launch of Malaysia's Global Sukuk Issue in Kuala Lumpur on Wednesday. Present are (from left) CIMB Group chief executive officer Ganuk Seri Nazir Razak, Bank Negara Malaysia governor Tan Sri Dr Zeti Akhtar Aziz, Treasury secretary-general Tan Sri Dr Wan Abdul Aziz Wan Abdullah and Barclays Capital director and country head Steve R. Clayton. - Business picture



Strong demand for CIMB unit subordinated debt... CIMB Group Holdings Ltd. announced the completion of its RM552 million subordinated debt issue.

## CIMB THA เข้มงวดการคัดเลือก พักหนี้ที่บริหารความเสี่ยงภาพหนี้

CIMB THA เข้มงวดการคัดเลือก พักหนี้ที่บริหารความเสี่ยงภาพหนี้... CIMB Thailand has implemented stricter criteria for loan selection to manage credit risk.

## Strong demand for CIMB unit subordinated debt

Strong demand for CIMB unit subordinated debt... CIMB Group Holdings Ltd. announced the completion of its RM552 million subordinated debt issue, which was oversubscribed.

## Foreign Cash ATMs now available in Malaysia

Foreign Cash ATMs now available in Malaysia... CIMB Bank has introduced foreign cash ATMs to facilitate international transactions for its customers.



Wincor Nixdorf... CIMB Bank has introduced foreign cash ATMs to facilitate international transactions for its customers.

## Better contribution seen from CIMB Niaga to parent group

Better contribution seen from CIMB Niaga to parent group... CIMB Niaga's performance has improved, contributing more significantly to the parent group's overall results.

## CIMB beats HSBC as top sukuk underwriter, eyes bigger Gulf market

CIMB beats HSBC as top sukuk underwriter, eyes bigger Gulf market... CIMB has secured a record number of sukuk underwriting mandates, outperforming HSBC.



## CIMB sees strong dealflow in 2010

CIMB sees strong dealflow in 2010... CIMB anticipates a robust pipeline of deals for the year 2010, driven by market recovery and strategic initiatives.



## CIMB to be lead advisor for Petronas' petrochem IPO

CIMB to be lead advisor for Petronas' petrochem IPO... CIMB has been appointed as the lead advisor for Petronas' petrochemical IPO.

## CIMB Group raih anugerah inovasi IT

CIMB Group raih anugerah inovasi IT... CIMB Group has received an award for its innovative IT solutions.

## CIMB Niaga's second sub debt over-subscribed

CIMB Niaga's second sub debt over-subscribed... CIMB Niaga's second subordinated debt issue was oversubscribed.



Halidman: Increased cross-border interest from investors... CIMB Niaga's second subordinated debt issue was oversubscribed.

## 昌信用卡回饋活動 1日隆谷中城舉行

昌信用卡回饋活動 1日隆谷中城舉行... CIMB Bank is holding a credit card promotion event in Kuala Lumpur.



昌信用卡回饋活動 1日隆谷中城舉行... CIMB Bank is holding a credit card promotion event in Kuala Lumpur.

# CIMB-Principal aims higher

Partnership expects to double total assets in 11SC12h



## CIMB picked as one of 11 bookrunners for AIA's IPO

By KAP LING KUEN

PETALING JAYA: CIMB Group has been selected as one of the 11 bookrunners for AIA Group Ltd's IPO...

one of the top Asian banks is a clear reflection of the stature of CIMB as a global government banking...

This deal underlines CIMB's status as a global government banking leader...

# CIMB eyes Indonesia listing

The financial services provider plans to list its equity under a dual listing status



CIMB Group Holdings Ltd is set to list its equity under a dual listing status...

CIMB Group Holdings Ltd is set to list its equity under a dual listing status...

# 延後半年解決 聯昌泰雙邊上市 面對雙重課稅問題

【本報訊】聯昌泰集團主席陳國治表示，該集團目前正與有關當局商討解決雙重課稅問題...

# CIMB Group jadi bank universal serantau 2015

Syarikat sasar 70 peratus keuntungan hasil operasi luar negara



CIMB Group Holdings Ltd mengumumkan akan menjadi bank universal serantau pada tahun 2015...

syarikat sasar 70 peratus keuntungan hasil operasi luar negara...

# CIMB Foundation sumbang RM50,000 biaya perpustakaan

Rumah Kebajikan Danul Izzah, Rumah Anak Yatim Taman Baiduri manfaat sumbangan



CIMB Foundation has donated RM50,000 towards the inauguration of a library...

Rumah Kebajikan Danul Izzah, Rumah Anak Yatim Taman Baiduri manfaat sumbangan...

# Chan gets to the semis

CIMB Visa card holder wins World Cup Usage Campaign



Banking to South Africa: CIMB Group is pleased to announce the winner of the Visa card holder...

CIMB Visa card holder wins World Cup Usage Campaign...

# Untung bersih CIMB Thai melambung ke...

Banking to South Africa: CIMB Group is pleased to announce the winner of the Visa card holder...

Untung bersih CIMB Thai melambung ke...

# Malaysian pro to get wild card at CIMB Asia Pacific Classic

Banking to South Africa: CIMB Group is pleased to announce the winner of the Visa card holder...

Malaysian pro to get wild card at CIMB Asia Pacific Classic...

# MARC upgrades rating on CIMB bank's debt

Banking to South Africa: CIMB Group is pleased to announce the winner of the Visa card holder...

MARC upgrades rating on CIMB bank's debt...

# Biasiswa CIMB

Lima pelajar Asia Tenggara dibayar tanpa syarat



Syarikat CIMB Group Holdings Ltd mengumumkan bahawa lima pelajar Asia Tenggara...

Biasiswa CIMB: Lima pelajar Asia Tenggara dibayar tanpa syarat...

# CIMB gets nod to set up operations in Cambodia

home business

Letter handed over to Naoth by National Bank of Cambodia governor...

CIMB gets nod to set up operations in Cambodia...



Letter handed over to Naoth by National Bank of Cambodia governor...

CIMB gets nod to set up operations in Cambodia...

# WIN YIELD INVESTMENT

March 2010



WIN YIELD INVESTMENT: March 2010...

WIN YIELD INVESTMENT: March 2010...

WIN YIELD INVESTMENT: March 2010...

# Peluang nikmati potongan harga di ERAMAN

Peluang nikmati potongan harga di ERAMAN...

# Regional Notable Deals

## REGIONAL M&A DEALS

### Tanjong Capital Sdn Bhd

#### Tanjong Capital Sdn Bhd

RM8.8 billion privatisation exercise via Voluntary General Offer

### Astro Holdings Sdn Bhd

#### Astro Holdings Sdn Bhd

RM8.4 billion privatisation exercise via Voluntary General Offer



#### Integrated Healthcare Holdings Limited

SGD3.4 billion acquisition of Parkway Holdings Limited



#### UEM Land Holdings Berhad

RM1.4 billion Voluntary General Offer of Sunrise Berhad



#### Sime Darby Berhad

RM515 million acquisition of Teluk Ramunia Fabrication Yard



#### PT Matahari Department Store TBK

IDR7.7 trillion acquisition of 98.15% of PT Matahari Department Store TBK by PT Meadow Indonesia, a JV between funds advised by CVC and PT Matahari Putra Prima TBK



#### Asia Food & Properties Limited

SGD411 million demerger of its China Property Business and listing on Singapore Stock Exchange by way of an introduction



#### Depa Interior LLC

SGD123 million acquisition of Design Studio Furniture Manufacturer Ltd

### C&G Environmental Protection Holdings Limited

#### C&G Environmental Protection Holdings Limited (formerly known as C&G Industrial Holdings Limited)

RMB564 million acquisition of CuGU Environmental Protection International Limited



#### Singapore Press Holdings Limited

SGD44 million acquisition of exhibitions business and assets from Eastern Directories Pte Ltd



#### China Resources Land Limited

HKD7.9 billion acquisition of property interest in China



#### Shanghai Jin Jiang International Hotels (Group) Company Limited

HKD3.1 billion acquisition of passenger transportation and travel agency business in China



#### Honbridge Holdings Limited

HKD3.0 billion acquisition of an iron ore mining project in Brazil



#### China Resources Gas Group Limited

HKD2.0 billion acquisition of portfolio of city gas distribution businesses

REGIONAL EQUITY DEALS



**AIA Group Limited**  
USD20.5 billion IPO on Hong Kong Stock Exchange



**PETRONAS Chemicals Group Berhad**  
RM14.8 billion IPO on Bursa Malaysia



**Malaysian Airline System Berhad**  
RM2.7 billion rights issue



**PT XL Axiata Tbk**  
Axiata Group Berhad's disposal of 19.8% of PT XL Axiata Tbk for IDR5.6 trillion



**Sunway Real Estate Investment Trust**  
RM1.5 billion IPO on Bursa Malaysia



**UEM Land Holdings Berhad**  
RM970 million rights issue



**TPG Capital**  
RM802 million placement of CIMB Group Holdings Berhad shares



**CapitaMalls Malaysia Trust**  
RM785 million IPO on Bursa Malaysia



**Employees Provident Fund Board**  
RM746 million placement of RHB Capital Berhad shares



**Telekom Malaysia Berhad**  
RM414 million placement of Axiata Group Berhad shares



**Khazanah Nasional Berhad**  
RM400 million placement of Malaysia Airports Holdings Berhad shares



**Shin Yang Shipping Corporation Berhad**  
RM333 million IPO on Bursa Malaysia



**Mudajaya Group Berhad**  
RM179 million placement of Mudajaya Group Berhad shares



**Petra Perdana Berhad**  
RM111 million Petra Perdana Berhad share placement & rights issue

## Regional Notable Deals

### REGIONAL EQUITY DEALS (CONTINUED)



**PT Borneo Lumbang Energi & Metal Tbk**  
IDR5.2 trillion IPO on Indonesia Stock Exchange



**PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk**  
IDR1.5 trillion IPO on Indonesia Stock Exchange



**Hu An Cable Holdings Ltd (formerly known as China Hu An Cable Holdings Ltd)**  
SGD74 million IPO on Singapore Stock Exchange



**CSE Global Limited**  
SGD39 million placement of Treasury shares



**TTJ Holdings Ltd**  
SGD22 million IPO on Singapore Stock Exchange



**Dusit Thani Freehold & Leasehold Property Fund**  
THB4.1 billion Property Fund IPO on the Stock Exchange of Thailand

### REGIONAL DEBT TRANSACTION DEALS



**Government of Malaysia**  
USD1.25 billion Trust Certificates due 2015 issued via 1Malaysia Sukuk Global Berhad



**Celcom Transmission (M) Sdn Bhd**  
RM4.2 billion Sukuk Programme



**Khazanah Nasional Berhad**  
SGD600 million Trust Certificates due 2015 and SGD900 million Trust Certificates due 2020 issued via Danga Capital Berhad



**Malaysia Airports Holdings Berhad**  
RM3.1 billion Islamic Commercial Paper Programme and Islamic Medium Term Note Programme via Malaysia Airports Capital Berhad

REGIONAL DEBT TRANSACTION DEALS (CONTINUED)



**Bank Pembangunan Malaysia Berhad**  
RM2.0 billion Government Guaranteed Conventional Medium Term Notes and RM500 million Government Guaranteed Islamic Medium Term Notes



**Islamic Development Bank**  
USD500 million Trust Certificates due 2015 issued via IDB Trust Services Limited



**YTL Corporation Berhad**  
USD400 million 1.875% Guaranteed Exchangeable Bonds due 2015 issued via YTL Corp Finance (Labuan) Limited



**Axiata Group Berhad**  
USD300 million Guaranteed Notes due 2020 issued via Axiata SPV1 (Labuan) Limited



**Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd**  
RM820 million Sukuk Musarakah and RM50 million Junior Bonds



**CIMB Group Holdings Berhad**  
RM750 million Subordinated Debt



**Hong Leong Bank Berhad**  
RM700 million Subordinated Debt



**Trans Thai-Malaysia (Thailand) Limited**  
RM600 million Sukuk issued via TTM Sukuk Berhad



**Naim Holdings Berhad**  
RM500 million Islamic Medium Term Note Programme and RM100 million Islamic Commercial Paper Programme with a combined limit of RM500 million



**Tan Chong Motor Holdings Berhad**  
RM465.75 million Asset-Backed Medium Term Notes issued in total via Premium Commerce Berhad



**PT Bank Pan Indonesia Tbk**  
IDR2.46 trillion Subordinated Bonds III and IDR540 billion Senior Bonds IV



**PT Bank CIMB Niaga Tbk**  
IDR1.38 trillion Subordinated Bonds I and IDR1.6 trillion Subordinated Bonds II

## Regional Notable Deals

### REGIONAL DEBT TRANSACTION DEALS (CONTINUED)



**PT Bank Tabungan Pensiunan Negara Tbk**  
IDR1.3 trillion Bonds II and IDR1.1 trillion Bonds III



**PT Astra Sedaya Finance**  
IDR1.5 trillion Bonds XI



**PT Sarana Multigriya Financial (Persero)**  
IDR727 billion Bonds III



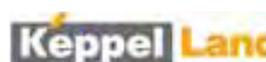
**City Developments Limited**  
SGD50 million 2.343% Islamic Trust Certificates due 2013 and SGD50 million 1.34% Islamic Trust Certificates due 2012 issued via Citydev Nahdah Pte Ltd



**Asia Pacific Breweries Limited**  
SGD75 million 2.71% Notes due 2015



**Fraser and Neave Limited**  
SGD50 million 2.45% Notes due 2015 issued via F&N Treasury Pte Ltd



**Keppel Land Limited**  
SGD50 million 2.67% Notes due 2015



**Pruksa Real Estate Public Company Limited**  
THB7.5 billion Fixed Rate Senior Unsecured Debentures issued in total



**Toyota Leasing (Thailand) Company Limited**  
THB4.0 billion Fixed Rate Senior Secured Debentures



**Quality House Public Company Limited**  
THB2.5 billion Fixed Rate Senior Unsecured Debentures issued in total



**TICON Industrial Connection Public Company Limited**  
THB2.3 billion Fixed Rate Senior Unsecured Debentures issued in total



**Supalai Public Company Limited**  
THB1.9 billion Fixed Rate Senior Unsecured Debentures issued in total

# ASEAN through and through.

CIMB Group has been awarded  
The Asset Triple A Country Awards  
2010 for 'Best Deal' in Singapore,  
Malaysia and Indonesia.

To be recognised for the best deals, across three different countries,  
highlights our unique knowledge and insights of the region. To our customers  
across ASEAN, thank you for your continued support.



## Notable Achievements



## Notable Achievements



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- 01 Dato' Sri Nazir Razak receiving the Most Innovative Investment Bank in Asia Award at The Banker's Investment Banking Awards 2010.
- 02 Tan Sri Dato' Md Nor Yusof receiving the Distinction Award for CIMB Group from Datuk Dr Awang Adek, Deputy Finance Minister, at the Malaysian Corporate Governance Index Awards 2010.
- 03 Dato' Charon Wardini Mokhzani receiving the Best Investment Bank Award from Siddiq Bazarwala, Publisher and Chief Executive Officer of Alpha Southeast Asia magazine, at the Alpha Southeast Asia Best Financial Institution Awards 2010.
- 04 Dato' Lee Kok Kwan receiving the Local Banking Achievement Award from Mark Johnson, Asia Pacific Publisher, Emerging Markets.
- 05 Dato' Sri Nazir Razak and Dato' Azlina Aziz, with Dato' Tong Kooi Ong, Chairman of The Edge Communications Sdn Bhd at The Edge Billion Ringgit Club inaugural awards. Dato' Sri Nazir Razak had received the Value Creator Award for Malaysia's Outstanding CEO.
- 06 Dato' Sulaiman Mohd Tahir with the Best Investment Bank and Best Bank Awards received at Euromoney's Awards for Excellence 2010 ceremony. On his left is Lawrence White, Asia Editor of Euromoney and on his right is Clive Horwood, Editor of Euromoney.
- 07 Asaraf Aboo Bakar with the Bank of the Year for Malaysia Award received at The Banker's Bank of the Year Awards 2010. On his left is Brian Caplen, Editor of The Banker, and on his right is Michael Buerk, BBC journalist.



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07

## Notable Achievements



08

08 Cheah Wee Leong, Martin Chai, Adji Wibowo, KC Kok and Ravi Gopal with the Best Trade Finance Bank, Best Cash Management Bank and Best Transaction Bank Awards for Malaysia at The Asset Transaction Banking Awards 2010.

09 Badlisyah Abdul Ghani receiving the Best Islamic Fund Manager Award from Andrew Morgan, Managing Director and Publisher of Islamic Finance News, at the Islamic Finance News Awards 2010.

10 Keoy Soo Lik receiving the Best Domestic Bank and Best Large Cap Corporate in Malaysia Awards from Richard Morrow, Editor, Asiamoney, at the Asiamoney 2010 Awards ceremony.

11 Kong Sooi Lin and Julia Hashim with the country awards for Best Investment Bank and Best Equity House at The Asset Investment Banking Awards 2010.

12 Staff of CIMB Investment Bank and clients of CIMB Investment Bank with their awards received at Alpha Southeast Asia's Best Financial Institution Awards 2010.



09



10



11



12

# Notable Achievements



## ASIAMONEY

### BEST MANAGED COMPANIES AWARDS 2010

- Best Top Executive in Malaysia - Dato' Sri Nazir Razak
- Overall Best Managed Company in Malaysia - Large Cap

### COUNTRY AWARDS 2010

- Best IPO in Asia (Asia ex Japan)  
Deal: AIA Group HKD159 billion (USD20.5 billion) IPO

### BEST BANK AWARDS 2010

- Best Domestic Bank
- Best Domestic Equity House
- Best Domestic Debt House

### BEST ISLAMIC BANKS AWARDS 2010

- Best Regional Islamic Bank in Asia
- Best Islamic Bank in Malaysia
- Best Islamic Bank in Indonesia

### STRUCTURED PRODUCTS POLL 2010

- Best Domestic Provider in Malaysia for Local Currency Products - Structured Currency Products
- Best Domestic Provider in Malaysia for Local Currency Products - Structured Interest-Rate Products

### CASH MANAGEMENT POLL 2010

- No. 1 Best Local Currency Cash Management services - Malaysia MYR (As voted by financial institutions)
- No. 1 Best Local Cash Management Bank, Malaysia (as voted by large-sized corporates)
- No. 2 Best Local Cash Management Bank, Malaysia (as voted by medium-sized corporates)
- No. 1 Best Local Cash Management Bank Malaysia (as voted by small sized corporates)

### FOREIGN EXCHANGE POLL 2010

- Best single-bank electronic trading platform in Malaysia
- Best FX prime broking services in Malaysia
- Best for innovative FX products and structured ideas in Malaysia
- Best Domestic Provider of FX services in Malaysia as voted by corporates
- Best Domestic Provider of FX services in Malaysia as voted by financial institutions

### BROKERS POLL 2010

- Best Local Brokerage in Malaysia
- Best for Overall Country Research
- Best Analyst in Malaysia - Terrence Wong
- Best Overall Sales Services in Malaysia
- Best Execution in Malaysia
- Best in Sales Trading in Malaysia

## ASIA ASSET MANAGEMENT

### BEST OF THE BEST AWARDS 2010

- ETF Manager of the Year
- Best New ETF
- Best Fund House

## ASIAN INVESTOR

### INVESTMENT PERFORMANCE AWARDS 2010

- Best Malaysia Onshore Fund House, Islamic Investments: CIMB Islamic Investment Partners



**ALPHA SOUTHEAST ASIA MAGAZINE**

**BEST FINANCIAL INSTITUTION AWARDS IN SOUTHEAST ASIA 2010**

- **Special Marquee Awards: Best International Equity House in Southeast Asia**
- **Special Marquee Awards: Best Asset Manager in Southeast Asia**
- **Special Marquee Awards: Best Islamic Finance Bank in Southeast Asia**
- **Best Investment Bank in Malaysia**
- **Best Bond House in Malaysia**
- **Best Institutional Broker in Malaysia**
- **Best Local Islamic Finance House in Malaysia**
- **Best Retail Broker in Malaysia**
- **Best Private Wealth Management Bank in Malaysia**
- **Best M&A House in Malaysia**
- **Best Private National Bank in Indonesia**

**SOUTHEAST ASIA DEAL & SOLUTION AWARDS 2010**

- **Most Innovative Deal/ Innovative Islamic Deal of the Year in Southeast Asia**  
Deal: Danga Capital (Khazanah Nasional) SGD1.5 billion 5-year & 10-year Sukuk



**ASIA RISK AWARDS 2010**

- **Islamic Product House of the Year**
- **House of the Year - Malaysia**

- **Best Deal of the Year in Southeast Asia**  
Deal: Petronas Chemicals Group RM12.8 billion (USD4.1 billion) IPO
- **Best REIT Deal of the Year in Southeast Asia**  
Deal: Sunway REIT RM1.5 billion IPO
- **Best Private Equity Deal of the Year in Southeast Asia**  
Deal: Khazanah's acquisition of TPG's USD686 million stake in Parkway Holding from Fortis Healthcare
- **Best Leveraged Buyout Deal of the Year in Southeast Asia**  
Deal: Meadow Indonesia IDR7.7 trillion LBO Buyout of Matahari Putra Prima
- **Best Islamic Finance Deal of the Year in Southeast Asia**  
Deal: Trans-Thai Malaysia (Thailand) Ltd RM600 million Sukuk
- **Best Trade Solution of the Year in Southeast Asia**



**ALB SOUTH EAST ASIA LAW AWARDS 2010**

- **Southeast Asia Deal of the Year/Equity Market Deal of the Year**  
Deal: Maxis IPO
- **Islamic Finance Deal of the Year**  
Deal: Petronas Jumbo Sukuk
- **Debt Market Deal of the Year**  
Deal: Republic of Indonesia USD3 billion Bond Offering

**CIO ASIA AWARDS 2010**

- **CIMB Group's New Account Opening Services and Architecture (NASA) initiatives**

**CORPORATE GOVERNANCE ASIA**

- **THE BEST OF ASIA**
- **Corporate Governance Asia Recognition Awards 2010**
- **Asian Corporate Director Recognition Awards 2010 - Dato' Sri Nazir Razak**

**CREDIT MAGAZINE**

- **DEALS OF THE YEAR 2010**
- **Best Islamic Finance Deal of 2010**  
Deal: Government of Malaysia USD1.25 billion global Sukuk

## Notable Achievements



### EMERGING MARKETS

- **Local Banking Achievement Award for Asia 2010**

### EUROMONEY

#### AWARDS FOR EXCELLENCE 2010

- **Best Investment Bank in Malaysia**
- **Best Bank in Malaysia**

#### ISLAMIC FINANCE AWARDS 2010

- **Deal of the Year/Best Sukuk Deal:**  
Deal: Government of Malaysia USD1.25 billion global Sukuk
- **Best Islamic Bank in Asia**

### FINANCE ASIA

#### COUNTRY AWARDS FOR ACHIEVEMENT 2010

- **Best Investment Bank**
- **Best Broker**
- **Best Bond House**
- **Best Cash Management Bank**
- **Best Foreign Exchange Bank**

#### ACHIEVEMENT AWARDS 2010

- **Best Malaysia Deal**  
Deal: Petronas Chemicals Group Berhad USD4.1 billion IPO



- **Deal of the Year, Best IPO**  
Deal: AIA Group's USD20.5 billion IPO

- **Best Private Equity Deal**  
Deal: Khazanah's acquisition of Fortis Healthcare's stake in Parkway Holdings, including shares acquired from TPG

- **Best Islamic Financing**  
Deal: The Government of Malaysia's USD1.25 billion global Sukuk

#### ASIA'S BEST MANAGED COMPANIES POLL 2010

- **Best CEO - Dato' Sri Nazir Razak**
- **Best Investor Relations**

#### FINANCIAL INSIGHTS INNOVATION AWARDS

- **Most Innovative in Loans Origination**

### GLOBAL FINANCE

#### WORLD'S BEST ISLAMIC FINANCIAL INSTITUTIONS AWARDS 2010

- **Best Islamic Bank in Asia**
- **Best Islamic Bank in Malaysia**
- **Best Sukuk Bank**
- **Best Asset Management Company**



### GTI SPECIALIST PUBLISHERS

- **Leading Graduate Recruiter for the banking and financial services sector**

### ISLAMIC FINANCE NEWS AWARDS 2010

- **Sovereign Deal of the Year**  
Deal: 1Malaysia Sukuk Global Berhad USD1.25 billion trust certificate issuance
- **Indonesia Deal of the Year**  
Deal: Perusahaan Penerbit SBSN USD800 million Sovereign Sukuk
- **Cross Border Deal of the Year**  
Deal: TTM Sukuk Berhad (wholly-owned subsidiary of Trans Thai-Malaysia (Thailand) Limited USD600 million
- **Corporate Finance Deal of the Year**  
Deal: Khazanah Nasional Berhad SGD1 billion first drawing of a USD1.5 billion multi currency Sukuk
- **Ijarah Deal of the Year**  
Deal: Celcom Transmission (M) USD1.3 billion Sukuk Ijarah
- **Tawarruq Deal of the Year**  
Deal: Cagamas RM230 million Variable Rate Sukuk
- **Trade Finance Deal of the Year**  
Deal: Proton Perodua USD98 million trade programme



- **Equity Deal of the Year**  
Deal: Petronas Chemicals Group Berhad  
USD4.1 billion Initial Public Offering
- **Mergers & Acquisitions Deal of the Year**  
Deal: Celcom USD1.3 billion
- **Singapore Deal of the Year**  
Deal: Danga Capital (Khazanah) SGD1 billion first drawing of a USD1.5 billion multi currency Sukuk
- **Best Islamic Fund Manager**
- **Best Overall Islamic Bank**
- **Most Innovative Islamic Bank**
- **Best Islamic Bank in Malaysia**

### IR MAGAZINE

#### SOUTH EAST ASIA AWARDS 2010

- **Best Investor Relations by a Malaysian Company:**  
In recognition of CIMB Group's best practices and award winning investor relations initiatives

### MINORITY SHAREHOLDERS WATCHDOG GROUP

#### MALAYSIAN CORPORATE GOVERNANCE INDEX 2010 AWARDS

- **Winner for the Most Diverse Board Category**  
In recognition of the unique diversity present in the Board of CIMB Group Holdings Berhad

- **Distinction Award: CIMB Group Holdings Berhad**  
In recognition of CIMB Group Holdings Berhad's best practices in corporate governance
- **Best CSR Award**  
In recognition of CIMB Group Holdings Berhad's best CSR practices

### MORNINGSTAR 2010 FUND AWARDS

- **CIMB-Principal Equity Growth Fund in the Asia-Pacific Equity category**

### NATIONAL MERGERS AND ACQUISITIONS AWARDS 2010

- **Deal Maker of the Year**
- **Deal of the Year/Innovative Deal of the Year/ Cross Border Deal of the Year**  
Deal: CIMB Group Holdings Berhad's acquisition and tender offer for Bank Thai Public Company Limited

### PRIME MINISTER'S CSR AWARDS 2010

- **Winner for Community & Social Welfare Category**
- **Winner for Culture & Heritage Category**

### STRUCTURED PRODUCTS ASIA AWARDS 2010

- **Structured Products, Best in Malaysia**

### THE ASIAN BANKER

#### COUNTRY AWARDS FOR STRONGEST BANKS 2010

- **Strongest Bank in Malaysia Award**

#### TRANSACTION BANKING AWARD 2010

- **The Asian Banker Achievement Award for Cash Management**

#### TECHNOLOGY IMPLEMENTATION AWARDS 2010

- **Best Risk and Analytics Project**

#### BUSINESS ACHIEVEMENT AWARD FOR ISLAMIC FINANCE

- **CIMB Islamic**

### THE ASSET TRIPLE A

#### REGIONAL AWARDS 2010

- **Best Equity Deal/Best IPO Award**  
Deal: AIA Group USD20.5 billion IPO
- **Best Secondary Offering Award**  
Deal: XL Axiata IDR5.6 trillion share placement
- **Best Cross-Border M&A Award**  
Deal: Khazanah Nasional SGD3.4 billion takeover of Parkway Holdings

## Notable Achievements



### COUNTRY AWARDS 2010

- **Best Deal for Malaysia**  
Deal: USD1.25 billion Government of Malaysia Sukuk, marking the return of the sovereign into the international capital markets after an absence of eight years and the largest ever US dollar sovereign Sukuk, which further entrenched Malaysia's leadership in the global Islamic finance market
- **Best Deal for Indonesia**  
Deal: USD870 million CVC Asia-Pacific acquisition of Matahari Department Store featuring a precedent-setting first leveraged buyout in Indonesia financed in IDR
- **Best Deal for Singapore**  
Deal: SGD3.4 billion offer by Khazanah Nasional to Parkway Holdings, representing the largest healthcare M&A transaction in Asia and marking the first time that a partial offer was structured into a deal

### INVESTMENT BANKING AWARDS 2010

- **Best Domestic Investment Bank in Malaysia**
- **Best Equity House in Malaysia**

### TRANSACTION BANKING AWARDS 2010

- **Best Trade Finance Bank in Malaysia**
- **Best Cash Management Bank in Malaysia**
- **Best Transaction Bank in Malaysia**

### ISLAMIC FINANCE AWARDS 2010

- **Islamic Bank of the Year**
- **Islamic Bank of the Year Country Awards**
- **Islamic Investment House of the Year for Asia-Pacific**
- **Highly Commended Islamic Finance Deal in Malaysia**  
Deal: Pengurusan Aset Air Berhad RM2.5 billion three-tranche facility

### INVESTORS AND WEALTH MANAGERS AWARDS 2010

- **Best Private Bank in Malaysia**
- **Best Wealth Management House**

### STRUCTURED PRODUCT AWARDS 2010

- **Best Derivatives House in Malaysia**
- **Best Investment Product in Malaysia**  
CIMB: Greater China & Commodities Income Protected Plus-I, USD78 million  
Highly Commended  
CIMB: CIMB Twin Yield Income Investment, USD93.8 million

### BENCHMARK SURVEY 2010

- **Best in Corporate Bonds for Malaysia**

### THE BANKER

#### INVESTMENT BANKING AWARDS 2010

- **Most Innovative Investment Bank from Asia**  
In recognition of CIMB's strength in developing innovative and trail blazing deals in the region of Asia

#### BANK OF THE YEAR 2010 AWARDS

- **Bank of the Year in Malaysia: CIMB Bank**

### THE EDGE

#### BILLION RINGGIT CLUB CORPORATE AWARDS

- **Value Creator: Malaysia's Outstanding CEO - Dato' Sri Nazir Razak**  
In recognition of Dato' Sri Nazir Razak's contribution to the value creation of CIMB Group Holdings Berhad, namely in the company's market valuation, returns to shareholders and stakeholders, revenue and profit growth and employment creation

#### 2010 BEST DEALS OF THE YEAR AWARDS

- **Best Merger and Acquisition Deal**  
Deal: Privatisation of Tanjong Plc for RM8.79 billion by Tanjong Capital Sdn Bhd

#### THE EDGE-LIPPER MALAYSIA FUND AWARDS

- **CIMB-Principal Equity: Equity Malaysia, 10 years**
- **CIMB Islamic DALI Equity Growth: Equity Malaysia - Islamic, 5 years**

# Second is the new first.

For the first time, CIMB Bank, Malaysia's #2 bank in size, has been honoured with the "Best Bank" award. To you, our customers, thank you for your support.



MALAYSIA INDONESIA SINGAPORE THAILAND

FORWARD BANKING CIMB BANK

# Top Investment Bank in Asia

Thank you to our clients in Malaysia, Indonesia, Singapore and Thailand. It is your appreciation of our financial solutions that has made us No.1 in Asia.



MALAYSIA INDONESIA SINGAPORE THAILAND

FORWARD BANKING CIMB



# 1.

It's the smallest number we've seen all year.

We are honoured to be recognised as #1 Arranger and Bookrunner in Malaysia by Bloomberg Finance L.P., and one of the Top Bankers in South East Asia by FinancialAsia.

Country	Bank	Assets
Malaysia	Ambank Holdings Bhd (AM)	RM2.77 trillion
Malaysia	Bank Islam Malaysia Berhad (BIMB)	RM2.235.74 billion
Malaysia	Malayan Banking (MB)	RM2.2 billion
Malaysia	Bank Rakyat (BR)	RM2.1.11 billion
Malaysia	Bank Simpanan Bhd (BSB)	RM2.5 billion
Malaysia	Banking Corporation Bhd (BCB)	RM2.1.4 billion
Malaysia/Singapore	Wong Kim Hong (WKH)	RM2.501.08 billion
Indonesia	Bank Mandiri (BM)	USD 2.1 billion
Indonesia	PT Bank Central Asia Tbk (BCA)	USD 1.8 billion
Indonesia	PT Bank Negara Indonesia Tbk (BNI)	USD 1.7 billion
Indonesia	PT Bank Permata (BP)	USD 1.5 billion
Indonesia	PT Bank Panin (BP)	USD 1.3 billion
Indonesia	PT Bank Sinarmas (BS)	USD 1.2 billion

By Bank and their asset size (USD billion) (Source: Bloomberg, 31 Dec 2010)

FORWARD BANKING CIMB

# The one thing we didn't predict.

CIMB is honoured to top the StarMine Broker Rankings.

It's not often that we don't see something coming. So when we found out that we were named the best research house in Singapore by StarMine, we were pleasantly surprised. We had a wonderful 2009, with the most accurate recommendations on STI stocks. Here's to an even better 2010. Many thanks.



Based on period 01-01-2009 to 31-12-2009. Source: StarMine, a Thomson Reuters company. (Source: The Business Times, 22 Mar 2010)

FORWARD BANKING CIMB



Bringing our people



# CLOSER

across ASEAN

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We are proud of our success in bringing together our family of 37,000 employees across ASEAN. Through our Global Employee Exchange Programme, we give employees opportunities for short or long-term regional assignments that will help them work effectively with other cultures and develop skills to overcome regional business challenges. The cross-border camaraderie fostered at the CIMB SEA Games, and regional enthusiasm and support for the CIMB Asia Pacific Classic are testimony of our ability to come closer together.

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# Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

CIMB Group (the Group) advanced its regionalisation agenda in 2010 with continued efforts in its brand harmonisation, regional core banking systems -1Platform and 1View and regional branch network expansion. It currently has a large network of banking branches in the ASEAN region with leading banking presence in Malaysia, Indonesia, Singapore and Thailand.

The Board of Directors (Board) believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and in maintaining investors' confidence towards achieving the Group's corporate objectives and vision. The Board remains committed to ensuring that the appropriate standards of corporate governance are maintained throughout the Group. During the year under review, the Group has complied with all the principles as set out in Part I of the Malaysian Code on Corporate Governance (Code) and the Best Practices contained in Part II of the Code.

The Group continues to be acknowledged for its effort and dedication to good governance by institutional investors, investment research houses and the media. At the Malaysian Corporate Governance Index 2010 Awards by the Minority Shareholder Watchdog Group (MSWG), CIMB won the Distinction Award for best practices in corporate governance and in recognition of the unique diversity present in its Board, it was also awarded the "Most Diverse Board" award. CIMB Group was also honoured by Corporate Governance Asia's award for "Asia's Best Companies for Corporate Governance (Malaysia)", in recognition of the Group's continuous commitment to the development of corporate governance in the region.

## Corporate Governance Awards



*CIMB Directors and Senior Management at the MSWG awards ceremony*

In recognition of its strong governance structure at both the Board and Management levels as well as its superior domestic franchise, strong commitment to domestic customers at the product and service levels and its ability to execute on strategy and respond to changes in the market place leading towards a stable and long-term commitment to all shareholders, CIMB Group was awarded the "Strongest Bank in Malaysia" award at The Asian Banker Strongest Banks in Country Awards 2010.

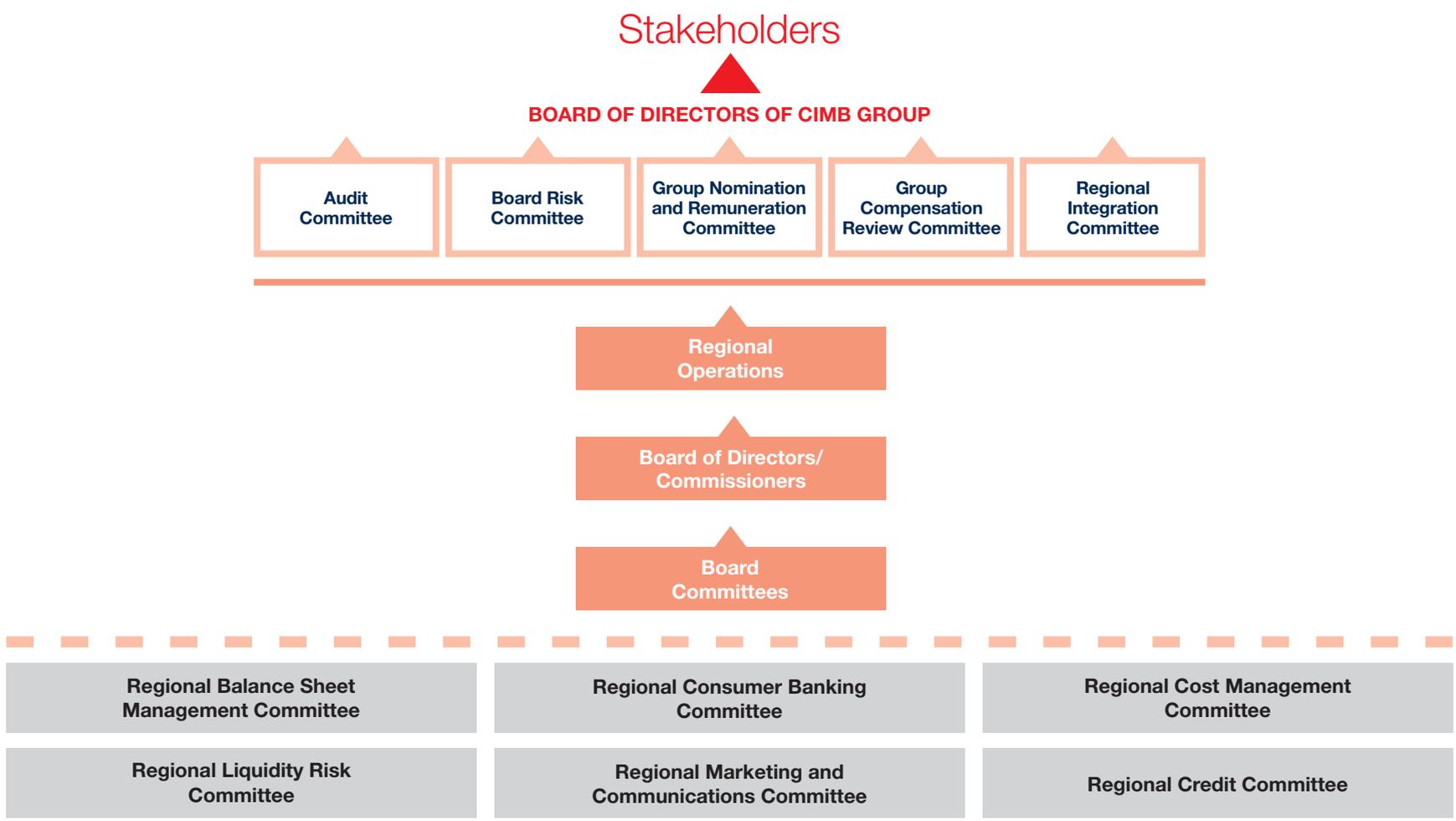
The Group is proud with the recognition given and will strive to maintain the highest standards of governance throughout the Group.

The Board reiterates its full commitment and support of the Group's initiatives to ensure the adoption of highest standards of governance throughout the Group. The Board has a complete oversight and full transparency of the Group's operations in the jurisdictions within which the Group has presence. The Board also ensures that Group policies and procedures are adhered to.

The governance framework adopted by the Group is developed based on the principles and best practices recommended by the Code, Bank Negara Malaysia (BNM) Guidelines on Corporate Governance for Licensed Institutions (Revised BNM/GP1), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) as well as international best practices in corporate governance, where applicable. The Group's corporate governance practices are also entrenched in its brand values: Value Creation, Enabling People and Integrity.

This Statement on Corporate Governance explains how the Group has applied all the principles and best practices set out in the Code and the Revised BNM/GP1 throughout the Group.

**GOVERNANCE FRAMEWORK**



**BOARD OF DIRECTORS**

**The Board and Board Balance**

The structure and composition of the Board are in line with the requirements of the Code, Revised BNM/GP1, MMLR of Bursa Securities and the “Green Book on Enhancing Board Effectiveness” (Green Book) introduced by the Putrajaya Committee on Government Linked Companies (GLC) in 2005 under the GLC Transformation Programme.

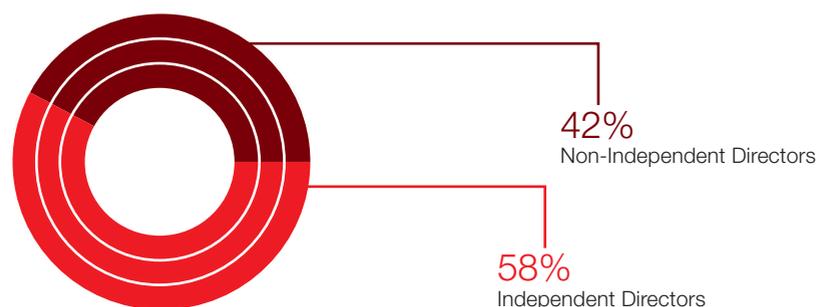
The Board currently has 12 members, with 2 Executive Directors and 10 Non-Executive Directors, of whom 7 are Independent Directors. The number of Independent Directors exceeds the requirement for one-third of the Board members to be independent as set out in the Code, Revised BNM/GP1 and the MMLR. The Board believes it has the appropriate number of Independent Directors who can bring strong independent judgement to the Board’s discussions and are committed to the collective decision making process.

The composition of the Board is made up of industry leaders with a diverse set of skills, experience and background which includes finance, legal, taxation, management, Islamic banking and public administration, and this enables the Board to discharge its roles and responsibilities effectively. The Board considers the number of Directors on the Board appropriate, given the business complexity and scope of geography in which the Group operates.

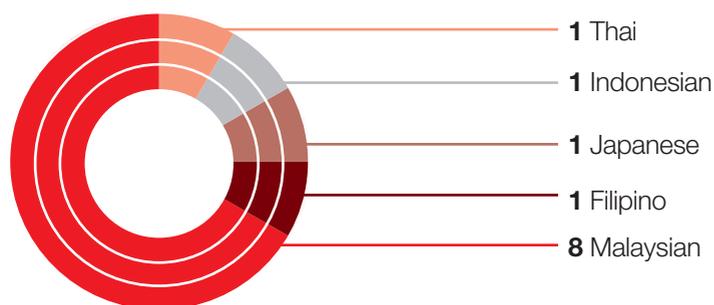
## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### Board Composition



### Board Members' Nationality



### Chairman and Group Managing Director/Chief Executive Officer

To ensure balance of authority, increased accountability and a greater capacity of the Board for independent decision-making, the roles of Chairman and Group Managing Director/Chief Executive Officer (Group MD/CEO) are distinct and separate with a clear division of responsibilities between the Chairman and the Group MD/CEO.

The Chairman, Tan Sri Dato' Md Nor Yusof, is responsible for the running and leadership of the Board and ensuring its effectiveness. Dato' Sri Nazir Razak, the Group MD/CEO, is responsible to the Board in carrying out the Board's directions and managing the business of the Group.

The Chairman assumes the formal role of a leader who chairs all Board meetings, leads discussions amongst Directors and provides leadership to the Board in its oversight of management. The Chairman facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting. At the annual general meetings and other shareholders' meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management. Any query and issue raised by shareholders at the shareholders' meetings are attended to and addressed accordingly.

The Group MD/CEO leads CIMB Group's management in carrying out the corporate strategy and vision of the Group and is accountable to the Board for the day-to-day operations of CIMB Group's business, strategic planning, budget, financial reporting and risk management.

The Chairman, Tan Sri Dato' Md Nor Yusof, a Non-Independent Non-Executive Director, is a renowned figure in the corporate sector and the capital markets, having had an illustrious career as the Executive Chairman of the Securities Commission of Malaysia, Advisor to the Ministry of Finance Malaysia and as the Managing Director of Malaysia Airlines Systems Berhad. Tan Sri Dato' Md Nor Yusof was appointed Chairman of CIMB Group on 31 July 2006. He had previously served the Group for 18 years from 1983 to 2000, providing him extensive knowledge of the finance and banking sector.

Dato' Sri Nazir Razak, the Group MD/CEO, is a dynamic and prominent banker with numerous awards and accolades conferred upon him for his vast contributions towards the Group as well as the financial sector in Malaysia and the region. Dato' Sri Nazir heads the Group Management Committee, the highest management body in the Group. He oversees the operations, financial performance of the Group and ensures the Group's corporate and business strategies are executed in accordance with the directions of the Board.

Dato' Mohd Shukri Hussin, the Executive Director of CIMB Group, has been with the Group since 1986. He has extensive knowledge of the Group's operations and has held various senior positions, including CEO of CIMBS Sdn Bhd (formerly known as CIMB Securities Sdn Bhd) and Financial Controller of the former Bank of Commerce Berhad.

### Senior Independent Non-Executive Director

The Board has appointed Tan Sri Dato' Seri Haidar Mohamed Nor, as the Senior Independent Non-Executive Director, to which shareholders may raise their concerns. Tan Sri Dato' Seri Haidar is the former Chief Judge of Malaya and is well respected for the high level of ethical conduct and practices in his profession. He brings a wealth of insight, knowledge and experience to the Board.

As Tan Sri Dato' Seri Haidar will not be seeking re-appointment as Director of the Company at the forthcoming 54th Annual General Meeting (AGM) and will accordingly retire as Director of the Company upon the conclusion of the AGM, the Group Nomination and Remuneration Committee is recommending the appointment of Datuk Dr Syed Muhamad Syed Abdul Kadir as the Senior Independent Non-Executive Director of the Company.

The Senior Independent Non-Executive Director serves as the point of contact between the Independent Directors and the Chairman on sensitive issues and acts as a designated contact to which shareholders' concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders. All correspondence to the Senior Independent Non-Executive Director can be directed to the following address:

5th Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
Malaysia

### BOARD OF DIRECTORS' SIZE AND COMPOSITION

The Group considers the present size of the Board to be appropriate given the complexity and geographical spread of CIMB's business and the significant time and demand placed on the Non-Executive Directors, particularly those who also serve as members of Board Committees. The Board has benefited from the diverse range of skills, knowledge and experience that the Non-Executive and Executive Directors have acquired as directors of other listed companies and as business leaders in Government or in academia. The current mix of gender and diverse nationality of Directors also bring a fresh and neutral perspective to Board deliberations.

The Directors of the Group have met the criteria for the appointment of Directors as set out in the Revised BNM/GP1 and the MMLR. All Independent Directors act independently and do not participate in any business transaction that may impair their independent judgment and decision-making. Both the size and composition of the Board also meet the recommendations of the GLC Green Book and serves as a foundation for an effective and high performing Board to lead the Group.

The size and composition of the Board are reviewed annually, taking into account the scope, nature and diversity of the business operations of the Group.

Brief backgrounds of each Director are presented on pages 164 to 169 of the Annual Report.

### Directors' Code of Ethics

The Board of Directors observed the Code of Ethics as set out in the BNM Guidelines on the Code of Conduct for Directors, Officers and Employees in the Banking Industry (BNM/GP7), the Companies Act, 1965 and the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

The Directors of the Group constantly adhere to the Code of Ethics which provides guidance to identify and deal with ethical issues, provide mechanisms to report on unethical conduct in a healthy and ethical business manner.

### Duties and Responsibilities of the Board

The Board is the ultimate decision-making body of the Group, with the exception of matters requiring shareholders' approval. It sets the strategic direction and vision of the Group. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.

The Board has overall responsibility for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management and compliance. All Board members bring their independent judgement, diversified knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Board has adopted a schedule of matters specifically reserved for the Board's approval. Matters specifically reserved for the Board's decision include, amongst others, reviewing and approving the following:

- Strategic/business plans and annual budget.
- New investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad.
- Acquisition and disposal of assets of the Group.
- Annual financial statements and the quarterly financial results prior to release to Bursa Securities.
- Appointment of new Directors, CEO and other senior management positions based on recommendations of the Group Nomination and Remuneration Committee.
- Related party transactions and capital financing.

The overall principal responsibilities of the Board are as follows:

- Providing clear objectives and policies within which the senior management of the Group are to operate.
- Ensuring that there are adequate controls and systems in place to facilitate the implementation of the Group's policies.
- Monitoring Management's success in implementing the approved strategies, plans and budget.
- Understanding the principal risks of all aspects of the businesses in which the Group is engaged and ensuring that systems are in place to effectively monitor and manage these risks with a view to the long-term viability and success of the Group.
- Monitoring and assessing development which may affect the Group's strategic plans.
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest.
- Upholding and observing banking and relevant laws, rulings and regulations.

The Board has also adopted the following six responsibilities as required under the Code to facilitate the Board in discharging its stewardship:

- Reviewing and adopting a strategic plan for the Company.
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- Developing and implementing an investor relations programme or shareholder communications policy for the Company.
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Apart from the aforesaid principal responsibilities of the Board, the Board has also delegated specific responsibilities to several Board Committees. While the Board Committees have the authority to examine particular issues, they will report to the Board with their decisions and/or recommendations and the ultimate responsibility on all matters lies with the entire Board.

The terms of reference and responsibilities of each of the Board Committees are set out on pages 106 to 112.

### Appointments to the Boards

The Group Nomination and Remuneration Committee is responsible for assessing and recommending nominees for appointments to the respective Boards of the Group. A thorough and comprehensive evaluation of the background, skills, knowledge and experience of the nominee is undertaken by the Group Nomination and Remuneration Committee before recommendation is made to the respective Boards for approval. In the case of appointment of new Directors and re-appointment to the Boards of the financial institutions within the Group and the holding company of the financial institutions, BNM's approval is sought prior to such appointment and/or re-appointment.

### Re-appointment and Re-election of Directors

Each year, one-third of the Directors retire from office at the Annual General Meeting, and being eligible, may offer themselves for re-election at the Annual General Meeting. In addition, the MMLR requires that all Directors retire from office once at least, in each 3 years, but shall be eligible for re-election at the Annual General Meeting. Directors appointed during a financial year holds office until the next Annual General Meeting and being eligible, may also offer themselves for re-election at the Annual General Meeting. Proposals for the re-appointment and re-election of Directors are recommended by the Group Nomination and Remuneration Committee to the Board prior to the shareholders' approval at the Annual General Meeting.

### Number of Directorships

All the Directors of CIMB Group comply with the Revised BNM/GP1 and MMLR on directorships and all Directors do not hold more than 10 directorships in listed companies and 15 directorships in non-listed companies. The Directors further comply with the GLC Green Book which caps directorships in listed companies to 5 and non-listed companies to 10. The Group MD/CEO also complies with the Revised BNM/GP1 requirements which limit his directorships to a maximum of 5 in the Group. The Company Secretary assists in monitoring the number of directorships to ensure compliance at all times. A list of directorships for all Directors is maintained and presented to the Board on a quarterly basis for information and notation.

### Meetings and Supply of Information to the Board

The Board meets regularly to discuss business strategy, financial performance, operational issues, potential strategic acquisitions or alliances, matters pertaining to compliance and governance as well as reports on matters deliberated by Board Committees and their recommendations. Board meetings are scheduled in advance each year to facilitate Directors to plan their schedules. Special Board meetings are held in between the scheduled meetings to deliberate on urgent and important matters that require the Board's attention and decisions. Meeting papers on the proposals and various reports are delivered to the Board prior to the Board meetings, giving Directors sufficient time to evaluate the proposals and if necessary, to request additional information necessary in discharging their duties effectively. Procedures have been established concerning the format, content, presentation and delivery of Meeting Papers. The Board Papers clearly address the background, objective, key issues, rationale, impact and other information relevant to each proposal to enable the Board to make an informed and effective decision.

Through regular Board meetings, the Board is updated with various information on the development and business operations of the Group, as well as the dissemination of pertinent reports. In addition, the minutes of Board Committees' meetings are presented to the Board at the meeting and the respective Committees' Chairmen brief the Board on major issues deliberated by each Board Committee. The Board meets quarterly to review and approve the quarterly results of the Group, financial performance of the major subsidiaries, risk management report, discuss and determine training needs and topic relevant to the Group as part of Directors' development programmes.

Directors who are unable to attend the Board meeting physically are allowed to participate in the deliberations and discussions via telephone-conferencing facility. All deliberations at Board meetings, including dissenting views, are duly minuted as records of their proceedings. Relevant Board's decisions are communicated to the Management within one working day from the Board's approval to enable the Board's decisions and directions to be executed on a timely basis. The draft minutes are circulated to the Directors for their review and comments before the final minutes are tabled for confirmation at the next Board meeting.

At the Board meetings, the Group MD/CEO provides comprehensive explanation of significant issues relating to the Group's business while the Group Chief Financial Officer presents results of the Group's financial performance. The Chairman of the Audit Committee provides a summary of the audit reports deliberated at Audit Committee meetings for the Board's notation. Significant audit findings by the Group Internal Audit Division are also escalated to the Board for discussion and direction. In addition, the Head of Group Compliance reports the status of compliance with laws, regulatory requirements and internal policies and procedures adopted by the Group, for all the operating entities within the Group, whilst the Head of Group Risk Management briefs the Board on the risk positions of the various activities undertaken by the Group. Management is also invited to present proposals and answer queries raised by the Board on a need basis. Management takes immediate action on all matters arising from the Board meeting and updates the Board on the status of these matters at the next Board meeting or if deemed urgent via circulation of memorandum. All Directors have full access to the advice of the Company Secretary and may seek independent professional advice at the Group's expense in furtherance of their duties. An approved procedure has been established in facilitating the Directors in seeking independent professional advice.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Any Director who has interest in any proposal or transaction which comes before the Board, declares his interest and abstains from deliberation and voting on the proposal or proposed transactions. This process is duly recorded in the minutes of the proceedings.

The Group has adopted a more stringent policy in relation to dealings in securities by Directors and Key Management Personnel than that required by the MMLR. The Directors and Key Management Personnel who have access or are privy to price-sensitive information of the Company and other listed companies are strictly prohibited from dealing in the securities of the Company and that of other listed companies. In addition, no dealing in the securities of the Company by Directors and Key Management Personnel is permitted during closed periods, which commence 30 calendar days before the targeted date of announcement of the quarterly results up to the date of the announcement.

10 Board meetings were held in 2010 and the Directors' attendance at the meetings are as follows:

Directors	No. of Meetings	
	Attended	Held
<b>Tan Sri Dato' Md Nor Yusof</b> <i>Chairman/Non-Independent Non-Executive Director</i>	9	10
<b>Tan Sri Dato' Seri Haidar Mohamed Nor</b> <i>Senior Independent Non-Executive Director</i>	10	10
<b>Dato' Sri Nazir Razak</b> <i>Group Managing Director/Chief Executive Officer</i>	10	10
<b>Dato' Mohd Shukri Hussin</b> <i>Non-Independent Executive Director</i>	10	10
<b>Dato' Hamzah Bakar</b> <i>Independent Non-Executive Director</i>	9	10
<b>Datuk Dr Syed Muhamad Syed Abdul Kadir</b> <i>Independent Non-Executive Director</i>	9	10
<b>Dato' Zainal Abidin Putih</b> <i>Independent Non-Executive Director</i>	10	10
<b>Cezar Peralta Consing</b> <i>Independent Non-Executive Director</i>	9	10
<b>Dato' Robert Cheim Dau Meng</b> <i>Non-Independent Non-Executive Director</i>	8	10
<b>Hiroyuki Kudo</b> <i>Non-Independent Non-Executive Director</i>	10	10
<b>Glenn Muhammad Surya Yusuf</b> <i>Independent Non-Executive Director</i>	9	10
<b>Watanan Petersik</b> <i>Independent Non-Executive Director</i>	9	10

An Annual Management Dialogue in the presence of Directors, is held at the end of every financial year to consider and review the Group's long-term corporate strategies and business plans, including the principal issues and challenges faced by the Group. At the beginning of each financial year, the Board of Directors will consider the Group's annual budget in line with the Group Strategies and Plans formulated at the Annual Management Dialogue.

### Training and Development of Directors

All newly appointed Directors are required to attend an induction programme organised by Management, to provide the Directors with in-depth information of the operations and overview of the Group and its business. Each new Director receives an information pack giving details of the disclosure the Director is required to make in order to comply with various laws and regulations and all other corporate information of the Group. During the induction programme, the relevant Heads of Divisions will brief the newly appointed Directors on the functions and areas of responsibility of their respective divisions. This serves to familiarise the Directors with the operations and organisational structure of the Group as well as to provide them with a platform in establishing effective channel of communication and interaction with Management. All Directors are also invited to attend the Annual Management Dialogue of the Group. The Board is also mindful of the need for Directors to keep pace with new laws, regulations, accounting standards, changing commercial risks, latest market trends and developments, key challenges in domestic and regional markets and the banking industry. To this, the Board evaluates their training needs on a continuous basis and determines areas that would further their understanding of the issues facing the Group. The Company Secretary facilitates in organising internal and external programmes, training sessions, briefings, workshops and seminars for Directors. A comprehensive list of available programmes covering topics relevant to the Directors are sent to all Directors at the beginning of the financial year. Whenever required, Directors may request that training programmes on specific subject be arranged in order to facilitate them in discharging their duties effectively.

The Group's Directors have actively participated in programmes organised by regulators and industry associations such as the BNM/Financial Institutions Directors' Education (BNM/FIDE) programme, Malaysian Directors' Academy (MINDA) programme, as well as training and conferences of Bursa Securities and the Securities Commission.

All Directors have attended the Mandatory Accreditation Programme as required by Bursa Securities. Amongst the training programmes attended by the Directors in 2010 include areas of Corporate Governance, Risk Management, Leaderships and Business Transformation Management, Economics, Banking and Finance and Regulatory and Compliance, the details of which are as follows:

#### Corporate Governance

- Bursa Malaysia Conference - Corporate Governance Week 2010:
  - Independent Directors: Actual versus Perceived Independence
  - Views from the Boardroom - Challenges Directors Face
  - Boardroom Ethics
  - Board Role, Directors' Duties and Blind Spots, Biases and other Pathologies in the Boardroom
  - Towards Corporate Governance Excellence
- Bursa Securities - Focus Group for Board of Directors: Bursa Malaysia's Upcoming Corporate Responsibility Guide and web-portal
- In-house Directors' Training Programmes on:
  - Continuing Obligations of Directors of Listed Companies
  - The Corporate Governance Guide 2009
- FIDE/Breakfast Talk: "Islamic Institutions and Governance"

#### Risk Management/Audit

- BNM/Cagamas: Managing Risks in Mortgage Financing
- BNM-FIDE/Harvard Club Colloquium: Risk Management of Derivatives: What Directors and Senior Management should know
- Anti-Money Laundering Act 2001 (AMLA) Training for Board – Managing The Risk and Evolution in Countering Terrorism Financing and Anti-Money Laundering
- Dr David Bobker: Advanced Risk Management Programme
- BNM/Cagamas: Managing Risks in Mortgage Financing
- KPMG - Audit Committee Institute Roundtable discussion: Going Forward: Risk and Reform – Implications for Audit Committee Oversight
- David A.H. Brown: Building Audit Committees for Tomorrow

#### Leaderships and Business Transformation Management

- CIMB-INSEAD Leadership Program
- Asian Strategy and Leadership Institute (ASLI): The 7th ASEAN Leadership Forum
- Federation of Malaysian Manufacturer (FMM) Leadership Luncheon Talk

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

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- ASLI World Muslim Leadership Pre-Forum
  - ASLI World Muslim Leadership Forum
  - MAS Leadership Talk Series – Walk. Talk. Fly.
  - MINDA: “Leading Championship Strategies”
  - Luncheon Talk: “Transformational Leadership – A Passionate Passage”
  - FIDE Board Simulation Exercise
  - Professor Dave Ulrich: Building Organisational Capability for Strategic Transformation
  - 6th World Islamic Economic Forum: Empowering Leaders of Tomorrow: Connect and Collaborate
- 

### Economics

- 6th World Islamic Economic Forum (WIEF)
  - Scenario Planning Workshop by World Economic Forum
  - Securities Commission: World Capital Markets Symposium 2010
  - Khazanah Megatrends Forum 2010: Reclaiming the Commons – Collaborating and Competing in the New Economic Order
  - Malaysia Productivity Corporation (MPC) Round Table Discussion: Towards Higher Income Economy Through Service Innovation
  - Malaysian International Services Summit: Harnessing Services for Economic Growth
- 

### Banking and Finance

- 14th Malaysian Banking Summit
  - BNM: Financial Industry Conference 2010
  - Regional Global Country Limit (GCL) and Global Counterparty Credit Limit (GCCL) workshop
- 

### Islamic Banking

- Global Islamic Finance Forum
  - Takaful and Retakaful: Models and Main Differences
  - Group Islamic Finance Forum (GIFF) – “Islamic Finance: Opportunities for Tomorrow”
  - Private Equity Funds Documentation Course
  - Islamic Banking and Finance e-course
- 

### Regulatory and Compliance

- Malaysia Institute of Corporate Governance (MICG) Updates on Regulatory Framework and Directors Duties 2010
  - The Malaysian Law Conference
  - Talk on the Malaysian Competition Act: Operationalising the Act, Drawing from Experience in Asia, European Union and Australia
- 

### Others

- Bursa Malaysia Berhad Forum: “The Challenges of Implementing FRS 139”
  - FIDE Directors’ Compensation Study: Focus Group Workshop
  - 21st Meeting of the Putrajaya Committee on GLC High Performance
  - MINDA Tea Talk: Borderless and Globalisation: No Pain No Gain
  - Asia Society Luncheon: Navigating Southeast Asia - Opportunities and Obstacles
  - Corporate Panel Talk: Opportunities in a liberalising environment with Tan Sri Azman Mokhtar, Dato’ Yeoh Seok Hong and Dato’ Sri Tony Fernandes
  - Yayasan Khazanah: Special Luncheon Talk by Prof. Muhammad Yunus, Managing Director of Grameen Bank
  - Nuclear Conference: Capitalise on Investment Opportunities in the Growing Nuclear Energy Sector in Asia
  - Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP)
-

### COMPANY SECRETARY

The Company Secretary provides dedicated support to the Board. The Company Secretary serves and advises the Board on matters relating to the affairs of the Board, ensures all Board meetings are properly convened and an accurate and proper record of the proceedings and minutes of the meetings are kept. The Company Secretary assists the Chairman and Directors in the effective conduct of meetings and their directorial and statutory obligations and responsibilities.

The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management.

Apart from assisting the Chairman in formulating agendas and conduct of Board and Shareholders' meetings, the Company Secretary also undertakes the following roles:

- Facilitating highest standards of governance amongst the Group entities and identifying areas for enhancements.
- Ensuring that the Group complies with the statutory obligations under the relevant laws and regulations.
- Monitoring and ensuring that the Group's governance framework complies with the Code, Revised BNM/GP1, MMLR of Bursa Securities and the relevant laws, regulations and guidelines.
- Managing Board and shareholders processes group-wide.
- Updating the Board of Directors on any developments and changes in laws, regulations and guidelines pertaining to the statutory duties and code of conduct of Directors, Boards and General Meetings, and its impacts to the business of the Group in the jurisdictions within which the Group operates.
- Assisting Directors and Senior Management in execution of various corporate proposals.
- Assisting in managing shareholders' communication and resolving their enquiries.
- Managing relationship with external stakeholders.
- Maintaining the safe keeping of statutory records of the Companies within the Group in compliance with applicable laws and regulations.

### DIRECTORS' REMUNERATION

#### The level and make-up of remuneration

The Group Nomination and Remuneration Committee has established a remuneration framework for Directors and key Senior Management of the Group sufficient to attract, retain and remunerate Directors for their contribution to the Group. This framework includes fees, monthly and meeting allowances for Non-Executive Directors which are based on industry standards and set by reference to the responsibilities taken on by them. In order that it remains competitive and consistent with the culture, objective and strategy of the Group, the compensation framework of Non-Executive Directors are reviewed periodically to ensure that they remain market-competitive. The compensation packages of the Group MD/GEO and key Senior Management are based on Key Performance Indicators (KPIs) that are linked to the Group's and the individual's performance.

The Group Nomination and Remuneration Committee may appoint external advisers or consultants to advise on specific areas where necessary. Remuneration of the Directors in office during the financial year is also disclosed in the Group's Financial Statements.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The aggregate remuneration paid to the Directors by CIMB Group and its subsidiaries in 2010 is as follows:

Directors	Fees RM'000	Salary and/or Other Remuneration RM'000	Benefits-in-Kind RM'000	Total RM'000
<b>Executive Directors</b>				
Dato' Sri Nazir Razak <sup>1</sup>	-	6,675	5,325	12,000
Dato' Mohd Shukri Hussin	-	1,139	42	1,181
	-	7,814	5,367	13,181
<b>Non-Executive Directors</b>				
Tan Sri Dato' Md Nor Yusof	126	261	-	387
Tan Sri Dato' Seri Haidar Mohamed Nor	210	377	22	609
Dato' Zainal Abidin Putih	222	281	-	503
Dato' Hamzah Bakar	174	263	-	437
Datuk Dr Syed Muhamad Syed Abdul Kadir	222	324	6	552
Dato' Robert Cheim Dau Meng <sup>2</sup>	-	1,026	214	1,240
Cezar Peralta Consing	186	21	-	207
Hiroyuki Kudo <sup>2</sup>	-	740	122	862
Glenn Muhammad Surya Yusuf	213	66	13	292
Watanan Petersik	160	84	-	244
<b>Sub-total</b>	1,513	3,443	377	5,333
<b>Grand Total</b>	1,513	11,257	5,744	18,514

### Notes:

<sup>1</sup> The functions and responsibilities of the Group MD/CEO are carried out on a Group basis. The salary and other remuneration and benefits-in-kind for the Group MD/CEO were paid by a subsidiary, CIMB Investment Bank Berhad.

<sup>2</sup> Dato' Robert Cheim Dau Meng and Hiroyuki Kudo hold executive positions in the CIMB banking group and their salaries and benefits-in-kind were paid by a subsidiary, CIMB Investment Bank Berhad.

## BOARD COMMITTEES

To enable the Board to devote more time for strategic and critical matters, the Board has delegated specific responsibilities to the following committees:

- Audit Committee
- Board Risk Committee
- Group Nomination and Remuneration Committee
- Group Compensation Review Committee
- Regional Integration Committee

These Committees operate within clearly defined terms of reference duly approved by the Board. Reports of the respective Committees' meetings are presented to the Board for information and where necessary, for further deliberation and decision. The Board accepts that while these Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Committees are being brought up to the attention of the Board, who are collectively responsible for the Group's success, business, strategy, risk management, operational and financial performance.

Further details on the Board Committees are set out below.

### **Audit Committee**

The Audit Committee comprises solely of Independent Non-Executive Directors with financial knowledge and experience in line with the requirements of the Code and the MMLR. The Audit Committee meets regularly to review the quarterly results, audit reports which include observations pertaining to risk management and internal controls, as well as related party transactions.

Dato' Zainal Abidin Putih, the Chairman of the Audit Committee, has been a practicing accountant with extensive experience in audit, management consulting and taxation. The performance of the Audit Committee is reviewed annually by the Group Nomination and Remuneration Committee to determine that the Audit Committee has discharged its duties in accordance with its terms of reference.

The Audit Committee met 12 times in 2010 and the attendance of the members of Audit Committee are as follows:

<b>Members</b>	<b>No. of Meetings</b>	
	<b>Attended</b>	<b>Held</b>
<b>Dato' Zainal Abidin Putih</b> <i>Chairman/Independent Non-Executive Director</i>	12	12
<b>Dato' Hamzah Bakar</b> <i>Independent Non-Executive Director</i>	12	12
<b>Datuk Dr Syed Muhamad Syed Abdul Kadir</b> <i>Independent Non-Executive Director</i>	12	12

Tan Sri Rama Iyer, who is a member of CIMB Group Audit Committee, attends the CIMB Group Holdings Berhad Audit Committee meetings by invitation. In addition to the 12 meetings held to deliberate on matters relating to the Group, 18 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions under the Group.

A summary of the activities undertaken by the Audit Committee during the financial year under review and the terms of reference of the Audit Committee are set out in the Audit Committee Report on pages 120 to 125 of the Annual Report.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### Board Risk Committee

The primary responsibility of the Board Risk Committee is to ensure that the integrated risk management functions within the Group are effectively discharged.

A total of four meetings were held in 2010 and the attendance of the members of the Board Risk Committee are as follows:

Members	No. of Meetings	
	Attended	Held
<b>Dato' Hamzah Bakar</b> <i>Chairman/Independent Non-Executive Director</i>	3	4
<b>Tan Sri Dato' Md Nor Yusof</b> <i>Non-Independent Non-Executive Director</i>	4	4
<b>Tan Sri Dato' Seri Haidar Mohamed Nor</b> <i>Senior Independent Non-Executive Director</i>	4	4
<b>Dato' Zainal Abidin Putih</b> <i>Independent Non-Executive Director</i>	4	4
<b>Datuk Dr Syed Muhamad Syed Abdul Kadir</b> <i>Independent Non-Executive Director</i>	3	4
<b>Cezar Peralta Consing</b> <i>Independent Non-Executive Director</i>	4	4
<b>Dato' Robert Cheim Dau Meng</b> <i>Non-Independent Non-Executive Director</i>	4	4
<b>Hiroyuki Kudo</b> <i>Non-Independent Non-Executive Director</i>	4	4
<b>Glenn Muhammad Surya Yusuf</b> <i>Independent Non-Executive Director</i>	3	4
<b>Watanan Petersik</b> <i>Independent Non-Executive Director</i>	4	4

The terms of reference of the Board Risk Committee are as follows:

- Formulating and reviewing the risk strategy of the organisation.
- Approving and periodically reviewing the Group's risk management policies in line with the risk strategy.
- Defining the risk management objectives across risk categories and business lines.
- Setting the risk appetite (namely the confidence level to be used for quantifiable risks, maximum size and frequency of losses for risks) of the organisation along specific business lines.
- Reviewing the overall risk profile of the organisation and specific market risk and credit risk portfolio profile on a periodic basis.
- Approving the methodology to be followed for risk-based economic capital computation.
- Approving the contingency plan for dealing with various extreme internal/external events and disasters.
- Ensuring a "risk-aware" culture in the organisation.
- Managing any other risk related issues.

Details of the Group's risk management framework are elaborated on pages 134 to 141 of this Annual Report.

**Group Nomination and Remuneration Committee**

The Group Nomination and Remuneration Committee comprises wholly Non-Executive Directors, the majority of whom are independent.

The Group Nomination and Remuneration Committee is responsible for ensuring an effective framework for the appointment of new Directors and that rewards and remuneration packages commensurate with responsibilities and contributions expected of each of the Director. The framework establishes a formal and transparent procedure for the appointment of Directors, Board Committees, CEO and key Senior Management in the Group. A similar procedure has also been applied in developing the remuneration policy for Directors, CEO and key Senior Management. Reports and recommendations of the Group Nomination and Remuneration Committee are escalated to the Board for approval or decision.

Since the Group’s regional expansion in 2009, the Group Nomination and Remuneration Committee has a broader responsibility of overseeing the nomination and appointment of Directors and Senior Management of regional subsidiaries and joint-venture companies.

The members of the Group Nomination and Remuneration Committee and their attendance at the meetings held in 2010 are as follows:

Members	No. of Meetings	
	Attended	Held
<b>Tan Sri Dato’ Seri Haidar Mohamed Nor</b> <i>Chairman/Senior Independent Non-Executive Director</i>	9	9
<b>Dato’ Hamzah Bakar</b> <i>Independent Non-Executive Director</i>	9	9
<b>Dato’ Zainal Abidin Putih</b> <i>Independent Non-Executive Director</i>	8	9
<b>Datuk Dr Syed Muhamad Syed Abdul Kadir</b> <i>Independent Non-Executive Director</i>	9	9
<b>Dato’ Robert Cheim Dau Meng</b> <i>Non-Independent Non-Executive Director</i>	9	9

The terms of reference of the Group Nomination and Remuneration Committee with regards to its nomination roles are as follows:

- Establishing clear, formal and transparent procedures for the re-election and appointment of the Board.
- Establishing minimum requirements for the Board, namely required mix of skills, experience, qualification and other core competencies required of each director. The Group Nomination and Remuneration Committee is also responsible for establishing the minimum requirements for the CEO. The requirements and criteria should be approved by the full Board.
- Recommending and assessing the nominees for directorship, Board committee members as well as nominees for the CEO and ensuring compliance with Section 56 of the Banking and Financial Institutions Act, 1989 and Section 23 of the Islamic Banking Act, 1983 (for the banking subsidiaries) and the corresponding sections of the Insurance Act, 1996 and the Takaful Act, 1984 (for insurance and takaful subsidiaries). This includes assessing directors for re-appointment, before an application for approval is submitted to Bank Negara Malaysia. The actual decision as to who shall be nominated should be the responsibility of the Board. Subsequent to the assessment, in the event where there are changes concerning a director that would affect his contribution and attendance to the Board, the Chairman shall request for a follow-up assessment on the director, as and when it is required.
- Overseeing the overall composition of the Boards and the Board committees in terms of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors through annual reviews.
- Recommending to the Board for the removal of a director/CEO from the Board/management if the director/CEO is ineffective, errant and negligent in discharging his responsibilities.
- Establishing a mechanism for the formal assessment of the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board’s various committees and the performance of the CEO and other key Senior Management officers. Annual assessment should be conducted based on an objective performance criterion. Such performance criteria should be approved by the full Board.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

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- Ensuring that all directors receive an appropriate continuous training programme in order to keep abreast with the latest development in the industry.
  - Recommending to the Board the removal of key Senior Management officers if they are ineffective, errant and negligent in discharging their responsibilities.
  - Overseeing the appointment, management succession planning and performance evaluation of key Senior Management officers.
  - Whenever key expatriates at the Group's financial institutions are employed, to ensure there is in place a process for the transfer of expertise and skills from the expatriates to the staff of the financial institutions.
  - Assessing on an annual basis that the Directors and key Senior Management officers are not disqualified under Section 56 of the Banking and Financial Institutions Act, 1989 and/or Section 23 of the Islamic Banking Act, 1983 and the corresponding sections of the Insurance Act, 1996 and the Takaful Act, 1984.
  - The Group Nomination and Remuneration Committee recommends all nominations to the Board for decision.

The terms of reference of the Group Nomination and Remuneration Committee with regards to its remuneration roles are as follows:

- Recommending a framework of remuneration for directors, CEO and key Senior Management officers of the Group for the full Board's approval. The remuneration framework should support the Group culture, objectives and strategy and should reflect the responsibility and commitment, which goes with board membership and responsibilities of the CEO and Senior Management officers. The framework should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind.
- Recommending specific remuneration packages for the key Senior Management officers. The remuneration package should be structured such that it is competitive and consistent with the Group's culture, objectives and strategy. Salary scales drawn up should be within the scope of the general taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board. In addition, the remuneration of each Board member may differ based on their level of expertise, knowledge and experience.
- Conducting performance-related reviews to assess the effectiveness of the Boards, the Committees of the Board and individual directors on an annual basis.
- Recommending to the Board the appointment, and remuneration, of Shariah Committee members of the Islamic subsidiaries, and external advisors as advised and deemed necessary to fulfill its obligation and responsibilities. Annual/periodic reviews of the remuneration shall be conducted by the committee if deemed necessary.

The Group Nomination and Remuneration Committee also facilitates the Board in reviewing, annually, the effectiveness of the Board and Board Committees. The Group has adopted a process to evaluate the effectiveness of the Board and the Board Committees by conducting an annual Board Effectiveness Assessment (BEA) exercise.

At the end of the BEA exercise, the Directors' responses are collated and a comprehensive summary of the findings and recommendations is submitted to the Group Nomination and Remuneration Committee for deliberation, after which, the findings and recommendations are escalated to the Boards and Board Committees for further review and proposed actions. The deliberations of the Group Nomination and Remuneration Committee on the findings of the BEA are duly minuted at the meetings of the Group Nomination and Remuneration Committee and Boards respectively.

The Group Nomination and Remuneration Committee also undertakes individual assessment of Directors eligible for new appointment and re-appointment prior to submission to BNM for approval. A recommendation to the Board is made on whether a follow-up assessment is required, where necessary. During the financial year ended 2010, the Group Nomination and Remuneration Committee has conducted a more comprehensive individual assessment for the re-appointment of Executive Directors of the Group. The assessment focuses on the appointees' performance, contributions and influence to the Board besides their background and experience to justify their proposed re-appointments as executive directors.

### Group Compensation Review Committee

The Group Compensation Review Committee assists the Boards in ensuring that there is a common oversight of the employees' remuneration and compensation paradigm. The Group Compensation Review Committee also determines the provision and allocation of staff bonuses as well as salary increments and adjustments.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The members of the Group Compensation Review Committee and their attendance at the meetings held in 2010 are as follows:

Members	No. of Meetings	
	Attended	Held
Dato' Hamzah Bakar - <i>Chairman</i>	4	4
Dato' Zainal Abidin Putih	4	4
Dato' Robert Cheim Dau Meng	4	4
Dato' Sri Nazir Razak	4	4

The terms of reference of the Group Compensation Review Committee are as follows:

- Overseeing the remuneration packages for all employees in the CIMB Group (except Group MD/CEO and Executive Directors).
- Ensuring that the remuneration packages are consistent with the Group's objectives and strategies.
- Ensuring that the compensation framework is continually reviewed and benchmarked against best industry standards.
- Recommending related staff remuneration packages to the respective Boards in the CIMB Group for approval.

### Regional Integration Committee

The Regional Integration Committee was originally established to govern, align and frame the regional operating model of CIMB Group's business and support lines across ASEAN and to drive various cross border initiatives that are endorsed by the committee. In tandem with the Group's regional aspirations, the Regional Integration Committee today serves as a consultative and advisory forum to deliberate potential regional opportunities for business growth and development in all core markets across the Group.

The members of the Regional Integration Committee and their attendance at the meetings held in 2010 are as follows:-

Members	No. of Meetings	
	Attended	Held
Dato' Sri Nazir Razak - <i>Chairman</i>	9	11
Arwin Rasyid	9	11
Dato' Charon Wardini Mokhzani	7	11
Dato' Lee Kok Kwan	6	11
Subhak Siwaraksa	7	11
Mak Lye Mun	11	11
Kenny Kim	8	11
Iswaraan Suppiah	10	11
Hamidah Naziadin	8	11
Badlisyah Abdul Ghani <sup>*1</sup>	9	11
Lim Phang Hong	9	11
Effendy Shahul Hamid	8	11
Peter England <sup>*1</sup>	9	11
Gan Pai Li	8	11
James Rompas <sup>*1</sup>	6	11
Abdul Karim Md Lassim <sup>*2</sup>	7	11

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Members	No. of Meetings	
	Attended	Held
Wulan Tumbelaka <sup>*2</sup>	8	11
Narongchai Wongthnavimok <sup>*2</sup>	6	11
Kua Wei Jin <sup>*3</sup>	n/a	n/a
Kok Kong Chin <sup>*3</sup>	n/a	n/a
Coreen Kwan <sup>*3</sup>	n/a	n/a
John Pang <sup>*3</sup>	n/a	n/a

### Notes:

<sup>\*1</sup> Appointed on 21 January 2010

<sup>\*2</sup> Appointed and ceased as member on 21 January 2010 and 31 January 2011 respectively

<sup>\*3</sup> Appointed on 31 January 2011

n/a Not applicable

The terms of reference of the Regional Integration Committee are as follows:

- Overseeing the implementation of the Regional Operating Model.
- Identifying and establishing cross-border synergies pertaining to the integration of the Group's entities in line with the Group's regionalisation agenda.
- Fostering the exchange of information, knowledge and best practices.
- Reviewing all regionalisation plans including branding related matters and resolve any issues that are escalated up to the Committee.
- Undertaking any other matters as directed by the Board or Group MD/CEO from time to time.

### Summary of Attendance on Board Committees

Directors	Audit Committee	Board Risk Committee	Group Nomination and Remuneration Committee	Group Compensation Review Committee	Regional Integration Committee
Tan Sri Dato' Md Nor Yusof	n/a	4/4	n/a	n/a	n/a
Tan Sri Dato' Seri Haidar Mohamed Nor	n/a	4/4	9/9	n/a	n/a
Dato' Sri Nazir Razak	n/a	n/a	n/a	4/4	9/11
Dato' Mohd Shukri Hussin	n/a	n/a	n/a	n/a	n/a
Dato' Hamzah Bakar	12/12	3/4	9/9	4/4	n/a
Datuk Dr Syed Muhamad Syed Abdul Kadir	12/12	3/4	9/9	n/a	n/a
Dato' Zainal Abidin Putih	12/12	4/4	8/9	4/4	n/a
Cezar Peralta Consing	n/a	4/4	n/a	n/a	n/a
Dato' Robert Cheim Dau Meng	n/a	4/4	9/9	4/4	n/a
Hiroyuki Kudo	n/a	4/4	n/a	n/a	n/a
Glenn Muhammad Surya Yusuf	n/a	3/4	n/a	n/a	n/a
Watanan Petersik	n/a	4/4	n/a	n/a	n/a

### Note:

n/a Not applicable

**Other Group Committees**

Apart from the above Committees, the Group has established other Board and Management Committees to assist the Board and Management in managing the Group's activities and operations.

**Shariah Committees**

Following the Group's expansion, there are currently 3 Shariah Committees to cater for the Group's Islamic banking and Takaful businesses.

In compliance with BNM's Guidelines on the Governance of Shariah Committee for Islamic Financial Institutions (BNM/GPS 1) and Peraturan Bank Indonesia Nomor 11/10/PBI/2009 Tentang Unit Usaha Syariah, the Shariah Committees ensure that the operations of the Islamic banking, capital markets and Takaful businesses of the Group are Shariah-compliant. In advising on such matters, the Shariah Committees ensure that the rulings relating to the Islamic banking and capital markets products and services comply with the judgements or the ijtiha of the relevant Shariah authorities, including the Shariah Advisory Council of BNM and Securities Commission in Malaysia and the Fatwa issued by Dewan Syariah Nasional - Majelis Ulama Indonesia and the Brunei State Mufti's Office, wherever applicable. The Shariah Committees also take into consideration Shariah Courts' judgements and rulings published by the National and State Fatwa Councils.

**(a) Shariah Committee of CIMB Islamic Bank**

The members of the Shariah Committee of CIMB Islamic Bank and their attendance at the meetings held in 2010 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Professor Dr Mohammad Hashim Kamali - <i>Chairman</i>	Canadian (Malaysian Permanent Resident)	4	4
Sheikh Nedham Yaqoobi	Bahraini	2	4
Sheikh Dr Haji Mohd Nai'm Haji Mokhtar	Malaysian	4	4
Sheikh Associate Professor Dr Shafaai Musa	Malaysian	4	4
Sheikh Dr Yousef Abdullah Al Shubaily	Saudi Arabian	3	4

**(b) Shariah Committee of CIMB Aviva Takaful Berhad**

The members of the Shariah Committee of CIMB Aviva Takaful Berhad and their attendance at the meetings held in 2010 are as follows:

Members	Nationality	No. of Meetings	
		Attended	Held
Sheikh Associate Professor Dr Shafaai Musa - <i>Chairman</i>	Malaysian	4	4
Sheikh Professor Dr Mohammad Hashim Kamali	Canadian (Malaysian Permanent Resident)	4	4
Sheikh Dr Haji Mohd Nai'm Haji Mokhtar	Malaysian	4	4

**(c) Dewan Pengawas Syariah of PT Bank CIMB Niaga Tbk**

Dewan Pengawas Syariah of PT Bank CIMB Niaga Tbk was established on 19 December 2008 and its members are as follows:

Members	Nationality
Sheikh Professor Dr M Quraish Shihab - <i>Chairman</i>	Indonesian
Sheikh Professor Dr Fathurrahman Djamil	Indonesian
Sheikh M Taufik Ridlo	Indonesian

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

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### International Advisory Panel

The International Advisory Panel (IAP) acts as an advisory body to the Group's Senior Management in the formulation and implementation of its international expansion policies. The IAP meets annually to review the Group's international expansion strategies and plans.

The IAP comprises members of various nationalities whose combined experiences span a broad spectrum including the financial markets, industry, policy formulation and academia, both domestically and internationally. The members are:

- Tun Musa Hitam (Chairman)
- Abdulaziz Kanoo
- Tan Sri Andrew Sheng
- Beau Kuok
- Cezar Peralta Consing
- Glenn Muhammad Surya Yusuf
- Goh Geok Khim
- Robby Djohan
- Tira Wannamethee
- Datuk Tong Kooi Ong
- Tan Sri Rainer Althoff

The IAP activities are set out on page 038 of the Annual Report.

### Management Committees

The following Management committees have been established to assist the Group MD/CEO and Senior Management in managing the various businesses and support activities in the Group:

#### Group Wide Committees

- Group Management Committee
- Group Executive Committee
- Group Human Resource Committee
- Group Risk Committee
- Group IT Strategy Committee
- Group Market Risk Committee

#### Regional Consultative Committees

- Regional Balance Sheet Management Committee
- Regional Consumer Banking Committee
- Regional Cost Management Committee
- Regional Credit Committee
- Regional Liquidity Risk Committee
- Regional Marketing and Communications Committee

#### Malaysian Committees

- Balance Sheet Management Committee
- Consumer Banking Committee
- Cost Management Committee
- Credit Risk Committee
- Crisis Management Committee
- Disciplinary Committee
- IT Prioritisation Committee
- Marketing and Communications Committee
- Occupational Safety and Health Committee
- Operational Risk Committee
- 1Platform Committee

**PROACTIVE COMMUNICATION WITH STAKEHOLDERS**

Communication with shareholders is one of the key priorities for the Board. The Board ensures that the shareholders are kept up-to-date and informed about the business strategy and direction of the Group. Engagement with the institutional shareholders is essential to ensure greater understanding of and confidence in the Group's success. Major business developments and corporate plans within the Group are consistently communicated to shareholders and investors in a timely and accurate manner.

One of the important methods of communication to shareholders and investors is the Annual Report which contains comprehensive and both quantitative and qualitative information about the Group. The Group strives to continuously enhance its level of governance, transparency and accountability in line with the Code and international best practices.

The Group views the Annual General Meeting as a forum for shareholders and retail investors to meet the Board and Senior Management to raise their concerns and queries. The Chairman and Senior Independent Director ensure that the Board is accessible to shareholders and an open channel of communication is present. The Company Secretary is in close contact with the shareholders and assists to compile questions from shareholders prior to the Annual General Meeting. This ensures that shareholders' queries are attended to in a prompt and systematic manner. At the Annual General Meeting, the Group MD/CEO presents the annual financial performance and future prospects of the Group to all shareholders and retail investors. The Group's External Auditors are also available at the Annual General Meeting to answer shareholders' queries pertaining to accounting and auditing standards. Shareholders are given opportunity to seek clarification on the Group's performance and the Directors' stewardship of CIMB Group.

In addition, the Group's Senior Management takes an active role in managing investor relations, meeting local and foreign fund managers and investors regularly as well as participating in roadshows and conferences overseas. The Group has a dedicated Investor Relations Department which meets key institutional investors and analysts on a regular basis, as well as answers queries from shareholders. Pertinent information is communicated to shareholders on a timely basis via Bursa Link and press releases. Separate media and analysts briefings are also conducted during the release of the Group's quarterly results.

The quarterly financial results, annual reports, notices of general meetings, circular to shareholders, notification of substantial shareholders, and other information are made public via Bursa Link and are also available at the Company's website at [www.cimb.com](http://www.cimb.com), from which shareholders can access and download information on the Group.

Notice and agenda of the Annual General Meeting are sent to shareholders at least 21 days prior to the Annual General Meeting in accordance with the requirements of the Companies Act, 1965 and MMLR. There has always been a reasonable turnout and active participation by shareholders at CIMB Group's Annual General Meeting.

**Release of Annual Reports and Quarterly Financial Results**

<b>Annual Reports</b>	<b>Date of Issue/Release</b>
Annual Report 2009	14 April 2010
Annual Report 2010	31 March 2011

<b>2010 Quarterly Results</b>	<b>Date of Issue/Release</b>
First Quarter	20 May 2010
Second Quarter	26 August 2010
Third Quarter	22 November 2010
Fourth Quarter	25 February 2011

The primary contacts for Investor Relations are:

**Dato' Sri Nazir Razak**  
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## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### Investor Relations Activities in 2010

	Number attended/hosted	Number of fund management companies/research houses met
Investors conferences/forum/roadshows	5	158
Direct one-to-one meetings	115	245
Tele-conference hosted	8	11

The Group Investor Relations activities are set out on pages 036 to 037 of the Annual Report.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

Pursuant to the Companies Act, 1965, and the Banking and Financial Institutions Act, 1989, Financial Statements for each financial year are prepared in accordance with the Malaysian Accounting Standards Board's (MASB) Approved Accounting Standards and the BNM Guidelines. The Financial Statements is prepared on a going concern basis and give a true and fair view of the state of affairs of the Group as at 31 December 2010.

Appropriate accounting policies have been applied consistently in preparing the Financial Statements, supported by reasonable and prudent judgement and estimates. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and have ensured that the Group's financial reporting presents a balanced and comprehensive assessment of its financial position and prospects.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Group's position and prospects in preparing the Financial Statements, reflected in the Directors' Report as set out on pages 002 to 008 of the Financial Statements section of this Annual Report.

#### Financial Reporting Standard 139 (Financial Instruments : Recognition and Measurement)

During the financial year ended 31 December 2010, the Group fully adopted the Financial Reporting Standard (FRS) 139, being the first local bank to implement this standard across the region. In implementing this standard, Management made efforts in providing a more reflective measurement of the Group's financial assets and liabilities. The efforts included conducting special audits on the methodology and the changes to the financial statements as a result of the implementation.

#### Audit Committee

The Audit Committee assists the Board in overseeing the financial reporting process. The Group's quarterly and half-yearly results and annual Financial Statements are subject to review by the Audit Committee and approval of the Board, prior to submission to BNM and Bursa Securities.

#### Related Party Transactions

All related party transactions (RPTs) are reviewed by the Company Secretary together with the Head of Group Corporate Finance before any submission is made to the Audit Committee for deliberation.

Details of the RPTs are set out under Notes 41 to the Financial Statements which are in the Financial Statements section of the Annual Report.

#### Internal Control

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, effective and efficient operations, compliance with laws and regulations as well as risk management. The size and complexity of the Group necessitate the managing of a wide and diversified spectrum of risks. The nature of these risks means that events may occur which would give rise to unanticipated or unavoidable losses. The inherent system of internal controls is designed to provide a reasonable though not absolute assurance against the risk of material errors, fraud or losses occurring.

The Board considers that the Group's framework and system of internal controls and procedures maintained by the Company's Management, and set in place throughout the financial year up to the date of this report, is adequate to meet the needs of the Group in the current business environment. The system of internal controls is designed to provide reasonable and not absolute assurance for achieving certain internal control standards and helps the Group manage the risk of failure to achieve business objectives, rather than to eliminate it.

The Statement on Internal Control which provides an overview of the state of internal control of the Company is set out on pages 126 to 133 of the Annual Report.

### Whistle-Blowing Policy

To strengthen corporate governance practices across the Group, the Group has adopted a whistle-blowing policy to provide employees with accessible avenue to report on suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

The persons overseeing Internal Control matters in the Group are as follows:

Internal Control:

**Lim Tiang Siew, Group Chief Internal Auditor**

Tel : 603 - 2084 8677

Email : tiangsiew.lim@cimb.com

Risk Management and Control:

**Dato' Dr Gan Wee Beng, Deputy CEO , Group Risk Management**

Tel : 603 - 2084 2252

Email : weebeng.gan@cimb.com

Operational Control and Information Technology Security:

**Iswaraan Suppiah, Head, Group Information and Operations**

Tel : 603 - 2084 9276

Email : iswaraan.suppiah@cimb.com

### Relationship with Internal and External Auditors

The Group's internal audit function is performed in-house by the Group Internal Audit Division (GIAD), which regularly audits the internal control practices and reports significant findings to the Audit Committee with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weaknesses are taken within an appropriate time frame. GIAD also assists the Board of Directors in overseeing that Management has in place a sound risk management, internal control and governance system. The Audit Committee also reviews the adequacy of the competency of the internal audit function periodically.

GIAD works closely with the Bank's External Auditors on audit and internal control issues. The External Auditors review the effectiveness of the Bank's internal controls and risk management during the annual audit. Any material non-compliance with procedures and regulations noted during the audit, as well as any internal control weaknesses, are reported to the Audit Committee and Management. The External Auditors will offer their recommendations to Management to address these issues and the Audit Committee ensures that Management expeditiously deals with all high-risk audit issues.

The Board and the Audit Committee maintain a formal and appropriate relationship with the External Auditors. For the period under review, the Audit Committee had 2 meetings with the External Auditors without the presence of Management, which has encouraged a greater exchange of independent, frank views and opinions/dialogue between both parties. Apart from that, the External Auditors were also invited to attend CIMB Group's meetings such as Audit Committee meetings and Annual General Meetings. The Audit Committee reviews the independence of External Auditors annually and ensures that other non-audit work is not in conflict with the functions of External Auditors. The Audit Committee also ensures that there is a rotation of the Engagement Partner of the External Auditors every 5 years.

## Statement on Corporate Governance

(pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### ADDITIONAL COMPLIANCE INFORMATION

As at 31 December 2010

#### 1. Utilisation of Proceeds Raised from Corporate Proposals

During the financial year ended 31 December 2010, the Group had collectively issued the following instruments:

##### (a) Subordinated Notes 2010/2017 - IDR1,380,000 million

The Subordinated Notes 2010/2017 IDR1,380,000 million (the Notes) were issued by PT Bank CIMB Niaga Tbk on 8 July 2010. The Notes were issued at scriptless, with term of 7 years from the emission date and with fixed interest rate of 11.30% per annum. The Notes is listed on the Indonesia Stock Exchange on 9 July 2010.

##### (b) Subordinated Notes 2010/2020 - IDR1,600,000 million

The Subordinated Notes 2010/2020 IDR1,600,000 million (the Notes) were issued by PT Bank CIMB Niaga Tbk on 23 December 2010. The Notes were issued at scriptless, with term of 10 years from the emission date and with fixed interest rate of 10.85% per annum. The Notes is listed on the Indonesia Stock Exchange on 27 December 2010.

##### (c) Subordinated Notes - RM2 billion

CIMB Bank has on 23 December 2010 completed the issuance of RM2.0 billion Subordinated Debt. The RM2.0 billion Subordinated Debt issuance was issued under the RM5.0 billion Subordinated Debt Programme which was approved by the Securities Commission on 2 March 2009 and 24 September 2010 (for certain variation of terms).

The Subordinated Debt, rated AA+ by Malaysian Rating Corporation Berhad (MARC), was issued in 2 separate tranches, a RM1.0 billion tranche with a maturity of 10 years callable at the end of year-5 and on each subsequent coupon payment dates thereafter (10 years tranche), and another RM1.0 billion tranche with a maturity of 15 years callable at the end of year-10 and on each subsequent coupon payment dates thereafter (15 years tranche). Redemption of the Subordinated Debt on the call dates shall be subject to Bank Negara Malaysia's approval.

The coupon rate for the Subordinated Debt is 4.3% and 4.8% for the 10 years tranche and the 15 years tranche respectively. There is no step up coupon after call dates. Proceeds from the issue will be used for CIMB Bank's working capital purposes.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM1 billion subordinated debts (maturity of 10 years) and RM800 million of the RM1 billion subordinated debts (maturity of 15 years) using interest rate swaps.

##### (d) Subordinated Fixed Rate Notes - RM150 million and RM600 million

The RM750 million Cumulative Subordinated Fixed Rate Notes (the RM750 million Notes) issued by the Company on 5 April 2010, comprising a callable 5-year tranche and 10-year tranche, amounting to RM150 million and RM600 million respectively, was part of the Subordinated Notes Programme which was approved by the Securities Commission on 12 June 2009. Under the programme, the Company is allowed to issue subordinated fixed rate notes of up to RM3.0 billion in nominal value.

Both tranches have a maturity of 50 years, with call option for the Issuer to redeem at year-5 and on each subsequent coupon payment date, and year-10 and on each subsequent coupon payment date respectively. The 5-year tranche pays a semi annual coupon rate of 5.3% per annum whilst the 10-year tranche pays a coupon of 6.35% per annum. The coupon will be stepped up by 2.0% in the event the Company does not redeem the RM750 million Notes on the respective first call date.

##### (e) Syndicated Term Loan – USD100 million

In 2010, the Company secured a syndicated term loan amounting to USD100 million which will mature on 2 December 2013. It bears floating interest rate of LIBOR + 0.80% per annum.

**2. Shares Buy-Back**

Details of the shares purchased during the financial year ended 31 December 2010 are set out below:

<b>Month</b>	<b>No. of CIMB Shares Purchased</b>	<b>Highest Price Paid per CIMB Share RM</b>	<b>Lowest Price Paid per CIMB Share RM</b>	<b>Average Price Paid per CIMB Share RM</b>	<b>Total Consideration* RM</b>
February	1,000	13.00	13.00	13.00	13,107.90
August	1,000	7.81	7.81	7.81	7,875.02
<b>Total</b>	<b>2,000</b>			<b>10.49</b>	<b>20,982.92</b>

\* Inclusive of transaction cost

All the shares purchased during the financial year ended 31 December 2010 were held as treasury shares. There were no resales of treasury shares made during the financial year.

Further details of the Shares Buy-Back and treasury shares are available in Note 30(b) to the Financial Statements which are in the Financial Statements section of the Annual Report and in the Statement Accompanying Notice of Annual General Meeting.

**3. Options, Warrants or Convertible Securities**

There were no options, warrants or convertible securities issued during the financial year by CIMB Group. 101,244,826 warrants were exercised during the financial year.

**4. American Depository Receipt (ADR) or Global Depository Receipt (GDR)**

CIMB Group did not sponsor any ADR or GDR programme during the financial year under review.

**5. Imposition of Sanction and/or Penalties**

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by any regulatory body during the financial year under review.

**6. Non-Audit Fees**

Non-audit fees payable to the External Auditors, Messrs. PricewaterhouseCoopers and its affiliates amounted to RM2.0 million for advisory works in connection with the Multi-Currency Euro - Medium Term Notes Programme of CIMB Bank and dual listing of CIMB Group in Thailand, debt and sukuk issuance, and other professional services including tax compliance and advisory.

**7. Variation in Results**

There were no variation in results for the financial year ended 31 December 2010 from the unaudited results released on 25 February 2011.

**8. Profit Guarantee**

CIMB Group did not receive any profit guarantee during the financial year ended 31 December 2010.

**9. Revaluation Policy on Landed Properties**

Please refer to the accounting policy on Property, Plant and Equipment in Notes J, K and M of the Summary of Significant Group Accounting Policies in the Financial Statements which are set out in the Financial Statements section of the Annual Report.

**10. Material Contracts**

There were no material contracts entered into by CIMB Group and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in Notes 46 and 47 to the Financial Statements which are in the Financial Statements section of the Annual Report.

This Statement on Corporate Governance was approved by the Board of Directors on 3 March 2011.

# Audit Committee Report



The Audit Committee members of CIMB Group Holdings Berhad are (L-R): Dato' Hamzah Bakar, Dato' Zainal Abidin Putih and Datuk Dr Syed Muhamad Syed Abdul Kadir.

## OVERVIEW

The Audit Committee of CIMB Group Holdings Berhad is committed to its role of ensuring high corporate governance practices and providing oversight on the Group's financial reporting, risk management and internal control systems.

### 1. ATTENDANCE OF MEETINGS

The details of the Audit Committee membership and meetings held during 2010 are as follows:

Name of Committee Member	Status	Number of Committee Meetings	
		Held	Attended
Dato' Zainal Abidin Putih	Independent Non-Executive	12	12
Dato' Hamzah Bakar	Independent Non-Executive	12	12
Datuk Dr Syed Muhamad Syed Abdul Kadir	Independent Non-Executive	12	12

In addition to the 12 meetings held to deliberate on matters relating to the Group, 18 other meetings were held to deliberate on matters relating to the three Malaysian banking institutions, making a total of 30 meetings for the year, on an average of a meeting once every fortnight. Deliberations on reports tabled to the Committee are robust and detailed. 463 assignments were completed by the Group Internal Audit Division (GIAD) during the year and tabled to the Audit Committee.

The Chairman of the Audit Committee reports to the Board on matters deliberated during the Audit Committee meetings. Minutes of each meeting are also distributed to each member of the Board.

## **2. COMPOSITION**

The composition of the Audit Committee complies with the Listing Requirements as follows:

- a. The audit committee must be composed of not fewer than 3 members;
- b. All audit committee members must be non-executive directors, with a majority of them being independent directors; and
- c. At least one member of the audit committee must be a qualified accountant.

The Audit Committee comprises three (3) independent non-executive directors. The Chairman of the Committee, Dato' Zainal Abidin Putih is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA). Tan Sri Rama Iyer, a member of CIMB Group Audit Committee attends the CIMB Group Holdings Berhad's Audit Committee meetings by invitation.

## **3. AUTHORITY**

The Audit Committee is a Board delegated committee. The Audit Committee in discharging its duties has explicit authority to investigate any matter within its terms of reference. It has full access to and co-operation from Management and full discretion to invite any director or executive officer to attend its meetings, and has the necessary resources availed to it by the Group to enable it to discharge its functions effectively. The Audit Committee has full and unrestricted access to information and is able to obtain independent professional advice if necessary, with any expenses related thereto to be borne by the Group.

## **4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

The responsibilities and duties of the Audit Committee are as follows:

<b>Area</b>	<b>Responsibilities</b>
<b>Internal controls/risk management/governance</b>	To review their effectiveness of internal controls, risk management processes and governance within the Group taking into account the requirements in the revised Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad, Bank Negara Malaysia Guidelines and other relevant guidelines issued by regulators.
<b>Internal audit</b>	<ol style="list-style-type: none"> <li>a. To ensure the internal audit function is well placed to undertake review or investigation on behalf of the Audit Committee, and be placed under the direct authority and supervision of the Audit Committee.</li> <li>b. To review the adequacy of internal audit scope, internal audit plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.</li> <li>c. To review the results of the internal audit processes and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function. The reports of internal auditors are not subject to clearance by the Group Chief Executive.</li> <li>d. To oversee the functions of GIAD and ensure compliance with relevant guidelines on internal audit issued by Bursa Malaysia Securities Berhad, Bank Negara Malaysia and Securities Commission.</li> <li>e. To evaluate the performance and decide on the remuneration package of the Group Chief Internal Auditor.</li> <li>f. To approve the appointment, transfer and dismissal of Group Chief Internal Auditor and to be informed of the resignation of any Unit Head in the Group Internal Audit Division, providing the resigning staff member an opportunity to submit his/her reasons for resigning.</li> </ol>

Area	Responsibilities
<b>External audit</b>	<ol style="list-style-type: none"><li>a. To consider the appointment of external auditors, the auditors' remuneration expense and matters of resignation or dismissal.</li><li>b. To discuss review with the external auditors the scope of their audit plan, the findings on system of internal accounting controls (including management action) and the relevant audit reports.</li><li>c. To assess objectivity, performance and independence of external auditors.</li><li>d. To approve the provision of non-audit services by the external auditors.</li><li>e. To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the auditors.</li><li>f. To ensure that the financial statements are prepared in a timely and accurate manner with frequent reviews of the adequacy of allowances against contingencies and bad and doubtful debts.</li><li>g. To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management where necessary).</li><li>h. To review the external auditors' management letter and management's response.</li><li>i. The Audit Committee shall meet with the external auditors at least twice a year without the presence of the CIMB Group Holdings Berhad management or Executive Directors to discuss any key concerns and obtain feedbacks.</li></ol>
<b>Audit findings / internal control / compliance</b>	To review the audit findings, internal controls and compliance issues reported by the internal, external and regulatory auditors.
<b>Others</b>	<ol style="list-style-type: none"><li>a. To engage on a continuous basis with senior management in order to be kept informed of matters affecting the Group.</li><li>b. To convene meetings with internal auditors, external auditors or both whenever deemed necessary.</li><li>c. To review the annual financial statements for submission to the Board of Directors of the Company and the respective Malaysian financial institutions within the CIMB Group Holdings Berhad and ensure prompt publication of annual financial statements.</li><li>d. To review the quarterly results of the Group, prior to the approval by the Board of Directors.</li><li>e. To review all related party transactions and keep the Board of Directors informed of such transactions.</li><li>f. To obtain external professional advice where necessary.</li></ol>



The Chairman of the Audit Committee, Dato' Zainal Abidin Putih briefing senior management members at CIMB Group's 2nd Regional Compliance, Audit and Risk Conference held in Indonesia .



Dato' Hamzah Bakar, Dato' Zainal Abidin Putih and Datuk Dr Syed Muhamad Syed Abdul Kadir at an audit site visit in one of the CIMB Niaga branches in Indonesia. Looking on is Lim Tiang Siew, Group Chief Internal Auditor and Restiana Linggadjaya, Chief Executive Auditor of CIMB Niaga.

## 5. SUMMARY OF ACTIVITIES IN 2010

### 5.1 Audit Committee

- a. Reviewed and approved the annual audit plan, scope of work and resource requirement of GIAD.
- b. Reviewed GIAD's methodology in assessing the risk levels of the various auditable areas and ensured that audit emphasis was given on critical risk areas.
- c. Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas.
- d. Reviewed the efficiency of operations and the economical utilisation of resources throughout the Group.
- e. Reviewed the appointment of external auditors and their independence and effectiveness.
- f. Reviewed the external auditors audit plan, scope of work and results of the annual audit for the Group.
- g. Met with the external auditors on 8 November 2010 and 10 February 2011 without the presence of the CIMB Group Holdings Berhad Management and Executive Directors to discuss relevant issues and obtain feedbacks.
- h. Reviewed the internal control issues identified by internal, external and regulatory auditors, as well as Management's response to audit recommendations and implementation of agreed action plans.
- i. Reviewed the financial statements of the Group on a quarterly basis and the draft announcements before recommending them for the Board's approval.
- j. Received quarterly updates from the Heads of Internal Audit of CIMB Niaga and CIMB Thai on their findings and make appropriate recommendations for improvements.
- k. Reviewed the proposals for non-audit services rendered by the external auditors.
- l. Reviewed write-off proposals as presented by the Management before recommending them for the Board's approval.

- m. Discussed and deliberated with relevant Heads of Divisions and Departments, where heads presented their business strategies, operational concerns and challenges and relevant Management action plans for the year.
- n. Attended meetings with the respective Audit Committees and Management of CIMB Niaga, CIMB Thai and CIMB Aviva. In each of the meeting, businesses and issues of respective operations were presented and discussed.
- o. Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
- p. Ensured compliance with regulatory requirements and internal policies, and status update on follow up by management on internal and external audit recommendations.
- q. Attended the Group's 2nd Regional Compliance, Audit and Risk Conference where regionalisation of the Group's regulatory framework, internal audit strategy and risk management process were presented and discussed.
- r. Attended the Group's Annual Management Dialogue where each business and support unit reviews its operations for the year and presents strategies and plans for the coming year.

### 5.2 Internal Audit Function

- a. GIAD conduct audits for the CIMB Group, except for CIMB Niaga and CIMB Thai which are supported by their own Internal Audit Departments. Both Internal Audit departments submit quarterly reports to GIAD, highlighting key audit issues, activities and concerns.
- b. GIAD provides independent and objective assurance on the adequacy and effectiveness of the internal control systems implemented by Management.
- c. GIAD assists the Audit Committee and Management in effective discharge of their responsibilities in establishing cost-effective controls, assessing risk management and recommending measures to mitigate identified risks and assuring proper governance process.
- d. GIAD is represented in all major IT projects undertaken, and provide necessary input especially in relation to controls required.
- e. GIAD provides periodic reports to the Audit Committee and Management, reporting on the outcomes of the audits conducted which highlight the effectiveness of the systems of internal control and significant risks.
- f. GIAD conducts investigations on suspected fraudulent activities and other irregularities, if required, of Malaysian entities within the Group.
- g. The Group Chief Internal Auditor reports to the Group Audit Committee and administratively to the Group CEO.

- h. The Group Chief Internal Auditors is invited to all meetings of major risk committees of the Group and the Group Management Committee.
- i. The insurance entities in Malaysia have their own audit committees. The audit findings are reported to the Group Audit Committee quarterly.
- j. The total cost incurred by GIAD Malaysia for the internal audit function of the Group in 2010 amounted to RM20.83 million.

### 5.3 Internal Audit Reports

- a. GIAD completed 463 assignments during the year covering audits of all key operations and investigations carried out.
- b. Audit reports that are rated as 'Above Average Risk' and 'High Risk' require the respective Management to be present at the Audit Committee meetings to respond and provide feedbacks on audit issues identified by GIAD.
- c. All findings by GIAD are tracked and followed up until closed and reported monthly to the Audit Issues Resolution Committee, which is chaired by the Executive Director of the Bank.
- d. The implementation status of audit recommendations are reported to the Audit Committee quarterly.

## 6. TRAININGS

Listed below are the trainings which the members attended to keep abreast of latest developments:

Audit Committee Member	Trainings attended
<b>Dato' Zainal Abidin Putih</b>	<ul style="list-style-type: none"> <li>• BNM/Cagamas: Managing Risks in Mortgage Financing</li> <li>• Bursa Malaysia Berhad Forum: The Challenges of Implementing FRS 139</li> <li>• Professor Dave Ulrich: Building Organisational Capability for Strategic Transformation</li> <li>• David A.H. Brown: Building Audit Committees for Tomorrow</li> <li>• Dr David Bobker: Advanced Risk Management Programme</li> <li>• Nuclear Conference: Capitalize on Investment Opportunities in the Growing Nuclear Energy Sector in Asia</li> <li>• Khazanah Megatrend Forum 2010: Reclaiming the Commons - Collaborating and Competing in the New Economic Order</li> <li>• BNM: Financial Industry Conference 2010</li> </ul>
<b>Datuk Dr. Syed Muhamad Syed Abdul Kadir</b>	<ul style="list-style-type: none"> <li>• BNM/Cagamas: Managing Risks in Mortgage Financing</li> <li>• MPC Round Table Discussion: Towards Higher Income Economy Thru Service Innovation</li> <li>• BNM-FIDE/ Harvard Club Colloquium: Risk Management of Derivatives - What Directors and Senior Management Should Know</li> <li>• 6th World Islamic Economic Forum: Empowering Leaders of Tomorrow - Connect and Collaborate</li> <li>• Minda Tea Talk: Borderless and Globalisation – No Pain, No Gain</li> <li>• KPMG Audit Committee Institute Roundtable Discussion: Going Forward Risk and Reform - Implications for Audit Committee Oversight</li> <li>• FIDE / Breakfast Talk: Islamic Institutions and Governance</li> <li>• Takaful and Retakaful: Models and Main Differences</li> <li>• In-House Directors' Training Programmes on: - Continuing Obligations of Directors of Listed Companies - The Corporate Governance Guide 2009</li> <li>• Khazanah Megatrends Forum 2010 : Reclaiming the Commons - Collaborating and Competing in the New Economic Order</li> <li>• Talk on the Malaysian Competition Act: Operationalising the Act, Drawing from Experience in Asia, EU and Australia</li> <li>• FIDE Board Simulation Exercise</li> <li>• Group Islamic Finance Forum (GIFF) : Islamic Finance: Opportunities for Tomorrow</li> <li>• BNM: Financial Industry Conference 2010</li> <li>• MINDA: Leading Championship Strategies, Yogyakarta, Indonesia</li> <li>• AMLA Training for Board of Directors: Managing The Risk and Evolution in Countering Terrorism Financing and Anti-Money Laundering</li> </ul>
<b>Dato' Hamzah Bakar</b>	<ul style="list-style-type: none"> <li>• KPMG Audit Committee Institute Roundtable Discussion: Going Forward Risk and Reform - Implications for Audit Committee Oversight</li> <li>• CIMB Oil and Gas Conference</li> <li>• Khazanah Megatrend Forum 2010: Reclaiming the Commons - Collaborating and Competing in the New Economic Order</li> <li>• Talk on the Malaysian Competition Act: Operationalising the Act, Drawing from Experience in Asia, EU and Australia</li> </ul>

# Statement on Internal Control

for the financial year ended 31 December 2010

## BOARD RESPONSIBILITY

The Board places importance on, and is committed to maintaining a sound system of internal control in the Group to ensure good corporate governance. The Board affirms its overall responsibility for reviewing the effectiveness, adequacy and integrity of the Group's system of internal control so as to safeguard stakeholders' interests and the Group's assets.

The system of internal control addresses the need for effective and efficient business operations, sound financial reporting and control procedures, and above all, compliance with applicable laws and regulations in the jurisdictions where the Group operates in, and provides additional resilience to external events.

The Board also recognises that reviewing the Group's system of internal control is a concerted and ongoing process that also takes into account changes in technology, designed to identify, manage and control risks, including operational risk, rather than to eliminate the risk of failure in achieving corporate objectives.

This process is reviewed regularly by the Board and accords with the guidelines as set out in the "Statement on Internal Control: Guidance for Directors of Public Listed Companies". Accordingly, the Group's system of internal control provides reasonable assurance against the occurrence of material misstatement and mismanagement or against financial losses and fraud.

## RISK MANAGEMENT AND CONTROL FRAMEWORK

The Board recognises that risk management is an integral part of the Group's business objectives and is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value. In pursuing these objectives, the Group has adopted an Enterprise-wide Risk Management ("EWRM") Framework to manage its risks and opportunities. The Board has also established the Board Risk Committee, with the primary responsibility of ensuring the effective functioning of the EWRM Framework.

The EWRM Framework involves an on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the achievement of the Group's business objectives. It provides the Board and the Management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business and regulatory environment, the Group's strategies and functional activities throughout the year.

## INFORMATION TECHNOLOGY SECURITY

Information Security requires the integration of people, process and technology. In 2010, the Group enhanced its Information Security strategies planning on each of the three components for adequate overall risk mitigation.

To strengthen and enhance the level of information security management, in addition to adhering to Bank Negara Guidelines on management of IT Environment ("GPIS 1"), the Group has developed a security architecture that integrates the technology processes by referencing the following renowned and recognised international technology, process and management standards. The standards include:

- a) ISO 27001 - International Information security management standard used to demonstrate regulatory, compliance and effective risk management on information security;
- b) WebTrust - Globally recognised standard that can be applied, inter alia, on online privacy, security, business practices/transaction integrity, availability, confidentiality or non-repudiation.

In addition to maintaining our WebTrust certification for both CIMB Clicks retail and CIMB Biz-Channel commercial banking platforms, CIMB IT Security Operations has been awarded the ISO 27001 certification. The maintenance of this certification requires consistent effort throughout the year to maintain and enhance the process for effective information security management. ISO 27001 requires management to systematically examine information security

risks, taking into account of the threats, vulnerabilities and impacts. Subsequent comprehensive suite of information security controls and risk treatment are designed and implemented to mitigate the risk.

In-line with the banking business growth and IT Infrastructure expansion, our technology design was constantly reviewed in 2010 and improved to effectively mitigate both internal and external risks and threats. The improvement is evidenced by project completion of some major IT Security Blueprint components such as user workstations hard disk data encryption and USB port lockdown, centralised logging and monitoring systems for firewall, network devices and servers access.

At the network security level, Firewall, Virtual Local Network router access control lists are deployed for the creation of security domains for group users and network resources in a logical or physical manner. The tools allow restrictions on access and authorisations at the network. The Group is further leveraging on Enterprise End-Point Anti-malware, Data Loss Prevention system ("DLP"), Intrusion Prevention System and Content filtering on Web and email technology which can significantly mitigate the risk of security events when data or information traverse the network. The definition files and configurations of these tools are updated as and when required to mitigate newly discovered vulnerabilities.

The Group has implemented information security awareness programmes targeted at internal employees to raise awareness about privacy, leakage of information and security responsibility. The programmes consist of periodic newsletters circulated within the Group.



Iswaran Suppiah performing a consistency check at a CIMB Niaga branch in Bali, Indonesia



**KEY INTERNAL CONTROL PROCESSES**

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control, including compliance with applicable laws, regulations, rules, directives and guidelines, are as follows:

- **Audit Committee**

The Group Audit Committee (Group AC) comprises independent Non-Executive Directors. It is the Board-delegated committee charged with oversight of financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes in the Group. Management, internal auditors and external auditors report to the Group AC on the effectiveness and efficiency of internal controls.

All significant and material findings by the internal auditors, external auditors and regulators are reported to the Group AC for review and deliberation. The Group AC reviews and ensures the implementation of Management’s mitigation plans to safeguard the interests of the Group and upkeep proper governance. Management of business and support units that are rated as “Above Average Risk” or “High Risk” are counseled by the Group AC. The Group AC also reviews all related party transactions, audit fees proposed by external auditors, and non-audit related fees proposed by the external auditors of the Group.

The Group AC makes field visits to the bank branches and the operating subsidiaries of the Group, whenever necessary. This enables the Group AC to actively interact with the relevant management staff on the expectations of the Group with regard to compliance, internal controls and risk management.

Presentations of business plans, current developments, operations, risks of the business and controls to mitigate risks are made by the relevant business and support units as deemed necessary by the Group AC. The Group AC also attends the Group’s Annual Management Dialogue where each business and support unit reviews its operations for the year and presents strategies and plans for the coming year.

- **Risk Committees**

The Board has established various risk committees within the Group with distinct lines of responsibility and functions, which are clearly defined in the terms of reference. These committees have the authority to examine matters within the scope and report pertinent issues and recommendations to the Board.

The Board Risk Committee determines the Group’s risk policy objectives and assumes responsibility on behalf of the Board for supervision of risk management. The Board Risk Committee reports directly to the Board of the Group. It oversees the EWRM Framework and provides strategic guidance and reviews decisions made by the various Risk Committees.

The day-to-day responsibility of risk management supervision and control is delegated to the Group Risk Committee, which reports directly to the Board Risk Committee. The Group Risk Committee, comprising of Senior Management of the Group, performs the oversight function for capital allocation and overall management of risks, with the risk appetite approved by the Board.

The Group Risk Committee is supported by specialised sub-committees; namely, Group Market Risk Committee, Regional Liquidity Risk Committee, Regional Credit Committee, Credit Risk Committee and Operational Risk Committee. Delegated by the Board, these committees meet weekly or monthly to review and deliberate on the risk exposure profile reports.

Similar risk committees are set-up in their respective jurisdictions by the Group’s overseas subsidiaries. Whilst recognising the autonomy of local jurisdiction and compliance to local requirements, the Group also strives to ensure a consistent and standardised approach in its risk governance process. As such, the Group Risk Committee and the relevant specialised risk regional committees have consultative and advisory responsibilities on regional matters across the Group.

- **Group Shariah Committee**

The Group Shariah Committee (“the Shariah Committee”) which is in compliance with BNM’s Guidelines on the Governance of

## Statement on Internal Control

for the financial year ended 31 December 2010

Shariah Committees for Islamic Financial Institutions (“GPS1”) is responsible for overseeing all Shariah matters of the Group in accordance with the relevant regulatory frameworks in the jurisdictions where the Group operates in. The Shariah Committee ensures that the rulings relating to Islamic banking and capital markets products and services comply with the judgements or the *ijtihad* of the relevant Shariah authorities.

The Shariah Committee currently consists of the following members:

1. Sheikh Dr. Mohammad Hashim Kamali (Chairman, Canadian with Malaysian PR) *Chairman and Chief Executive Officer (“CEO”) International Institute Of Advanced Islamic Studies*
2. Sheikh Nedham Yaqoobi (Bahrain) *Independent Shariah Adviser*
3. Sheikh Dr. Haji Mohd Nai’m Bin Haji Mokhtar (Malaysia) *Chief Assistant Director, Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister’s Department, Malaysia*
4. Sheikh Dr. Shafaai Bin Musa (Malaysia) *Associate Professor, Ahmad Ibrahim Kulliyah Of Laws, IIUM and Executive Director, IIUM Centre for Continuing Education Sdn. Bhd.*
5. Dr. Yousef bin Abdullah Al Shubaily (Kingdom of Saudi Arabia) *Lecturer, Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University, Kingdom of Saudi Arabia.*

The Shariah Committee is assisted by the Group Shariah Advisory Department that functions as the internal adviser on Shariah matters to all business and support units within the Group in the carrying out of their Islamic banking and finance activities. It serves as the intermediary between the units and the Shariah Committee. In addition to



The Compliance, Audit and Risk Conference participants on a site visit of one of the CIMB Preferred branches in Bali, Indonesia

establishing the relevant and appropriate Shariah policies and procedures, the Shariah Advisory Department also provides training across the Group on the Shariah Compliance Framework (the SCF).

The SCF is the enterprise-wide Shariah management plan consisting of Shariah compliance mechanisms to be undertaken by relevant sections across the Group. The Group Shariah Compliance Policy and General Procedures Manual serves as a solid platform for all the processes under the SCF. The implementation of the SCF is effected through the following functions:

- a) Shariah Advisory;
- b) Shariah Compliance review;
- c) Shariah Audit.

The Group Shariah Compliance Unit facilitates the implementation of Shariah compliance review, whilst the Group Internal Audit Division performs Shariah audit function.

- **Group Management Committee**

The Group Management Committee (GMC) is established to assist the Group Managing Director/Chief Executive Officer (Group Chief Executive) in ensuring that the daily operations of the Group are conducted in accordance with the corporate objectives, strategies, approved annual budget as well as policies and procedures. Policy guidelines and authority limits are imposed on and delegated to the Executive Directors and senior management within the Group

with regard to daily banking and financing operations, extension of credit including restructuring, investments as well as acquisitions and disposals of assets.

The GMC members are principally responsible for the performance of their respective business divisions as well as overseeing the Group’s strategy and cross-divisional synergies, deliberating key regulatory issues and other matters within the Group as directed by the Board and the Group Chief Executive.

- **Internal Policies and Procedures**

Clearly documented internal policies and procedures of all business units have been approved by the Board for application across the Group. Policies and procedures serve as a day-to-day operational guide to ensure compliance with internal controls and the applicable laws and regulations. Regular reviews and updates are performed to the policies and procedures. This is done with the intent to ensure continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, and new products and services.

- **Performance Review**

The Boards of the Group and its major subsidiaries receive management reports on periodic basis which highlight the key financial and operating statistics as well as legal and regulatory matters. The Board deliberates on these matters and where

necessary, ensures that prompt actions are taken in resolving the matters in a timely and satisfactory manner. Each business unit's performance will be reviewed in the monthly GMC meetings. The performance of each business unit is assessed against the approved budgets and corporate objectives and justification is required to be provided for significant variances. The reviews cover areas such as monthly financial performance, new business proposals, and listing of defaulted accounts as well as to discuss pertinent issues and formulate corrective/improvement measures.

- **Internal Audit**

The Group Internal Audit Division (GIAD) reports independently to the Group AC and is independent of the activities and operations of other business and support units. The principal responsibility of GIAD is to provide independent assurance on the efficiency and effectiveness of the internal control systems implemented by Management. It evaluates the control environment, risk management practices, compliance culture, management competency and efficiency, and strategy execution of the business units.

GIAD's scope of coverage encompasses all business and support units, including subsidiaries that do not have their own audit departments. The selection of the units to be audited from the audit universe is based on an annual audit plan that has been approved by the Group AC. The annual audit plan is developed based on assessment of risks, exposures and strategies of the Group. Units that are assessed to be high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include units that must be audited annually due to regulatory requirements, recent incidence of fraud or "High Risk" audit rating in the previous year's audit. GIAD also undertakes investigations into alleged frauds by staff, customers and third parties, and recommends appropriate improvements to prevent recurrence and actions against persons responsible.

GIAD has unrestricted access to information required in the course of its work. GIAD adopts the Committee of Sponsoring Organisations of the Tradeway Commission (COSO) internal control framework in its appraisals and evaluations of the Group's internal control systems and related infrastructure. GIAD's scope of work is established in accordance with The Institute of International Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and relevant Bank Negara Malaysia Guidelines.

The Audit Report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations, comments and recommendations for improvement. Group AC reviews and evaluates any exceptions or non-compliance raised by GIAD and ensures that appropriate and prompt remedial actions are taken by the Management.

GIAD conducts training routinely to the Bank's branch management and staff on governance and internal control matters.

The banking subsidiaries outside Malaysia have their own Audit Committees. These foreign banking subsidiaries have their own internal audit departments. The insurance subsidiaries in Malaysia also have their own audit committees but the internal audit function for these insurance subsidiaries is carried out by GIAD. The Group AC meets with the relevant subsidiary's audit committee at least once a year to discuss governance and audit matters. The internal audit departments of the foreign banking subsidiaries submit a report to the Group AC once every quarter.

Periodically, an external assessment of GIAD's internal audit activity is conducted by a qualified, independent reviewer from outside the Group. The last external assessment was conducted in 2009.

- **Institutional Integrity Unit**

The Institutional Integrity Unit (IIU) was established in 2007 as a unit within the Group Chief Executive's office to undertake investigations of complaints of irregularities and fraud perpetrated by staff as well as allegations of misconduct and unethical practices. The IIU also plays a consultative role in providing feedback on preventative measures and remedial action in enhancing organisational value. This unit is aimed at instilling in all staff an awareness of management's non-tolerance of fraud, unethical practices and irregularities to emphasise the importance of integrity.

The IIU, with effect from 31 January 2011, has been transferred to GIAD.

- **Group Compliance Framework**

The Group Compliance function is driven by the Group Compliance Department, which is headquartered in Malaysia. The Group has in place a Group Compliance Framework whereby the setting of compliance policies and standards with appropriate mechanisms and tools are driven at the Group level to ensure consistency in approach in managing compliance risk across the regional entities.

In line with good governance, Group Compliance reports independently to the Board. Appropriate governance has also been established with clear reporting lines by the local and regional compliance officers to the Group Head of Compliance, in addition to their direct reporting lines to their respective local and/or entity Board of Directors, to the extent permitted by the regulations of the local jurisdictions.

The Group Compliance Framework requires all the local and regional entities within the Group to adopt and implement the Group Compliance Policy and Procedures (Compliance P&P) and Conflict Management Policies (collectively referred to as the P&Ps). In line with the regional expansion within the Group, relevant conflict management processes have also been put in place to manage potential conflict issues.

## Statement on Internal Control

for the financial year ended 31 December 2010

Pursuant to the Compliance P&P, the respective entity Boards, as well as, CIMB Group Sdn Bhd's Board receive compliance reports on a regular basis. This facilitates the CIMB Group Sdn Bhd Board to have a holistic and overall view of all compliance matters across the Group.

- **Group-Wide Chinese Wall Policy**

The Group had recently undertaken a review of the existing Group Chinese Walls Policies and Procedures (Chinese Walls P&P) to reflect the current practice and applicable legal/regulatory requirements.

The Chinese Walls P&P, which is communicated to all relevant staff, sets out rules and procedures to be followed by the management committees, committees established by the Board, particular divisions and all relevant employees within the Group which are most likely to have access to material non-public price sensitive information to manage the risk of breach of insider trading provisions under applicable laws/regulations of the various jurisdictions in which the Group has its presence. These rules and procedures allow the Group to address insider trading prohibition by controlling the flow of information within the Group in an integrated manner. The Chinese Walls P&P as well as the Conflict Management Policies are also applicable to Directors where relevant, relating to trading in securities, in line with best practices.

- **New Product Approval Policy and Procedures**

New Product Approval Policy and Procedures is enforced for all new banking and capital market products, inclusive of both conventional and Islamic products. New products are products and/or services that are offered by the relevant banking entities of the Group for the first time or a combination of or variation to existing products and or services which have material change in the risk profile, as determined by the Chief Risk Officer. Group Risk Management is tasked to coordinate the product approval process together with the product owners.

The acceptance and sign-off of the relevant divisions or departments is obtained from Group Risk Management, GIOD, comprising Risk Monitoring, Operations, IT and Consumer Sales & Distribution, Group Compliance, Group Legal, Group Finance and Group Internal Audit as well as other relevant divisions, including the Shariah Committee /Shariah Advisory Department, where applicable. This rigorous risk review process ensures that all critical and relevant areas of risk are appropriately identified and assessed independently by the risk takers or product owners.

The product proposal is then deliberated by the Operational Process and Review Team (OPRT) and Operational Risk Committee (ORC) for matters that would impact the Group's operations. On pricing issues for consumer bank products, approval from Balance Sheet Management Committee would also be sought. Thereafter, proposals on capital market and commercial loan products are at the GRC, before final approval is obtained from Board Risk Committee on all new products.

The Group has also initiated the adoption of fair dealing practices in stages across the Group, where it is mandated in some jurisdictions and adopted as a best practice in others.

The Group will continue to adopt appropriate risk assessment measures to ensure that the interests of all stakeholders, including the customers are protected when new products are introduced.

- **Exceptions Management Procedure**

The Group continuously stresses the importance of adhering to regulatory requirements, internal controls and other established procedures in preserving its brand reputation. Any exceptions are addressed and managed in a timely and transparent manner. Towards this end, the Group has established the Group Escalation and Exception Management procedures to handle escalation of any exceptions,

including regulatory non-compliances, limit breaches, fraud and other non-adherence to internal processes. This procedure advocates timely remedial measures and strengthens transparency and management oversight.

Under the Exception Management procedures, reports on the incidents, providing details such as date, description and type of exception together with an explanation from the parties involved are required to be submitted within 24 hours of discovery or first notification of such incident. Each exception will then be managed based on the severity and impact of the case to the Group's business, operations and brand reputation.

Exceptions are summarised and reported to the Group Risk Committee on a monthly basis.

- **Code of Ethics**

The Group has in place a standard minimum code of conduct for all its employees which encompasses all aspects of its day-to-day business operations. The guidelines of the code of conduct are adopted from Bank Negara Malaysia's code of ethics. In its efforts to ensure adherence to the code of ethics, the Company had taken certain measures to inculcate these behaviors in its employees from the onset. New recruits are briefed on the code of ethics upon joining and are required to acknowledge in writing their acceptance and understanding of the code. In addition, further reinforcement on the code is done during the Group Orientation Programme. Other measures taken by the Company are posting of reminders to existing employees on the code of ethics through the Group's intranet that require employees to acknowledge their understanding and observance to the code of ethics electronically.

- **Human Resources Policies and Procedures**

Human Resources (HR) policies and procedures have been instituted throughout

the Group covering all aspects of human resource management. The policies on recruitment, promotion, transfers and termination of employees within the Group are clearly defined therein. Employees are appraised annually and the appraisal is directed by Key Performance Indicators and core competency measurements. Learning and capability development programmes which include skills/technical trainings are developed and put in place to support and improve the competency of our employees to ensure that they are able to discharge their duties effectively and efficiently. The HR policies are constantly reviewed for enhancement and all changes communicated to employees via e-mail or memoranda. Revised policies can be easily retrieved through the Group's intranet for reference, whenever needed.

Fraud cases involving employees continue to be one of the most difficult issues faced by the Group. In the effort to manage this issue, the Group has taken some initiatives across the Group to lower the number of occurrence of such incidences. Employees are periodically reminded on the relevant policies via e-mail or memoranda and also through relevant training sessions. One such training conducted is the AMLA session which is carried out regularly to further emphasise the Group's view on non-tolerance to fraud. It is also further emphasised during the Group Orientation Programme. The Group conducts prompt investigations on reported fraud cases involving employees and swift and stern actions are taken against the offenders. The actions could include dismissal of service and filing of civil suit for recovery of losses against the employees. These firm actions send a clear message to all employees that the Group views fraud very seriously.

The Board affirms that adherence to a sound internal control framework is the foundation for efficient business operations within the Group. During the period, the Group has instituted numerous initiatives to strengthen its systems of internal control. These include:

- **Basel II**

BNM adopted a two-phased approach for implementing the standards recommended by the Bank for International Settlements set out in "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (Basel II) in Malaysia.

The Group had in May 2007 applied for direct migration to IRB Approach. The approach adopted by the Group for credit risk is Advance IRB for retail exposure and Foundation IRB for corporate exposure. Operational risk will be based on the Basic Indicator Approach. BNM has approved for the Group to fully migrate to IRB for credit risk in July 2010 and required the Group to continue demonstrating steady progress towards compliance with the requirements under the transition period by the end of 2012. The Group has implemented various initiatives to enhance our risk management standards to meet Basel II requirements. A Basel II Steering Committee chaired by the Group CEO which was set up to oversee the implementation initiatives across the Group with the assistance of various sub-committees shall continue to oversee our initiatives towards complying with the requirements within the stipulated timeframe.

The Group employs an economic capital allocation framework, whereby capital is allocated to all business units for risk-taking purposes. All major categories of risk are measured. This is in line with the Pillar 2 of the Basel II framework – Supervisory Review Process and also BNM's Internal Capital Adequacy Assessment Process, which require banks adopting the IRB approach to develop a robust risk management framework to assess the adequacy of its internal economic capital in relation to the risk profile. The initiatives that were implemented under Basel II further enhanced the use of risk management parameters in our Group's internal economic capital framework.

- **Business Continuity Management**

Recognising the importance of Business Continuity Management (BCM) and the criticality of responsible and cohesive actions and reactions to crisis situations, Group BCM department has further enhanced the BCM program, activities and standards.

The activities in 2010 include:

- Reviewing and refining the BCM policy and procedures to ensure alignment with Bank Negara Malaysia's BCM Guidelines and BCM best practices;
- Enhancing the Risk Assessment & Business Impact Analysis (RA & BIA) process to make the process of departmental rating and ranking transparent to users. The information from this activity is important in determining the criticality of the business functions, recovery priorities and minimum resources required by the business functions during crisis. The RA and BIA were conducted on all business functions;
- Refining the Business Continuity Plan (BCP) to include a pandemic section, in line with the ever increasing disease outbreaks;
- Establishing Location Continuity Plans (LCP) for all seven critical buildings of the Group located in the Klang Valley to further strengthen the Group's crisis response. The LCP is a summary of actions, locations and roles for a building's occupants during a crisis, and is also useful for Management to identify crisis handling objectives within the specified timeline of a crisis; and
- Benchmarking CIMB against global BCM best practices by carrying out BS25999 certification audit exercise for Group Treasury (ongoing).

## Statement on Internal Control

for the financial year ended 31 December 2010

Additionally, Group BCM department has enhanced the quality control activities which include:

- a) Having an independent review of the BCM program carried out by internal and external auditors to ensure adherence to Bank Negara Malaysia's BCM guidelines;
- b) Quarterly presentation on the status of Group BCM activities to the Crisis Management Committee in performing the requisite attestation to senior management;
- c) Scheduling BCP exercises and recovery tests for all critical business functions and systems. In ensuring the readiness of CIMB's IT Infrastructure, a simulated and integrated Disaster Recovery Test was successfully conducted on 13 critical systems in November 2010; and
- d) Conducting regular BCM workshops and training to various teams within the Group. In 2010, our focus was team work among the various recovery teams. As part of the Group's efforts to increase and strengthen staff awareness level in BCM, Group BCM Department introduced the BCM Team Performance Camp in July 2010, which will be an annual event. The Camp made participants realise that BCM activities do not just involve the mundane annual tests and relocating to alternate sites, it is also about the need to always be in a ready-mode for any eventualities and establishing the necessary framework and support network.

### • Operational Risk Management

The Group places high importance in having processes and tools to regularly identify, assess, monitor and control the Operational Risk inherent in the Group's material products, activities, processes and systems.

Hence, the following are the support tools for management of operational risks across the Group:

### a) Risk and Control Self Assessment (RCSA):

RCSA provides a Group-wide Operational Risk Management Framework for Comprehensive Self Assessment of Risk and Controls, i.e. a qualitative approach for the Group to identify potential risks that are primarily severe in nature and control gaps in the various operations in the Group.

RCSA also assists as a Forward-Looking Risk Profiling tool that links to the Group's overall risk appetite. RCSA contributes towards the knowledge gap resulting from historical loss data collection, providing a more risk sensitive and forward looking perspective when establishing risk profiles for various operations of the Group. This enables business/support units to prioritise their control efforts on critical risks based on their day-to-day activities. The process also ensures that regular checks are carried out on overall alignment between risk exposures and group risk appetites by means of thresholds used in the evaluation of risks.

RCSA is also an ongoing process of risk assessment and evaluation to monitor risks and controls and to identify the opportunities for improvement across the Group based on our internal best practices of risk management and controls.

The Group adopts the Self-Assessment Review Programme (ShARP) primarily within its consumer bank to complement the initiatives outlined within RCSA in assessing significant activities that affect the stability and soundness of the Group's business and operations. ShARP has not only reached out to the local branch network, credit operations, backroom operations,

retail banking, information technology support and operations but also to the Group's regional entities. Widespread implementation to the remaining of the Group's universe (locally and regionally) will continue in 2011 and beyond.

The programme involves the concept of empowering the strategic business units as well as the product and process owners to continuously evaluate and provide assurance that it has appropriate controls in place to manage a broad range of risks, arising from day-to-day business activities.

ShARP also strongly complements approaches taken by the Group to adopt the "Risk-Based Supervisory Approach" by BNM in assessing significant activities that affect the stability and soundness of financial institutions. ShARP also creates an operational risk profile database that can be tapped into by internal audit, risk management and compliance functions within the Group to minimize duplication of efforts and resources whilst enhancing internal controls and compliance functions. The benefits of ShARP, amongst others, is to promote a risk and compliance conscious culture within the organisation, nurture common understanding and risk language throughout the Group, provide clearer definition of accountability for internal control and compliance, thus enhancing the assurance process.

### b) Loss Event Data (LED):

In the Group, for effective monitoring and tracking, all loss event incidents are reported to the Operational Risk Management department where they are consolidated and escalated to the Operational Risk Committee (ORC). ORC deliberates and provides directives on the best course of action to mitigate the recurrence of the loss event incidents.

LED Collection facilitates the analytics for purposes of capital calculation for Operational Risk as per Basel II Capital Accord. The information captured by the business/support units is for the determination of the real cause(s) of the incident and where necessary to recommend enhancement to the existing operational controls or workflow to ensure that lessons are learnt and such incidents do not recur.

**c) Key Risk Indicators (KRI):**

In the Group, KRIs provide early warning signals to the management on changes to the risk environment and the effectiveness of controls. This is a forward looking tool to facilitate monitoring and management of key risks before they translate into operational losses. Hence, management will be able to take appropriate actions to mitigate the risk before it happens.

• **Fraud Detection**

In an effort to ensure that fraud is contained and minimised, the Group constantly monitors new trends and development on fraud to implement controls and detection tools. Training is conducted in forensic psychology, sociology and observation techniques from the fraud perspective and on the detection of forgeries. Two on going training modules to educate staff on how to identify a fraudster by observation entitled ‘How to Suspect Staff Committing/Planning Fraud’ and another to detect suspicious signatures entitled ‘How to Detect Forged Signatures/Writings/Prints’ are conducted to the front line staff. To further enhance the fraud detection initiatives, a fraud intelligence system has been developed to track suspicious transactions. This is a unique system that does not rely on profiling and fixed Key Risk Indicators (KRIs). The KRIs evolve according to the international banking fraud trends.

The Group also has in place a Whistle Blowing Policy which is documented under the Protection Information Disclosure Policy section in the HR Policy Manual. The policy defines the rights of informants and the protection accorded to them. In addition, the channels of escalation are also documented to guide staff in directing their information to the appropriate designated officers.

• **Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT)**

The various activities and measures undertaken by the Group to support the regulator’s initiatives continued in 2010.

The AML/CFT System (the System) that detects suspicious transactions continued to being used aggressively as an additional tool for review initiatives. Regular monitoring on the System’s implementation had been initiated to ensure the System’s capabilities were effective.

Regular training and awareness programmes were conducted and supplemented with the latest updates on AML/CFT, real cases, products or transaction modes that are susceptible to the risk of money laundering and financing of terrorism, with emphasis on roles and responsibilities of employees. Collaboration with the Learning and Training Development Centre of the Group is an on going venture to ensure training is properly formalised and recorded.

The e-Learning module which was first launched in 2008 and subsequently enhanced in 2009, underwent further improvement in 2010. This regular review will continue to improve the method and content for refresher courses for all levels of employees.

The Group has taken and will be undertaking on-going measures to reduce risk of the Group’s exposure to possible money laundering and financing of terrorism activities, and at the same time ensuring compliance with regulatory guidelines.

Collaboration with the industry in relation to AML/CFT initiatives is also part of the Group’s programmes.

As a financial institution, the Group works hand in hand with the regulators and enforcement agencies to be updated with laws and regulations as well as best practices in the industry in establishing an effective framework and compliance programme for the Group.

**REVIEW OF STATEMENT BY EXTERNAL AUDITORS**

This Statement on Internal Control of the Group for the financial year ended 31 December 2010 has been reviewed by the External Auditors, Messrs PricewaterhouseCoopers and the report of the review had been presented to the Board, as required by Paragraph 15.24 of the Listing Requirements of Bursa Malaysia Securities Berhad.

**CONCLUSION**

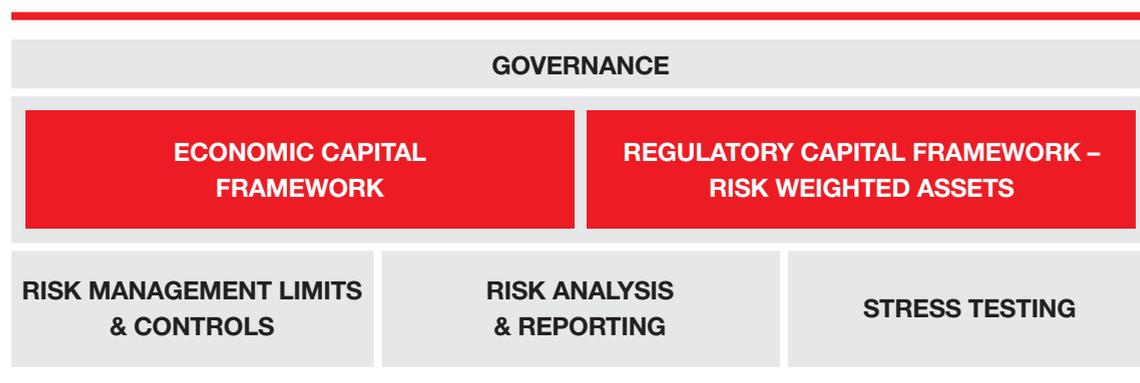
The Board believes that the Group’s system of internal control in place is adequate in safeguarding the shareholders’ interests and assets of the Group. The Board acknowledges that there is an effective ongoing process for identification, evaluation and management of significant risks in the Group and is committed to continue to review the operations and effectiveness of the Group’s internal control including financial, operational and compliance controls and risk management.

# Risk Management

## ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK

CIMB Group employs the Enterprise Wide Risk Management (EWRM) framework to manage its risk and opportunity effectively. The EWRM framework provides the Board and its Management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, operating and regulatory environments, and functional activities throughout the year.

The key components of the Group's EWRM framework are represented in the diagram below:



A robust and effective risk management system is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value in today's globalised, yet inter-linked financial and economic environment.

The Group embraces risk management as an integral component of the Group's business, operations and decision-making processes. In ensuring that the Group achieves optimum returns whilst operating within a sound business environment, the Risk Management teams are involved at the early stage of the risk taking process by providing independent inputs such as the relevant valuations, credit evaluations, new product assessments and Capital-at-Risk quantifications. These inputs enable the business units to assess the risk-vs-reward value of their propositions and thus enable risk to be priced appropriately in relation to the return.

Generally, the objectives of CIMB Group's risk management activities are to:

1. identify the various risk exposures and risk capital requirements;
2. ensure risk taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board; and
3. help create shareholders' value through proper allocation of risk capital and facilitate development of new business and products.

The framework is centered on a resilient risk and capital management which requires the Group to identify, evaluate, measure, manage and control its significant risks and risk appetite, and relate these to its capital requirements and at all times ensure capital adequacy.

The Group employs Capital-at-Risk (CaR) as the common and consistent measurement of risk across CIMB Group. The CaR framework provides the basis of allocating economic capital within the Group. It provides a yardstick to facilitate the comparison of risk across business units and risk types. This enables the Group to consider both the downside risk, for risk protection and upside potential, for earnings growth. Hence, allowing the Group to measure the performance of each business on an absolute basis (economic profit) and relative percentage return basis (RAROC) against the Group's costs of capital.

The Group acknowledges that strong risk governance is the backbone that holds the EWRM together. The Board through the BRC is ultimately responsible for the implementation of the EWRM, which is administered via several risk committees. Group Risk Division has been principally tasked to assist the various committees and undertakes the performance of the day-to-day risk management functions of the EWRM.

The implementation of the EWRM is subjected to the independent assurance and assessment of the Group Internal Audit.

The foundation of the EWRM is made up of three major building blocks, which are Limits and Controls, Analysis and Reports, and Stress Testing. Limits constitute the key mechanism to control allowable risk taking activities and are regularly reviewed in the face of changing business needs, market conditions, and regulatory changes. Timely reports and meaningful analysis of risk positions are critical to enable the Board and its Management to exercise control over all exposures and make informed business decisions.

A group wide stress test is performed on a semi-annual basis to evaluate the financial impact on the Group in the event of projected adverse economic and financial situations. This process enables the Group to assess the sufficiency of its liquidity surplus and reserves, and whether it could continue to meet its minimum capital requirement under such scenario. Such group wide stress test allows Management to gain a better understanding of how portfolios and investments are likely to react to changing economic conditions and how the Group can best prepare for and react to them. In this regard, the Group considers more value to be derived from

the process of performing the stress test instead of just focusing on the results of the stress test, as business units are now actively managing the potential stressed risk profile of their portfolios vis-à-vis the development in the economic outlook. In addition, the Group performs ad-hoc stress tests on selected portfolio to evaluate its performance under a given stress scenario.

**RISK MANAGEMENT GOVERNANCE**

The Board Risk Committee (the “BRC”) assumes the ultimate responsibility on behalf of the boards of directors for the supervision of risk management within the CIMB Group. In line with best practices, the BRC determines the risk policy objectives and also decides on the yearly allocation of risk capital to support all risks taken by the Group.

The responsibility to administer risk management and control is delegated to the Group Risk Committee (the “GRC”). The GRC, which

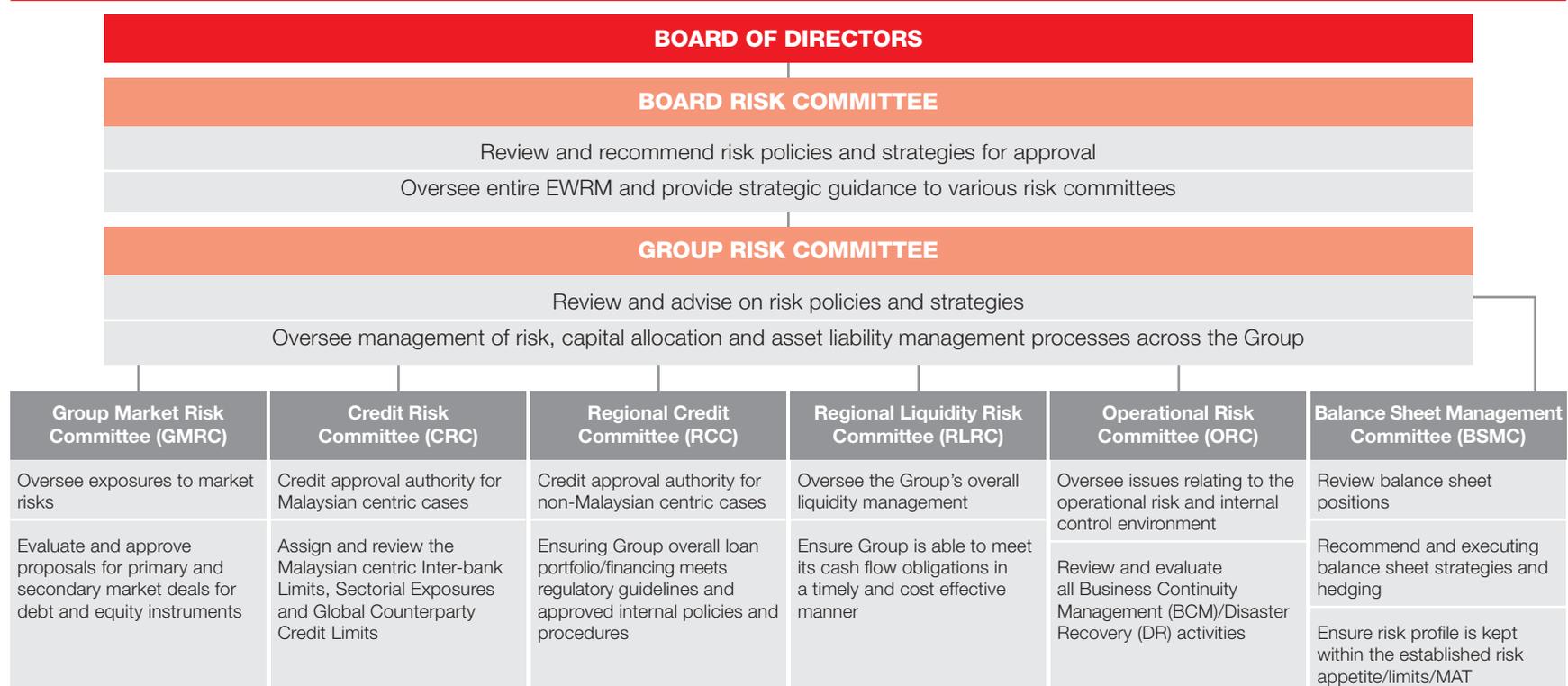
comprises of senior management of the Group is chaired by the Group Chief Executive, undertakes the oversight function for capital allocation and overall risk limits, aligning them to the risk appetite determined by the BRC. The GRC is further supported by five specialised sub-committees, namely the Group Market Risk Committee, the Credit Risk Committee, the Regional Credit Committee, the Regional Liquidity Risk Committee and the Operational Risk Committee, with each committee chaired by an Executive Director and addressing one of the following:

- *Market risk*, arising from fluctuations in the value of the portfolio which results from changes in value of market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices, and their associated volatility;
- *Credit risk*, arising from losses due to the obligor, market counterparty or issuer of securities or other instruments held, failing to perform its contractual obligations to the Group;

- *Liquidity risk*, arising from a bank’s inability to efficiently meet its present and future funding needs or regulatory obligations, when they come due, which may adversely affect its daily operations and incur unacceptable losses; and
- *Operational risk*, arising from internal processes which may result from inadequacies or failures in processes, controls or projects due to fraud, unauthorised activities, error, omission, inefficiency, systems failures or from external events.

In relation to Interest Rate Risk in Banking Book, GRC is further assisted by BSMC that is responsible for recommending and executing strategies and hedging proposals for the banking book as well as ensuring the Group’s interest rate risk profile is within the risk limits/MATs endorsed by GRC.

The following chart sets out the organisational structure of the risk management committees and an overview of the respective committee’s roles and responsibilities:



The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, the relevant Group and Regional committees have consultative and advisory responsibilities on regional matters across the Group.

### THE ROLES OF GROUP RISK DIVISION (“GRD”)

The primary oversight body for risk management activities is Group Risk Division, comprising Group Risk Management (“GRM”), Group Credit (“GC”) and Regional Credit Management (“RCM”), which are independent of business units and assist the Group's Management and the various risk committees in monitoring and controlling the Group's risk exposures. Group Risk Division is headed by the Deputy CEO, Group Risk.

The key responsibilities of GRD are to identify, analyse, monitor and review the principal risks to which the Group is exposed. It also helps to create shareholder value through proper allocation of risk capital, development of risk-based pricing framework and facilitate development of new business and products.

- **Group Risk Management**

GRM monitors risk-taking activities, initiates and proposes risk policies, risk measurement methodologies, risk limits and risk capital allocation, performs independent review of loan assets quality and loan recovery plan, coordinates new products deployments and develops the risk-based product pricing framework for loan portfolios.



*Panute Na Chiangmai, Lim Phang Hong and Sasi Komanthakkal at the Regional Compliance, Audit and Risk Conference in Bali, Indonesia*

GRM maintains an oversight of the functions performed by the risk management units in the asset management and insurance subsidiaries.

In propagating and ensuring compliance to the market risk framework, GRM reviews and analyses treasury trading strategy, positions and activities vis-à-vis changes in the financial market and performs mark-to-market as part of financial valuation.

GRM is also tasked with the co-ordination of the Group's effort towards implementation of the Basel II framework in compliance with the International Convergence of Capital Measurement and Capital Standards prescribed by the Bank of International Settlements and as adopted by BNM. In this regard, GRM develops, implements and validates all internal rating and scoring models and closely monitors the usage of the rating and scoring systems to ensure relevancy to current market conditions and integrity of the ratings.

GRM add value to business propositions by providing advice on market valuations, CaR quantifications and independent risk assessment. This enables the business units to prepare for the potential risks associated with the new transactions or business ventures and consequently, addresses the management and mitigation of such risks from the early stage of the proposition. The business units gain understanding of the risk-reward equation of the proposition, consider the risk factors in the pricing decision, and ensure that the projected returns from the business propositions commensurate with the risks taken. In order to ensure the independence of GRM in such an arrangement, GRM's remuneration is not linked to the success of particular transactions or deals.

- **Group Credit**

GC carries out independent assessments and evaluations of all credit risk related proposals originating from the various



Participants from CIMB Group, CIMB Niaga, CIMB Thai and CIMB Bank Singapore at the Regional Credit Forum in Singapore

business units such as loans and advances, fixed income, derivatives, sales and trading, prior to submission to the Business Credit Committee (BCC), CRC, the EXCO or Board for approval. GC ensures proper grouping of entities and counterparties under the single customer framework. GC also reviews the Bank's holdings of all fixed income assets issued by Malaysian companies and recommends the internal ratings for CRC's approval.

• **Regional Credit Management**

A regional credit platform was established with a primary objective of enhancing efficiency and effectiveness of the credit oversight as well as credit approval process for all non-Malaysian centric Corporate and Financial Institutions at the CIMB Group level. The platform includes 2 credit committees, the Singapore Business Credit Committee (SBCC) for smaller-sized loans and the Regional Credit Committee (RCC) for larger regional exposures. All

credit proposals submitted to the 2 credit committees for approval/concurrence are routed through Regional Credit Management for independent assessment and due recommendation to the credit committees.

In ensuring a standardised approach to risk management across the Group, all risk management teams within the Group are required to conform to the Group's EWRM framework, subject to necessary adjustments required for local regulations. For branches and subsidiaries without any risk management outfit, all risk management activities will be centralised at GRD. Otherwise, the risk management activities will be performed by the local risk management team with matrix reporting line to GRD.

**KEY AREAS OF RISK MANAGEMENT**

**1. Credit Risk**

Credit and counterparty risk is defined as the possibility of losses due to an obligor or market counterparty or issuer of securities or other instruments held failing to perform its contractual obligations to the Group.

Credit risk arises primarily from lending activities through loans as well as commitments to support clients' obligations to third parties, i.e. guarantees. In sales and trading activities, credit risk arises from the possibility that the Group's counterparties will not be able or willing to fulfil their obligation on transactions on or before settlement date. In derivatives activities, credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay us the positive fair value or receivable resulting from the execution of contract terms. Credit risk may also arise where the downgrading of an entity's rating causes the fair value of the Group's investment in that entity's financial instruments to fall.

Loans remain the most significant credit risk to which CIMB Group is exposed. Without effective credit risk management, the impact of the potential losses can be overwhelming. The purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks.

CIMB Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level to the various credit committees. The credit committees, namely BCC, SBCC, CRC and RCC are set up to enhance the efficiency and effectiveness of the credit oversight

as well as the credit approval process for all credit applications originating from the business units. The committees ensure that the overall loan portfolio meets the guidelines of the regulatory authorities and adheres to the approved credit policies and procedures.

All credit applications are independently evaluated by GC/RCM prior to submission to the relevant credit committees for approval and are monitored against approved limits on a regular basis. Adherence to and compliance with single customer, country and global counterparty limits as well as assessment of the quality of collateral are approaches adopted to address concentration risk to any large sector or industry, or to a particular counterparty group or individual.

Adherence to established credit limits is monitored daily by GRM, which combines all exposures for each counterparty or group, including off balance sheet items and potential exposures. Limits are also monitored based on rating classification of the obligor and/or counterparty.

It is a Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from risk factors such as financial history and demographics or company profile.

These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

Credit reviews and rating are conducted on the credit exposures on an annual basis and more frequent when material information on the obligor or other external factors come to light.

The exposures are actively monitored, reviewed on a regular basis and reported monthly to the GRC and BRC so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions including recovery actions, if required.

The employment of various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and or third party support form an integral part of credit risk management process. Credit risk mitigants are taken where possible and are considered secondary recourse to the obligor for the credit risk underwritten.

All extensions of credit in so far as deemed prudent, must be appropriately and adequately secured. GRC is empowered to approve any inclusion of new acceptable collateral/securities.

In mitigating the credit risks in swaps and derivative transactions, the Group enters into master agreements that provide for closeout and settlement netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates the greatest legal certainty that credit exposure will be netted. In

effect, it enables the netting of outstanding obligations upon termination of outstanding transactions if an event of default occurs.

The net credit exposures with each counterparty are monitored based on the threshold agreed in the master agreement and the Group may request for additional margin for any exposures above the agreed threshold, in accordance with the terms specified in the relevant Credit Support Annexes or the master agreement.

## 2. Market Risk

Market risk is defined as any fluctuation in the value of the portfolio arising from changes in value of market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices, and their associated volatility.

Market risk results from trading activities that can arise from customer-related businesses or from proprietary positions. The Group hedges the exposures to market risk by employing varied strategies, including the use of derivative instruments.

CIMB Group adopts various measures in its risk management process to manage market risk. An accurate and timely valuation of position is critical to providing the Group with its current market exposure. GRM values the exposure using market price or a pricing model where appropriate. These valuation methods are used in deriving the fair value to restate the security value to its current value for the purpose of calculating the profits and losses or to confirm that margins required are being met.

The Group also adopts a value-at-risk ("VAR") approach in the measurement of market risk. Back-testing is performed to

validate and reassess the accuracy of the existing VAR model. VAR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level. Back-testing involves the comparison of the daily model-generated VAR forecast against the actual or hypothetical profit or loss data over the corresponding period.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenario, consideration is given to various aspects of the market; for example identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

Risk Middle Office (“RMO”) within GRM undertakes monitoring and oversight process at Group Treasury and Equity Market & Derivatives trading floors, which include reviewing and analyzing treasury trading strategy, positions and activities vis-à-vis changes in the financial markets, monitoring limits usage, assessing limits adequacy, and verifying transaction prices.

### 3. Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings, shareholders' funds or the Group's reputation, arising from the Group's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the time of cash flows.

CIMB Group's liquidity risk management ensures that the Group meets its cash obligation in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both normal business and stress conditions. The Group maintains large buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The responsibility for liquidity risk management and control is delegated to the Regional Liquidity Risk Committee (RLRC), which meets at least once a month to discuss the liquidity risk and funding profile of the Group and each individual entity of the Group. Each entity is responsible to prudently manage its liquidity position to meet its daily operating needs and the local regulatory requirements. The Asset Liability Management function, which is responsible for the independent monitoring of the Group's liquidity risk profile, works closely with Group Treasury in its surveillance on market conditions and performs frequent stress testing on liquidity positions.

Liquidity risk undertaken by CIMB Group is governed by a set of established risk tolerance levels. Management action triggers have been established to alert Management to potential and emerging liquidity pressures. Liquidity positions are monitored on a daily basis and complied with internal risk thresholds and regulatory requirements for liquidity risk. The Group's contingency funding plan, consisting of an early warning system and a funding crisis management team, is in place to alert and enable Management to act effectively and efficiently during a liquidity crisis and under adverse market conditions.

### 4. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

In 2010, Operational Risk Management Department has completed a revision of the Operational Risk Management Framework thus enhancing the following areas:

- Firmer operational risk structure with oversight anchored on Board and Senior Management.
- The guiding principles fulfill the Sound Practices of Basel II and local regulations.
- A standardized, disciplined approach across the Group
- Under the auspices of the 3 lines of defence concept, it establishes a sound defensive and forward looking risk detection mechanism.
- Permeation and integration of an operational risk management culture throughout the Group.

Consequently, the Group strengthened its infrastructure and has applied several techniques for the administration of its operational risks together with the use of rating matrices with the various operational risk tools such as the Risk & Control Self Assessment and Key Risk Indicators. All operational risks, both inherent and anticipated, are properly identified, captured, monitored, mitigated, and reported in a systematic and consistent manner.

These tools will be supported by ORM system in future and constantly used to aid self assessments, controls and monitoring.

Moreover, in line with best practices, incidents on loss events are tracked and captured for analytical risk profiling and to further enhance controls.

The ORC has oversight responsibility for all Group operational activities conducted on a day-to-day basis. In anticipation of the occurrence of potential operational risks which may impact the Group, ORC is entrusted with the added role to discuss and provide recommendations on forward looking operations matters affecting the financial services industry.

The Group Escalation and Exception Management procedures establish the process of handling escalation of any exceptions, including regulatory non-compliances, limit breaches, fraud and other non-adherence to internal processes. Under the Exception Management procedures, reports on the incidents are required to be submitted within 24 hours of discovery or first notification of such incident. Each exception will then be managed based on the severity and impact of the case to the Group's business, operations and brand reputation.

In addition to the above, CIMB has already embarked on the Self Assessment Review Project (ShARP) as part of its initiatives to ensure that operational risks within the processes in each business unit are properly identified, analysed and mitigated on a periodic basis.

Each new or varied product and changes to the process flow are subjected to a rigorous risk review through sign-offs from the relevant support units where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners. The Group New Product Development Policy Manual also safeguards and protects the interest of customers through proper regulatory disclosure requirements, the availability of options or choices when the products and services are offered to the public.

The promotion of a risk management culture within the Group whereby the demand for integrity and honesty is non-negotiable remains the core theme in its operational risk awareness programme. The development of

e-learning for CIMB Group on Operational Risk Awareness will also be progressively strengthening the Group's Operational Risk Management.

### 5. Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book (IRRBB) is defined as the current and potential risk to the Group's earning and economic value arising from the adverse movements in interest/benchmark rate on the banking book.

The objective of the IRRBB Framework is to manage interest rate risk within the risk appetite as established by the Board. GRC supported by GRM is responsible to oversee the asset liability management process, including the management of the IRRBB for the Group. Whilst, the Balance Sheet Management Committee is responsible for the review of the balance sheet and recommends strategies, including hedging activities to manage the overall interest rate risk. Group Treasury is responsible to execute the hedging strategies.

## 6. Basel II Implementation

BNM has announced a two-phase approach for implementing the standards recommended by the Bank of International Settlements set out in “International Convergence of Capital Measurement and Capital Standards: A Revised Framework” (Basel II) in Malaysia. In the first phase, banking institutions are required to adopt the Standardised Approach for credit risk by the end of 2008. In the second phase, qualified banking institutions are allowed to migrate directly to the Internal Rating-Based approach (IRB Approach) beginning from 2010.

CIMB had in May 2007 applied for direct migration to IRB Approach. The approach adopted by the Group for credit risk will be Advanced IRB for retail exposure and Foundation IRB for corporate exposure. Operational risk will be based on the Basic Indicator Approach. Over the last few years, the Group has implemented various initiatives to enhance its risk management standards to meet Basel II requirements. BNM has approved for CIMB

to fully migrate to IRB for credit risk in July 2010 and required the Group to continue demonstrating steady progress towards compliance with the requirements under the transition period by the end of 2012.

The Basel II Steering Committee chaired by the Group Chief Executive which was set up to oversee the implementation initiatives across CIMB Group with the assistance of various sub-committees shall continue to oversee the initiatives towards complying with the requirements within the stipulated timeframe.

The Group employs an economic capital allocation framework, whereby capital is allocated to all business units for risk-taking purposes. All major categories of risk are measured. This is in line with the Pillar 2 of the Basel II framework – Supervisory Review Process and also BNM’s Internal Capital Adequacy Assessment Process, which requires banks adopting IRB approach to develop a robust risk management framework to assess the adequacy of its internal economic capital in relation to the risk profile. The initiatives that were

implemented under Basel II further enhanced the use of risk management parameters in the Group’s internal economic capital framework.

In 2010, BNM issued RWCAF – Disclosure Requirements (Pillar 3) with the aim to promote better market discipline and enhance transparency by setting the minimum requirements for market disclosures of information of the risk management practices and capital adequacy of the banking institutions. Pursuant to this Guidelines, CIMB Group has made the relevant disclosures under Pillar 3 in this Annual Report. Please refer to “Basel II Pillar 3 Disclosures” for detailed disclosures.

**CIMB BANK**

**CIMB NIAGA**

**CIMB THAI**  
ซีเอ็มบี ไทย

With the largest network of over 1,000 branches across Southeast Asia, it's easy to find us.

No one knows Southeast Asia like we do.



One thing less to worry about in Malaysia, Singapore, Indonesia and Thailand: No charges for ATM withdrawals.

No one knows Southeast Asia like we do.



วงเงินลด  
ค่าง่าย

ไม่มีค่าธรรมเนียมการถอนเงินอัตโนมัติในสาขาธนาคาร CIMB ในประเทศมาเลเซีย สิงคโปร์ อินโดนีเซีย และประเทศไทย  
วงเงินสินเชื่อพิเศษ  
ค่าธรรมเนียมการถอนเงิน  
ง่าย

The colourful Jambu Fruit-dove also calls Malaysia, Singapore, Indonesia and Thailand its home.

No one knows Southeast Asia like we do.



**CIMB THAI**  
ซีเอ็มบี ไทย

บริการแลกเปลี่ยนเงินตราต่างประเทศ  
พร้อมด้วยอัตราแลกเปลี่ยนที่ดีที่สุด  
พร้อมด้วยบริการที่รวดเร็วและปลอดภัย  
พร้อมด้วยบริการที่สะดวกสบาย  
พร้อมด้วยบริการที่ทันสมัย  
พร้อมด้วยบริการที่ครบถ้วน  
พร้อมด้วยบริการที่คุ้มค่า  
พร้อมด้วยบริการที่ปลอดภัย  
พร้อมด้วยบริการที่เชื่อถือได้  
พร้อมด้วยบริการที่ประทับใจ  
พร้อมด้วยบริการที่เหนือกว่า  
พร้อมด้วยบริการที่ดีที่สุด



Our money changer never sleeps.



Malaysia, Singapore, Indonesia and Thailand all hail one leader.

No one knows Southeast Asia like we do.

Bringing our business

အား မြှင့်နိုင် နိုင်ပါ  
 အား မြှင့်နိုင် နိုင်ပါ  
 အား မြှင့်နိုင် နိုင်ပါ

Fried rice. Always on the menu across Malaysia, Singapore, Indonesia and Thailand.  
 No one knows Southeast Asia like we do.

CIMB BANK  
 CIMB NIAGA CIMB THAI  
 One thing less to worry about in Malaysia, Singapore, Indonesia and Thailand: No charges for ATM withdrawals.  
 No one knows Southeast Asia like we do.

A common element in the flags of Malaysia, Singapore, Thailand and Indonesia: red stripes.  
 No one knows Southeast Asia like we do.

Built on an in-depth understanding of Southeast Asia, a proven track record and the largest branch network in the region, we are ready to provide you with innovative products and services that will guide you towards financial success.

DEPOSIT & TMA  
 Nikmati bunganya, langsung saat penempatan  
 Deposits & TMA available in 7 branches:  
 • Kuala Lumpur  
 • Medan  
 • Penang  
 • Pekanbaru  
 • Singapore  
 • Surabaya  
 • Yogyakarta

REGIONAL TRANSACTION BANKING  
 One strength, across Southeast Asia.  
 CIMB offers an ATM across the region. The products such as preferred banking solutions, credit cards and services of choice provide seamless banking experience across the region and beyond.



# CLOSER

to our customers

Our customers want to enjoy seamless banking services and privileges anywhere they go in the region. Our ASEAN identity and proposition to customers is well reflected in our regional products and services such as ATM services, CIMB Preferred, SME desks, CIMB AirAsia Savers, credit cards and transactional banking. They demonstrate our commitment to continuously improve and to provide our customers with the best possible value through our regional presence.

# Core Philosophies of the Group

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We are in the business of creating value for our customers

We believe the best way to create the most value is by enabling our people

In order to protect our reputation and business, we speak and act with integrity

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We exist to create value for our customers. Creating value rests on understanding our customers' needs and creating solutions to answer these needs - the more value we can create, the more our customers will turn to us.

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Enabling our people involves effectively placing, motivating and supporting them and ultimately, unleashing their true potential. The better we enable our people, the more value we can create for our customers.

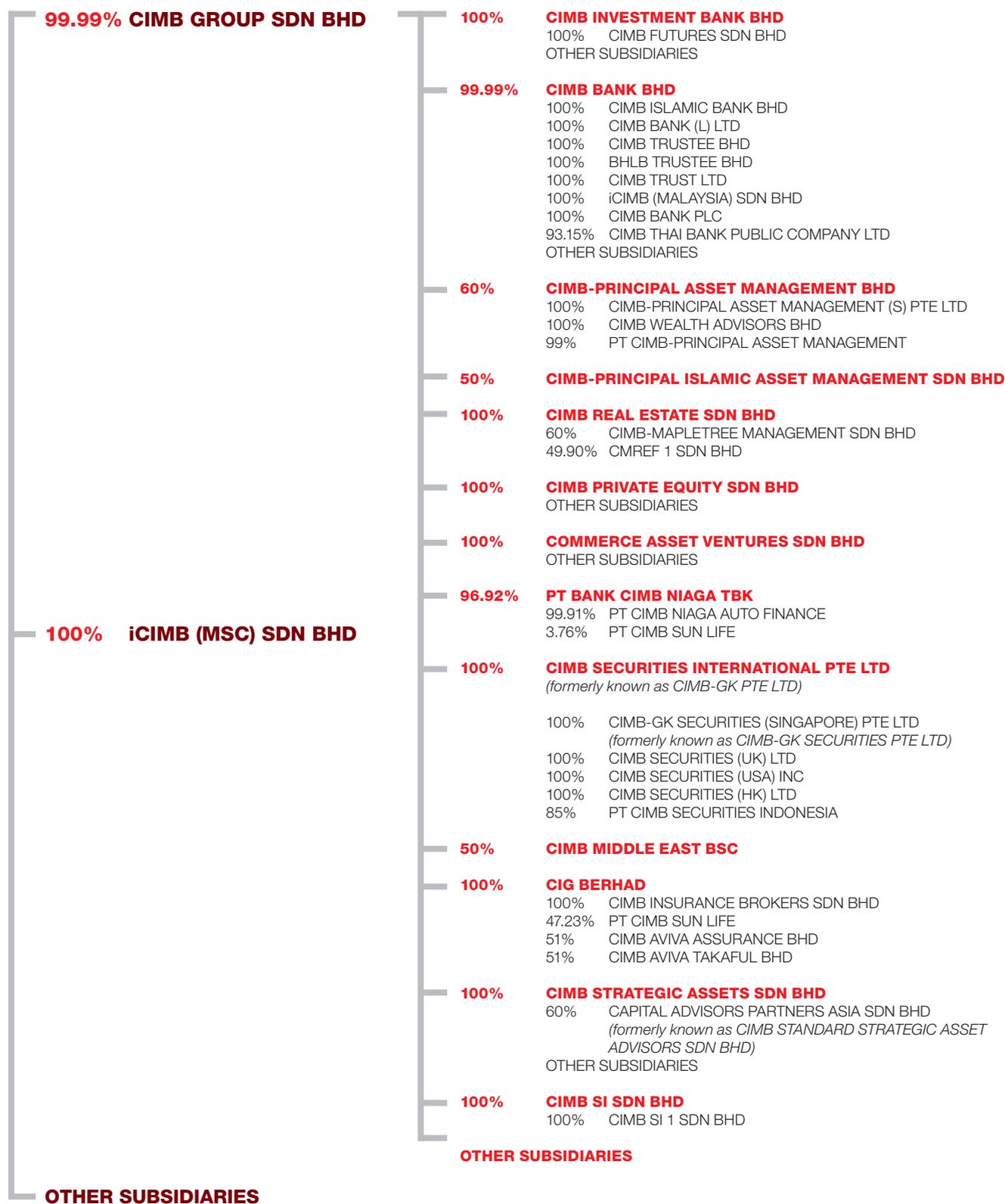
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Integrity means speaking and acting honestly and sincerely, and treating our customers' needs and interests as our primary focus. Our unwavering belief in integrity is what allows our customers to entrust their business to us.

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# Corporate Structure

As at 14 March 2011



# Corporate Profile

## CIMB GROUP

### **CIMB GROUP HOLDINGS BERHAD**

CIMB Group Holdings Berhad (CGHB), formerly known as Bumiputra-Commerce Holdings Berhad, is the holding company and listed vehicle for CIMB Group. Listed on the Main Market of Bursa Malaysia since 1987, CGHB was the largest company on Bursa Malaysia with a market capitalisation of about RM63 billion as at the end of 2010.

## CIMB GROUP

### **CIMB GROUP**

CIMB Group is Malaysia's 2nd largest financial services provider by assets and one of the region's leading universal banking groups. The Group has the region's largest retail branch network with over 1,000 branches in 8 out of 10 ASEAN nations, and is the region's largest indigenous investment bank. The Group has a staff strength of over 37,000 and offers consumer banking, investment banking, treasury, asset management and insurance products and services to over 11 million customers. The Group also has offices in New York, London, Bahrain, Hong Kong and Shanghai.

## CIMB BANK

### **CIMB BANK**

CIMB Bank is the consumer banking arm of CIMB Group offering retail banking services to over 6 million customers in 324 branches nationwide. The Bank has branches in Hong Kong and London, as well as representative offices in Shanghai and Myanmar.

As the second largest consumer bank in Malaysia, CIMB Bank holds significant market shares across all consumer banking products. CIMB Bank received the Bank of the Year Award 2010 in Malaysia by The Banker and The Best Bank by Euromoney.

## CIMB

### **CIMB INVESTMENT BANK**

CIMB Investment Bank is the investment banking arm of CIMB Group and has served the investment banking needs of Malaysian corporations for over three decades. With its regional offices in Malaysia, Singapore, Indonesia, Hong Kong, Thailand, the UK and the US, CIMB Investment Bank is well placed to serve its clients in Malaysia as well as regionally.

The investment banking products and services cover corporate advisory, corporate finance, equity markets, debt markets, research, private equity, real estate investment management, fund management as well as wealth management and private banking services.

CIMB Investment Bank was involved in Petronas Chemicals Group's RM14.8 billion IPO which made the history books for being ASEAN's largest IPO ever, 5th largest IPO globally and also the 3rd largest IPO for Asia ex-Japan in 2010. CIMB Investment Bank was also given recognition for being the joint book runner and lead manager of the Malaysian Government's USD1.25 billion (RM3.8 billion) global Sukuk issuance. The Bank currently stands among the top five banks for Asian mergers and acquisitions.

CIMB Investment Bank also won several other prestigious awards in 2010. Finance Asia awarded it with the Best Investment Bank (Malaysia) for the 10th time and it was also the only bank in Asia to sweep all three country deal awards at The Asset Triple A Country Awards 2010 - Best Deal for Malaysia, Best Deal for Indonesia and Best Deal for Singapore.

## CIMB ISLAMIC

### **CIMB ISLAMIC**

CIMB Islamic is the global Islamic banking and finance arm of CIMB Group. It offers innovative and comprehensive Shariah-compliant financial solutions in investment banking, consumer banking, asset management, takaful, private banking and wealth management. CIMB Islamic products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises the world's leading Islamic scholars.

CIMB Islamic is recognised as a pioneer in Islamic financial markets, having advised on the world's first Shariah-compliant exchangeable Sukuk and the largest sovereign Sukuk issue globally. CIMB Islamic has won a number of significant awards and recognition from international institutions and publishing houses among which are "Best Islamic Bank in Asia" award from Euromoney for seven consecutive years, in addition to "Best Islamic Bank in Asia" awards that was awarded by The Assets Triple A, Asiamoney and World Best Bank Award. At the recent Islamic Finance News Awards 2011, CIMB Islamic was awarded the coveted "Best Overall Islamic Bank" for 2010.

## CIMB NIAGA

### CIMB NIAGA

Established in 1955, CIMB Niaga is the Group's consumer banking arm in Indonesia, and as at the end of 2010 it was the 5th largest bank in terms of assets and 3rd largest mortgage provider with a market capitalisation of about RM19.2 billion. CIMB Niaga offers a comprehensive range of conventional and Shariah banking products and services, through a network of 751 branches all over Indonesia. As the first local bank to introduce ATM services in 1987 and on-line banking in 1991, CIMB Niaga is well regarded as one of the most innovative banks in Indonesia.

CIMB Niaga also has an excellent track record in service quality, offering a highly personalised banking experience to its customers through over 12,000 employees.

Various awards were presented to CIMB Niaga in 2010, including: The Best of Loyalty Program for Islamic Banking Program Savings Account in the 2010 Indonesian Bank Loyalty Award; and InfoBank Magazine's Golden Trophy Award for its excellent financial performance. CIMB Niaga Syariah, one of CIMB Niaga's business units, also received a number of awards for its outstanding performance from major regional magazines and organisations, including AsiaMoney, Property & Bank and Karim Business Consulting.

CIMB Group Holdings Berhad has a 97.93% stake in CIMB Niaga (including 1.02% in PT Commerce Kapital).

## CIMB THAI ซีไอเอ็มบี ไทย

### CIMB THAI BANK

CIMB Group became CIMB Thai's largest shareholder in November 2008, after purchasing a 42% stake in BankThai from the Financial Institutions Development Fund. Through its subsequent tender offer and right issues, as at 31 December 2010, CIMB Group owns 93.15% of CIMB Thai.

CIMB Thai employs almost 3,000 people across 149 bank branches in Thailand. Its customers enjoy the full benefit of a wide range of innovative financial products and services that come with being a part of a leading regional universal bank. CIMB Thai also offers stockbroking and corporate advisory, mutual funds, and wealth management products and services through its subsidiaries.

CIMB Thai is the 10th largest commercial bank in the country, with total assets of about THB140.48 billion as of 31 December 2010.

## CIMB BANK

### CIMB BANK SINGAPORE

CIMB Group has had a presence in Singapore since 1947 through Ban Hin Lee Bank, a predecessor of CIMB Bank. Over the years, the Bank served a small loyal base of SMEs, providing them traditional banking products and services. The Group's presence then intensified in 2005 following the acquisition of G. K. Goh Stockbrokers Pte. Ltd. Through this acquisition, the Group made significant progress on the corporate banking and capital markets front.

Singapore's position as the region's most developed economy and financial gateway makes it an essential component of CIMB Group's regional franchise. Realising this and also in response to the demand of customers in Malaysia, Thailand and Indonesia who frequent Singapore, the Group officially re-branded its Singapore retail banking franchise and started offering a full range of financial products and services in September 2009. CIMB Bank Singapore leverages on the Group's extensive regional network and resources to bring innovative products and services to the Singaporean market.

## CIMB BANK ធនាគារ ស៊ីអាយអិមប៊ី ភីអិលស៊ី

### CIMB BANK CAMBODIA

CIMB Group began its foray into Cambodia in November 2010 through its commercial banking arm, CIMB Bank, with its first branch located in Phnom Penh. It serves a wide range of customers, leveraging on the Group's extensive regional network and resources.

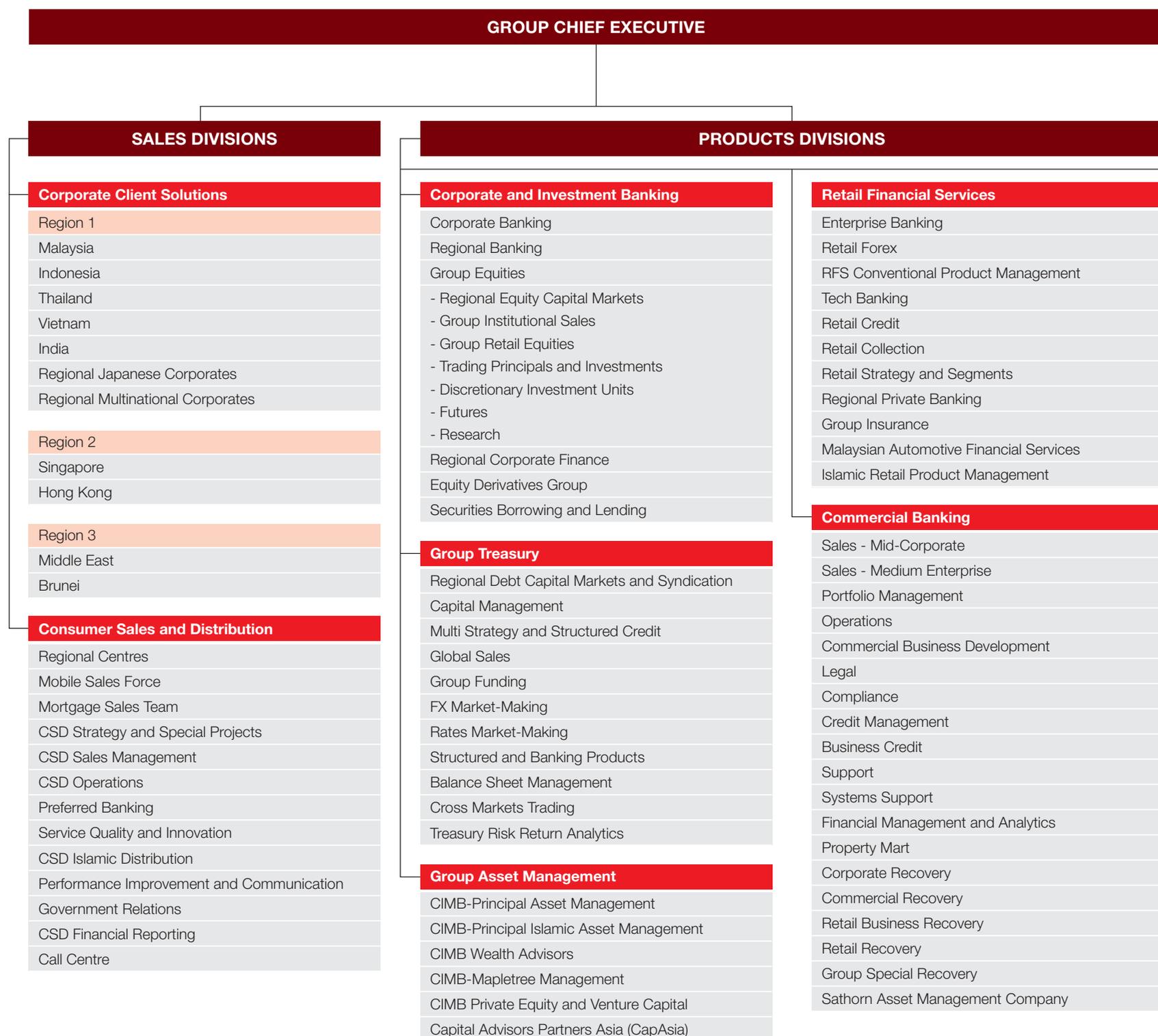
CIMB Bank in Cambodia currently offers savings account, fixed deposit, current account, home loan, personal term loan, business premises and term loan and remittance to its customers.

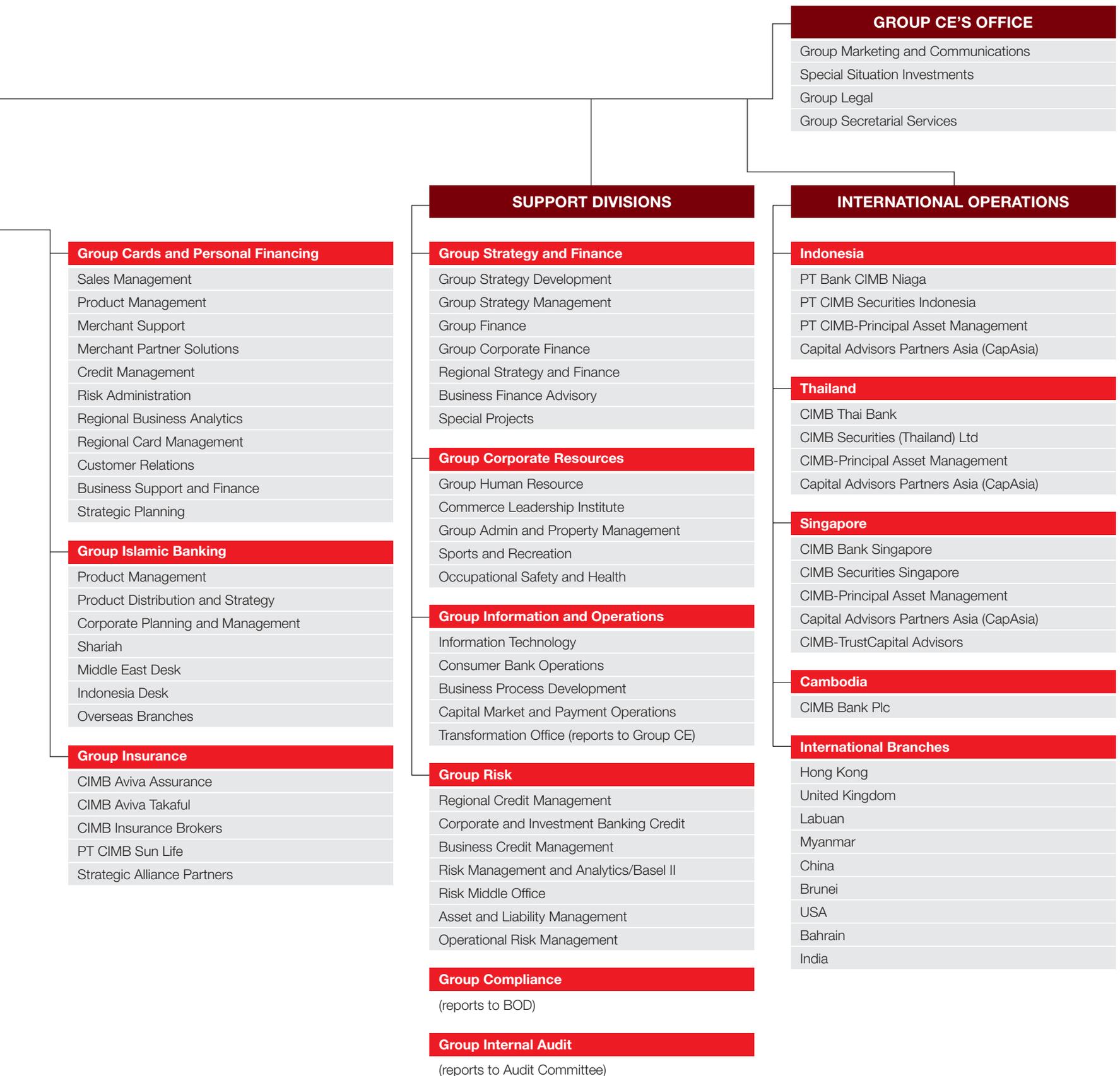
CIMB Bank in Cambodia is committed to building a strong and sustainable future for its customers, providing not only financial services, but also being a true business partner to customers, assisting them in making the right financial and investment decisions in life.

Cambodia represents an important strategic hub for our ASEAN presence, with long-term development and prospects for the Cambodian economy. CIMB Group aspires to help develop the banking industry in the country, while reinforcing its position as one of the region's leading universal banking groups. With CIMB Group, customers in Cambodia can leverage on the extensive capabilities of a regional universal bank to fulfill all their financial needs both locally and across ASEAN.

# Corporate Organisation Chart

as at 14 March 2011





# The Journey Corporate History



1920

1924

## **Bian Chiang Bank established in Kuching**

Founded by Wee Kheng Chiang, the Bank's early activities centred around business financing and the issuance of bills of exchange. The prominent Wee family later founded Singapore's United Overseas Bank in 1971.

1930

1935

## **Ban Hin Lee Bank (BHLB) established in Penang**

Founded by "Towkay" Yeap Chor Ee, BHLB originally focused on the trading and merchanting activities of local businessmen. In the 1960's, it branched into real estate and home financing. By the 1990s, the Penang-based bank had become a modern and thriving financial institution in Malaysia and Singapore. BHLB was listed on the Kuala Lumpur Stock Exchange (KLSE) on 7 January 1991.

1940

1950

1960

1965

## **Southern Bank Berhad (SBB) founded as Southern Banking Ltd**

SBB's quick expansion from Penang to other parts of the country led to the setting up of its Kuala Lumpur operations in 1978. An important player in wealth management products, credit cards and SME lending, the Bank was the first in Malaysia to set up the MEPS ATM system used country-wide today.

## **Bank Bumiputra Malaysia Berhad (BBMB)**

Established in line with government initiatives to increase Bumiputra participation in the national economy, BBMB grew to become the largest Malaysian bank in terms of assets and was the first domestic bank to have operations in New York, London, Tokyo, Bahrain and Hong Kong. Its country-wide presence, including in rural areas, provided banking facilities to small-scale enterprises and investment in rural areas contributing to their growth.



1970

1972

**United Asian Bank Berhad (UAB) established in Kuala Lumpur as a result of the merger of three banks: Indian Overseas Bank Ltd, Indian Bank Ltd and United Commercial Bank Ltd**  
UAB started as a joint-venture in banking between Malaysia and India, taking over the operations of the Malaysian branches of the Indian banks in 1972. Serving mainly small businesses and individuals, UAB established a reputation for encouraging enterprise among the less prosperous sections of the community.

1974

**Pertanian Baring Sanwa Multinational Berhad (PBS) established**

PBS was founded by Bank Pertanian, Baring Brothers of United Kingdom, Sanwa Bank of Japan and Multinational Bank of United Kingdom. Under the management of Baring Brothers, it provided corporate advisory and funding services to multinationals, and undertook corporate restructuring and merger and acquisition activities for Malaysian companies. Practising a conservative and prudent approach, with a strict credit culture that limited its trading activities, the merchant bank remained relatively small compared to others.

1979

**Bian Chiang Bank renamed Bank of Commerce Berhad (BOC)**

The purchase of Bian Chiang Bank by the Fleet Group in 1979 led to the formation of BOC. A strong focus on systems and transparency, reflecting the management style of co-shareholder JP Morgan, and an aggressive, performance-driven work culture contributed to its emergence as one of the most progressive banks in the industry. By 1982, the Bank which had started as an RM8 million one-branch entity had become an institution with total assets of RM367 million and total shareholders' funds of RM12.8 million.



1980

1986

**PBS renamed Commerce International Merchant Bankers Berhad**

In 1986, BOC replaced Bank Pertanian as the controlling shareholder of PBS, resulting in its name change to Commerce International Merchant Bankers. Its focus on corporate finance and IPOs was retained. In 1989, the Bank emerged as Malaysia's top adviser for new listings. The addition of stockbroking to complement its advisory and listing expertise gave it an award-winning reputation as an equities broker and IPO house, and led to high profits during the early 1990s equities "bull run."

The Bank's strategic decision to build its capabilities in the fixed income segment in anticipation of future market opportunities placed it in an excellent position to benefit from the exponential bond market growth in the late 1990s.



1990

1991

**BOC merged with UAB to form Bank of Commerce (M) Berhad (BOCM). BOC, the listed holding company, was renamed Commerce Asset-Holding Berhad (CAHB)**

The acquisition of UAB by BOC marked the start of its significant expansion. With the acquisition, the BOCM branch network increased almost fourfold, complementing its established reputation in the corporate lending market.



1992

1994

1996

1999

**BBMB and BOCM merged to form Bumiputra-Commerce Bank (BCB) under CAHB**

In 1999, BBMB emerged from the Asian financial crisis to merge with BOCM, resulting in the biggest merger in Malaysia's banking history. BCB became the bank of choice of many multinational and local corporations, government organisations and individual Malaysians.



# 2000

**SBB acquired BHLB along with United Merchant Finance Berhad (renamed Southern Finance Berhad), Perdana Finance Berhad and Cempaka Finance Berhad**

As part of the government's banking consolidation initiative, SBB and BHLB merged and absorbed two small finance companies, Perdana Finance Berhad and Cempaka Finance Berhad.

# 2002

**Commerce Asset-Holding Berhad became the majority shareholder in Bank Niaga**

Commerce Asset-Holding Berhad (CAHB) completed the acquisition of 51% of PT Bank Niaga from the Indonesian Government via the Indonesian Bank Restructuring Agency (IBRA). It is part of the series of strategic policies taken by the Indonesian government in response to the banking and economic crisis which befell the country following the onset of Asian monetary crisis in mid 1997. The acquisition provided a rare opportunity for CAHB to acquire a majority stake in an Indonesian banking franchise which excels in customer service and technology innovation.

# 2003

**CIMB Berhad listed on the Main Board of the KLSE**

CIMB Berhad's KLSE listing exceeded the expectations of investors and employees alike. Although CIMB Berhad's listing lasted only three years, it delivered returns of 340% to its shareholders.

**CIMB Islamic launched**

Officially launched by Bank Negara Malaysia Governor Tan Sri Dato' Dr Zeti Akhtar Aziz in June 2003, CIMB Islamic has since won numerous accolades for its innovative Shariah-compliant solutions. In April 2005, Commerce-Tijari Bank Berhad was launched as the Islamic banking subsidiary of BCB.



# 2004

**CIMB Berhad acquired 70% of Commerce Trust Berhad (CTB) and Commerce Asset Fund Managers Sdn Bhd (CAFM) from CAHB**

The formation of CIMB-Principal, a joint venture with the Principal Financial Group of USA, marked the entry of a new player to Malaysia's burgeoning asset management sector. CTB and CAFM subsequently merged to become CIMB-Principal Asset Management Berhad (CIMB-Principal).

# 2005

**CIMB Berhad acquired G. K. Goh Securities Pte Ltd's stockbroking businesses**

The acquisition of Singapore-based G. K. Goh - a pan-Asian stockbroking franchise with presence in Singapore, Jakarta, Hong Kong, London and the United States - led to the formation of CIMB-GK, CIMB Berhad's international investment banking arm.

**CIMB Berhad announced acquisition of BCB Group from CAHB**

The strategic decision by CAHB to create a universal bank by combining its commercial and investment banks led to the acquisition of BCB Group by CIMB Berhad. CIMB Berhad was in turn de-listed from Bursa Malaysia. CAHB was renamed Bumiputra-Commerce Holdings Berhad (BCHB).

# 2006

**BCHB acquired SBB**

The acquisition of SBB added valued niche consumer banking segments to CIMB Group. The merger combined BCHB's extensive resources and reach with SBB's expertise and agility.



# 2007

## Launch of CIMB Group as a Regional Universal Bank

The new CIMB Group was launched by the Prime Minister of Malaysia, YAB Dato' Seri Abdullah bin Haji Ahmad Badawi, in September 2006, signifying the culmination of the 3-way merger of Commerce International Merchant Bankers, BCB and SBB to form a universal banking group. As a universal bank, CIMB Group has the full range of banking and financial services - conventional and Islamic - to serve everyone from the smallest retail client to the largest companies and institutions.

In line with its vision "To be Southeast Asia's Most Valued Universal Bank", the Group embarked on a rebranding exercise and unveiled its new logo and new tagline "Forward Banking", reflecting its promise to create value for customers through forward thinking.

## CIMB-GK Securities (Thailand) Ltd and CIMB-GK Securities (USA) Inc

CIMB Group launched its flagship presence in both Thailand and USA, adding on to the Group's already strong investment banking, stockbroking and institutional sales franchise in Kuala Lumpur, Singapore, Jakarta, Bangkok and Hong Kong.

## CIMB Foundation launched

CIMB Foundation is a not-for-profit organisation that will carry out the Group's corporate social responsibility and philanthropic initiatives, focusing on sustainable programmes in community development, sports and education. CIMB Group has fulfilled its initial pledge to donate a sum of RM100 million to CIMB Foundation over three years from 2008 - 2010.

# 2008

## Strategic investment in the Bank of Yingkou, China

CIMB Group entered into an agreement for a 19.99% stake in the Bank of Yingkou, adding mainland China to the Group's network which comprises the ASEAN region and global financial centres and large economies which have strong economic, trade and investment linkages with the region. The transaction was completed in 2009.

## Merger of PT Bank Niaga Tbk & PT Bank Lippo Tbk

CIMB Group undertook the merger of PT Bank Niaga Tbk with PT Bank Lippo Tbk to create the 6th largest bank in Indonesia. This was an initiative of Khazanah Nasional Berhad (CIMB Group and the Banks' ultimate shareholder) to comply with Bank Indonesia's Single Presence Policy (SPP), and marked the first major consolidation of private banks under the SPP. The merged bank has been rebranded as "CIMB Niaga".



# 2009

## **CIMB-Principal Islamic Asset Management launched**

CIMB Group and the Principal Financial Group strengthened their partnership with the launch of CIMB-Principal Islamic Asset Management. The 50:50 joint venture serves as global Shariah funds management arm of both entities, and is located in Kuala Lumpur to leverage on the infrastructure of the Malaysia International Islamic Financial Centre.

## **Acquisition of BankThai**

CIMB Group entered into an agreement with the Financial Institutions Development Fund to purchase a 42.13% stake in BankThai Public Company Limited. The Group's ensuing tender offer for the remaining shares in BankThai, and a rights issue, resulted in the stake increasing to 93%. The acquisition of BankThai completes CIMB Group's universal banking platform across major regional markets - Malaysia, Indonesia, Singapore and Thailand - and makes the Group's retail network the largest in ASEAN with over 1,000 branches.

## **Official opening of new headquarters of CIMB Bank and CIMB Islamic**

The 39-storey Menara Bumiputra-Commerce houses the consumer banking franchises of CIMB Group - CIMB Bank and CIMB Islamic. Officiated by the Seri Paduka Baginda Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin Ibni Al-Marhum Sultan Mahmud Al-Muktafi Billah Shah and Seri Paduka Baginda Raja Permaisuri Agong Tuanku Nur Zahirah, the building site was partly chosen to preserve the Bank's historical links to the area where the headquarters of the Bank's predecessors, Bank Bumiputra and the United Asian Bank, were located.



# 2010

## The launch of CIMB Bank Singapore

CIMB Bank's retail banking business in Singapore was launched in September by Tharman Shanmugaratnam, Singapore's Minister for Finance. Through its strong service propositions, CIMB Bank Singapore brings innovative products that maximise value for money in a competitive environment.

The Singapore retail banking component complements its existing securities, advisory and corporate lending businesses and completes CIMB Group's customer segment coverage across its four key markets in the ASEAN region.

## CIMB Thai officially launched

CIMB Thai's new brand and logo was unveiled to the public in May by Khun Korn Chatikavanji, Thailand's Minister of Finance. The rebranding launch, which was also attended by Dr Tarisa Watanagase, Governor of Bank of Thailand, was part of CIMB Thai's transformation into becoming a financial institution that offers innovative products and services to the Thai market, backed by the resources of a leading regional universal banking group.

## CIMB Bank launched in Cambodia

CIMB Group obtained approval-in-principle to establish and operate in Cambodia in May 2010. Six months later, the Group was granted a license to offer banking products and services to the nation of 14.5 million people. The Group officially received the banking license from H.E. Chea Chanto, Governor of the National Bank of Cambodia, in a ceremony at the CIMB Bank branch, on Norodom Boulevard, Phnom Penh.

With the extension of the Group's regional footprint to Cambodia, the Group is now present in 8 out of 10 ASEAN nations and reaches 81% of the ASEAN population representing 89% of ASEAN's Gross Domestic Product (GDP).



Bringing communities



# CLOSER

together

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Giving back to society is very much a fundamental part of CIMB Group's DNA. We recognise the communities we serve as important stakeholders of our business and we believe that our corporate responsibility initiatives should focus on programmes which benefit these communities and enable us to build closer ties with them. Through Community Link, our flagship CSR programme, we leverage on our regional branch network to reach out to communities throughout ASEAN. We also witnessed the power of our regional network when we harnessed our regional resources for the benefit of the CIMB-The Star Padang Relief Fund which enabled seven primary schools destroyed by the Padang earthquake to be rebuilt.

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# Corporate Information

as at 14 March 2011

## BOARD OF DIRECTORS

### Tan Sri Dato' Md Nor Yusof

*Chairman/*

*Non-Independent Non-Executive Director*

### Tan Sri Dato' Seri Haidar Mohamed Nor

*Senior Independent Non-Executive Director*

### Dato' Sri Nazir Razak

*Group Managing Director/Chief Executive Officer*

### Dato' Mohd Shukri Hussin

*Non-Independent Executive Director*

### Dato' Hamzah Bakar

*Independent Non-Executive Director*

### Datuk Dr Syed Muhamad Syed Abdul Kadir

*Independent Non-Executive Director*

### Dato' Zainal Abidin Putih

*Independent Non-Executive Director*

### Cezar Peralta Consing

*Independent Non-Executive Director*

### Dato' Robert Cheim Dau Meng

*Non-Independent Non-Executive Director*

### Hiroyuki Kudo

*Non-Independent Non-Executive Director*

### Glenn Muhammad Surya Yusuf

*Independent Non-Executive Director*

### Watanan Petersik

*Independent Non-Executive Director*

## AUDIT COMMITTEE

### Dato' Zainal Abidin Putih

*Chairman*

*Independent Non-Executive Director*

### Dato' Hamzah Bakar

*Independent Non-Executive Director*

### Datuk Dr Syed Muhamad Syed Abdul Kadir

*Independent Non-Executive Director*

## BOARD RISK COMMITTEE

### Dato' Hamzah Bakar

*Chairman*

*Independent Non-Executive Director*

### Tan Sri Dato' Md Nor Yusof

*Non-Independent Non-Executive Director*

### Tan Sri Dato' Seri Haidar Mohamed Nor

*Senior Independent Non-Executive Director*

### Datuk Dr Syed Muhamad Syed Abdul Kadir

*Independent Non-Executive Director*

### Dato' Zainal Abidin Putih

*Independent Non-Executive Director*

### Cezar Peralta Consing

*Independent Non-Executive Director*

### Dato' Robert Cheim Dau Meng

*Non-Independent Non-Executive Director*

### Hiroyuki Kudo

*Non-Independent Non-Executive Director*

### Glenn Muhammad Surya Yusuf

*Independent Non-Executive Director*

### Watanan Petersik

*Independent Non-Executive Director*

## GROUP NOMINATION AND REMUNERATION COMMITTEE

### Tan Sri Dato' Seri Haidar Mohamed Nor

*Chairman*

*Senior Independent Non-Executive Director*

### Dato' Hamzah Bakar

*Independent Non-Executive Director*

### Dato' Zainal Abidin Putih

*Independent Non-Executive Director*

### Datuk Dr Syed Muhamad Syed Abdul Kadir

*Independent Non-Executive Director*

### Dato' Robert Cheim Dau Meng

*Non-Independent Non-Executive Director*

## COMPANY SECRETARY

### Datin Rossaya Mohd Nashir

(LS 0007591)

## REGISTERED OFFICE

5th Floor, Bangunan CIMB

Jalan Semantan

Damansara Heights

50490 Kuala Lumpur

Malaysia

Tel : 603 - 2093 0379

Fax : 603 - 2093 9688

Website : [www.cimb.com](http://www.cimb.com)

Investor Relations : [ir@cimb.com](mailto:ir@cimb.com)

## REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel : 603 - 7841 8000

Fax : 603 - 7841 8151/52

**AUDITORS**

PricewaterhouseCoopers  
Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur

**STOCK EXCHANGE LISTING**

Listed on Main Market of  
Bursa Malaysia Securities Berhad  
since 3 November 1987

**GROUP MANAGEMENT COMMITTEE****Dato' Sri Nazir Razak**

*Group Managing Director/Chief Executive Officer*

**Dato' Mohd Shukri Hussin**

*Executive Director, CIMB Group Holdings Berhad*

**Dato' Charon Wardini Mokhzani**

*Deputy Chief Executive Officer,  
Corporate and Investment Banking*

**Dato' Dr Gan Wee Beng**

*Deputy Chief Executive Officer,  
Group Risk Management*

**Dato' Lee Kok Kwan**

*Deputy Chief Executive Officer,  
Group Treasury and Investments*

**Dato' Robert Cheim Dau Meng**

*Adviser, Corporate and Investment Banking*

**Dato' Sulaiman Mohd Tahir**

*Consumer Sales and Distribution*

**Badlisyah Abdul Ghani**

*Group Islamic Banking*

**GROUP MANAGEMENT COMMITTEE  
(CONTINUED)****Kenny Kim**

*Group Chief Financial Officer,  
Group Strategy and Finance*

**Peter England**

*Retail Financial Services*

**Abdul Karim Md Lassim**

*Automotive Financial Services*

**Jean Yap Yoke Yuen**

*Group Cards and Personal Financing*

**Raja Noorma Othman**

*Group Asset Management*

**Iswaraan Suppiah**

*Group Information and Operations*

**Hamidah Naziadin**

*Group Corporate Resources*

**Ahmad Shazli Kamarulzaman**

*Commercial Banking*

**Kong Sooi Lin**

*Corporate Client Solutions*

**Lim Tiang Siew**

*Group Chief Internal Auditor*

**Effendy Shahul Hamid**

*Group Marketing and Communications*

**Arwin Rasyid**

*Country Head, Indonesia*

**Subhak Siwaraksa**

*Country Head, Thailand*

**Mak Lye Mun**

*Country Head, Singapore*

**GROUP SHARIAH COMMITTEE****Sheikh Professor Dr Mohammad Hashim Kamali**

*Chairman*

**Sheikh Nedham Yaqoobi****Sheikh Dr Haji Mohd Nai'm Haji Mokhtar****Sheikh Associate Professor Dr Shafaai Musa****Sheikh Dr Yousef Abdullah Al Shubaily**

# Boards of Major Subsidiaries

as at 14 March 2011



## CIMB GROUP SDN BHD

### Chairman

Tan Sri Dato' Md Nor Yusof  
*Non-Independent Non-Executive Director*

### Members

Dato' Sri Nazir Razak  
*Group Chief Executive  
Non-Independent Executive Director*

Tan Sri Dato' Seri Haidar  
Mohamed Nor  
*Independent Non-Executive Director*

Dato' Hamzah Bakar  
*Independent Non-Executive Director*

Datuk Dr Syed Muhamad  
Syed Abdul Kadir  
*Independent Non-Executive Director*

Dato' Zainal Abidin Putih  
*Independent Non-Executive Director*

Cezar Peralta Consing  
*Independent Non-Executive Director*

Dato' Mohd Shukri Hussin  
*Non-Independent Non-Executive Director*

Dato' Robert Cheim Dau Meng  
*Non-Independent Non-Executive Director*

Hiroyuki Kudo  
*Non-Independent Non-Executive Director*

Glenn Muhammad Surya Yusuf  
*Independent Non-Executive Director*

Watanan Petersik  
*Independent Non-Executive Director*

### Secretary

Datin Rossaya Mohd Nashir



## CIMB BANK BERHAD

### Chairman

Tan Sri Dato' Seri Haidar  
Mohamed Nor  
*Independent Non-Executive Director*

### Members

Dato' Sri Nazir Razak  
*Deputy Chairman  
Non-Independent Non-Executive Director*

Dato' Sulaiman Mohd Tahir  
*Executive Director*

Dato' Dr Gan Wee Beng  
*Executive Director, Risk Management*

Tan Sri G K Rama Iyer  
*Independent Non-Executive Director*

Dato' Zainal Abidin Putih  
*Independent Non-Executive Director*

Datuk Dr Syed Muhamad  
Syed Abdul Kadir  
*Independent Non-Executive Director*

Dato' Dr Mohamad Zawawi Ismail  
*Independent Non-Executive Director*

Dato' Seri Yeap Leong Huat  
*Independent Non-Executive Director*

Dato' Mohd Shukri Hussin  
*Non-Independent Non-Executive Director*

### Secretary

Datin Rossaya Mohd Nashir



## CIMB INVESTMENT BANK BERHAD

### Chairman

Dato' Hamzah Bakar  
*Independent Non-Executive Director*

### Members

Dato' Sri Nazir Razak  
*Deputy Chairman  
Non-Independent Non-Executive Director*

Dato' Charon Wardini Mokhzani  
*Executive Director*

Dato' Zainal Abidin Putih  
*Independent Non-Executive Director*

Zahardin Oмарdin  
*Independent Non-Executive Director*

Nicholas R H Bloy  
*Non-Independent Non-Executive Director*

### Secretary

Datin Rossaya Mohd Nashir



## CIMB ISLAMIC BANK BERHAD

### Chairman

Datuk Dr Syed Muhamad  
Syed Abdul Kadir  
*Independent Non-Executive Director*

### Members

Dato' Sri Nazir Razak  
*Deputy Chairman  
Non-Independent Non-Executive Director*

Badlisyah Abdul Ghani  
*Executive Director/  
Chief Executive Officer*

Dato' Anwar Aji  
*Independent Non-Executive Director*

Raja Shaharul Niza Raja Abdul Aziz  
*Independent Non-Executive Director*

Sheikh Professor Dr Mohammad  
Hashim Kamali  
*Independent Non-Executive Director*

Dr Achmad Riawan Amin  
*Independent Non-Executive Director  
(Appointed on 6 October 2010)*

Dato' Mohd Shukri Hussin  
*Non-Independent Non-Executive Director*

### Secretary

Datin Rossaya Mohd Nashir



**PT BANK CIMB NIAGA TBK**

**CIMB THAI BANK PUBLIC COMPANY LIMITED**

**CIMB Bank PLC**

**President Commissioner**

Dato' Mohd Shukri Hussin  
*Non-Independent Non-Executive*

**Commisioners**

Roy Edu Tirtadji  
*Vice President  
Independent Non-Executive*

Sri Hartina Urip Simeon  
*Independent Non-Executive*

Ananda Barata  
*Independent Non-Executive*

Zulkifli M Ali  
*Independent Non-Executive*

Joseph Dominic Silva  
*Non-Independent Non-Executive*

Glenn Muhammad Surya Yusuf  
*Non-Independent Non-Executive*

Hamidah Naziadin  
*Non-Independent Non-Executive*

**Secretary**

Harsya Denny Suryo

**Chairman**

Chakramon Phasukavanich  
*Non-Independent Non-Executive Director*

**Members**

Dato' Robert Cheim Dau Meng  
*Vice Chairman  
Non-Independent Non-Executive Director*

Subhak Siwaraksa  
*President/Chief Executive Officer*

Sukont Kanjana-Huttakit  
*Independent Non-Executive Director*

Dato' Shaarani Ibrahim  
*Independent Non-Executive Director*

Watanan Petersik  
*Independent Non-Executive Director*

Kenny Kim  
*Non-Independent Non-Executive Director*

Preecha Oonchitti  
*Non-Independent Non-Executive Director*

**Secretary**

Thaphop Kleesuwan

**Chairman**

Dato' Shaarani Ibrahim  
*Independent Non-Executive Director*

**Members**

Dato' Wira Zainal Abidin Mahamad Zain  
*Independent Non-Executive Director*

Goh Nan Kioh  
*Independent Non-Executive Director*

Yew Wan Kup  
*Non-Independent Director/ General Manager*

Chong Ming Liang  
*Non-Independent Non-Executive Director*

**Joint Secretaries**

Ly Sophea  
Datin Rossaya Mohd Nashir

# Board of Directors' Profiles



## **Tan Sri Dato' Md Nor Yusof**

*Chairman/Non-Independent Non-Executive Director*

- Aged 63, Malaysian
- Joined the Board on 27 June 2006
- Attended 9 out of 10 Board Meetings held in 2010
- Member of the Board Risk Committee

Tan Sri Dato' Md Nor graduated with a Bachelor's Degree in Commerce from the University of Otago, New Zealand and is a qualified Chartered Accountant.

Tan Sri Dato' Md Nor has spent 18 years of his working career with the Group as a Director of CIMB Group and more notably as President and Chief Executive Officer of Bank of Commerce (M) Berhad (now known as CIMB Bank). Tan Sri Dato' Md Nor had completed his term as Executive Chairman of the Securities Commission on 31 March 2006. Prior to that, he was the Managing Director of Malaysian Airline System Berhad after serving a period as advisor to the Ministry of Finance.

Tan Sri Dato' Md Nor is also a Director and Chairman of the Executive Committee of Khazanah Nasional Berhad. He sits on the boards of several companies and institutions including Malaysian Agrifood Corporation Berhad, Pelaburan Hartanah Berhad and is a Trustee of Yayasan Khazanah. He is also a Trustee of CIMB Foundation.

He does not have any conflict of interest with the Company, except by virtue of being a representative of Khazanah Nasional Berhad.



## **Tan Sri Dato' Seri Haidar Mohamed Nor**

*Senior Independent Non-Executive Director*

- Aged 71, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2010
- Chairman of the Group Nomination and Remuneration Committee
- Member of the Board Risk Committee

Tan Sri Dato' Seri Haidar was nominated as a Senior Independent Director of CIMB Group in April 2007. He is also the Chairman of CIMB Bank and its subsidiary companies, CIMB Bank (L) Limited, CIMB Trustee Berhad, BHLB Trustee Berhad, and CIMB Trust Limited and a Director of CIMB Group Sdn Bhd.

He worked as a Cadet Executive with Jardine Waugh Company Limited from 1958 to 1964 before he qualified as a Barrister-at-Law from Lincoln's Inn, United Kingdom in 1966. He began his service with the Government in 1967 as a Magistrate and was appointed as Deputy Public Prosecutor in 1970. He then became Senior Federal Counsel with the Attorney General's Chambers and this was followed with appointments as Senior President at the Sessions Court between 1974 and 1980. Tan Sri Dato' Seri Haidar had also held the position of State Legal Adviser in Pulau Pinang and Perak.

After becoming Chief Registrar of the then Supreme Court in Kuala Lumpur in 1983, he was elevated to the Bench and served as a Judge of the High Court until January 1998. He was appointed a Judge of the Court of Appeal and the Federal Court of Malaysia before being appointed Chief Judge of Malaya from 2002 until his retirement in November 2004. Prior to his appointment as Chairman of CIMB Bank, he was the Chairman of the Financial Mediation Bureau.

He is also a Trustee of the Perdana Leadership Foundation and a board member for a number of private companies.



**Dato' Sri Nazir Razak**

*Group Managing Director/Chief Executive Officer*

- Aged 44, Malaysian
- Joined the Board on 27 January 2006
- Attended all 10 Board Meetings held in 2010

Dato' Sri Nazir Razak is the Group Managing Director/Chief Executive Officer of CIMB Group, and Deputy Chairman of CIMB Investment Bank and CIMB Bank. He is also Director and Deputy Chairman of CIMB Islamic.

Dato' Sri Nazir graduated from the University of Bristol with a Bachelor of Science (Hons) degree and obtained a Master of Philosophy (MPhil) from the University of Cambridge.

He joined the corporate advisory department of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1989 and managed various fund raising, privatisation, listing and corporate restructuring exercises. In 1993, he transferred to the bank's stockbroking arm where he rose to the position of Executive Director. He moved back to CIMB Investment Bank as Deputy Chief Executive on 1 June 1996 and became Chief Executive on 1 June 1999. He assumed the position of Group Managing Director/Chief Executive Officer of CIMB Group on 7 November 2006.

Dato' Sri Nazir was named one of Asia's 50 most influential figures of the last decade (1996-2006) by FinanceAsia magazine in 2006. He also was ranked second by Institutional Investor in its Asia's Best CEO (Bank) survey in 2008. He became the youngest recipient of FinanceAsia's "Lifetime Achievement Award" in 2009, and was also named the "Best Top Executive in Malaysia" by Asiamoney in 2009 and 2010.

Dato' Sri Nazir is a member of the Investment Panel and Chairman of the Investment Panel Risk Committee of Employees Provident Fund. He holds directorships in various CIMB Group companies, Malaysian Electronic Payment System (1997) Sdn Bhd and is an Executive Committee member of the Malaysia International Islamic Financial Centre. He is the Chairman of the World Islamic Economic Forum (WIEF) Young Leaders Network. He is also a trustee of both the Rahah Foundation and the Pride Foundation.

He does not have any family relationship with any other directors and/or major shareholders of the Company, except being the brother of Dato' Sri Mohd Najib bin Tun Hj Abdul Razak, the Chairman of Khazanah Nasional Berhad.

**Dato' Mohd Shukri Hussin**

*Non-Independent Executive Director*

- Aged 56, Malaysian
- Joined the Board on 3 January 2006
- Attended all 10 Board Meetings held in 2010

Dato' Shukri holds a Bachelor of Economics (Hons) degree from University of Malaya and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.

He is currently the Executive Director of CIMB Group and was previously the Chief Operating Officer of CIMB Group. He has held various senior positions within the CIMB Group including as Chief Executive Officer of Bank Muamalat Malaysia Berhad from 1999 to 2003 and Chief Executive Officer of CIMB Securities Sdn Bhd (now known as CIMBS Sdn Bhd) from 1992 - 1999. He was also appointed as President Commissioner of CIMB Niaga in 2006.

He is also a Director of CIMB Group Sdn Bhd, CIMB Bank, CIMB Islamic and CIMB Bank (Labuan) Limited, a Trustee of Yayasan Laporan Kewangan, Chairman of CIMB Aviva Assurance Berhad, CIMB Aviva Takaful Berhad and CIMB-Principal Asset Management Berhad and Chief Executive Officer of CIMB Foundation.

## Board of Directors' Profiles



### **Dato' Hamzah Bakar**

*Independent Non-Executive Director*

- Aged 67, Malaysian
- Joined the Board on 7 November 2006
- Attended 9 of 10 Board Meetings held in 2010
- Chairman of the Board Risk Committee
- Member of the Audit Committee and Group Nomination and Remuneration Committee

Dato' Hamzah holds a Bachelor of Science (Hons) degree in Economics from the Queen's University of Belfast, Northern Ireland and a Masters of Arts degree in Public Policy and Administration, with Development Economics, from the University of Wisconsin, United States of America.

He sits on the Board of CIMB Group and is the Chairman of CIMB Investment Bank.

He has 20 years experience in various senior management and Board positions in Petroliam Nasional Berhad (Petronas), including Senior Vice President for Refining and Marketing, Senior Vice President for Corporate Planning and Development and Main Board Director. Prior to joining Petronas, he was a Director of the Economic Planning Unit in the Prime Minister's Department. He is currently the Chairman of SapuraCrest Petroleum Berhad.



### **Datuk Dr Syed Muhamad Syed Abdul Kadir**

*Independent Non-Executive Director*

- Aged 64, Malaysian
- Joined the Board on 7 November 2006
- Attended 9 of the 10 Board Meetings held in 2010
- Member of the Audit Committee, Board Risk Committee and Group Nomination and Remuneration Committee

Datuk Dr Syed graduated with a Bachelor of Arts (Hons) degree from the University of Malaya in 1971. He obtained a Masters of Business Administration degree from the University of Massachusetts in 1977 and obtained a Ph.D (Business Management) from Virginia Polytechnic Institute and State University in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons) degree from the University of Malaya and obtained a Certificate in Legal Practice in 2008. In November 2009, he completed his LLM (Corporate Law) degree from Universiti Teknologi MARA (UiTM).

Datuk Dr Syed is the Chairman of CIMB Islamic, CIMB Middle East BSC and CIMB-Principal Islamic Asset Management Sdn Bhd. He is also the Director of CIMB Group Sdn Bhd and CIMB Bank.

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the position of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Finance Division, Federal Treasury. From 1993 to 1997, he joined the Board of Directors of Asian Development Bank, Manila, Philippines, first as Alternate Executive Director and later as Executive Director. Datuk Dr Syed then joined the Ministry of Finance as Secretary, Tax Analysis Division and later became Deputy Secretary General (Operations). Prior to his retirement, Datuk Dr Syed was Secretary General in the Ministry of Human Resource.

Datuk Dr Syed is a Director of Bursa Malaysia Berhad, Euro Holdings Berhad, Solutions Engineering Holdings Berhad, BSL Corporation Berhad, and ACR ReTakaful SEA Berhad. He also holds directorships in a number of private companies.

**Dato' Zainal Abidin Putih***Independent Non-Executive Director*

- Aged 65, Malaysian
- Joined the Board on 7 November 2006
- Attended all 10 Board Meetings held in 2010
- Chairman of the Audit Committee
- Member of the Board Risk Committee and Group Nomination and Remuneration Committee

Dato' Zainal Abidin qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Dato' Zainal Abidin sits on the Boards of CIMB Group, CIMB Bank, CIMB Investment Bank and Southeast Asia Special Asset Management Berhad. He is also the Chairman of Touch 'n Go Sdn Bhd.

He has extensive experience in audit, management consulting and taxation, having been involved as a practicing consultant throughout his career. He was the Chairman of Pengurusan Danaharta Nasional Berhad up to December 2005. He was an Adviser with Ernst & Young Malaysia until his retirement on 31 December 2004 and was formerly the Country Managing Partner of Hanafiah Raslan and Mohamad which merged with Arthur Andersen in 1990. He is also the Past President of the Malaysian Institute of Certified Public Accountants, Malaysian Accounting Standards Board and previously served as a member of the Malaysian Communication and Multimedia Commission. He was previously a member of the Investment Panel of the Employees Provident Fund.

He is currently the Chairman of Dutch Lady Milk Industries Berhad and Land & General Berhad. He also sits on the boards of Esso Malaysia Berhad and Tenaga Nasional Berhad. He is also the Chairman of Mobile Money International Sdn Bhd and holds directorships in a number of private companies and a trustee of the National Heart Institute Foundation.

**Cezar Peralta Consing***Independent Non-Executive Director*

- Aged 51, Filipino
- Joined the Board on 7 November 2006
- Attended 9 out of 10 Board meetings held in 2010
- Member of the Board Risk Committee

Cezar Peralta Consing is a graduate in Economics (Magna Cum Laude) of De La Salle University, Manila, and holds a Master of Arts degree in Applied Economics from the University of Michigan, United States of America.

Cezar Peralta Consing is one of the most experienced Asian international investment bankers. He was with JP Morgan for 19 years and headed its Investment Banking Division in Asia Pacific until May 2004. He is currently on the Board of Partners of The Rohatyn Group, an international investment management company, and co-heads its Asian operations from Hong Kong. In the Philippines he is a non-executive director of the board of Premiere Development Bank and an independent non-executive director of the boards of Bank of the Philippine Islands, First Gen Corporation and Jollibee Foods Corporation.

## Board of Directors' Profiles



### **Dato' Robert Cheim Dau Meng**

*Non-Independent Non-Executive Director*

- Aged 59, Malaysian
- Joined the Board on 7 November 2006
- Attended 8 out of 10 Board Meetings held in 2010
- Member of the Board Risk Committee and Group Nomination and Remuneration Committee

Dato' Robert Cheim is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.

He is currently an Adviser for the Corporate and Investment Banking Division of the Group, Vice Chairman of CIMB Thai Bank Public Company Limited, as well as a Director of CIMB Group Sdn Bhd and CIMB Securities International Pte Ltd.

Dato' Robert Cheim joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB Investment Bank. Prior to joining CIMB Investment Bank, Dato' Robert Cheim served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank Berhad) between 1977 and 1984. He has also worked in various accounting firms in London.

He is also the Chairman and Independent Non-Executive Director of Tanjong Plc.



### **Hiroyuki Kudo**

*Non-Independent Non-Executive Director*

- Aged 56, Japanese
- Joined the Board on 17 August 2007
- Attended all 10 Board Meetings held in 2010
- Member of the Board Risk Committee

Hiroyuki Kudo graduated with a Bachelor of Economics degree from Yokohama National University in Japan and holds a Masters degree in Economics from Thammasat University in Thailand.

He is a Director of CIMB Group Sdn Bhd and the Executive Adviser for Japanese Business of CIMB Investment Bank. He is currently heading the Regional Japanese Corporates Unit of CIMB Group.

Prior to his appointment as Executive Adviser of CIMB Investment Bank, he was the President/Chief Executive Officer of Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (BTMU).

He does not have any conflict of interest with the Company, except by virtue of being a representative of BTMU.



**Glenn Muhammad Surya Yusuf**  
*Independent Non-Executive Director*

- Aged 55, Indonesian
- Joined the Board on 25 January 2010
- Attended 9 out of 10 Board Meetings held in 2010
- Member of the Board Risk Committee

Glenn Muhammad Surya Yusuf graduated from the University of the Philippines in Manila with a Bachelor's degree in Economics in 1979 and earned his Masters degree in Business Management from the Asian Institute of Management, Manila in 1981.

He has served on CIMB Group's International Advisory Panel since 2006 and was Deputy Chairman of the Bank Niaga-Bank Lippo Integration Steering Committee in 2008.

He is a prominent figure in the Indonesian corporate scene, having over 28 years of experience in the corporate and financial sectors, including a tenure at the then PT Bank Niaga Tbk (1985-1994) where he rose to the position of Finance Director, and serving as the third Chairman of the Indonesian Bank Restructuring Agency (IBRA) from 1998 to 2000. He was also a President Director of PT (Persero) Danareksa, PT Perusahaan Perkebunan London Sumatra Tbk and a Director of PT Bahana Pembinaan Usaha Indonesia.



**Watanan Petersik**  
*Independent Non-Executive Director*

- Aged 50, Thai
- Joined the Board on 25 January 2010
- Attended 9 out of 10 Board Meetings held in 2010
- Member of the Board Risk Committee

Watanan Petersik is currently an Independent Director and Chairman of the Nomination and Remuneration Committee of CIMB Thai. She joined the Board of CIMB Thai Bank Public Company Limited in 2007 as a nominee of Texas Pacific Group (TPG).

Mrs Petersik graduated from Bryn Mawr College, Pennsylvania, United States of America with a Bachelor of Arts degree (Magna Cum Laude) in 1981.

She has had extensive experience in the financial services industry spanning more than 26 years including 10 years at Goldman Sachs and 3 years as an Adviser to TPG.

**Note:**

**Family Relationship:**

Save as disclosed, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company.

**Conflict of Interest:**

Save as disclosed, none of the Directors has any conflict of interest with the Company.

**Conviction for Offences:**

None of the Directors has convictions for any offences for the past 10 years.

# Group Management Committee's Profile



**Dato' Charon Wardini Mokhzani**

*Deputy Chief Executive Officer,  
Corporate and Investment Banking*

Dato' Charon Wardini Mokhzani, aged 47, heads the Group's corporate and investment banking business.

He is an Executive Director of CIMB Investment Bank, the Chairman of CIMB Wealth Advisors Bhd and CIMB-Mapletree Management Sdn Bhd, a Director of CIMB Securities International Pte Ltd (formerly known as CIMB-GK Pte Ltd) and CIMB Bank (L) Limited, and an alternate director and chairman of CIMB-Principal Asset Management Bhd.

Dato' Charon is a council member of the Malaysia Investment Banking Association and the Institute of Bankers Malaysia and a Director of Akademi IBBM Sdn Bhd. He is a Director of Cagamas Holdings Berhad and a member of their board audit committee and is also a member of the Boards of the Yayasan Tuanku Syed Putra Perlis and Yayasan Tuanku Fauziah.

His background is in law and corporate finance and he was an independent director of CIMB Berhad when it was first listed. He has been recognised as one of Malaysia's leading corporate and finance lawyers by international legal publications.

Dato' Charon was educated at the Malay College Kuala Kangsar and Bloxham School, England, and read Philosophy, Politics and Economics at Balliol College, University of Oxford (BA Hons) and Law at the School of Oriental and African Studies, University of London (LLB Hons). He is a non-practicing barrister of the Middle Temple and advocate and solicitor of the High Court of Malaya.



**Dato' Dr Gan Wee Beng**

*Deputy Chief Executive Officer,  
Group Risk Management*

Dato' Dr Gan Wee Beng, aged 63, is the Deputy Chief Executive Officer, Group Risk Management of CIMB Group, heading the Group Risk Management Division. He is also an Executive Director of CIMB Bank.

He has been a consultant to various local and international agencies, which included Bank Negara Malaysia (BNM), the Economic Planning Unit of the Prime Minister's Department, Ministry of Finance, World Bank, International Labour Organisation, Asian Development Bank, and the United Nations Conference on Trade and Development. He was a member of BNM's Working Group on Market Risk Capital Adequacy Framework and was also a member of National Economic Advisory Committee on Price Control and Subsidies. He is currently a member of the Oliver Wyman CEO Forum. Dato' Dr Gan is also a member of the Institute of International Finance's Asia Pacific Chief Risk Officer Forum which discusses regional risk-management challenges and priorities.

Prior to joining CIMB Bank, Dato' Dr Gan was the Senior Adviser (Economics) for the Monetary Authority of Singapore besides having held the position of Associate Professor at the University of Malaya. He is also a recipient of the Tun Abdul Razak Foundation Award for Best Published Article in an academic journal.

He holds a Bachelor's and Masters' degree in Economics from the University of Malaya and obtained his Ph.D from the University of Pennsylvania, United States of America.



**Dato' Lee Kok Kwan**  
*Deputy Chief Executive Officer,  
Group Treasury and Investments*

Dato' Lee Kok Kwan, aged 45, is the Deputy Chief Executive Officer, Group Treasury and Investments, CIMB Group.

Dato' Lee's primary responsibilities include the Group's regional and domestic activities in the following 5 main areas. The first is the Group's activities in trading, market-making and sales businesses in interest rates, credit, foreign exchange, commodities and derivatives; secondly, management of the consumer and commercial banks' loan and deposit balance sheets focusing on Net Interest Income and economic value risk return management; and thirdly, the debt capital markets bond origination franchise. His final 2 areas of responsibilities are the investment of the Group's shareholders funds and capital management and debt gearing structure of CIMB Group Holdings Berhad and its banking subsidiaries.

Prior to joining the Group, Dato' Lee had more than 7 years of markets and treasury experience in the Canadian banking industry, where in his last posting prior to moving back to Malaysia in 1996, he was the Treasury Portfolio Manager responsible for interest rate and optionality risk and return management for a leading Canadian bank and a member of its Senior ALCO.

He holds a BBA Joint Honours (1st Class) degree in Business Administration and Economics and a Master of Business Administration degree from Simon Fraser University, Canada.



**Dato' Sulaiman Mohd Tahir**  
*Consumer Sales and Distribution*

Dato' Sulaiman Mohd Tahir, aged 48, is the Head of Consumer Sales and Distribution Division, a position he held since July 2005. On 1 October 2009, Dato' Sulaiman was appointed Executive Director of CIMB Bank.

He has held various positions in the Bank including Group Head of the Japanese Business Unit, Branch Manager Shah Alam, Area Business Manager managing Business Credit Relationships for Shah Alam and Petaling Jaya before being appointed as Regional Manager for Business Credit relationships in Selangor and Wilayah Persekutuan. In 2002, he was appointed to lead the Credit Card Centre before assuming the role of Head of Retail Sales and subsequently appointed to helm the Retail Sales and Distribution Division in January 2005.

In his present role, Dato' Sulaiman heads the development, implementation and management of the sales and distribution channels for the Group's consumer banking products and services. This encompasses a nationwide Malaysian branch network of 324 branches, 29 mobile sales centres, 3,560 self-service terminals and a staff force of 8,000 which serve a total of 6.0 million customers. As a strong believer that a firm should contribute to the wellbeing of the society, he passionately drives CIMB Bank's Community Link projects through the branch network.

A graduate of RMIT University, Australia with a degree in Accounting, Dato' Sulaiman served Price Waterhouse before joining Bank of Commerce (M) Berhad (now known as CIMB Bank) in 1987.

## Group Management Committee's Profile



**Badlisyah Abdul Ghani**

*Group Islamic Banking*

Badlisyah Abdul Ghani, a Malaysian, aged 38, is the Head of Group Islamic Banking Division as well as the Head of Corporate Client Solutions (Middle East and Brunei).

He is Executive Director and Chief Executive Officer of CIMB Islamic Bank Berhad, Chairman of CAPASIA Islamic Infrastructure Fund (General Partner) Limited, Director of CIMB Middle East BSC (C) (Bahrain), alternate Director to the Chairman of CIMB Principal Islamic Asset Management Berhad, alternate Director of CIMB Principal Asset Management Berhad and CIMB Wealth Advisors Berhad and member of the Investment Committee of CIMB Principal Asset Management Berhad.

Badlisyah manages and oversees the overall Islamic banking and finance franchise of CIMB Group known as CIMB Islamic. His areas of responsibility cut across all legal entities within the Group as CIMB Islamic operates as a parallel franchise leveraging on the Groups' infrastructure and network both locally and globally.

He sits on the Islamic Capital Market Consultative Panel of Bursa Malaysia and the Exchange Committee and Licensing Committee of the Labuan International Financial Exchange. Badlisyah is a Council Member of the Association of Islamic Banks in Malaysia, Chairman of the Islamic Capital Market Committee of the Malaysian Investment Banking Association, member of the Working Group on Islamic Accounting Standards, Malaysian Accounting Standards Board and member of the Islamic Finance Committee of the Malaysia Institute of Accountant.

He has been recognised by top international publications as, among others "Top 20 Pioneer in Islamic Finance", "Islamic Banker of the Year" and for "Outstanding Contribution to the Development of Islamic Finance" for his role in the industry globally. He is a lifetime member of ANSARA Taiping and was the Co-Founder of the United Kingdom and Eire Council for Malaysian Students (UKEC).

Badlisyah holds a Bachelor of Laws degree from the University of Leeds, United Kingdom.



**Kenny Kim**

*Group Chief Financial Officer  
Group Strategy and Finance*

Kenny Kim, aged 43, is currently the Group Chief Financial Officer and Head of Group Strategy and Finance Division. He is also a Director of CIMB Thai Bank PCL.

As Head of Group Strategy and Finance, Kenny is responsible for identifying, developing, executing and managing the Group's key strategic initiatives, both domestically and regionally. The Group's mergers and acquisitions and other corporate finance activities as well as investor relations are also under his management. He also oversees the finance functions of the CIMB Group which covers financial reporting and budgeting, finance operations, as well as providing strategic advice on tax, accounting and financial matters for the Group.

Kenny oversaw most of CIMB Group's major corporate exercises, including the acquisitions of BCB, SBB, Bank Niaga, Bank Lippo, BankThai and Bank of Yingkou, as well as the regional integration of all the business under the CIMB Group.

Prior to joining CIMB Group, he worked as an auditor with Moore Stephens Chartered Accountants, London. He was with the Group's Investment Banking Division for 13 years before assuming his current position.

Kenny is a fellow of the Association of Chartered Certified Accountants, United Kingdom, a member of the Malaysian Institute of Accountants and a member of the Institute of Chartered Accountants in England and Wales' Corporate Finance Faculty. He holds a Masters of Science in Finance degree from the University of Lancaster, United Kingdom.



**Peter England**  
*Retail Financial Services*

Peter England, aged 50, has been Head of Retail Financial Services since he joined CIMB Group in January 2006.

As Head of Retail Financial Services, he is responsible for the overall management and financial performance of CIMB Bank's business for individual and Small Enterprise customers. This includes business strategy, product development, credit management, and Technology Banking. Peter's team develops and sources a range of conventional and Islamic products and services including mortgage and personal loans, securities financing, automotive financial services, deposits, remittance, wealth management, bureau de change and Bancassurance for the segments of customers managed by Retail Financial Services. In addition to this role, Peter is also responsible for the development of our Retail businesses in Singapore and Cambodia, Private Banking throughout the region, as well as managing our interests in various subsidiaries including Touch and Go.

Peter has over 30 years working experience in all aspects of retail banking and wealth management and has been based in Asia for most of the last 15 years. Prior to joining CIMB Group he has been the Head of Retail Banking for two large Malaysian banking institutions and Head of Retail banking in Singapore, and Head of Credit cards in Malaysia for a well known Global banking group. Before coming to Asia, Peter worked for the State Bank of New South Wales, Australia in various management positions for many years.

Peter holds a Masters of Business Administration (specializing in Personal Financial Planning) degree from the University of Southern Queensland, Australia.



**Abdul Karim Md. Lassim**  
*Automotive Financial Services*

Abdul Karim Md. Lassim, aged 50, is the Deputy Head of Retail Financial Services and the Head of Automotive Financial Services (AFS) within the Retail Financial Services (RFS) Division. He joined the Group in 2006 following the merger of SBB with BCB.

Abdul Karim leads the AFS department (Malaysia) and is primarily responsible for the management and financial performance of automotive financing. He manages all automotive related financial services, in partnership with the Commercial Banking Division and also oversees the auto finance products and services, both Conventional and Islamic.

Abdul Karim acts as an advisor for the Group's regional auto finance businesses and leads the regional auto strategy development. He also sits on the Board of Commissioner of PT CIMB Niaga Auto Finance (formerly known as PT Saseka Gelora Finance) and PT Kencana Internusa Artha Finance (KITA Finance), both are subsidiaries of CIMB Niaga and multi finance companies which conduct hire purchase financing in Indonesia.

In his role as Deputy Head of RFS in Malaysia, Abdul Karim is responsible for the Consumer Sales & Distribution engagement of RFS, Islamic product development and the RFS programme office.

He is the Honorary Secretary for the Association of Finance Companies of Malaysia and the Association of Hire Purchase Companies Malaysia.

Abdul Karim was previously attached to Malaysian Airlines, Royal Malaysian Police and the Inland Revenue Board. He also served at senior management level in several finance companies covering areas of finance, credit, operations and management. Prior to the merger, he was Executive Vice President and Head of Auto Finance and Islamic Banking for SBB.

Abdul Karim graduated with an honours degree in Economics Analysis and Public Policy in 1982 from Universiti Kebangsaan Malaysia and in 2002, he obtained his Masters of Business Administration degree from Keele University, United Kingdom.

## Group Management Committee's Profile



**Jean Yap Yoke Yuen**

*Group Cards and Personal Financing*

Jean Yap, aged 49, is Head of Group Cards and Personal Financing Division.

Jean oversees the 3 business areas that make up Group Cards and Personal Financing division – Malaysian Card Operations, Regional Card Operations and Personal Financing. For the Malaysian card operations, Jean has overall management of the range of business activities relating to cards, including marketing, merchant services, customer relations as well as operations support and finance in addition to overall credit and risk management. She is also responsible for the strategy, product bundling, partner development and profitability of the business.

Jean also has overall responsibility on the credit card operations in Singapore and Indonesia in developing regional privileges for CIMB card members across the region as well as standardising operations, systems, and formulating regional card strategies.

In respect of personal loan financing, she is responsible for product development and its entire operations including credit and risk management.

Prior to joining CIMB Group, Jean was the Head of Credit Card in SBB for 9 years. She has extensive experience in the credit card business having also served in Citibank, United Overseas Bank and Diners Club as card centre head as well as in other senior management positions.

Jean is a member of the Malaysian Institute of Accountants and an associate of the Chartered Institute of Management Accountants.



**Raja Noorma Othman**

*Group Asset Management*

Raja Noorma Othman, aged 52, is Head, Group Asset Management Division of CIMB Group. She joined the Group in 2005. She is also the Chief Executive Officer of CIMBMapletree Management Sdn Bhd, a private real estate fund manager.

Raja Noorma oversees the Asset Management businesses of CIMB Group which encompasses funds in both the public markets and private equity asset classes, conventional and Islamic, covering a diversified base of institutional and retail clients and geographical coverage. She oversees more than 300 employees in various capacities across the division in four locations throughout the region, and manages the relationships with the various joint-venture partners in CIMB's asset management outfit.

Prior to joining CIMB Group, she was Vice-President of Investment Banking at JP Morgan where she was posted to Hong Kong, Singapore and Malaysia as both industry and client coverage banker. She also served in other financial institutions and corporations including Telekom Malaysia Berhad where the last post she held was as Head of Corporate Finance.

Raja Noorma holds a Bachelor of Business Administration degree from Ohio University, United States of America under a twinning programme with Institut Teknologi Mara.



**Iswaraan Suppiah**

*Group Information and Operations*

Iswaraan Suppiah, aged 47, is the Head of Group Information and Operations Division.

Iswaraan heads the Operations, Information Technology, Risk Monitoring, Business Process Development functions and oversees Compliance and the Transformation Office for CIMB Group's businesses including consumer and investment banking. He heads a staff force of about 7,000 people across the Group's regional footprint. He is custodian for the design and implementation of the Group's regionally-integrated technology and operating vision to deliver a unified, seamless financial services value proposition in Southeast Asia.

Iswaraan recently joined the ranks of the Asian Banker's List of Leading Practitioners for his achievements and thought leadership in the sphere of Technology & Operations in financial services. The award was in recognition of his winning decisions on operational best practices and emerging technology adoptions.

He started his career with Messrs Arthur Andersen & Co, a firm of public accountants in 1984. He has been with the Group since 1994, when he joined CIMB Securities Sdn Bhd. The positions he held there include Executive Director of Operations and Head of Equity Risk Management Department, before he assumed the position of Head of Strategic Risk and Compliance with Commerce International Merchant Bankers Berhad.

He is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia.



**Hamidah Naziadin**

*Group Corporate Resources*

Hamidah Naziadin, aged 47, is the Head of Group Corporate Resources. She joined CIMB Securities Sdn Bhd (now known as CIMBS Sdn Bhd) in 1991. She currently serves as the Chairman of Semerak Services Sdn Bhd, a company that provides security services to the Group.

As Head of Group Corporate Resources, Hamidah has regional responsibility over Group Human Resources, Group Administration and Property Management and Sports & Recreation. This includes areas like manpower planning, rewards and performance, learning and capability development, industrial relations, property management, procurement, as well as sports and recreation activities which unite 37,000 employees across the region. She also oversees the Commerce Leadership Institute, established to nurture talents and build future visionary leaders.

Hamidah has over 25 years experience in human resources in the financial industry, covering commercial and investment banking, and was previously attached to another financial institution. Having spent 20 years of her professional career with the Group, Hamidah has led the team to win the National HR Excellence Award 2002; the Malaysian Best Employer Award 2008-09 (for Banking and Financial Services Institution), the Malaysian HR Excellence Gold and Grand Awards 2008-09; the Leading Graduate Recruiter Award for 2009 and 2010, an Honorable Mention for Best Workplace Practices at the Prime Minister's CSR Awards 2009 along with the National Occupational Safety and Health Excellence Award 2009. For her outstanding contributions in Human Resource Development, Hamidah was awarded the "HR Community Award at the Asia HRD Congress 2009.

She holds a Bachelor of Laws degree from the University of Wolverhampton, United Kingdom.

## Group Management Committee's Profile



**Ahmad Shazli Kamarulzaman**

*Commercial Banking*

Ahmad Shazli Kamarulzaman, aged 39, is the Head of the Commercial Banking Division.

Ahmad Shazli oversees the Group's medium enterprise and mid-corporate segments. This covers sales strategy, credit and customer management, as well as the creation, development, management and bundling of products and services, both conventional and Islamic for the market segments. This includes a nationwide network of 21 Business Centres and a Regional Desk. He is also responsible for the Bank's factoring and leasing operations.

Since joining CIMB in January 2006, he has been at the vanguard of the transformation of the Group's recovery operations and the setting up of the Group's "Bad Bank". Ahmad Shazli was instrumental in the formation of Southeast Asia Special Asset Management Berhad (SEASAM) in 2009. He oversees the management and operations of SEASAM and STAMC, an Asset Management Company in Thailand wholly owned by the Group, as well as the Group's Property Mart.

Ahmad Shazli also serves as the Chairman of CIMB Factorlease Berhad and Sathorn Asset Management Co. Ltd (STAMC), as well as Chief Executive Officer of SEASAM.

Ahmad Shazli has extensive experience in the corporate and banking sectors in Malaysia. He started his career in corporate and investment banking at a local merchant bank before moving on as one of the pioneers of Malaysia's national asset management company, Pengurusan Danaharta Nasional Berhad (Danaharta). During his tenure with Danaharta, he oversaw the acquisition of NPLs from financial institutions, the correspondent resolution processes as well corporate debt restructuring exercises and syndications.

Ahmad Shazli holds a Bachelor of Science (Hons) degree in Economics and Accounting from the University of Bristol, United Kingdom.



**Kong Sooi Lin**

*Corporate Client Solutions*

Kong Sooi Lin, aged 50, is the Head of Corporate Client Solutions (CCS) Division. She has been with CIMB Group since 1994. Sooi Lin is also a member of the Business Review Group as well as a member of the Board of Directors of CIMB Securities Indonesia.

As Head of CCS, she manages the corporate sales and marketing activities of CIMB Group. Her primary areas of responsibilities include managing and enhancing the Group's client relationship coverage in Malaysia, Indonesia and Thailand. She also oversees the management of Japanese and multinational clients across the region. Additionally, she manages the investment banking businesses in other markets such as India, Korea and Vietnam to further entrench the Group's footprint.

With 22 years of investment banking experience, Sooi Lin is widely acknowledged as one of the key players in the Malaysian capital market. Throughout her long-standing career, she has advised on numerous highly profiled corporate exercises in the Malaysian capital markets as well as in Asia. Her advisory experience spans the entire spectrum of the equity and debt markets ranging from advising on large IPO/equity deals, debt issues, corporate banking, project advisory to mergers and acquisitions and restructuring exercises.

Prior to joining CIMB, she had worked in Bumiputra Merchant Bankers Berhad where she was instrumental in the pioneering of its debt capital market, project financing and corporate banking operations. She has also worked in the accounting firms of Ernst & Young and Arthur Andersen.

Sooi Lin graduated with an honours degree in Commerce from the University of New South Wales.



**Lim Tiang Siew**  
*Group Chief Internal Auditor*

Lim Tiang Siew, aged 54, is the Group Chief Internal Auditor of CIMB Group. He joined CIMB Investment Bank in January 1991 as an assistant manager in the Corporate Finance Department before eventually becoming the Head. Following the acquisition of BCB by CIMB and the subsequent merger of BCB with SBB, Tiang Siew was appointed the Group Chief Financial Officer, a position he held for approximately 2 years before being appointed the Group Chief Internal Auditor.

As Group Chief Internal Auditor, Tiang Siew ensures that the Group Internal Audit Division supports the CIMB Group Audit Committee in discharging its responsibilities as well as Management in its governance, risk and control functions. He oversees a staff force of approximately 150 people in Malaysia as well as the Internal Audit functions in the region the CIMB Group operates in.

Tiang Siew started his career in 1976 with a major accounting firm, where he spent some 10 years, including 18 months overseas. He moved into the corporate finance industry in 1987. His tenure in the corporate finance department involved all areas of corporate finance work, both domestic and cross border, including mergers, acquisitions and fund raising transactions of some of the largest companies listed on Bursa Malaysia. He had been actively involved in the formulation and amendments to guidelines, regulations and law reforms in relation to capital market matters.

Tiang Siew is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also an examiner for the Malaysian Institute of Certified Public Accountants, a position he has held for more than 20 years.



**Effendy Shahul Hamid**  
*Group Marketing and Communications*

Effendy Shahul Hamid, aged 38, is Head of Group Marketing and Communications.

In this role, Effendy oversees the marketing and communications infrastructure of CIMB Group. His areas of responsibility cover the entire spectrum of strategic marketing and communications which include brand management, marketing, sponsorships, events, media relations, internal communications and annual reporting. He also drives the channel activation functions within the Group, ensuring all customer touchpoints are consistent and effectively portrayed. A large portion of Effendy's responsibilities also include managing franchise-wide efforts in view of establishing a consistent and differentiated CIMB brand for all of the Group's businesses across the region.

Prior to assuming his current role, Effendy had always served either as an investment banker or a corporate development professional. He was most recently a Director in CIMB Group's Investment Banking Division, primarily focusing on corporate advisory and origination. Previously, Effendy also served with several companies in a corporate development capacity, primarily involved in merger and acquisition activities across Asia Pacific and general business expansion initiatives.

Effendy has spent most of his professional life in a regional capacity, working out of Hong Kong, Singapore and Malaysia. On full scholarship, Effendy graduated with Honours in Electronic Engineering with Optoelectronics from the University College London.

## Group Management Committee's Profile



### **Subhak Siwaraksa**

*President/Chief Executive Officer  
CIMB Thai Bank Public Company Limited*

Subhak Siwaraksa, aged 54, is the President/Chief Executive Officer of CIMB Thai Bank PCL.

He was previously an Executive Director and the Chairman of the Compensation Committee of the Export-Import Bank of Thailand, the Chairman of the Board of Directors of TMB Asset Management Company and also a Director of Bangkok Expressway and ThaiCom respectively. Prior to joining CIMB Thai, Subhak was at TMB Bank PLC since 1990, where he was President/Chief Executive Officer from 2003 to 2008.

Subhak holds a Ph.D in Econometrics and Monetary Econometrics from the University of Pennsylvania, a Masters' degree in Law and Diplomacy from the Fletcher School of Law and Diplomacy, Tufts University, and a Bachelor's degree in English Literature and Economics from Georgetown University.



### **Mak Lye Mun**

*Country Head, Singapore*

Mak Lye Mun, aged 53, is the Chief Executive Officer of CIMB Bank, Singapore. Lye Mun joined CIMB following the acquisition of GK Goh Securities Pte Ltd in 2005.

He joined GK Goh Securities Pte Ltd in 2002 where he served as the Head of Corporate Finance. He was appointed Chief Executive Officer of CIMB Bank, Singapore in August 2008 and assumed the position of Country Head of CIMB Group, Singapore in January 2009. He is also the Head of Corporate Client Solutions Division in Singapore and Hong Kong, and a director of CIMB Securities (Singapore) Pte Ltd.

Prior to joining CIMB, Lye Mun was Head of Mergers & Acquisitions Advisory Department with the then Development Bank of Singapore (now DBS Bank Ltd). He had held various senior positions in the corporate finance divisions at Vickers Ballas & Co. Pte Ltd, Ernst & Young, Oversea-Chinese Banking Corporation Limited and Citicorp Investment Bank (Singapore) Limited.

He holds non-executive directorships in Boardroom Limited and Tat Hong Holdings Ltd.

Lye Mun holds a Bachelor of Civil Engineering Degree (1st Class Honours) from the University of Malaya, Malaysia and a Master of Business Administration Degree from the University of Texas at Austin, USA. He is also a Charterholder of CFA Singapore.



**Arwin Rasyid**  
*Country Head, Indonesia*

Arwin Rasyid, aged 54, is the President Director/CEO of PT Bank CIMB Niaga Tbk, a post he has held since 1 November 2008.

He was previously the President Director of PT Telekomunikasi Indonesia Tbk, Vice President Director of PT Bank Negara Indonesia Tbk, and President Director of PT Bank Danamon Tbk. He began his career with Bank of America in 1980 and later joined Bank Niaga in 1987. His last position held at Bank Niaga until 1999 was Vice President Director where he was also responsible for the Bank Recapitalisation Program. In 1999, Arwin was later appointed as Expert Staff in the Indonesian Bank Restructuring Agency (IBRA), responsible for risk management in Asset Management Investment and Asset Management Credit, as well as Forensic Investigation and was then appointed as Vice Chairman of IBRA in 2000.

He graduated in 1981 from the Faculty of Economics, University of Indonesia holding a Bachelor's degree in Development Studies and a Master of Arts degree in International Economics and International Business from University of Hawaii, Honolulu, Hawaii, USA. He has attended several noteworthy executive programmes from the Harvard Business School, Wharton Business School and INSEAD.

## Company Secretary's Profile



**Datin Rossaya Mohd Nashir**

Datin Rossaya Mohd. Nashir, aged 42, has been the Company Secretary of the Group since September 2002. She oversees the corporate secretarial function in CIMB Group and this includes ensuring that effective corporate governance practices are implemented throughout the Group and in the context of the Group's regional operations. She also acts as Secretary to various Board Committees as well as the Group Management Committee, and is a director of several subsidiaries in the CIMB Group. She sits on the Companies Commission of Malaysia's Corporate Practice Consultative Forum, representing the interests of Government Linked Companies under the auspices of Khazanah Nasional Berhad.

She started her career by working with the Time Engineering Group and was later attached to Permodalan Nasional Berhad, where she was Joint Company Secretary for several subsidiaries. She joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in April 2002 and was initially attached to the Corporate Legal Services Unit, before setting up the Company Secretarial Department in July 2004.

Datin Rossaya holds a Bachelor of Laws degree (majoring in Business Law) from Coventry University, United Kingdom and is an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

# Group Shariah Committee's Profiles



**Sheikh Professor Dr Mohammad Hashim Kamali**

*Chairman*

Professor Dr Mohammad Hashim Kamali, aged 66, is the Chairman and Chief Executive Officer of the International Institute of Advanced Islamic Studies. He is also the member of the Securities Commission's Shariah Advisory Council for the period from July 2010 to June 2012. He formerly served as a Professor at the International Institute of Islamic Thought and Civilisation (ISTAC) and Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). He has been teaching Islamic law and jurisprudence since 1985. He is also a renowned writer in the area of Islamic law and jurisprudence and has written many books and articles on the subject.

He holds a Bachelor of Arts (1st Class Honours) degree in Law and Political Science from Kabul University, Afghanistan, LL.M degree from the London School of Economics, United Kingdom and a Ph.D in Islamic Law from the School of Oriental and African Studies, University of London, United Kingdom.



**Sheikh Nedham Yaqoobi**

Nedham Yaqoobi, aged 51, is a Bahrain national and a renowned Shariah scholar. He sits on various Shariah boards of Islamic banking and financial institutions globally including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic. He was educated in classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhhamed Yasin al Fadani (Makkah), Sheikh abib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al- Ghumar (Morocco), and others.

He has a Bachelor of Arts degree in Economics and Comparative Religion and a Master of Science degree in Finance from McGill University, Montreal, Canada. Currently, he is a Ph.D candidate in Islamic Law at the University of Wales, United Kingdom.



**Sheikh Dr Haji Mohd Nai'm Haji Mokhtar**

Dr Haji Mohd Nai'm Haji Mokhtar, aged 43, is a Malaysian, currently serving as a Chief Assistant Director of Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister's Department. He served as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 to 1997. He then joined Messrs Zulkifli Yong, Azmi & Co as Shariah lawyer before being appointed as Shariah Judge in 1998. He was also assigned as a research officer at Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 to 2004, as well as Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and Shariah Prosecutor, Federal Territory and Shariah Officer in 2008, before assuming his current position.

He received his LLB degree from International Islamic University Malaysia (IIUM), LL.M from University of London, United Kingdom and Ph.D in Shariah from Universiti Kebangsaan Malaysia. He also holds Diploma in Shariah Law & Practice and Diploma in Administration and Islamic Judiciary both from IIUM.



**Sheikh Associate Professor  
Dr Shafaai Musa**

Associate Professor Dr Shafaai Musa, aged 43, is a Malaysian, currently serving as Chief Executive Officer at International Islamic College (IIC), a wholly owned subsidiary of International Islamic University, Malaysia and an Executive Director at International Islamic University Malaysia (IIUM) Centre for Continuing Education Sdn Bhd. He is the Chairman of CIMB Aviva Takaful Shariah Committee and also a lecturer at Ahmad Ibrahim Kulliyah of Laws, IIUM. He has more than ten years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He served as a Shariah adviser for the Department of Islamic Development Malaysia in 2005.

Associate Professor Dr Shafaai received his Bachelor's degree in Shariah from University of Al-Azhar, Egypt, Masters' degree in Comparative Laws from IIUM and Ph.D from Glasgow Caledonian University, United Kingdom.



**Sheikh Dr Yousef Abdullah Al Shubaily**

Dr Yousef Abdullah Al Shubaily, aged 38, a citizen of the Kingdom of Saudi Arabia currently lectures at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom of Saudi Arabia. He also serves as a Co-operating professor for the American Open University. Beyond his academic career, Dr Yousef has extensive experience in serving on various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, United Arab Emirates, Qatar, United States of America and Britain. Dr Yousef has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programmes on television and radio broadcasts in the Kingdom of Saudi Arabia and abroad.

He obtained a Bachelor's degree from the Faculty of Shariah and Fundamentals of Islam and a Masters' degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University, Riyadh, Kingdom of Saudi Arabia in 1993 and 1996, respectively. In 2001, he obtained a Ph.D in Islamic Jurisprudence from the same university.



### **K. Mahadevan**

"My first account with CIMB was opened over 50 years ago with Indian Overseas Bank Ltd which was then situated at Jalan Tun Perak, Kuala Lumpur. I continued as an account holder through the bank's merger with United Commercial Bank to form United Asian Bank, and through its subsequent mergers with Bank of Commerce, Bank Bumiputra, CIMB and Southern Bank! Looking back, I have been a shareholder of the Group since 1973 (with United Asian Bank then) and have remained as a loyal and happy shareholder till today. As a customer, I believe that customer convenience should always come first and being honoured as a CIMB Preferred customer, I have received exceptional service and undivided attention each time I visit the Bank. With the Chairman and Group CEO's dynamic leadership and the high performance culture ingrained in the workforce, CIMB will continue to grow and exceed expectations. I am also very proud of the fact the CIMB Group has renamed the earlier United Asian Bank building in Jalan Tun Perak as "Menara UAB", preserving CIMB's rich heritage."

# Bringing our vision

### Phang Ah Kow

“As a shareholder since the days of Bank of Commerce, I have certainly been a loyal shareholder of CIMB Group all throughout their journey of mergers. I have certainly benefited and been enriched by the various mergers and acquisitions which have brought about value creation and investment returns to shareholders through capital gains and good dividends. CIMB Group’s expansion in the ASEAN region has also been very timely and significant. As a customer, I have experienced many years of good service and enjoyed the innovative products offered. With the steady stewardship of the Chairman combined with the good leadership of the Group CEO, CIMB will definitely continue to gain customers, and shareholders will be assured of the company’s focus on value creation. I am very confident of CIMB’s future.”

### Bhupinder Singh

“I have been a shareholder of the Group since the time of Indian Overseas Bank Ltd and I am proud to say that CIMB has, since 2005, emerged as a strong regional bank in investment banking, retail banking and advisory services. CIMB’s regional expansion has caused it to outperform banks which were once its peers and this has enhanced shareholder value. As a long standing customer, I feel that my wants and needs are better served by CIMB Bank. The staff are now able to exercise flexibility and discretion in dealing with customers. They are indeed courteous, caring, considerate, expeditious and are truly living up to the saying “win hearts and you have all the men’s hands and purses”. CIMB has also been providing an ever widening range of products and services to suit all ranges of customers. The buoyant share price, capitalisation and healthy capital adequacy rates reflect the strength of CIMB. In my opinion CIMB, is well prepared to meet the Basel III requirements. I feel that I am a successful investor and a happy customer with CIMB.”



# CLOSER

to investors

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Our focus on the ASEAN region is a natural extension of the Group’s transformation into a regional universal bank. We firmly believe in the economic potential of ASEAN and have identified a niche as a leading ASEAN banking franchise to support the region’s aspirations. By adopting a clear regional direction moving forwards, coupled with the breadth of our regional network and the ability of our staff to work together harmoniously and effectively, we are able to demonstrate many aspects of our vision of being Southeast Asia’s most valued universal bank to our investors.

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# Shareholders' Statistics

as at 28 February 2011

Authorised Share Capital	: RM10,000,000,000
Issued and Paid-up Share Capital	: RM7,432,774,646 comprising 7,432,774,646 ordinary shares of RM1.00 each
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share

## ANALYSIS OF SHAREHOLDINGS (As per the Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares <sup>*2</sup>
Less than 100	418	1.18	11,955	~ <sup>*1</sup>
100 – 1,000	10,538	29.74	9,100,538	0.12
1,001 – 10,000	18,572	52.42	74,293,983	1.00
10,001 – 100,000	4,552	12.85	132,660,914	1.78
100,001 – 371,638,732	1,350	3.81	4,240,756,557	57.06
371,638,733 – and above	2	~ <sup>*1</sup>	2,975,950,699	40.04
<b>Total</b>	<b>35,432</b>	<b>100.00</b>	<b>7,432,774,646</b>	<b>100.00</b>

### Notes:

<sup>\*1</sup> Less than 0.01%.

<sup>\*2</sup> Excludes 2,335 shares retained as treasury shares as at 28 February 2011.

## DIRECTORS' SHAREHOLDINGS (As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	No. of Shares Held		% <sup>*1</sup>
		% <sup>*1</sup>	Deemed Interest	
Tan Sri Dato' Md Nor Yusof	400,000	~ <sup>*2</sup>	-	-
Dato' Sri Nazir Razak	46,926,522	0.63	8,000,000 <sup>*3</sup>	0.11
Dato' Mohd Shukri Hussin	600,224	~ <sup>*2</sup>	-	-
Dato' Zainal Abidin Putih	80,000	~ <sup>*2</sup>	30,000 <sup>*4</sup>	~ <sup>*2</sup>
Dato' Robert Cheim Dau Meng	100,000	~ <sup>*2</sup>	-	-

### Notes:

<sup>\*1</sup> Excludes 2,335 shares retained as treasury shares as at 28 February 2011.

<sup>\*2</sup> Less than 0.1%.

<sup>\*3</sup> These shares are held by his spouse.

<sup>\*4</sup> These shares are held by his spouse and child.

## SUBSTANTIAL SHAREHOLDERS (As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct	No. of Shares Held		% <sup>*1</sup>
		% <sup>*1</sup>	Indirect	
Khazanah Nasional Berhad	2,126,276,167 <sup>*2</sup>	28.61	-	-
Employees Provident Fund Board	961,210,832 <sup>*2</sup>	12.93	-	-
Mitsubishi UFJ Financial Group, Inc	-	-	642,303,060 <sup>*3</sup>	8.64

### Notes:

<sup>\*1</sup> Exclude 2,335 shares retained as treasury shares as at 28 February 2011.

<sup>\*2</sup> Includes shares held through nominee(s).

<sup>\*3</sup> Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965.

**30 LARGEST SHAREHOLDERS** (As per the Register of Members and Record of Depositors)

Name of Shareholders		No. of Shares Held	% of Issued Capital <sup>*1</sup>
1	Khazanah Nasional Berhad	2,086,276,167	28.07
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	889,674,532	11.97
3	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	305,464,800	4.11
4	Kumpulan Wang Persaraan (Diperbadankan)	222,070,126	2.99
5	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	169,556,414	2.28
6	HSBC Nominees (Asing) Sdn Bhd TNTC for Saudi Arabian Monetary Agency	140,699,182	1.89
7	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Lux for Aberdeen Global	111,841,560	1.51
8	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	94,660,848	1.27
9	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Saudi Arabia)	90,133,992	1.21
10	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	86,332,404	1.16
11	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Resident USA-2)	84,045,560	1.13
12	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (Mellon Acct)	81,190,842	1.09
13	Valuecap Sdn Bhd	78,771,400	1.06
14	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Takrif Aspirasi Sdn Bhd	67,526,000	0.91
15	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	60,527,848	0.82
16	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	58,206,900	0.78
17	CIMSEC Nominees (Tempatan) Sdn Bhd Bank Pertanian Malaysia Berhad	55,269,676	0.74

## Shareholders' Statistics

as at 28 February 2011

### 30 LARGEST SHAREHOLDERS (As per the Register of Members and Record of Depositors) (Continued)

Name of Shareholders	No. of Shares Held	% of Issued Capital <sup>*1</sup>
18 HSBC Nominees (Asing) Sdn Bhd Exempt AN for J.P. Morgan Bank Luxembourg S.A.	54,550,636	0.74
19 Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for Prudential Fund Management Berhad	52,667,092	0.71
20 HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	41,736,838	0.56
21 CIMSEC Nominees (Tempatan) Sdn Bhd Khazanah Nasional Berhad (MES-POOL Account)	40,000,000	0.54
22 AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	35,183,000	0.47
23 HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	33,884,906	0.46
24 Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 1LN0 for The Genesis Group Trust Employee Benefit Plans	33,588,279	0.45
25 HSBC Nominees (Tempatan) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-TEMP)	33,225,000	0.45
26 Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	32,976,600	0.44
27 Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for American International Assurance Berhad	32,668,200	0.44
28 HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Netherlands)	31,498,043	0.42
29 Pertubuhan Keselamatan Sosial	28,825,000	0.39
30 AmanahRaya Trustees Berhad Amanah Saham Malaysia	28,277,700	0.38
	5,161,329,545	69.44

**Note:**

<sup>\*1</sup> Excludes 2,335 shares retained as treasury shares as at 28 February 2011.

# Top 10 Properties of the Group

as at 31 December 2010

Location	Description/ Existing Use	Tenure/ Date of expiry	Remaining Lease	Age of Property (Years)	Net Book Value (RM'000)	Year of acquisition	Date of Revaluation
CIMB THAI Langsuan Building 44 Langsuan Road, Lumpini Patumwan, Bangkok Thailand	25-storey office building with 1 basement level. CIMB Thai Head Office and business premises.	Freehold	Not Applicable	11	133,076	1999	Jan-09
7 Temasek Boulevard #37-01/02/203 Suntec Tower One Singapore	3 adjacent office units on the 37th floor of a 44-storey commercial building. Tenanted to 3rd party.	Leasehold Expiring on 29 February 2088	77	21	52,858	2007	Oct-10
Room Nos. 1802 and 1803 18th Floor, Admiralty Centre Tower 1, No. 18 Harcourt Road Hong Kong	2 adjacent office units on the 18th floor of a 35-storey commercial building. Leased to 3rd party	Leasehold 75 years Expiring on 18 August 2053	43	30	46,804	1980	Nov-10
Menara BHL Jalan Sultan Ahmad Shah Pulau Pinang Malaysia	11 floors of a 30-storey office building, comprising 4 floors at the podium block and 7 floors at the tower block. The podium block is occupied by CIMB Bank, (Menara BHL branch) and offices of CIMB Bank while the offices at the tower block are partly leased out.	Freehold	Not Applicable	15	33,160	1997	6/1/2008 (latest valuation done in Feb 2011)
Bangunan Amal 338 Jln Tuanku Abdul Rahman Kuala Lumpur Malaysia	16-storey office building with a 2-storey classical pre-war façade owned by CIMB Aviva. CIMB Bank occupies the Ground Floor and the rest of the floors are used by CIMB AVIVA	Freehold	Not Applicable	14	31,704	1997	Feb-07
701-Menara Asia TGR Karawaci, Tangerang Banten Indonesia	19-storey office building. CIMB Niaga Head Office and business premises.	Leasehold Expiring on 25 December 2030	19	15	23,764	1996	Oct-08
Bangunan CIMB Jalan Semantan, Damansara Heights Kuala Lumpur Malaysia	10-storey office building; CIMB Investment Head Office and business premises.	Leasehold 99 years Expiring on 24 June 2073	62	18	21,453	2002	-
Commerce Square Jalan Semantan, Damansara Heights Kuala Lumpur Malaysia	12-storey office building. CIMB Group Holdings Head Office and business premises.	Leasehold 99 years Expiring on 30 January 2073	62	18	14,960	1992	-
701- Wisma Lippo Bandung Bandung, West Java, Indonesia	11-storey office building. Ground, 1st and 2nd floor used as CIMB Niaga Branch, other floors are rented to 3rd party.	Leasehold Expiring on 6 December 2023	13	92	12,505	2001	Oct-08
86 Campden Hill Court Campden Hill Road, Kensington London United Kingdom	Raised Ground Floor flat within a large 6-storey mansion block which, whilst forming one large building, is subdivided into sections and constructed around two open plan central quadrangles. Premises for short term residential use of Group visiting VIP.	Leasehold/999 years from March 1984 with a share of freehold in respect of the entire property	973	110	12,177	2009	Property was purchased in Nov 2009. No valuation was done as of year ended 2010. Latest valuation was done 4 Feb 2011)
159 Serm-mit Tower 15th, 16th, 20th Floor Sukhumvit 21 Road Klongtoey Nua, Wattana Bangkok Thailand	3 floors of 32-storey office condominium building. Premises occupied by CIMB Thai Bank's Divisions office, training centre and CIMB Securities (Thailand)'s Sukhumvit Branch.	Freehold	Not Applicable	11	11,945	Since 1999	Jan-09

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 54th Annual General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) will be held at Ballroom 3, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, on Friday, 22 April 2011 at 9.30 a.m. to transact the following businesses:

## AS ORDINARY BUSINESS

- Resolution 1**
1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 and the Reports of the Directors and Auditors thereon.
  2. To re-elect the following Directors who retire pursuant to Article 76 of the Company's Articles of Association:  
**Resolution 2** 2.1 Tan Sri Dato' Md Nor Yusof  
**Resolution 3** 2.2 Dato' Sri Nazir Razak  
**Resolution 4** 2.3 Dato' Mohd Shukri Hussin  
**Resolution 5** 2.4 Hiroyuki Kudo
- Resolution 6**
3. To approve the payment of Directors' fees amounting to RM886,586 for the financial year ended 31 December 2010.
- Resolution 7**
4. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

- Resolution 8**
5. Proposed renewal of the authority for Directors to issue shares  
**“THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant governmental and/or regulatory authorities.”
- Resolution 9**
6. Proposed renewal of the authority to purchase own shares  
**“THAT**, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Company's Memorandum and Articles of Association and the requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) and approvals of all the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company (Proposed Shares Buy-Back) as may be determined by the Board of Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained profits of approximately RM1,264 million and/or share premium account of approximately RM4,193 million of the Company based on the Audited Financial Statements for the financial year ended 31 December 2010 be allocated by the Company for the Proposed Shares Buy-Back **AND THAT** the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and either subsequently be cancelled, distributed as dividends or re-sold on Bursa Securities **AND THAT** the Board of Directors of the Company be and are hereby empowered generally to do all acts and things to give effect to the Proposed Shares Buy-Back **AND**

**THAT** such authority shall commence immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next Annual General Meeting of the Company in 2012 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii. the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and/or any other relevant authorities.”

7. To transact any other business of which due notice shall have been duly given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

**Datin Rossaya Mohd Nashir** (LS 0007591)  
Company Secretary

Kuala Lumpur

31 March 2011

#### NOTES:

##### Proxy

1. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
2. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy may but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its seal or the hand of its attorney.
4. The instrument appointing a proxy duly completed must be deposited at the registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting.
5. For the purpose of determining a member who shall be entitled to attend the 54th Annual General Meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 54(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 18 April 2011. Only a depositor whose name appears on the Record of Depositors as at 18 April 2011 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

#### EXPLANATORY NOTES ON SPECIAL BUSINESS:

##### 1. Ordinary Resolution 8 - Proposed renewal of the authority for Directors to issue shares

The Ordinary Resolution 8 is proposed for the purpose of granting a general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The Ordinary Resolution 8, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without the need to convene a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The general mandate if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate sought at the 53rd Annual General Meeting held on 7 May 2010, which will lapse upon the conclusion of the forthcoming 54th Annual General Meeting to be held on 22 April 2011.

##### 2. Ordinary Resolution 9 - Proposed renewal of the authority to purchase own shares

Ordinary Resolution 9, if passed, will empower the Directors to purchase CIMB shares through Bursa Securities up to 10% of the issued and paid-up share capital of the Company. Details of the Proposed Shares Buy-Back are contained in the Statement Accompanying Notice of Annual General Meeting despatched to the shareholders together with the CIMB 2010 Annual Report.

# Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

## A. Election of Directors pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

No individual is seeking election as a Director at the 54th Annual General Meeting of the Company.

## B. Proposed Shares Buy-Back pursuant to Paragraph 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

### 1. INTRODUCTION

#### 1.1 Renewal of Authority for CIMB to Purchase its Own Shares (Proposed Shares Buy-Back)

At the last Annual General Meeting of the Company held on 7 May 2010, the Company had obtained the shareholders' approval to purchase its own shares as may be determined by the Board of Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of ordinary shares purchased and/or held does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained profits of approximately RM1,996 million and/or share premium account of approximately RM5,587 million of the Company based on the Audited Financial Statements for the financial year ended 31 December 2009.

The authority obtained by the Board of Directors for purchasing the Company's own shares in accordance with the Main Market Listing Requirements of Bursa Securities governing shares buy-back by listed companies, will lapse at the conclusion of the forthcoming 54th Annual General Meeting to be held on 22 April 2011, unless renewed by an ordinary resolution.

On 3 March 2011, the Company announced its intention to seek shareholders' approval at the forthcoming 54th Annual General Meeting, for the proposed renewal of the authority for the Company to purchase its own shares.

#### 1.2 Purpose of Statement

The purpose of this Statement is to provide relevant information on the Proposed Shares Buy-Back and to seek your approval for the ordinary resolution to renew the authority for the Company to purchase its own shares, to be tabled at the forthcoming 54th Annual General Meeting. The notice of Annual General Meeting together with the Proxy Form is set out in this Annual Report.

### 2. DETAILS OF THE PROPOSED SHARES BUY-BACK

The Board proposes to seek shareholders approval for a renewal of the authority to purchase and/or hold its own shares in aggregate of up to 10% of the issued and paid-up share capital of the Company at any point of time through Bursa Securities. Based on the issued and paid-up share capital of the Company as at 28 February 2011 of RM7,432,774,646 comprising 7,432,774,646 ordinary shares of RM1.00 each in the Company (CIMB Shares), a total of 743,277,464 CIMB Shares may be purchased by the Company pursuant to the Proposed Shares Buy-Back. The maximum number of shares that can be bought back under this authority will take into account the number of shares previously bought back and retained as treasury shares, if any.

Such authority, if approved, would be effective immediately upon passing of the ordinary resolution for the Proposed Shares Buy-Back until:

- (i) the conclusion of the next Annual General Meeting of CIMB in 2012 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant authorities.

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Board proposed to allocate an amount of up to retained profits and/or share premium account of the Company for the purchase of its own shares subject to Section 67A of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase (Prevailing Laws). The actual number of CIMB Shares to be purchased will depend on the market conditions and sentiments of Bursa Securities as well as the retained profits and the share premium account and financial resources available to the Company. The audited retained profits of the Company as at 31 December 2010 was RM1,264 million whilst the audited share premium account of the Company as at 31 December 2010 was approximately RM4,193 million.

CIMB may only purchase its own shares at a price which is not more than 15% above the weighted average market price for the past 5 market days immediately preceding the date of the purchase(s). The Company may only re-sell the purchased shares held as treasury shares at a price which is (a) not less than the weighted average market price of CIMB Shares for the 5 market days immediately preceding the date of re-sale or (b) at a discounted price of not more than 5% to the weighted average market price of CIMB Shares for the 5 market days immediately prior to the re-sale, provided that the re-sale takes place not earlier than 30 days from the date of purchase and the re-sale price is not less than the cost of purchase of the CIMB Shares being re-sold. The Company shall, upon each purchase or re-sale of shares bought back, make the necessary announcements to the Bursa Securities.

The Proposed Shares Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period using internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined at a later date, depending on the availability of internally generated funds, actual number of CIMB Shares to be purchased, the anticipated future cash flows of the Group and other cost factors.

The CIMB Shares purchased and held as treasury shares may be distributed as share dividends, re-sold on Bursa Securities in accordance with the relevant rules of Bursa Securities, cancelled or continue to be retained as treasury shares. The decision whether to retain the purchased shares as treasury shares, to cancel the shares purchased, distribute the treasury shares as share dividends and/or re-sell the treasury shares on Bursa Securities will be made by the Board at the appropriate time.

The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits or the share premium account of the Company. The treatment of the purchased shares held as treasury shares i.e. to distribute as share dividends or to re-sell on Bursa Securities or both will in turn, depend on the availability of, amongst others, retained profits and share premium account of the Company.

While the purchased shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of the provision of Section 67A of the Companies Act, 1965, the provisions of any law or requirements of the Articles of Association of the Company or the Main Market Listing Requirements of Bursa Securities governing substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

The Proposed Shares Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Main Market Listing Requirements of Bursa Securities.

The public shareholding spread of the Company before and after the Proposed Shares Buy-Back is as follows:

	Before the Proposed Shares Buy-Back	After the Proposed Shares Buy-Back
Public shareholding spread	61.95%* <sup>1</sup>	57.73%* <sup>2</sup>

**Notes:**

\*<sup>1</sup> As at 28 February 2011

\*<sup>2</sup> Based on the assumptions that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 743,277,464 CIMB Shares (being 10% of the issued and paid-up share capital of the Company as at 28 February 2011) which are to be retained as treasury shares; and
- (ii) the number of CIMB Shares held by the Directors of CIMB, the substantial shareholders of CIMB and persons connected to them remain unchanged.

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

### 3. RATIONALE FOR THE PROPOSED SHARES BUY-BACK

The Proposed Shares Buy-Back will enable CIMB to utilise its surplus financial resources to buy-back CIMB Shares. The increase in Earnings Per Share, if any, arising from the Proposed Shares Buy-Back is expected to benefit the shareholders of the Company.

The purchased shares can be held as treasury shares and re-sold on Bursa Securities to realise potential gain without affecting the total issued and paid-up share capital of the Company. The distribution of the treasury shares as share dividends may also serve to reward the shareholders of the Company.

### 4. EVALUATION OF THE PROPOSED SHARES BUY-BACK

#### 4.1 Advantages

The potential advantages of the Proposed Shares Buy-Back are as follows:

- (i) Allows the Company to take preventive measures against excessive speculation, in particular when the Company's shares are undervalued;
- (ii) Allows the Company more flexibility in fine-tuning its capital structure;
- (iii) The resultant reduction of share capital base is expected to improve the earnings per share and may strengthen the net tangible assets of the remaining shares as well as the probability of declaring a higher quantum of dividend in future;
- (iv) To stabilise a downward trend of the market price of the Company's shares;
- (v) Treasury shares can be treated as long-term investments. It makes business sense to invest in our own Company as the Board of Directors is confident of CIMB's future prospects and performance in the long term; and
- (vi) If the treasury shares are distributed as dividend by the Company, it may then serve to reward the shareholders of the Company.

#### 4.2 Disadvantages

The potential disadvantages of the Proposed Shares Buy-Back are as follows:

- (i) The purchases can only be made out of distributable reserves resulting in a reduction of the amount available for distribution as dividends and bonus issues to shareholders; and
- (ii) The purchases of existing shares involve cash outflow from the Company which may otherwise be retained and used for the businesses of the Company.

Nevertheless, the Board of Directors will be mindful of the interests of the Company and its shareholders in exercising the authority to purchase its own shares.

### 5. EFFECTS OF PROPOSED SHARES BUY-BACK

Assuming that the Company buys back up to 743,277,464 CIMB Shares representing 10% of its issued and paid-up share capital as at 28 February 2011 and such shares purchased are cancelled or alternatively be retained as treasury shares or both, the effects of the Proposed Shares Buy-Back on the share capital, net tangible assets, working capital, earnings and substantial shareholders' and Directors' shareholdings are as set out below:

#### 5.1 Share Capital

In the event that all CIMB Shares purchased are cancelled, the Proposed Shares Buy-Back will result in the issued and paid-up share capital of CIMB Group as at 28 February 2011 to be reduced from RM7,432,774,646 comprising 7,432,774,646 CIMB Shares to RM6,689,497,182 comprising 6,689,497,182 CIMB Shares. However, it is not expected to have any effect on the issued and paid-up share capital if all CIMB Shares purchased are to be retained as treasury shares.

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The effects of the Proposed Shares Buy-Back on the issued and paid up share capital of CIMB are illustrated below:

	As per audited financial statement as at 31 December 2010	As at 28 February 2011	After share purchase and cancellation
Issued and paid-up share capital (RM)	7,432,774,646	7,432,774,646	6,689,497,182 <sup>*1</sup>

**Note:**

<sup>\*1</sup> Assuming up to 10% of the issued and paid-up share capital of CIMB or 743,277,464 CIMB Shares are purchased and cancelled.

### 5.2 Net Tangible Asset and Working Capital

The effects of the Proposed Shares Buy-Back on the net tangible assets per share of the Group are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to the Group.

If all CIMB Shares purchased are to be cancelled or retained as treasury shares, the Proposed Shares Buy-Back will reduce the net tangible assets per share when the purchase price exceeds the net tangible assets per share at the relevant point in time. On the contrary, the net tangible assets per share will be increased when the purchase price is less than the net tangible assets per share at the relevant point in time.

The Proposed Shares Buy-Back will reduce the working capital of the Group, the quantum of which will depend on the amount of financial resources to be utilised for the purchase of CIMB Shares.

### 5.3 Earnings

The effects of the Proposed Shares Buy-Back on the Earnings Per Share of the Group are dependent on the purchase prices of CIMB Shares and the effective funding cost or loss in interest income to the Group.

### 5.4 Substantial Shareholders' and Directors' Shareholdings

The effects of the Proposed Shares Buy-Back on the Substantial Shareholders' and Directors' shareholdings based on the Register of Substantial Shareholders and the Register of Directors' shareholdings respectively as at 28 February 2011 are as follows:

Substantial Shareholders	No. of CIMB Shares Held							
	Before the Proposed Shares Buy-Back <sup>*1</sup>				After the Proposed Shares Buy-Back <sup>*2</sup>			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Khazanah Nasional Berhad	2,126,276,167 <sup>*3</sup>	28.61	-	-	2,126,276,167	31.79	-	-
Employees Provident Fund Board	961,210,832 <sup>*4</sup>	12.93	-	-	961,210,832	14.37	-	-
Mitsubishi UFJ Financial Group, Inc	-	-	642,303,060 <sup>*5</sup>	8.64	-	-	642,303,060	9.6

**Notes:**

<sup>\*1</sup> Adjusted for the number of treasury shares held as at 28 February 2011.

<sup>\*2</sup> Assuming that 10% of the issued and paid-up capital is purchased and retained as treasury shares.

<sup>\*3</sup> 2,086,276,167 CIMB Shares are held directly and the remaining 40,000,000 CIMB Shares are held through a nominee.

<sup>\*4</sup> 3,000,000 CIMB Shares are held directly and the remaining 958,210,832 CIMB Shares are held through nominees.

<sup>\*5</sup> Deemed interested in CIMB Shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965.

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Directors	Before the Proposed Shares Buy-Back <sup>*1</sup>		After the Proposed Shares Buy-Back <sup>*2</sup>	
	No. of CIMB Shares Held	%	No. of CIMB Shares Held	%
Tan Sri Dato' Md Nor Yusof	400,000	-. <sup>3</sup>	400,000	-. <sup>3</sup>
Dato' Sri Nazir Razak <sup>*4</sup>	54,926,522	0.74	54,926,522	0.82
Dato' Mohd Shukri Hussin	600,224	-. <sup>3</sup>	600,224	-. <sup>3</sup>
Dato' Zainal Abidin Putih <sup>*5</sup>	110,000	-. <sup>3</sup>	110,000	-. <sup>3</sup>
Dato' Robert Cheim Dau Meng	100,000	-. <sup>3</sup>	100,000	-. <sup>3</sup>

### Notes:

<sup>\*1</sup> Adjusted for the number of treasury shares held as at 28 February 2011.

<sup>\*2</sup> Assuming that 10% of the issued and paid-up capital is purchased and retained as treasury shares.

<sup>\*3</sup> Less than 0.1%.

<sup>\*4</sup> Includes the shareholdings of his spouse.

<sup>\*5</sup> Includes the shareholdings of his spouse and child.

Save as disclosed above, none of the Directors, substantial shareholders, and persons connected to the Directors and/or substantial shareholders held any CIMB Shares.

## 6. APPROVAL REQUIRED

The Proposed Shares Buy-Back is conditional upon the approval of the shareholders of CIMB at the forthcoming 54th Annual General Meeting.

## 7. SHARE PRICES

The monthly highest and lowest prices per share of CIMB Shares traded on Bursa Securities for the last twelve (12) months from March 2010 to February 2011 are as follows:

2010	High (RM)	Low (RM)
March	7.14	6.68
April	7.37	6.97
May	7.24	6.58
June	7.12	6.77
July	7.50	6.97
August	7.92	7.28
September	8.31	7.80
October	8.29	7.89
November	8.56	8.26
December	8.90	8.38
<b>2011</b>		
January	9.00	8.30
February	8.39	8.06

## Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraphs 8.27(2) and 12.06(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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### **8. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

During the financial year ended 31 December 2010, the Company purchased a total of 2,000 CIMB shares from the open market at an average price of RM10.49 per share or a total consideration of RM20,982.92. All the shares purchased were retained as treasury shares.

Information on shares purchased during the financial year ended 31 December 2010 is set out in the “Additional Compliance Information” section of the Statement on Corporate Governance.

### **9. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS**

None of the Directors, substantial shareholders and/or persons connected to the Directors or substantial shareholders of the Company have any interest, direct or indirect in the Proposed Shares Buy-Back or the re-sale of treasury shares.

### **10. MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 (CODE)**

The Proposed Shares Buy-Back if carried out in full (whether shares are cancelled or treated as treasury shares) may result in a substantial shareholders and/or parties acting in concert with it incurring a mandatory general offer obligation. In this respect, the Board is mindful of the provision under Practice Note 9 of the Code.

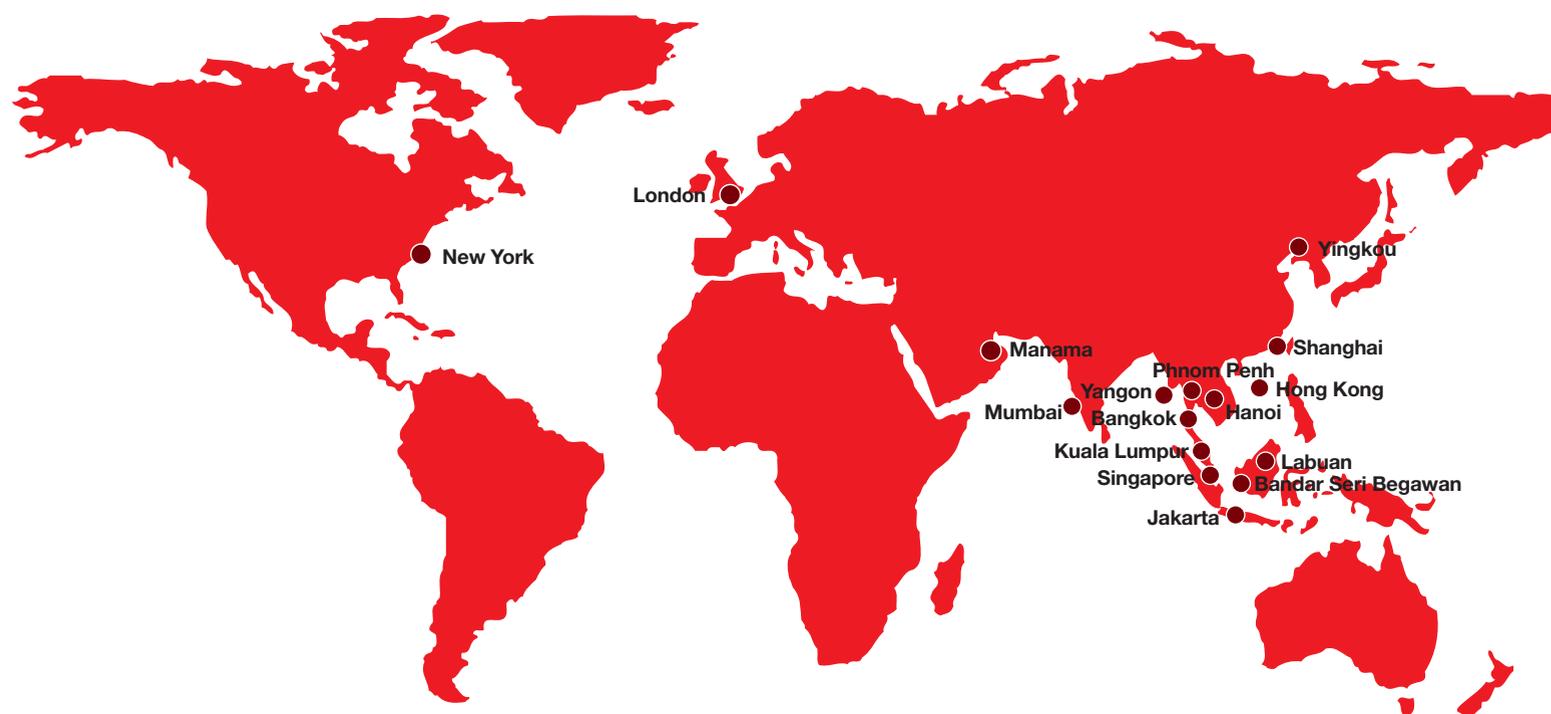
### **11. STATEMENT BY BURSA SECURITIES**

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

### **12. DIRECTORS’ RECOMMENDATION**

After careful consideration, your Board is of the opinion that the Proposed Shares Buy-Back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Shares Buy-Back to be tabled at the forthcoming 54th Annual General Meeting.

# Group Corporate Directory



**CIMB Group Holdings Berhad**  
**CIMB Group Sdn Bhd**  
**CIMB Investment Bank Berhad**  
**CIMB Futures Sdn Bhd**  
**CIMB SI Sdn Bhd**

10th Floor, Bangunan CIMB  
 Jalan Semantan  
 Damansara Heights  
 50490 Kuala Lumpur  
 Malaysia  
 Tel : 603 2084 8888  
 Fax : 603 2084 8899  
 Website: www.cimb.com

**CIMB Bank Berhad**  
**CIMB Islamic Bank Berhad**

Menara Bumiputra-Commerce  
 11 Jalan Raja Laut  
 50350 Kuala Lumpur  
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 Tel : 603 2619 1188  
 Fax : 603 2619 2288  
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**PT Bank CIMB Niaga Tbk**

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 Indonesia  
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 Fax : 6221 250 5205  
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**CIMB Thai Bank Public Company Limited**

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 Fax : 662 638 8000  
 Website: www.cimbthai.com

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**CIMB Bank PLC**

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 Kingdom of Cambodia

**CIMB Middle East BSC (C)**

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 Kingdom of Bahrain  
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 Fax : 00 973 17 583 180  
 Website: www.cimb.com

**CIMB Investment Bank Berhad**  
**Brunei Branch**

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**CIMB Securities International Pte Ltd**  
**CIMB Securities (Singapore) Pte Ltd**

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 Tel : 65 6225 1228  
 Fax : 65 6225 1522

**CIMB Securities (HK) Ltd**

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 Fax : 852 2537 1928

**CIMB Securities (UK) Ltd**

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 London SW1X 7YB  
 United Kingdom  
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**PT CIMB Securities Indonesia**

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Fax : 6221 515 1335

**CIMB Securities (Thailand) Company Limited**

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Website: www.cimbsecurities.co.th

**CIMB Securities (USA), Inc.**

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Fax : 1 212 616 8639

**CIMB Vinashin Securities LLC**

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Fax : 04 2221 0484

**Bank of Yingkou Co. Ltd**

8 West, Jinniushan Street  
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Post Code 115000  
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Fax : 86 417 282 7926

**CIMB Aviva Assurance Berhad**

**CIMB Aviva Takaful Berhad**  
Level 8 & 11  
338 Jalan Tuanku Abdul Rahman  
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**CIMB Insurance Brokers Sdn Bhd**

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**CIMB Trustee Berhad**

**BHLB Trustee Berhad**  
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**CIMB-Mapletree Management Sdn Bhd**

**CMREF 1 Sdn Bhd**  
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Fax : 603 2096 1591

**CIMB-Principal Asset Management Berhad**

**CIMB-Principal Islamic Asset Management Sdn Bhd**  
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Fax : 603 2084 2233  
Website: www.cimb-principal.com.my

**CIMB Strategic Assets Sdn Bhd**

**Capital Advisors Partners Asia Sdn Bhd**  
*(formerly known as CIMB Standard Strategic Asset Advisors Sdn Bhd)*  
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Damansara Heights  
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Fax : 603 2093 9677  
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**CIMB Wealth Advisors Berhad**

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Fax : 603 7726 5088  
Website: www.cwealthadvisors.com.my

**iCIMB (Malaysia) Sdn Bhd**

**iCIMB (MSC) Sdn Bhd**  
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Fax : 603 2710 9570

**Commerce Asset Ventures Sdn Bhd**

**CIMB Private Equity Sdn Bhd**  
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Malaysia  
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Fax : 603 2619 2288  
Website: www.cimb.com

**CIMB Foundation**

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Malaysia  
Tel : 603 2087 3000  
Fax : 603 2093 1008  
Website: www.cimbfoundation.com

To locate the nearest branch for your banking needs and to know more about our products and services, please visit our websites:

Malaysia [www.cimb.com](http://www.cimb.com)

Indonesia [www.cimbniaga.com](http://www.cimbniaga.com)

Singapore [www.cimbbank.com.sg](http://www.cimbbank.com.sg)

Thailand [www.cimbthai.com](http://www.cimbthai.com)

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**CIMB GROUP HOLDINGS BERHAD** (50841-W)

(Incorporated in Malaysia)

CDS Account No. \_\_\_\_\_

Number of Shares \_\_\_\_\_

I/We \_\_\_\_\_ (name of shareholder as per NRIC/ID, in capital letters)

NRIC No./ID No./Company No. \_\_\_\_\_ (new) \_\_\_\_\_ (old) of

\_\_\_\_\_ (full address) being

a member of CIMB Group Holdings Berhad ("CIMB" or "the Company"), hereby appoint \_\_\_\_\_

(name of proxy as per NRIC/ID, in capital letters) NRIC No./ID No. \_\_\_\_\_ (new) \_\_\_\_\_ (old) or failing whom,

(name of proxy as per NRIC/ID, in capital letters) NRIC No./ID No. \_\_\_\_\_ (new) \_\_\_\_\_ (old) or failing whom,

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 54th Annual General Meeting of the Company to be held at Ballroom 3, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Friday, 22 April 2011 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

RESOLUTIONS		FOR	AGAINST
1. Receipt of Audited Financial Statements and Reports	Resolution 1		
2. Re-election of Directors:			
2.1 Tan Sri Dato' Md Nor Yusof	Resolution 2		
2.2 Dato' Sri Nazir Razak	Resolution 3		
2.3 Dato' Mohd Shukri Hussin	Resolution 4		
2.4 Hiroyuki Kudo	Resolution 5		
3. Payment of Directors' Fees	Resolution 6		
4. Re-appointment of Auditors	Resolution 7		
5. Proposed renewal of the authority for Directors to issue shares	Resolution 8		
6. Proposed renewal of the authority to purchase own shares	Resolution 9		

(Please indicate with an "X" how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signature/Common Seal \_\_\_\_\_

Date: \_\_\_\_\_

**NOTES:**

1. A member shall be entitled to appoint only one (1) proxy unless he/she has more than 1,000 shares in which case he/she may appoint up to five (5) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
2. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy may but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its seal or the hand of its attorney.
4. The instrument appointing a proxy duly completed must be deposited at the registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting.
5. For the purpose of determining a member who shall be entitled to attend the 54th Annual General Meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 54(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 18 April 2011. Only a depositor whose name appears on the Record of Depositors as at 18 April 2011 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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AFFIX  
STAMP

The Share Registrars  
**SYMPHONY SHARE REGISTRARS SDN BHD**  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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